

# Expanding demand-response capabilities within underserved commercial sectors



## Key highlights

- A multinational manufacturer of products for the commercial and industrial market sought to incorporate demand-response (DR) capabilities into its products to enable end-use customers to participate in utility DR programs and create a new market for its products.
- E Source developed a product roadmap that helped the client identify a market niche and boost the DR potential of a sector that rarely participated in utility DR efforts.
- E Source research identified a high level of potential revenue from enabling the target sector to participate in DR activities and clarified the go-to-market options for the client.

## The challenge

A major manufacturer of products for the commercial and industrial market was interested in incorporating DR capabilities into one of its product line. The company's goal was twofold: add a new revenue stream and increase the value of its products. Because these new DR-enabling features could potentially save customers money by allowing them to participate in utility programs, customers would be more willing to upgrade their equipment. To accomplish its goal, the manufacturer turned to E Source Management Consulting.

## The solution

The E Source team provided DR expertise in the areas of:

- Market size, trends, and risk
- Market actors and business models
- Product direction

We gathered key insights by conducting interviews with experts at multiple leading utilities and DR-enabling companies, analyzing market data contained in E Source DSM Insights—our tool containing data on demand-side management (DSM) program goals, budgets, spending, and savings from DSM regulatory filings—and researching regulatory trends at the federal level and within important jurisdictions.

## The results

E Source identified a high level of potential revenue from DR activities and presented to the client a variety of viable options for expanding its DR capabilities in alignment with its overall strategic direction. This included a broadening of who the company considers its customers as well as developing new business models targeting specific niches where the company can add the most value and is best equipped to succeed.