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Kaer 's Air Conditioning As A Service business model hailed by global business report

Kaer Pte Ltd, the Singapore-based Air Conditioning as a Service (ACaaS) provider, has had its ACaaS model lauded as a “Breakthrough business model” in a paper commissioned by the Business and Sustainable Development Commission. The paper, titled ‘BREAKTHROUGH BUSINESS MODELS: EXPONENTIALLY MORE SOCIAL, LEAN, INTEGRATED AND CIRCULAR’ highlights the business models that are due to shape the world in the next 30 years.

The report says, “Lean innovation and leaner business models will be central in delivering against the Sustainable Developments Goals*. In business, the word ‘lean’ links to several concepts— including the lean start-up movement, lean manufacturing, lean services, frugal innovation and more. Tomorrow’s business models must build on this momentum, using resources effectively, creating no waste and maximizing value across entire value networks.

Eco-efficiency, how a business could save or make money through better management of its energy and resource flows, is but one early dimension in which the Lean agenda has evolved. Now, new business models are being created to apply eco-efficiency at scale. Take the example of Kaer in Singapore, which has transformed air conditioning systems from a product into a service.”

Commenting on the subject, Justin Taylor, CEO of Kaer said, “It’s amazing for a business such as ours to be featured alongside the likes of Alibaba and Philips in this report. They are just giant companies, and while we don’t have their scale quite yet, the ambition of our thinking is just as great.”

Air Conditioning as a Service, or ACaaS as it is more commonly referred to, was first seen in 2013 and is an example of the familiar concept of servitization. Building owners only pay a fixed single rate applied to consumption on a monthly basis. They do not have to pay for the capital cost of the plant, monitoring, repairs, maintenance, electricity and all other associated costs. Plus, where a system is provided for a new building or a replacement system then this will be a bespoke system built specifically for the intended application. Therefore the

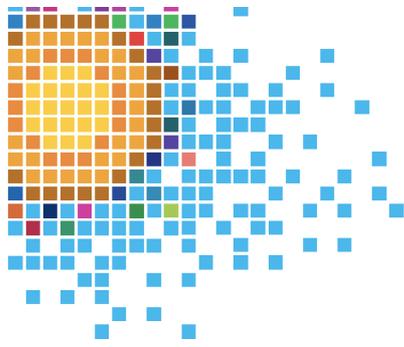
Kaer Pte Ltd

Solaris, 1 Fusionopolis Walk
#02-11 North Tower,
Singapore 138628

TEL 65 6735 5640

FAX 65 6735 5420

www.kaer.com



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water supplied will be of exactly the right temperature with no losses 'designed in' to allow for inherent system inefficiency.

This is a win-win business model. Building owners can reduce their electricity costs, allocate staff to other activities and concentrate on their core business activity. The ACaaS provider is doing what they do best: increasing energy efficiency by offering air conditioning as a service and ensuring the system is always operating at its most efficient through constant monitoring and appropriate, well-timed maintenance.

Ends

*Sustainable Development Goals (SDGs) or Global Goals as they are sometimes called are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

For editorial enquiries please contact:

Ian Clay or Kok Leong Lee
Technical Publicity Asia, 168 Robinson Road, Singapore
Tel +65 9017 4778/ +65 9644 6072
Email: iclay@technical-group.com/ kllee@technical-group.com

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Singapore 138628

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