

F R O S T & S U L L I V A N

2024

**COMPETITIVE
STRATEGY LEADER**

*IN THE GLOBAL SMART
WATER MONITORING
INDUSTRY*

F R O S T & S U L L I V A N

2024 **BEST
PRACTICES
AWARD**



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Rockwell Automation excels in many of the criteria in the smart water monitoring space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Emerging Trends and Key Challenges in Smart Water Metering

Globally, water utilities contend with unpredictable weather patterns, urbanization trends, and disruptive events, which impact service quality and asset longevity. Consequently, utility operators explore solutions to bolster resilience and advance towards circular economy and net-zero targets, fostering long-term environmental and economic sustainability. Strategic alliances, including mergers and acquisitions, enable manufacturers and integrators to expand their product portfolios and offer utility customers Internet of Things (IoT) connectivity. This approach supports advanced metering infrastructure, machine learning, and artificial intelligence (AI) embedded data analytics platforms. These platforms monitor leaks, track consumption patterns, and optimize systems.

Frost & Sullivan recognizes digitalization as a top growth opportunities opportunity in the water utilities sector for 2024, aimed at enhancing sustainability and resilience.¹ For instance, water and wastewater utilities embrace digital twin platforms that use data from Supervisory Control and Data Acquisition (SCADA), IoT-based sensors, and hydraulic models to create virtual representations of assets for real-time optimization. These digital incorporations allow companies in the water industry to make more efficient use of this scarce resource, minimizing their environmental footprint and optimizing freshwater use. Furthermore, these innovative solutions give companies more control over their operations, allowing decision-making based on real-time data to help organizations create different scenarios and take proactive measures before potential failures arise.

¹ *Top 10 Growth Opportunities in Water Utilities, 2024* (Frost & Sullivan, May 2024)

Despite its benefits, cybersecurity remains a significant concern, especially in North America and Europe. The last three years (2020-2023) have witnessed a rise in cybersecurity incidents in the United States (US), underscoring the need to protect critical water infrastructure. Most water utilities globally remain vulnerable to cyber threats due to the unique nature of water infrastructure, requiring substantial investment and skilled resources for cybersecurity measures.

The smart water meter market is experiencing substantial growth, projected to increase from \$5.2 billion in 2023 to \$7.3 billion in 2026.² North America and Europe are major contributors to this growth, alongside emerging markets in India, Brazil, Southeast Asia (Malaysia, Indonesia, Vietnam, and the Philippines), and Australia. China continues to dominate the Asia-Pacific region, primarily through local and regional companies. Challenges such as water scarcity, exacerbated by droughts, overexploitation, and rapid urbanization, are driving utilities towards smart water metering solutions, propelled by water conservation mandates and the imperative to reduce non-revenue water.

Rockwell Automation: Modernizing Smart Water Monitoring

Founded in 1903 and headquartered in Milwaukee, Wisconsin, US, Rockwell Automation is an industrial automation and information solutions provider. The company stands out in the smart water monitoring space by prioritizing environmental stewardship and providing tools for visualization, analysis, and control of water usage empowering clients to meet water efficiency and conservation objectives.

Rockwell Automation's commitment to sustainability aligns with the growing demand for responsible water management across various industries, particularly those with high water consumption. The

"The company identified that water companies rely on outdated equipment and infrastructure (leading to inefficiencies, leaks, and potential failures) and lack visibility into their systems. Consequently, Rockwell Automation is modernizing these systems with intelligent monitoring and control technologies."

**- Victoria Courtade
Industry Analyst**

company identified that water companies rely on outdated equipment and infrastructure (leading to inefficiencies, leaks, and potential failures) and lack visibility into their systems. Consequently, Rockwell Automation is modernizing these systems with intelligent monitoring and control technologies. Moreover, the growing water demand due to population increases and industrial expansion is putting additional pressure on resources, necessitating a focus on AI, regulatory compliance, and adherence to stricter environmental regulations.

In response to the escalating risk of cybersecurity threats (as more water systems become interconnected and thus more vulnerable to cyberattacks), the company is intensifying its focus on implementing robust security measures to protect critical infrastructure. In November 2023, Rockwell Automation acquired Verve Industrial Protection to enhance its cybersecurity capabilities, integrating an advanced asset inventory system, vulnerability management, and risk remediation solutions. This acquisition allows Rockwell Automation's customers to assess assets, prioritize risks, and deploy countermeasures effectively within a unified platform.

² Frost Radar™ on the Global Smart Water Metering Market (Frost & Sullivan, May 2023)

Rockwell Automation's value proposition closes existing operational gaps. Its integrated and robust portfolio optimizes decision-making through advanced analytics across various stakeholders. There is a growing demand for predictive maintenance solutions in the industry. Hence, the company focuses on delivering AI-powered tools to anticipate equipment failures and optimize maintenance schedules. An example of the company's capabilities is its pressure management solution for water distribution networks. This system utilizes sensors across the network to gather data (e.g., pressure, flow, and other parameters). Then, the platform securely transmits the data for analysis, identifying leaks and anomalies. Advanced analytics algorithms process this data to detect patterns indicating issues like leaks or pipe failures, enabling proactive response measures. In addition, the system also automatically adjusts pressure levels to reduce pipe stress, prevent leaks, and achieve significant water and energy savings. A highlight of this solution is that it integrates seamlessly with existing operational systems such as SCADA, providing a comprehensive view of the water distribution network.

Best-in-class Strategies Drive Competitive Differentiation

Rockwell Automation continually enhances its competitive edge to ensure sustained growth. For example, the company recently launched an innovative sustainability calculator that enables customers to evaluate the environmental impact of purchasing new products versus repairing them. This tool quantifies

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***- Valentina Barcia
Best Practices Research Analyst***

reductions in energy, water, waste, and carbon emissions achieved through repairing or remanufacturing industrial automation equipment rather than replacing it with new products. The calculator is a distinctive feature in the industry as it enables data-driven decisions that aid customers in making informed choices and reporting on their environmental, social, and corporate governance (ESG) metrics while supporting the circular economy.

The sustainability calculator offers substantial benefits by promoting transparency and enhancing customer engagement, encouraging customers to reconsider the environmental impacts of their decisions. A notable feature of Rockwell Automation's

calculator is its ability to provide sustainability data relevant to investors, stakeholders, and customers in easily exportable formats.

Rockwell Automation excels at strategy execution with several key initiatives, including leadership development, responsible AI integration within the ESG framework, and its FactoryTalk® Energy Manager™ solution. This last initiative, launched in 2023, is a comprehensive industrial energy management and optimization tool designed to help clients monitor, analyze, and optimize their energy consumption. Initially implemented in its facilities, and subsequently offered to customers, it provides real-time visibility into energy usage across the enterprise by collecting data from various sources and identifying trends, anomalies, and areas for improvement.

FactoryTalk® Energy Manager™ supports digital transformation by integrating with other technologies, allowing corporations to adapt quickly to new conditions through AI and other systems. A critical benefit of this capability is that it enables energy modeling and forecasting, facilitating proactive decision-making and optimization strategies. This digital twin approach promotes resource savings and operational efficiency by testing scenarios in the digital space before implementing changes in the physical world. Additionally, it simplifies sustainability reporting and compliance with environmental regulations, which is increasingly important in the smart water space.

Frost & Sullivan applauds Rockwell Automation for its ongoing excellence and pioneering leadership role in setting new market trends that address unmet needs with a robust commitment to sustainability.

A Customer-Centric Corporate Philosophy

Rockwell Automation serves clients across various industry verticals, including the most prominent companies in chemical, consumer goods, life sciences, automotive, mining, and oil and gas. The company collaborates with clients to co-create a strategy that interconnects sustainability and digital transformation. By making sustainability integral to operations rather than a separate initiative, the company offers a holistic approach that enables clients to achieve their ESG goals more efficiently. Moreover, Rockwell Automation provides exceptional 24/7 customer service through its dedicated digital consulting arm, Kalypso, which supports customers throughout their entire digital transformation journey.

Mustering a seamless service integration, Rockwell Automation works closely with partners to ensure robust and reliable product delivery. For example, in March 2024, the company announced a partnership with Aquatic Life Ltd., a leader in real-time water monitoring solutions. The partnership goes beyond automation equipment, including real-time water monitoring, data analysis, and valuable insights that transform raw data into actionable knowledge. This ability to provide a comprehensive solution that addresses water usage from multiple perspectives distinguishes Rockwell Automation from competitors who may only offer specific products within the water management space.³ Above all, the company's approach strengthens customer engagement while supporting them to achieve their ESG goals.

Rockwell Automation uses client feedback and industry trend monitoring to guide its product roadmap and continuously evolve its solutions to maintain its innovative edge. Furthermore, the company conducts extensive annual surveys to ensure high customer satisfaction. Overall, Rockwell Automation's customer experience services position the company as a partner of choice.

Positioned to Growth with an Executive Alignment

Rockwell Automation's sustainability efforts accelerated in 2023 by joining the UN Global Compact, aligning with sustainable development goals where Rockwell contributes in meaningful ways. Additionally, the company works closely with utilities agencies and companies to enable a low-carbon, circular economy that relies on renewable energies and carbon capture, with emphasis on water conservation and recapture, and sustainable product design, fabrication, and recycling. Rockwell helps organizations translate data into actionable insights, promoting sustainability and productivity in the areas

³ <https://www.rockwellautomation.com/en-us/company/news/press-releases/aquatic-life-partnership.html>. Accessed July 2024.

of energy, water, and waste, in infrastructure and industrial processes. The company's customers depend on them to provide products and solutions that comply with local, regional, national, and international regulations and standards for environment, safety, and quality.

Since its inception, Rockwell Automation has grown to 29,000 employees and operates in over 100 countries. The company has established strong brand recognition based on its exceptional product performance and robust financial success. In 2023, Rockwell Automation achieved \$9.1 billion in revenue.⁴ The company's impressive growth momentum and trajectory are a testament to its customer-centric approach, and revolutionary solutions, earning its clients' trust and loyalty and enabling it to capture more market share.

Conclusion

Frost & Sullivan believes that innovation and growth opportunities drive future success; many factors contribute, yet having a competitive strategy is critical. Rockwell Automation understands this core concept and is establishing a strong position in the smart water monitoring market due to its focused strategies and initiatives, helping it to outpace competitors. The company drives long-term growth by leveraging innovative solutions such as its sustainability calculator and FactoryTalk® Energy Manager™, helping clients make data-driven decisions, improve energy management, and support sustainability. Rockwell Automation develops and implements its strategies with its clients in mind, building the bridge between digitalization and sustainability, and securing its position as a trusted partner and market leader.

With its strong overall performance, Rockwell Automation earns Frost & Sullivan's 2024 Global Competitive Strategy Leadership Award in the smart water monitoring industry.

⁴ https://literature.rockwellautomation.com/idc/groups/literature/documents/br/esap-br033_-en-p.pdf. Accessed July 2024.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

[Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

