WatrHub Inc.

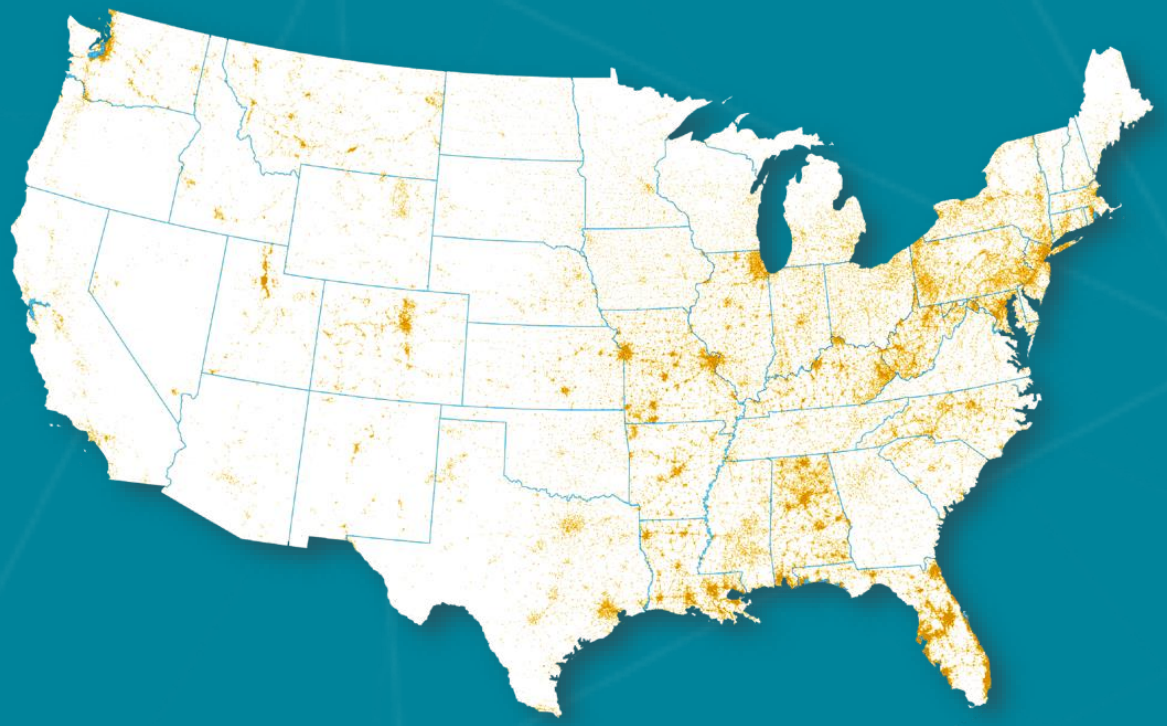
The New Precision Targeting Sales Model

March 2017

WatrHub | CONFIDENTIAL

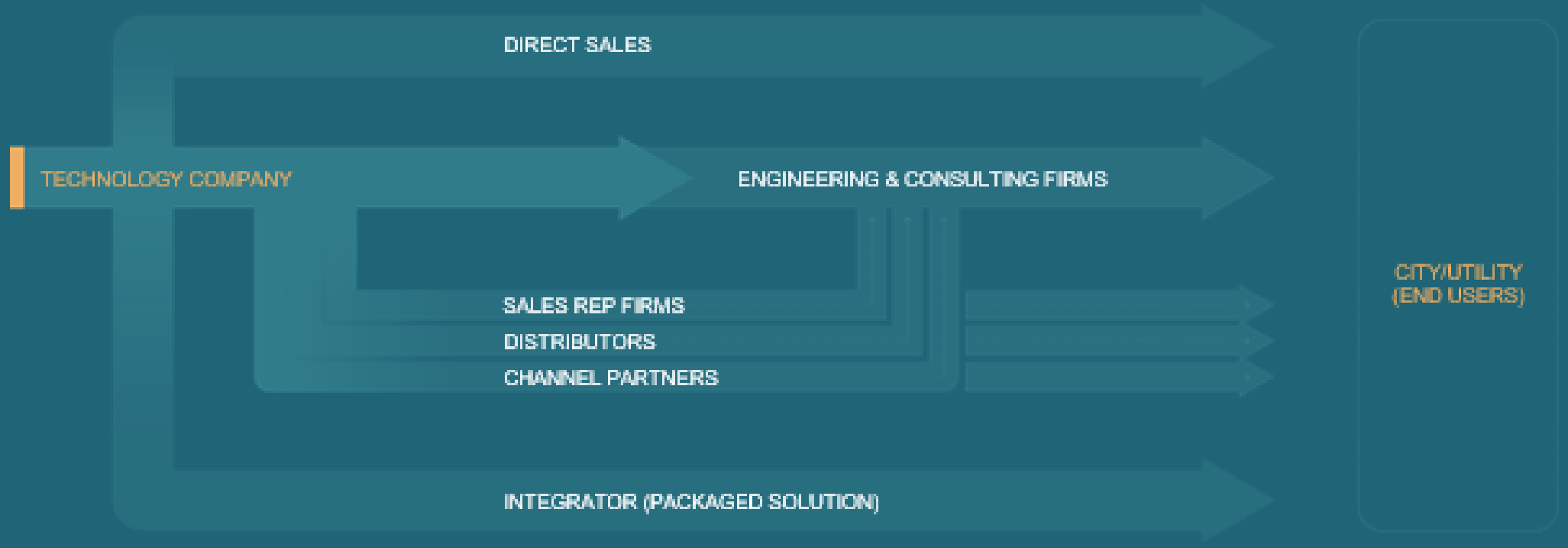
The Water Infrastructure Market Is Highly Fragmented

Wastewater Facilities in the U.S.



- Highly fragmented industry of 70K utilities spending $100B / year
- **5,000+** Manufacturers & solution providers in this sector
- Constraints in channels to market lead to long sales cycles and slow growth rates

Complex Channels to Market for Tech Companies in Water Sector

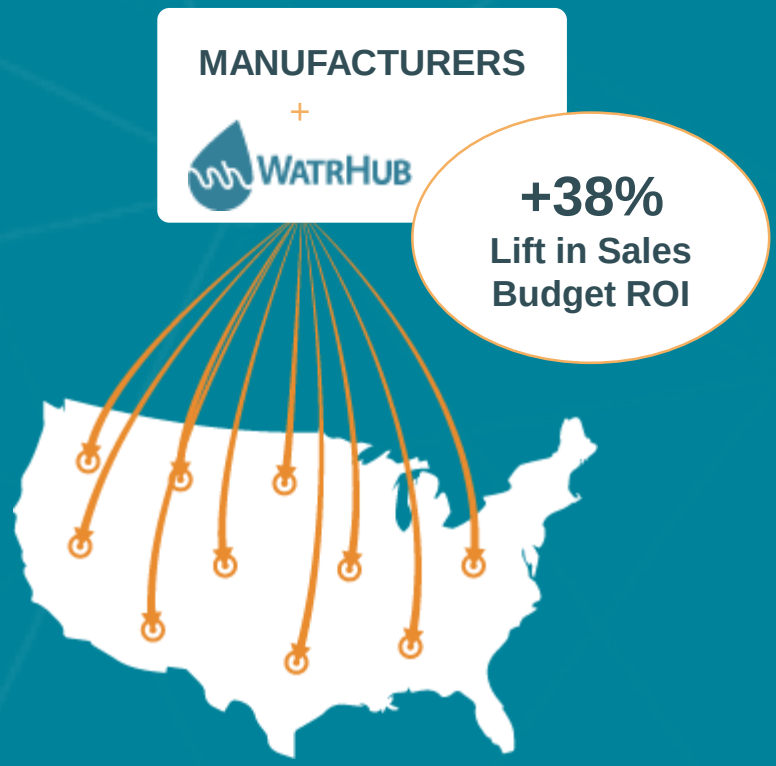


Changing The Business Model Of The Industry

Reactive RFP Model

Shotgun Sales Model

WatrHub Precision Targeting Model



The Water Industry Is Quickly Adopting Precision Targeting

WatrHub has introduced a novel, analytics-driven approach for these water industry firms to target high potential water utilities & municipalities.

Focus Sales Efforts On Your Most Promising Prospects

Sources

Water Permits

Budgets

Master Plans

Capital Spending

Websites

Municipal Documents

Meeting Minutes

Regulatory Filings

Indicator Filters

Qualification Indicators
(Size, Region)

Ranking Indicators
(Budget Allotted, Spending Profile, Technology Needs)

Trigger Indicators
(Events, Violations, Studies)

Actionable Monthly Intelligence

4 Steps To Implement The Precision Targeting Approach to Sales

1. Validate Growth Markets
2. Identify Targets
3. Accelerate Sales Cycles
4. Optimize Sales Process

WatrHub | Smart Data. Strong Relationships.

WatrHub + FATHOM™: Validate Growth Markets

Problem

"Where are the water utilities in our target market?"

Michael Moosavi
VP Business Dev, FATHOM

Filters

1. 7 High Priority States such as TX, FL, CA
2. Utilities serving 2,000 to 20,000 connections
3. Utilities that don't provide gas or electric services

Data Mining

Over **3 500** websites data-mined

Over **32 000** documents data-mined

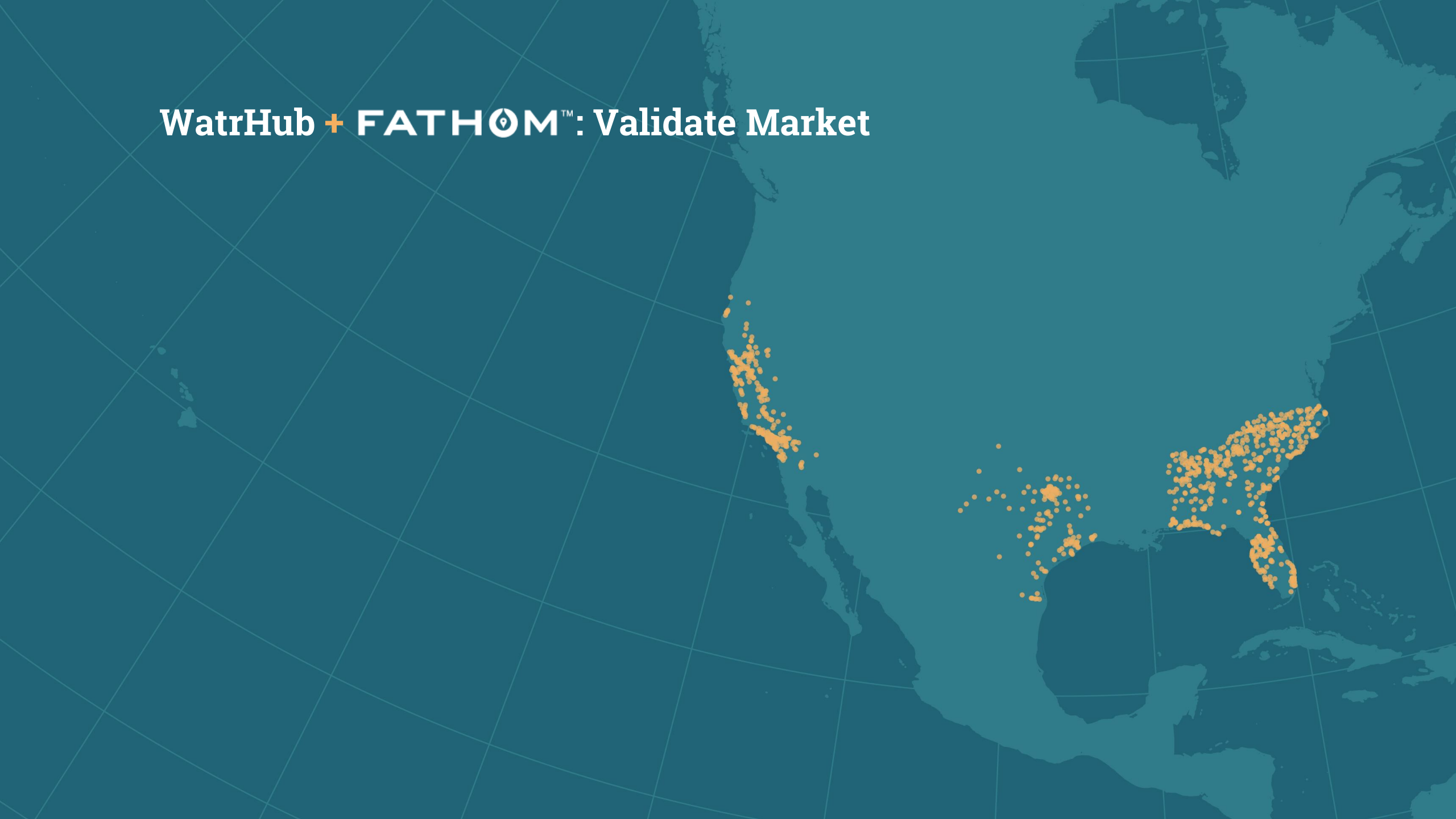
Results

"Identified 1,000+ accounts within addressable market in high priority states

Trevor Hill
CEO, FATHOM Inc.

WatrHub | Smart Data. Strong Relationships.

WatrHub + FATHOM™: Validate Market



WatrHub + FATHOM™: Identify Targets

Problem

"Who are all the utilities within our addressable market that we need to target to drive sales generation?

Michael Moosavi
VP Business Dev, FATHOM

Filters

1. Utilities that have not invested in a CIS in last 2 years
2. Utilities with high non revenue water loss
3. Utilities with high billing costs and meter reading costs

Data Mining

Over **15 000** Webpages data-mined

Over **70 000** Document pages processed

Results

"Develop proactive sales campaign to engage utilities with targeted messages to generate actionable leads.

Trevor Hill
CEO, FATHOM Inc.

WatrHub | Smart Data. Strong Relationships.

WatrHub + FATHOM™ : Identify Targets

Data-mining Output

Utility Dataset

Name			Meters/Network/Software				Personnel		
Utility_Name	Connections_Total	Connections_Res	Meter_Tech	Meter_Manuf	CIS-ERP_Manufacture_Name	CIS-ERP_Software_Name	Billing_Dep	Personnel_Num	Pe
Water & sewer utilities (excluding any that offer gas/ electrical service)	Total number of connections	% of residential connections	Existing meter reading technology (AMI, AMR or manual)	Manufacturer of existing meters	Existing CIS or ERP system manufacturer name	Existing CIS or ERP system software name	Department that does utility billing	Total number of personnel in the department that does utility billing (FTE)	T dep
City of Bridge City	3,466	99%	AMI	Siemens/PVI and iTRON	Tyler Technologies	Incode	Utility Administration	-	$
City of Denison	11,980	90%	AMR	HydroPro Solutions	Tyler Technologies	Incode	Billing / Collecting	9	$
City of Hurst	16,922	100%	AMR	Datamatic Inc.	Harris Utilities	inHANCE	Utility Billing	9	$
City of Keller	16,758	100%	AMR	Neptune	Tyler Technologies	Incode	Customer Services - Administrat	7.5	$
City of Kerrville	11,851	100%	AMR	Neptune	Tyler Technologies	Incode	Water Records	8	$
City of Midlothiar	5,540	100%	AMR	Master Meter	Tyler Technologies	Incode	Utility Billing	3	$
City of Pampa	8,306	100%	AMI	Western Industrial Supply	Tyler Technologies	Incode	Utility Acct/Collectn	-	$
City of Port Arthur	21,656	100%	AMR	Siemens	Click2Gov	-	Utility Billing and Collections	3	$
City of Portland	7,961	100%	AMR	Mueller Systems	Tyler Technologies	Incode	Utility Billing	-	$
City of Sherman	19,144	98%	AMR	ITRON MVRS	Tyler Technologies	Incode	-	-	-
City of Sulphur Sp	10,218	70%	AMR		STW Inc.	-	Utility Billing	-	$
City of West Unive	5,763	100%	AMR	Aqua Metric, Utiliuse	Innoprise	-	Utility Billing & Customer Servic	2	$
Town of Little Elm	11,734	100%	AMR	Britton Meter Supply	STW Inc.	-	Billing/Collection and Meter Re	-	-

Actions

- Develop segmented call lists with targeted messages
- Execute sales campaigns to generate leads and meetings for outside sales reps
- Prioritize targets by inputting data in Operational Assessment model to identify more promising leads

WatrHub | Smart Data. Strong Relationships.

WatrHub + FATHOM™ : Accelerate Sales Cycles

Problem

"How can we better qualify our targets and shorten our sales cycles when engaging target utilities?

Michael Moosavi
VP Business Dev, FATHOM

Filters

1. Bad debt collected and written off
2. Metering technologies, systems, and vendors
3. Utility budget items for metering and billing

Data Mining

Over
15 000
Webpages data-mined

Over
70 000
pages processed

Results

"We were able to shorten our sales cycles from 12-18 months to 6-9 months.

We closed $7M in new sales as a result of this program

We had more intelligent conversations when engaging with target utilities.

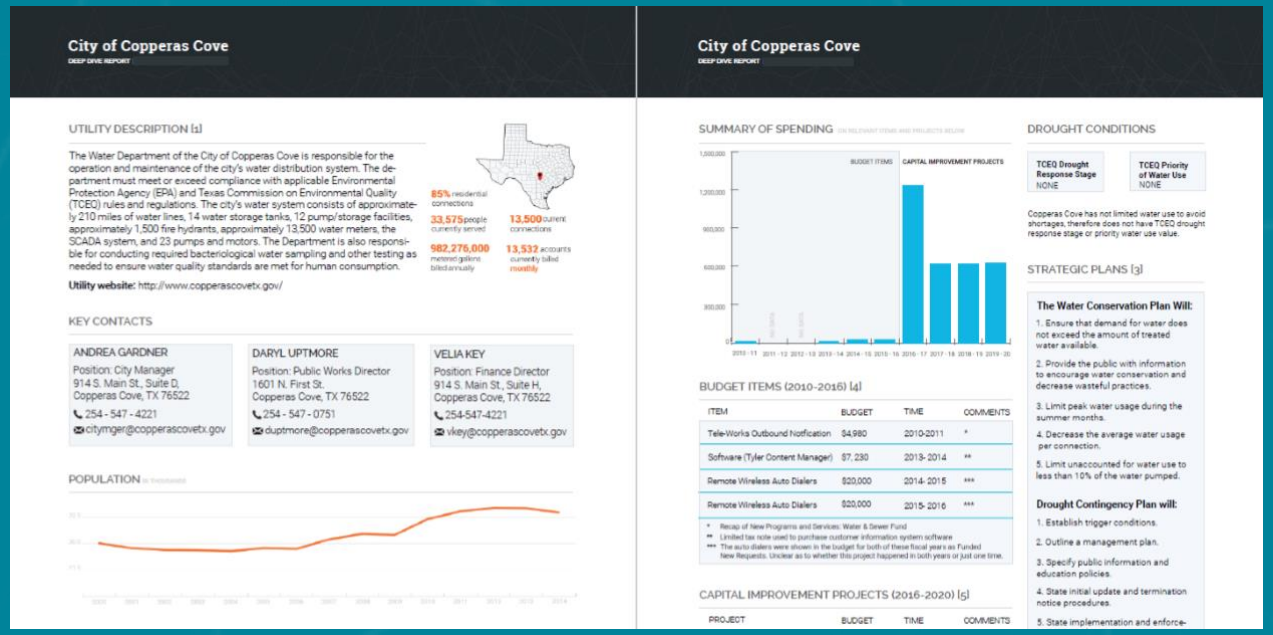
Trevor Hill
CEO, FATHOM Inc.

WatrHub | Smart Data. Strong Relationships.

WatrHub + FATHOM™ : Accelerate Sales Cycles

Data-mining Output

Copperas Cove Utility Report



City of Copperas Cove

DEEP DIVE REPORT

UTILITY DESCRIPTION [1]

The Water Department of the City of Copperas Cove is responsible for the operation and maintenance of the city's water distribution system. The department must meet or exceed compliance with applicable Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) rules and regulations. The city's water system consists of approximately 210 miles of water lines, 14 water storage tanks, 12 pump/storage facilities, approximately 1,500 fire hydrants, approximately 13,500 water meters, the SCADA system, and 23 pumps and motors. The Department is also responsible for conducting required bacteriological water sampling and other testing as needed to ensure water quality standards are met for human consumption.

Utility website: http://www.copperascovetx.gov/

85% residential connections

33,575 people currently served

13,500 current connections

982,276,000 metered gallons billed annually

13,532 accounts currently billed monthly

KEY CONTACTS

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POPULATION

City of Copperas Cove

DEEP DIVE REPORT

SUMMARY OF SPENDING

BUDGET ITEMS

CAPITAL IMPROVEMENT PROJECTS

DROUGHT CONDITIONS

TCEQ Drought Response Stage
NONE

TCEQ Priority of Water Use
NONE

Copperas Cove has not limited water use to avoid shortages, therefore does not have TCEQ drought response stage or priority water use value.

STRATEGIC PLANS [3]

The Water Conservation Plan Will:

1. Ensure that demand for water does not exceed the amount of treated water available.
2. Provide the public with information to encourage water conservation and decrease wasteful practices.
3. Limit peak water usage during the summer months.
4. Decrease the average water usage per connection.
5. Limit unaccounted for water use to less than 10% of the water pumped.

Drought Contingency Plan will:

1. Establish trigger conditions.
2. Outline a management plan.
3. Specify public information and education policies.
4. State initial update and termination notice procedures.
5. State implementation and enforce-

BUDGET ITEMS (2010-2016) [4]

ITEM	BUDGET	TIME	COMMENTS
Tele-Works Outbound Notification	$4,980	2010-2011	*
Software (Tyler Content Manager)	$7,230	2013- 2014	**
Remote Wireless Auto Dialers	$20,000	2014- 2015	***
Remote Wireless Auto Dialers	$20,000	2015- 2016	***

* Recap of New Programs and Services: Water & Sewer Fund
** Limited tax note used to purchase customer information system software
*** The auto dialers were shown in the budget for both of these fiscal years as Funded New Requests. Unclear as to whether this project happened in both years or just one time.

CAPITAL IMPROVEMENT PROJECTS (2016-2020) [5]

PROJECT	BUDGET	TIME	COMMENTS

Actions

- Uncover utility's pain points and priorities
- Develop Account Plan to engage utility and build the right relationships
- Approach utility with a much more informed message to shorten sales cycle

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WatrHub + FATHOM™ : Optimize the Sales Process

Problem

"How can we better prioritize our sales targets to increase conversion rates and scale our sales faster?

Michael Moosavi
VP Business Dev, FATHOM

Filters

1. Utilities with metering and billing issues
2. Utilities planning to implement AMI tech
3. Issues with aging infrastructure and systems
4. Issues with drought conditions, water shortages, or high non-revenue water

Data Mining

Over **120 000** Webpages data-mined

Over **560 000** pages processed

Results

"FATHOM & WatrHub relationship evolved into a more strategic engagement.

WatrHub's analytics to be highly embedded in FATHOM sales process to optimize sales growth

Trevor Hill
CEO, FATHOM Inc.

WatrHub | Smart Data. Strong Relationships.

WatrHub + FATHOM™ : Optimize the Sales Process

Data-mining Output

City Council Discussing Billing Issue

City Coordinator Smith explained that there were three different companies involved with the installation, reading, and billing of the new water meters. Somewhere in the middle of this, there was a decimal in the wrong place. Utility Billing Clerk Linda Lee had to hand-correct every water bill in the system, which was over 2,500 water meters. Mayor May wanted to make perfectly clear that the

Actions

- Monitor activity of highest potential accounts and prospects
- Prioritize business development actions
- Engage the right utility a at the right time to shorten sales cycles and increase conversion rates

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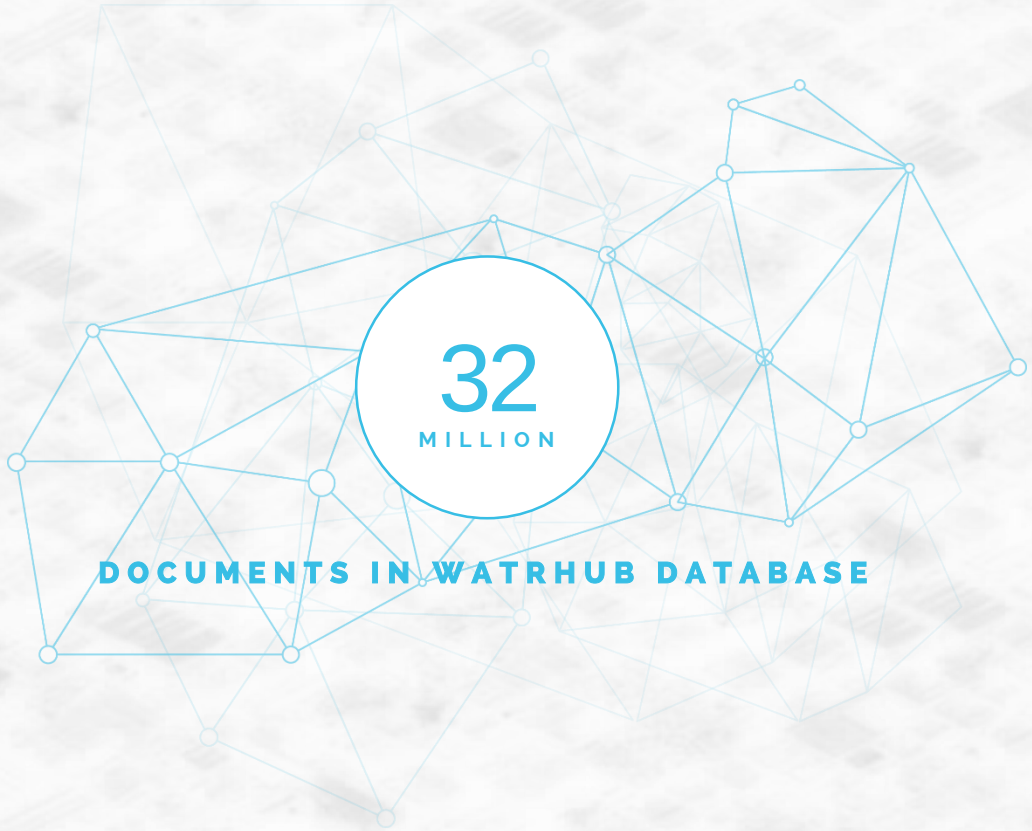
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MILLION
DOCUMENTS IN WATRHUB DATABASE

How To Get Started With Analytics To Grow Faster

1. **Validate Growth Markets:**
   - Bottoms-up total addressable market analysis to understand exactly where the growth will come from

2. **Identify Targets:**
   - Identify characteristics of your ideal client profile, top pain points, and regional market drivers

3. **Accelerate Sales Cycles:**
   - Map out existing sales process and eliminate information gaps and bottlenecks

4. **Optimize Sales Process:**
   - Embed analytics at all steps of your sales process for ongoing intelligence, sales targeting and prioritization.

WatrHub | Smart Data. Strong Relationships.

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