

EU Expansion Strategy— Leading North American Player in the Residential HVAC Rental Industry



SITUATION



Client Background

A Large PE firm wanted to understand the potential for one of its Portfolio Companies to enter the European market



Portfolio Company

PORTCO was a leading participant in the NAM Residential HVAC services space; it used several contracting models, including a rental one, which they sought to "export" to Europe

Ichbiah and Company hired to:



Assess the market for PORTCO's solutions in Europe, in particular, Rental



Understand the routes to market, competitive landscape and success factors



Provide perspectives as to the opportunity in Europe and entry modalities

SOLUTION

Mix of deep secondary research and expert interviews (20+) to:

1

Market Structure Analysis

Define the underlying European market structure (equipment penetration, differences between systems, regulation, incentives, routes to market), contrasting with NAM

2

Competitive Landscape

Understand the landscape of contracting models, their relative penetration and hence, the broader competitive landscape, as well as routes to market

3

Market Intelligence

Gather intelligence around market shares of incumbents

4

Rental Model Potential

Develop a perspective as to the potential of the rental model, where, for what

Consumer Research

In parallel, conducted an extensive consumer survey (**2000 respondents across five countries**) to strengthen the research and vet the potential for our Client

Strategic Synthesis

Synthesized findings to **a)** prioritize equipment to focus on, **b)** countries and **c)** develop recommendations around the modalities of entry strategy (in particular channel partners)

OUTCOMES

Clear Market Understanding

PORTCO with a clear understanding of the differences between NAM and Europe for its business and the size of the prize

Active Market Entry

Client currently entering exploratory discussions with channel partners

