

SkyGrid – automating field services with IoT and AI

SkyGrid has created a software platform that automates field services using the Internet of Things and Artificial Intelligence. The Sydney-based company has raised \$225,000 in pre-seed funding to date and was chosen for Telstra's muru-D start up accelerator program giving it access to mentors and investors. SkyGrid initially focussed on solving wasted call outs for the pool servicing sector and is in the process of applying the platform to hot water systems servicing, agricultural water monitoring, transport systems and utilities. The company is planning a seed round of up to \$500,000 by mid-2017 to help fund more business development and technical support.

Background

SkyGrid was founded in 2015 by former Ericsson colleagues Rory Gleeson (CEO), Luke Taylor (COO) and Brendan Myers (CTO) after they identified that one in three field service trips was wasted and that a platform could be built to eliminate this waste. The SkyGrid platform uses sensors connected to the asset to collect data and monitor the asset. The platform is then able to detect problems and automate the servicing required. Rory Gleeson and Brendan Myers won Ericsson's 2014 Global Innovation Award by developing a platform for dynamic pricing of toll roads by using real-time traffic data.

Business model

SkyGrid plans to charge a monthly software fee to companies that sign up for its platform as a service model. Initially, the company has targeted the pool servicing sector, developing a specialised sensor which monitors the pH levels in the pool, the quality of the water and performance of the pool pump. PoolBuddy (www.poolbuddy.co) is about to be rolled out to pool shops around Australia with the custom made sensors costing \$250 each. SkyGrid is also working with Quantum Energy Technologies to embed its hardware (including its sensors) in the manufacturing process so as to develop a smart hot water system capable of monitoring the performance of hot water systems as they are installed thus delivering energy and cost savings to consumers. Longer term, SkyGrid plans to embed its technology into any asset requiring monitoring and maintenance.

Potential market size and peer group

The IoT device market is predicted by the global industry research house, International Data Corporation, to grow by a CAGR of 17.5% a year to 28.1billion by 2020. Revenue generated by IoT is expected to hit more than US\$7billion in 2020, a 2.5-fold increase from 2015. Global players, including the founders' former employer Ericsson, are targeting solutions using IoT and AI. Specifically in the pool monitoring and servicing space, US-based company pHin has raised more than US\$12million from venture capital investors to develop its Bluetooth pH water monitoring device and platform. Its device floats in the pool. SkyGrid's PoolBuddy differs in that it sits alongside the pool pump and measures not only water quality but the performance of the pool pump.

Share details

Investment to date	\$225,000
Number of shareholders	>10
Shareholders include Stuart Waite, CEO of Timpani, Telstra, Rania Awad, CEO of Smart Asset Software.	

Capital raising timetable

Mid 2017: Seed round of \$300,000-\$500,000
2018: Series A round of \$500,000-\$1million
2019: Series B round, targeting annual revenue of ~\$2m
2020: Series C round, targeting company value of \$20m

Potential market size

IDC predicts global IoT revenue will reach US\$7.1bn by 2020, up from US\$2.7bn in 2015.

Upside Case

- Proven track record in developing innovative real-time software
- Several field service sectors in need of the technology
- Strong investor base including Telstra

Downside Case

- Small player in a market dominated by global operators
- Competing platforms could grab market share
- Need to convince manufacturers to embed sensors in their process

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