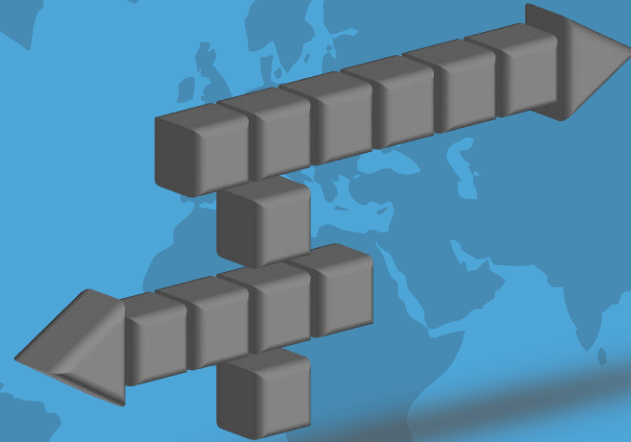# How can Somitra B.V. bridge the gap between potential customers and their product solution within the German Market?
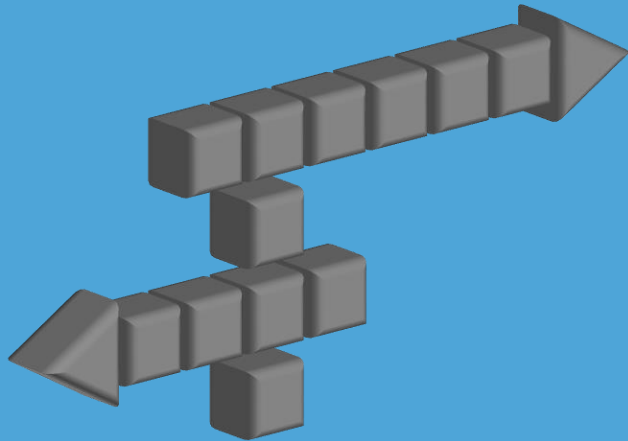
**Abdelrahman Abdelkader**
00077956

GRADUATION PROJECT

**Mr. Jeroen Meijering**
**Mr. Ignacio** García Sepúlveda

# Agenda

# Agenda
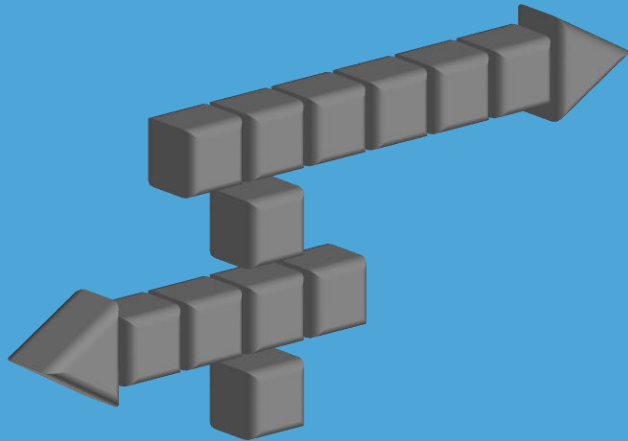
# Smart Water Metering



**Precise Readings**

**Water Conservation & Sustainable Development**
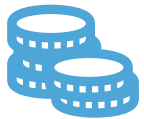
**Cost Reduction**
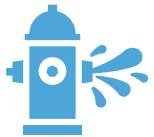
**Leakage Detection**

**High Return on Investment**

**ENHANCED WATER MANAGEMENT**

Smart water meters monitor how much water is consumed in both commercial and residential sites that are connected to the public water supply.

# Product Development

### 1 DIGITAL SCANNER
Collects usage data automatically, Reduces manual meter reading, Increases efficiency, and Reduces costs.

### 2 OPTICAL SENSOR
Detects, Measures, and Communicates data from the analogue counters.

### 3 ELECTROMAGNATIC SENSOR
Detects, Measures, and Communicates data from the magnetic counters.
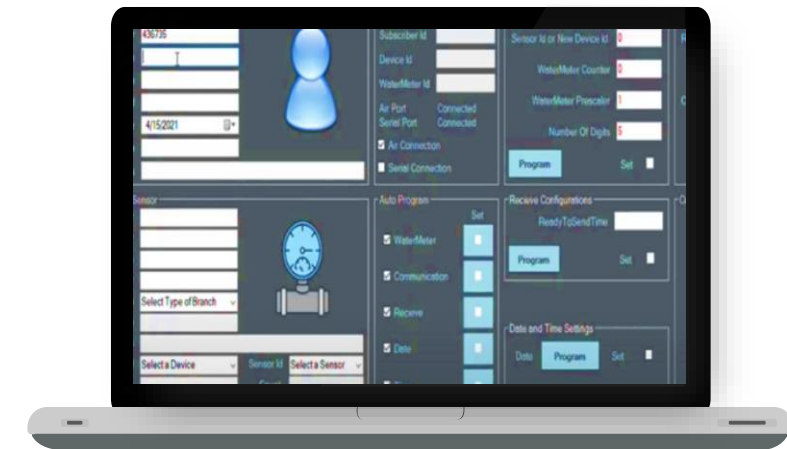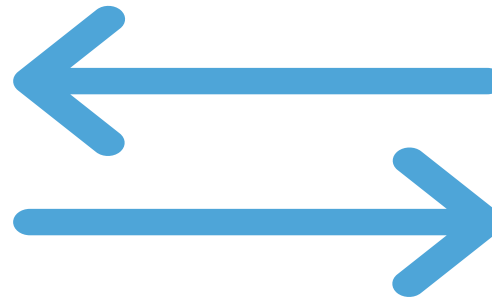
### 4 SOFTWARE
Enables a two-way communication channel, allowing the utility to quickly halt, limit, or enhance water delivery.

# Deployment

**Berlin**
Berliner Wasserbetriebe

**Hamburg**
Hamburg Wasser

**Düsseldorf**
Stadtwerke Düsseldorf AG

**Munich**
Stadtwerke München GmbH
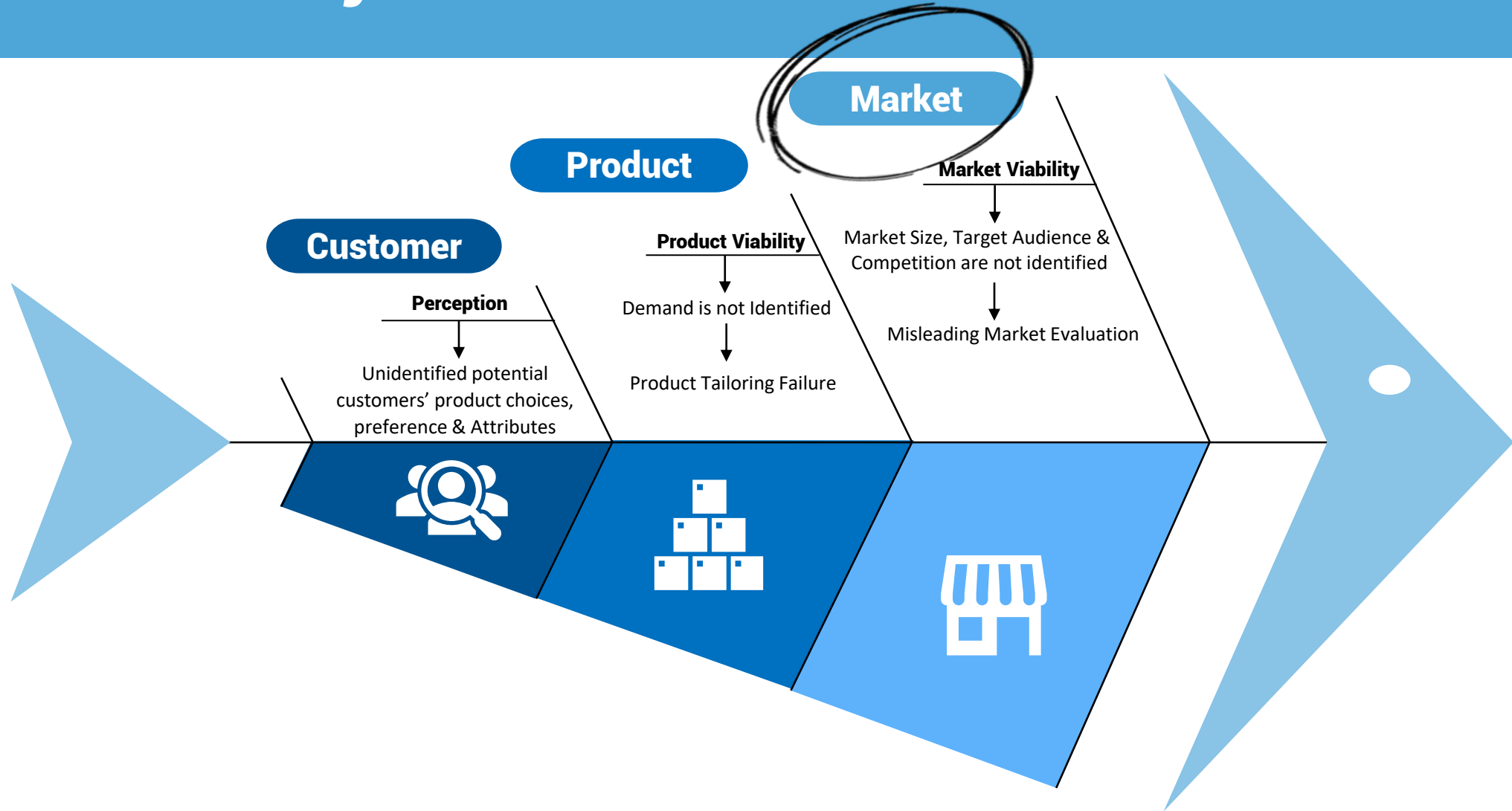
Hamburg

Berlin

Düsseldorf

Munich

# Problem Analysis

**Market**

**Product**

**Customer**

**Market Viability**

Market Size, Target Audience & Competition are not identified

Misleading Market Evaluation

**Product Viability**

Demand is not Identified

Product Tailoring Failure

**Perception**

Unidentified potential customers' product choices, preference & Attributes

**How can Somitra B.V. bridge the gap between potential customers and their product solution within the German Market?**

# Market

## Global Market

The global smart water meter market size is estimated to increase at a 11.9% - Compound Annual Growth Rate.

## European Market

In 2020, the European smart water meter market has reached a market value of 556 million EUR.

## German Market

In 2020 till now, the German market is leading the European smart water metering industry.

## Market Projections

The German market value is projected to reach 2 billion EUR by 2027.

**11.9% CAGR**

Billion EUR

Projected
11,12€

Estimated
5,84€

Estimated
4,55€

2020    2021    2027

Year
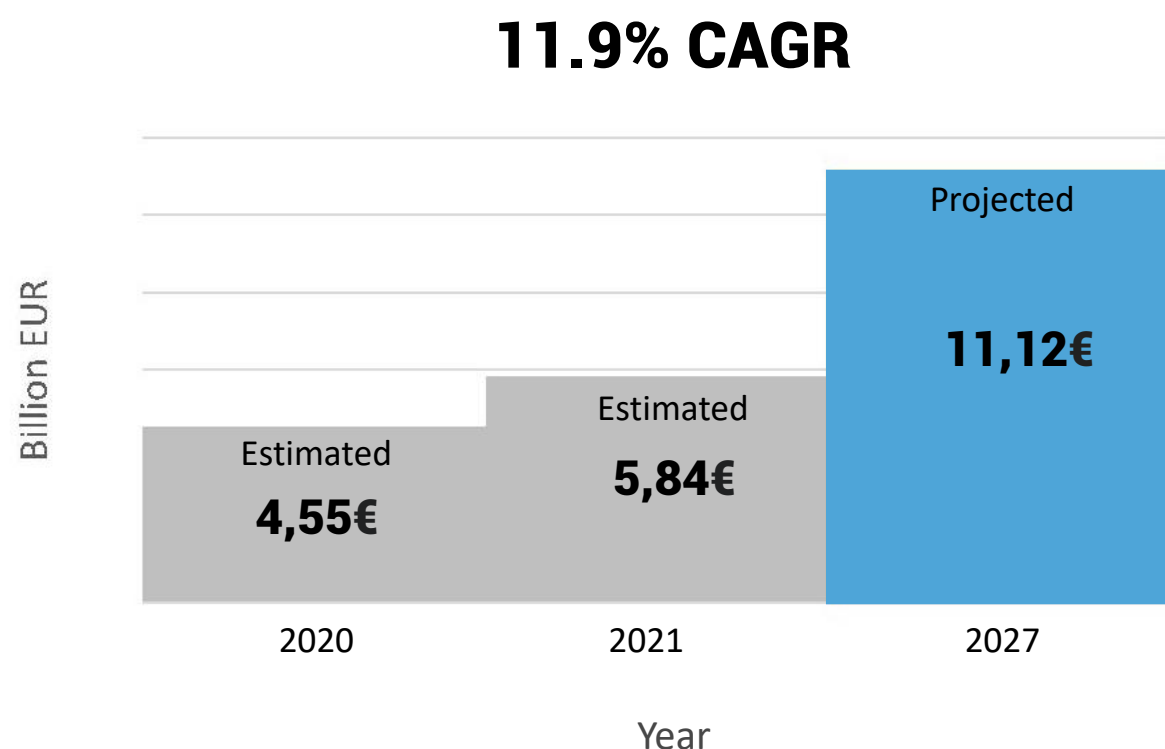
# Competition

| | Revenue | No. of Employees | Product-line Breadth | Production Facilities in Germany | Suppliers' Network |
|---|---|---|---|---|---|
| Somitra | €3M | 29 | 4 | 0 | 4 |
| Sensus | €769M | 3,300 | 44 | 2 | 55 |
| Diehl | €333M | 1,700 | 56 | 3 | 2,300 |
| Kamstrup | €307M | 1,500 | 62 | 1 | 32 |
| Zenner | €230M | 2,300 | 54 | 5 | 5 |
| Maddalena SPA | €49.77M | 133 | 18 | 1 | 11 |
| Integra | €24.48M | 165 | 36 | 1 | 6 |
| Lorenz | €21M | 230 | 54 | 1 | 10 |

# Competition

| | Somitra | Sensus | Diehl | Kamstrup | Zenner | Maddalena | Integra | Lorenz |
|---|---|---|---|---|---|---|---|---|
| **Suppliers' Network** | 🔴 | 🟢 | 🟢 | 🟠 | 🟡 | 🟡 | 🔴 | 🟡 |
| **Certifications** | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| **Promotion** | 🔴 | 🟢 | 🟢 | 🟢 | 🟢 | 🟡 | 🟡 | 🟠 |
| **Service Reliability** | 🔴 | 🟢 | 🟢 | 🟠 | 🟠 | 🟡 | 🔴 | 🟡 |
| **Revenues & Margins** | 🔴 | 🟢 | 🟢 | 🟠 | 🟠 | 🟠 | 🟡 | 🟡 |
| **Expertise** | 🟡 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| **Agility** | 🔴 | 🟢 | 🟢 | 🟢 | 🟠 | 🟡 | 🟡 | 🟡 |
| **Portfolio Diversification** | 🟡 | 🟠 | 🟢 | 🟢 | 🟢 | 🔴 | 🟠 | 🟢 |
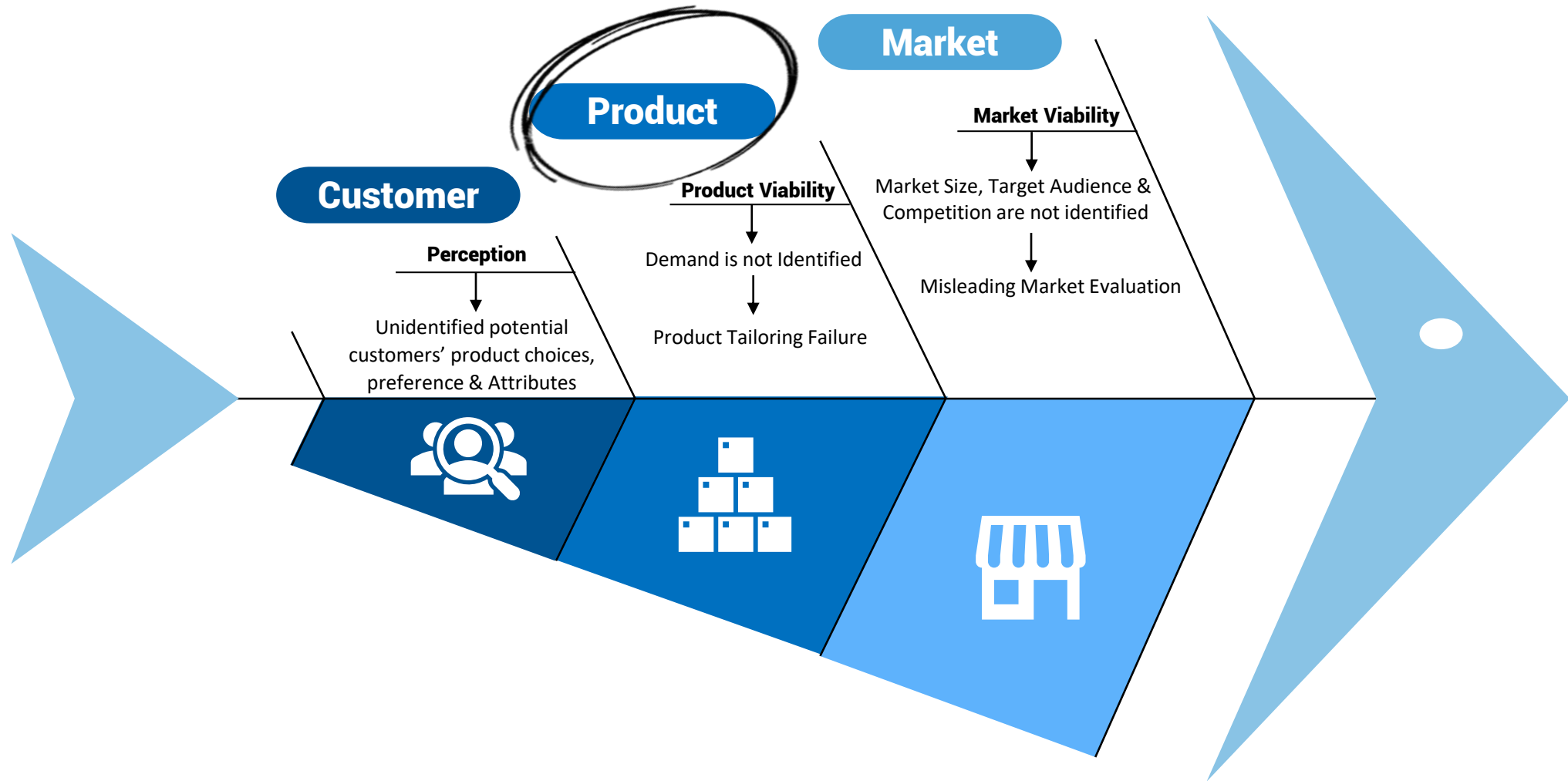
*(The "Somitra" column is circled.)*

# Problem Analysis

**Customer**

**Product**

**Market**

**Perception**

Unidentified potential customers' product choices, preference & Attributes

**Product Viability**

Demand is not Identified

Product Tailoring Failure

**Market Viability**

Market Size, Target Audience & Competition are not identified

Misleading Market Evaluation

**How can Somitra B.V. bridge the gap between potential customers and their product solution within the German Market?**

# Product Viability

## Sustainability

- A water pipe in Germany bursts every 30 seconds. 1.1 million occurrences of tap water damage were reported in 2019, costing over 3 billion EUR.

## Cost-Effectiveness

- Smart water meters are cost-effective for both water utilities and customers.
- One-time expenditure that will last for several years with minimal maintenance.

# Evaluation

### Strengths

**1**

- Sustainability
- Certifications
- Diversified Portfolio

### Weaknesses

**2**

- Suppliers' Network
- Promotion
- Service Reliability

### Opportunities

**3**

- Growing Population & Urbanization
- Synergy

### Threats

**4**

- Brand Awareness
- Competitors' Increasing Revenues & Margins
- Business Agility

# Confrontation

| | | Opportunities | | Threats | | | Total |
|---|---|---|---|---|---|---|---|
| | | Growing Population & Urbanization | Synergy | Brand Awareness | Increasing Revenues & Margins | Business Agility | |
| **Strengths** | Sustainability | 2 | 0 | 1 | 0 | 0 | 3 |
| | Certifications | 1 | 1 | 1 | 0 | 0 | 3 |
| | Diversified Portfolio | -2 | 0 | -2 | 0 | -1 | -5 |
| **Weaknesses** | Suppliers Network | -2 | 0 | -2 | -2 | -2 | -8 |
| | Promotion | -2 | 0 | -2 | 0 | 0 | -4 |
| | Service Reliability | -2 | 1 | -2 | 0 | 0 | -3 |
| | Total | -5 | 2 | -6 | -2 | -3 | |

# Recommendations

## Strengthening Suppliers' Network

### Suppliers' Network & Growing Population & Urbanization
Upgrading material quality and catalyzing inbound logistics processes.

### Suppliers' Network & Brand Awareness
Suppliers' competitiveness will increase in terms of the materials' quality provided.

### Suppliers' Network & Increasing Revenues & Margins
Ability to offer products that are comparable to those of rivals.

### Suppliers' Network & Business Agility
Increasing units produced to fulfill changing customer demands while enhancing the overall product quality.

# Suitability



## Suppliers' Network
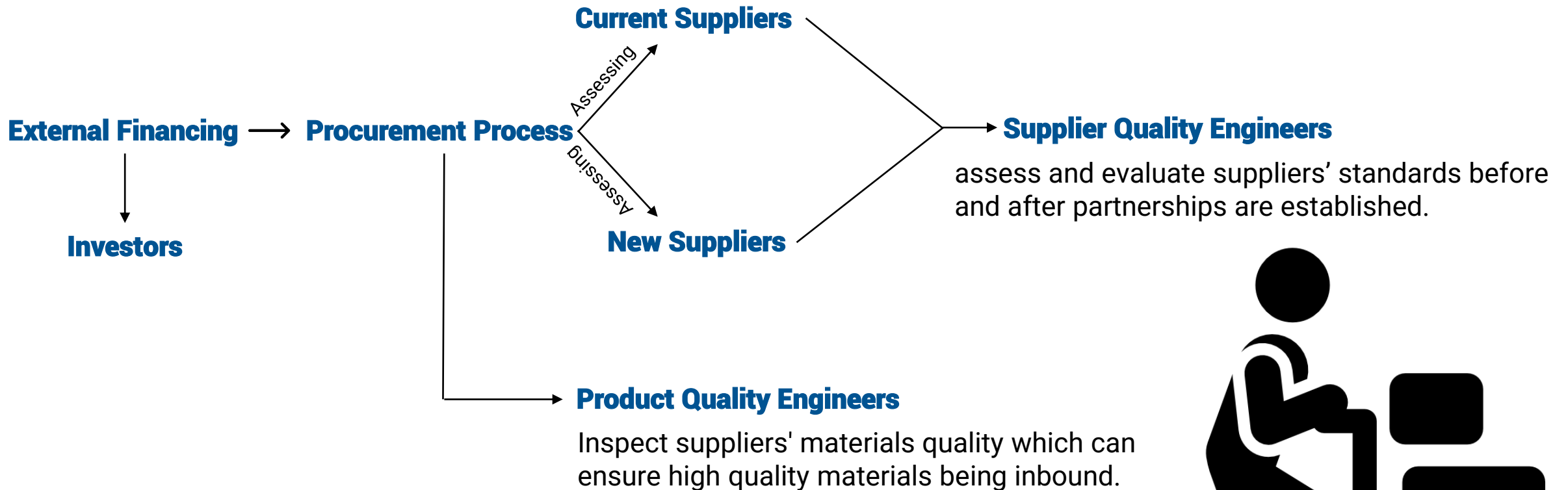
Digitalization

Efficiency

Technological Connectivity

Germany is constantly pushing demand for new innovative solutions that can leverage digitalization to increase efficiency and enhance water system standards.

# Feasibility

**External Financing** → **Procurement Process**

**Investors**

**Current Suppliers**

*Assessing*

*Assessing*

**New Suppliers**

**Supplier Quality Engineers**

assess and evaluate suppliers' standards before and after partnerships are established.

**Product Quality Engineers**

Inspect suppliers' materials quality which can ensure high quality materials being inbound.

# Recommendations

## Enhancing Service Reliability

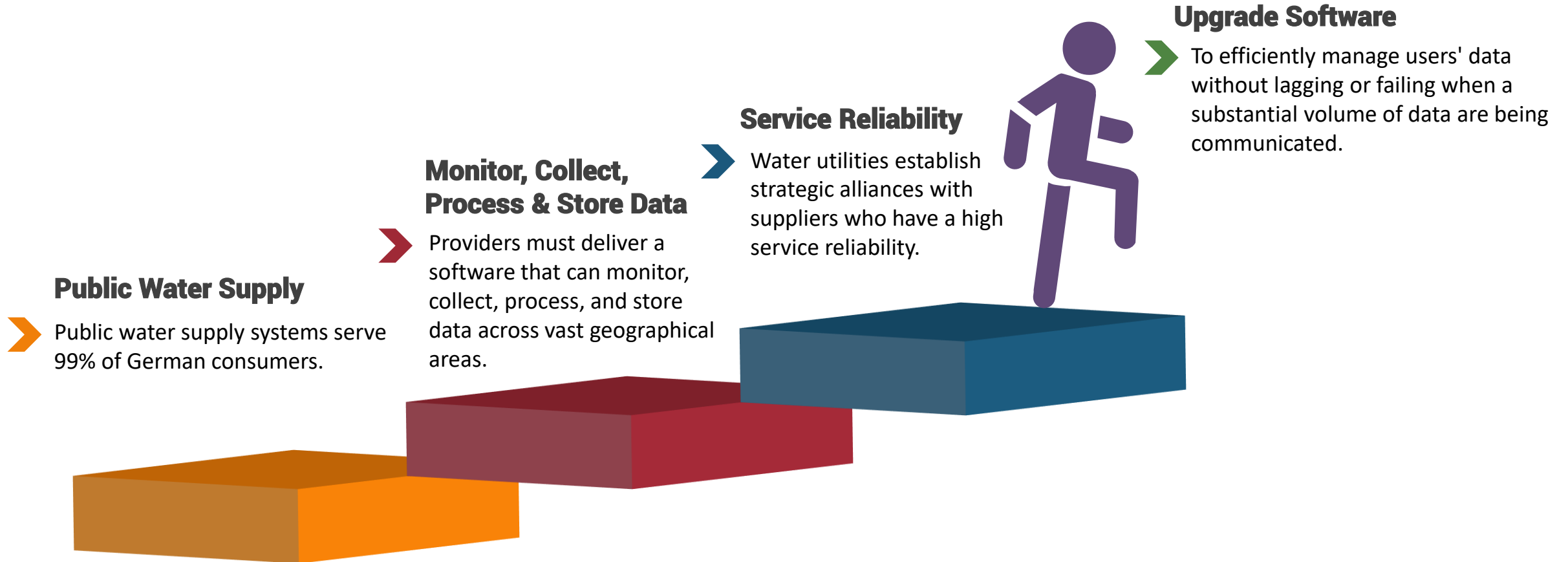### Service Reliability & Growing Population & Urbanization

Ability to develop its software to manage a substantial number of users.

### Service Reliability & Brand Awareness

Higher service reliability inevitably leads to increased brand recognition, which in turn leads to enhanced brand awareness.

# Suitability

**Public Water Supply**

Public water supply systems serve 99% of German consumers.

**Monitor, Collect, Process & Store Data**

Providers must deliver a software that can monitor, collect, process, and store data across vast geographical areas.

**Service Reliability**

Water utilities establish strategic alliances with suppliers who have a high service reliability.

**Upgrade Software**

To efficiently manage users' data without lagging or failing when a substantial volume of data are being communicated.

# Feasibility

**External Financing** ➝ **Current Software** ➝ **Upgrade Software** ➝ **Larger Userbase**

**Investors**

**Prototype**

**Limited Number of Users**

Software cannot handle more than 100 users which is not reliable as when the number of users exceed the indicated number, an error will occur which will cause the software to ultimately fail.

# Thank You