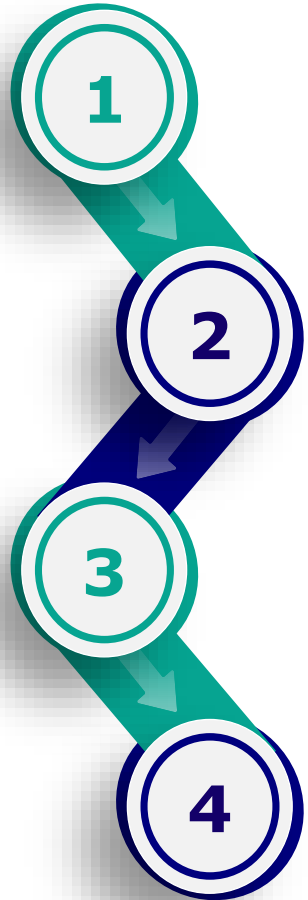


FutureScale^x

CASE STUDY

Exploiting AI and digital technology
to create a new decarbonized
business model

Executive summary: FutureScaleX helps a global inspection company evaluate digital-enabled new business models for investment opportunities.



SITUATION

A global leader in inspection services aimed to explore AI's potential to disrupt its industry, identify growth opportunities, and craft a robust strategy to protect its market leadership while mitigating competitive threats through strategic acquisitions.

CHALLENGE

Uncertainty around market readiness for digital and AI solutions, coupled with ambiguous growth trajectories, created challenges in evaluating and prioritizing investments, hindering the development of a focused and impactful growth strategy.

SOLUTION

FutureScaleX (FSX) evaluated the addressable market and pinpointed optimal investment timing for maximum impact. Leveraging robust frameworks, FSX assessed market readiness, conducted scenario analyses, and recommended a tailored investment strategy suited to the current industry landscape.

IMPACT

- Developed addressable market scenarios.
- Identified five "most promising" target companies for partnerships or investment.
- Delivered a high-level business model for scalable service delivery.

Business context

Our client, a global leader in testing, inspection, and certification services, operates within the fragmented compliance market for building codes and standards. They sought to explore how AI and digital technologies could drive market transformation, reduce resource use, and enhance efficiency. Additionally, they aimed to evaluate the viability of emerging technologies and their potential to enable a unified market strategy despite the localized nature of code compliance. FSX was engaged to assess AI-powered compliance solutions and deliver actionable recommendations to unlock new market opportunities, provide strategic insights, and promote a sustainable growth strategy.

Business requirement

Our client aimed to determine the best approach for assessing market readiness, sizing opportunities, and evaluating growth potential to inform strategic decisions on research, investments, and partnerships. Once opportunities were identified, they required a clear, actionable roadmap for their go-to-market strategy, including options to build, buy, or adopt a hybrid model. Timing was critical—when to act for maximum impact?

Additionally, the client explored leveraging advanced technologies such as digital twins and AI to enable an innovative, “always-on” business model. This approach aimed to unlock new revenue streams through monitoring and certification services while simultaneously transforming operations and redefining the competitive landscape.

The FSX solution framework

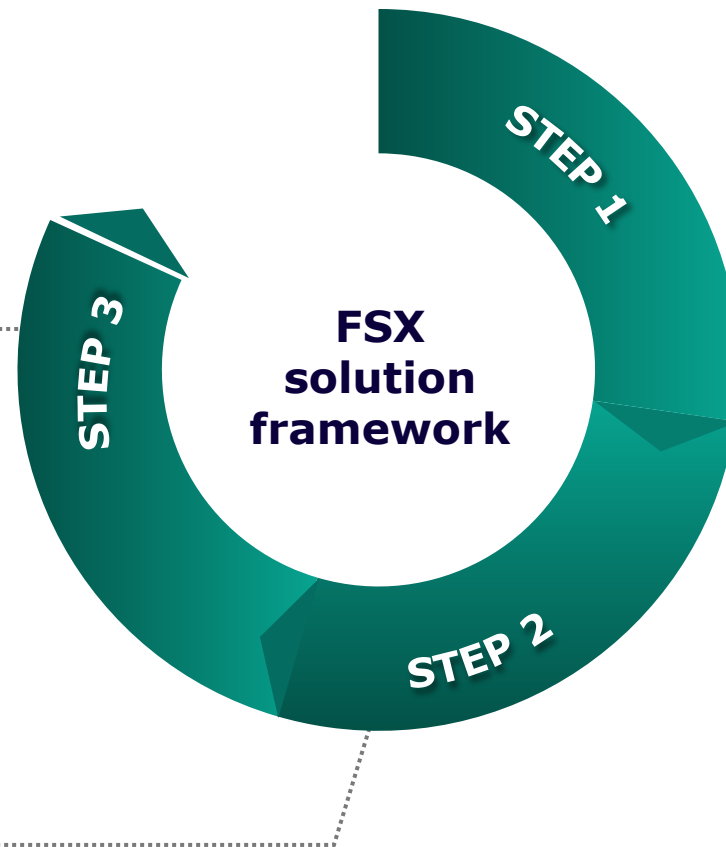
FSX utilizes a 3-step process to evaluate digital-enabled business models for investment opportunities.

RECOMMENDATION

- **'GO' vs 'HOLD' decision:** Drive investment decisions by assessing serviceable obtainable market (SOM), market readiness, and industry readiness.
- **Market approach:** Recommend investment strategy, risk mitigation strategy, prioritize customer segmentation, identify competitive advantage, and optimize value propositions.

TARGET ASSESSMENT

- **Shortlisting of targets:** Systematic scorecard-based filtering of companies to shortlist top 5 'most promising' targets.
- **Comparative prioritization:** Assess the top 5 targets, based on management, assets, market reach, and unique selling points.
- **Brief profiles of top 5 targets:** Profiles of 5 prioritized targets, covering ownership, services, structure, market access, and USPs.



OPPORTUNITY ASSESSMENT

- **Market assessment:** Validate AI-based building code systems' growth by estimating PAM, TAM, and SAM; analyzing stakeholders, trends, drivers, and challenges.
- **Competitor landscape:** Analyze business models, customer segments, offerings, strategies, revenue streams, and value propositions for stakeholders.
- **Customer analysis:** Analyze key customer segments, needs, influencers, adoption drivers, challenges, and emerging trends.
- **Common business practices:** Identify industry practices, including customization, servicing, partnerships, certifications, structure, and metrics.

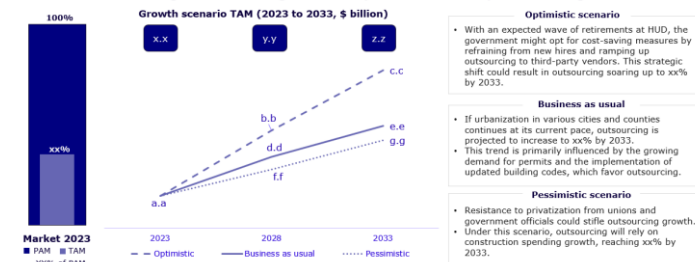
Impact

- Delivered a detailed breakdown of the addressable market (PAM, TAM, and SAM) with growth projections, highlighting key trends to uncover expansion opportunities and market shifts.
- Developed a strategic investment framework, evaluating market dynamics, customer readiness, and geographic opportunities to guide data-driven decisions.
- Designed a competitive analysis tool focused on market access and technological advancements, supporting targeted M&A strategies to drive innovation and growth.
- Identified the top five potential partners or investment targets, aligning with strategic goals and proposing tailored business models to maximize synergy and long-term value creation.

Sample output

Total addressable market projection.

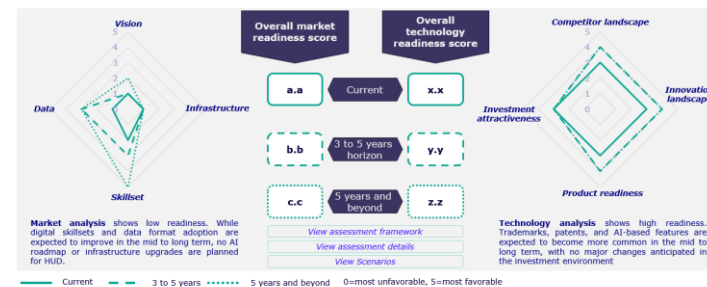
Government outsourcing of compliance services, driven by permit and approval, may reach \$x.x billion by 2033. However, achieving xx% outsourcing within 5-10 years seems unlikely, even in an optimistic scenario.



Sources | F&E analysis, Expert interviews, Secondary research

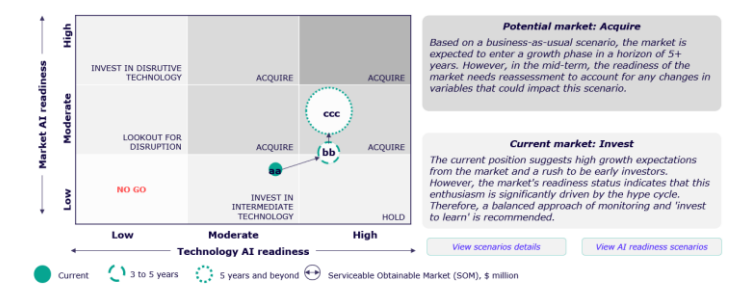
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The significant gap between market and technology readiness will take five or more years to bridge.



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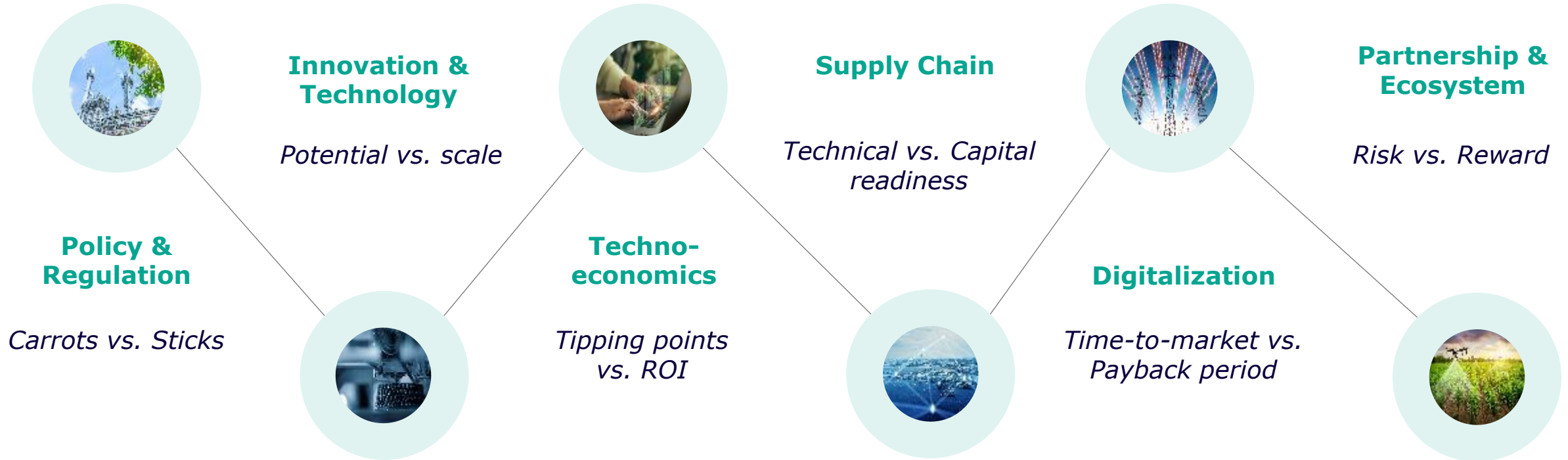
Current market readiness warrants a cautious approach towards investing to avoid pitfalls of market hype.



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Methodology

The FSX Sustainable-Growth-as-a-Service™ Methodology



Connected, systems-level thinking to identify the tipping points and solutions that matter.



Are you ready to grow sustainably?

At FutureScaleX, we believe that the future of business lies in sustainable growth. Our six-lens methodology is more than just an approach—it's a movement towards a more resilient and sustainable future.

FutureScale^X

Connect with us.

To request more information such as a meeting, demo, trial, or referral, please visit our website:

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