



EARSC

European Association
of Remote Sensing
Companies

A Marketplace for EO Services

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Chief Sales Officer EUROSENSE**



What is EARSC?

EARSC is a trade association (non-profit Belgian company), founded in 1989, which represents European companies: *providing services (including consultancy) or supplying equipment in the field of remote sensing.*

Our mission is:

- to foster the development of the European Geo-Information Service Industry
- to represent European geospatial-information providers, creating a sustainable network between industry, decision makers and users

Our focus is on the use of remote sensing from space-based platforms (satellites) and we have members from the full value-chain including aircraft and RPAS operators.

Network

71 full members, 10 observers
From 22 countries in Europe

Members: any commercial company providing services (including consultancy) or supplying equipment in the field of remote sensing shall be eligible for full membership, based in a European country which contributes to the European Space Agency or which is a member of the European Union

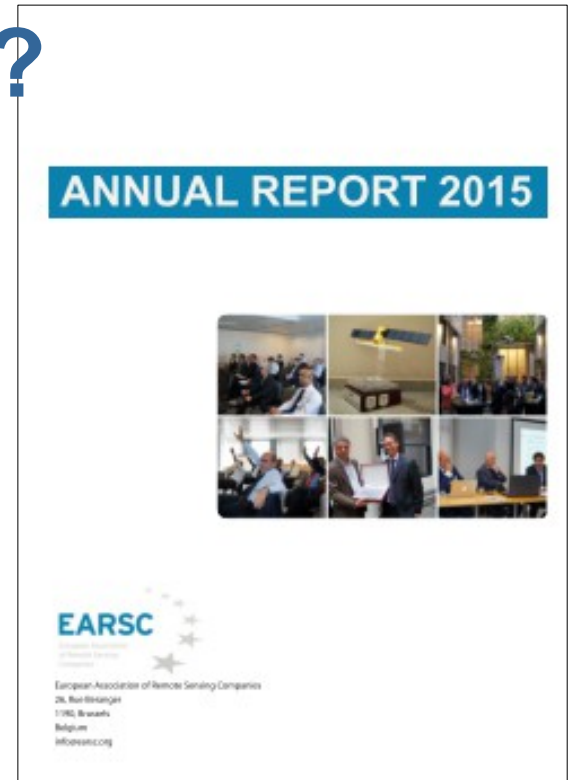
Observer: any organisation engaged in the supply or use of Remote Sensing which does not qualify to become a full member of the Association



What does EARSC do?

EARSC focus is on enabling the development of new business

1. Provide information to our members on programmes, policy and the sector; (business intelligence)
2. Maintain a knowledge of the industry, i.e. statistics, market information, etc.
3. Promote professional standards within the industry (certification)
4. Promote the industry and its capabilities by:
 4. Creating links between EO services sector and other business sectors, e.g. oil & gas, insurance, public institutions e.g. the World Bank
 5. Organising events offering networking opportunities as well as focused information
 6. Advocacy towards policy makers on issues of concern
 7. Awareness and media. e.g. eomag, OGEOZine, etc.



The Changing Strategic Environment

THE EARSC NEWS

www.earsc.org

The Industry's Favourite Network May 2016

CACI Awarded \$180 Million Prime Contract to Provide Geospatial Analysis and Intelligence Services to U.S. Special Operations Command

CACI will provide geospatial imagery intelligence, collection, analysis, and exploitation services to yield real-time actionable intelligence in support of mission planning and execution for Geographic Combatant Commands (GCC) worldwide.

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Evolving Strategic Context (1)

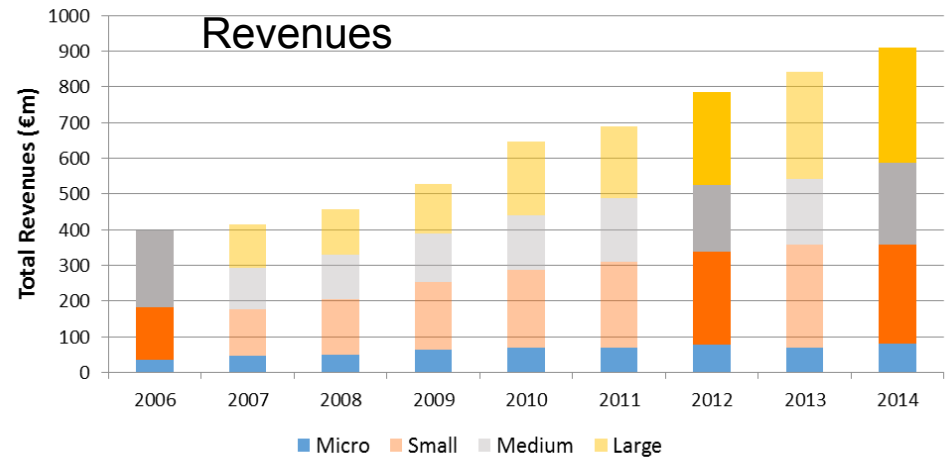
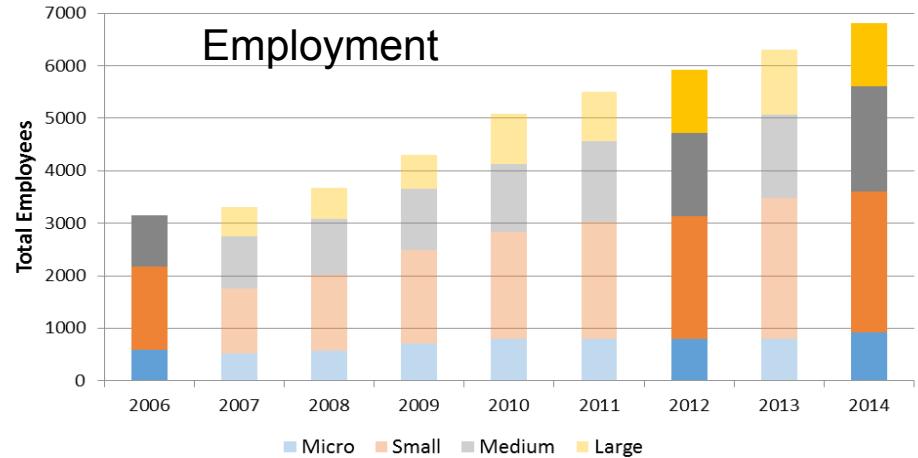
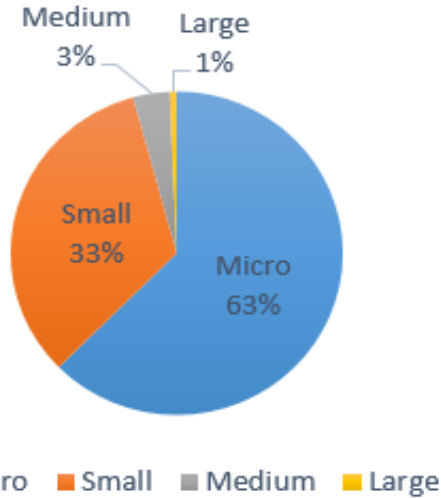
1. Google and Amazon have started to offer access to Sentinel data
 - Amazon quote 75m hits in April many times higher than March (now they need to analyse where from).
2. NGA announce CIBORG (Commercial Initiative to Buy Operationally Reliable GEOINT)
 - *“one of the first steps is developing a new contracting approach that fits the evolving marketplace and allows the NGA to work with multiple providers”.*
3. CACI announce \$180m contract from NGA to supply GEOINT over 4 years.
 - *“Through our acquisitions in recent years, CACI has made a significant commitment to expand our business in the Geospatial market, and this contract with USSOCOM is a direct result of that strategic effort.”*



Evolving Strategic Context (2)

1. European industry is being challenged by:
 - Strong commercial data supply from US suppliers underpinned by US policy (CIBORG).
 - IT players offering easy access to all EO data (including European Sentinel) and an attractive route to market
 - Emerging VA and geospatial players encouraged by US government outsourcing.
2. But we have the capability:
 - Copernicus, national programmes, IT skills and capabilities
 - a strong and competent industry delivering EO products and services
 - Excellent science base (ESA 2016 LP conference provides good example)

European Industry profile



>450 companies in Europe
6811 direct employees
€910m revenue

Growth rate >8% p.a.

63% companies < 10 EO employees:
96% companies < 50 employees



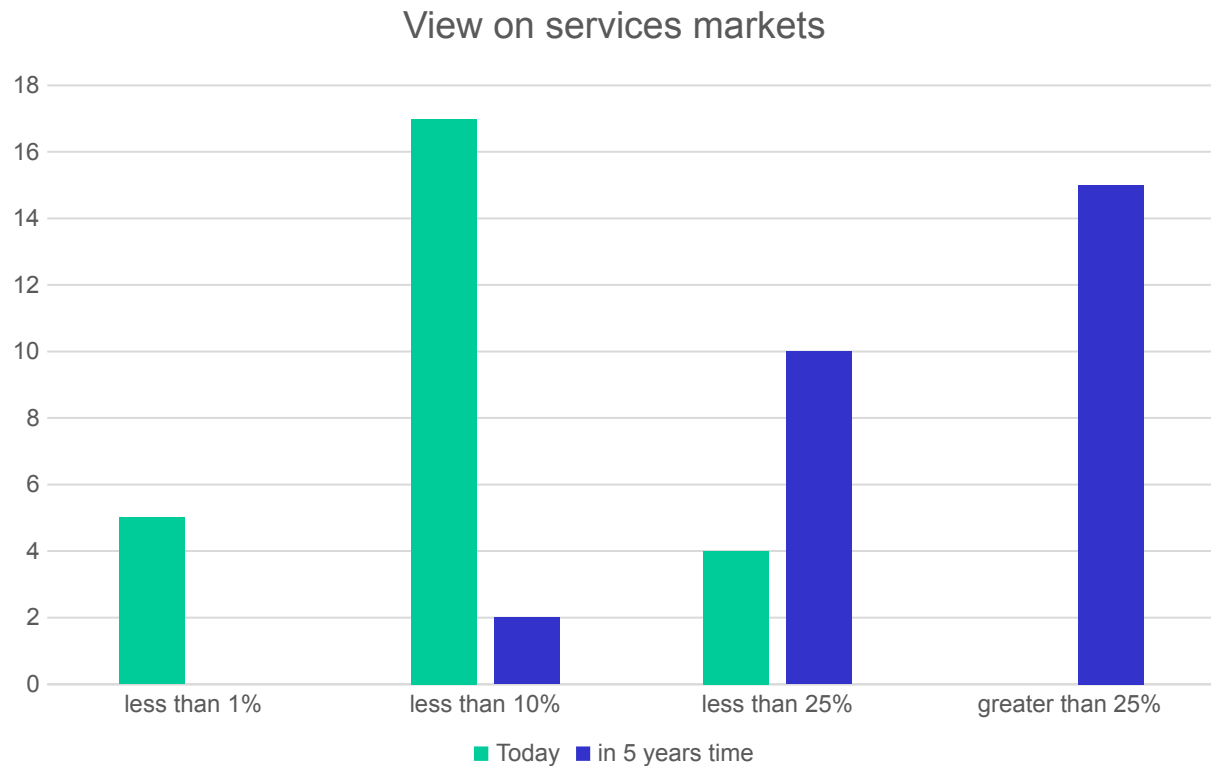
Evolving Market - Opportunities

1. “Massive” potential market for information services built upon satellite EO data and multiple open data sources.
 - health, environment, carbon, agriculture, IOT, Digital economy.
2. Market shifting from bespoke products (one per customer) to services (one product many customers)

Evolving Market for Services

What percentage of the market is for fully automated web-services?

Initial views of companies responding to the MAEOS stakeholder consultation





Evolving Market - Opportunities

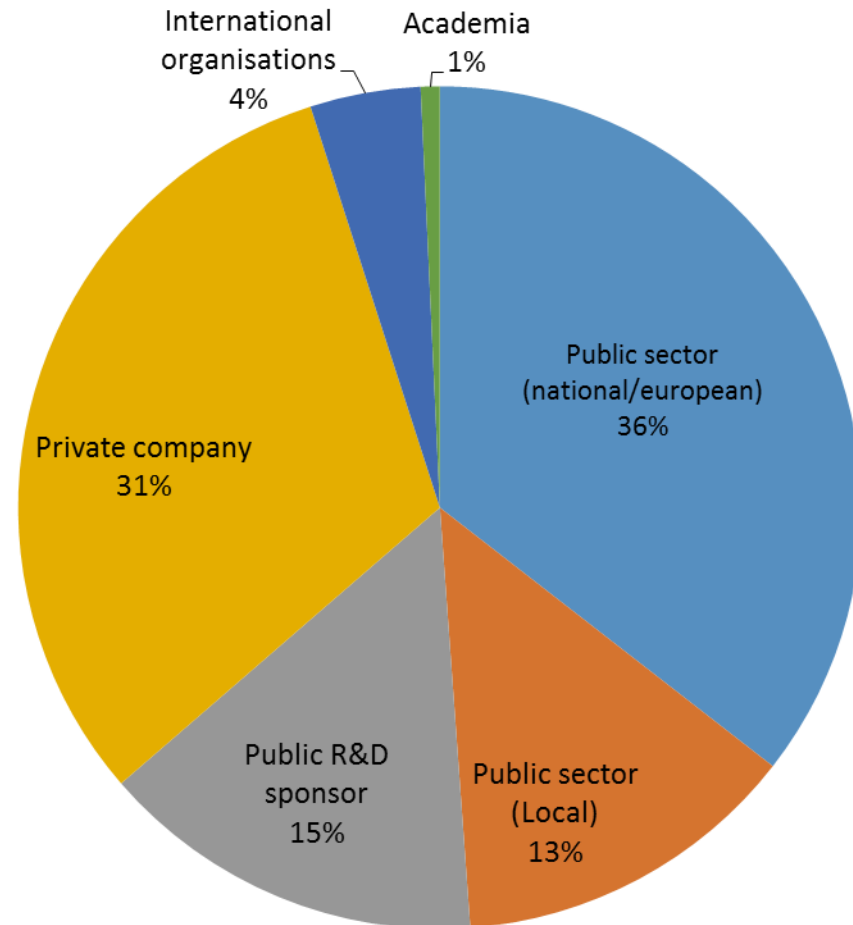
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 - health, environment, carbon, agriculture, IOT, Digital economy.
2. Market shifting from bespoke products (one per customer) to services (one product many customers)
3. US IT platforms (Amazon & Google) offer excellent opportunities
 - a) for companies to develop their products and services
 - b) market platforms to sell those products and services (but big difference between Amazon and Google).
4. Copernicus: strong European programme (€7b investment)
 -) need to focus on policy to help the downstream sector to develop
 -) more than just sprinkling data and hoping for results

Government is a key Customer

64% of revenues are coming from public sector operational customers at different levels (inc 15% R&D).

Around 4% comes from International organisations.

Around 30% of revenues is coming from sales to other “industrial” customers.





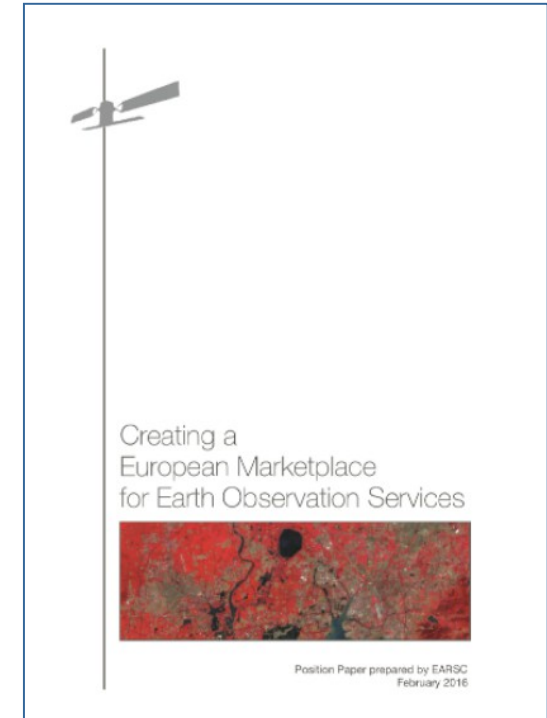
Evolving Market - Issues

1. US IT platforms introduce risk related to future business plans due to large discrepancy in business size: no European alternative.
2. Move towards services changes even existing markets;
 - Public sector procurement of services not infrastructure – “buy the outcome not the process”
3. Importance of public sector role as the market develops
 - Anchor tenancy
 - Technology sponsor
 - Development of the public sector need and market
4. Roles of the EU and of MS?
 - European approach is difficult whilst national approach is insufficient. (recall it has taken 30 years to organise the upstream sector in Europe)

EARSC Position Paper (Feb 2016)

Our position paper sets out the numerous challenges facing the EO services sector today, such as:

- Fragmentation of European industry – some 450 companies in Europe, most are Micro/SMEs
- Difficulty for these companies to access needed resources – data, processing, tools, know-how
- Entry of US IT giants to geospatial arena
- Access to finance, defining successful business models, attracting new customers
- Promotion of European EO services in export markets around the world
- Unclear boundary between public and private sector



Download: http://earsc.org/file_download/308/EARSC+PP+-+Creating+a+European+marketplace+for+EO+services.pdf



European Space Strategy

What does the EO Services Industry look for in a European Space Strategy?

1. Leveraging of Copernicus to help develop the sector
 - Enable easy and efficient access to Copernicus and other data
 - Maximise the exploitation potential of Copernicus
2. Improved Benefit from Research and Development Actions
 - Increase R&D effort towards EO Services
 - Improve industrial participation and exploitation potential
3. Support for the creation and development of the market
 - Enable private initiatives
 - Utilise public policies to enable market uptake

Overarching message: We must work together: it is a European strength.



What is EARSC's Vision?

A European Marketplace for EO services, with:

- A common identity where buyers can find European EO services, data and products of all kinds;
- Appropriate technical, legal, organisational and operational structures in place for the Marketplace to function (MAEOS);
- Operational platforms that link Copernicus and other geospatial data sources (public and private) on which to build EO Services;
- An environment whereby private initiatives can flourish.

Our aim is to help overcome the fragmentation in the European industry, and enable companies to develop their business in a global market

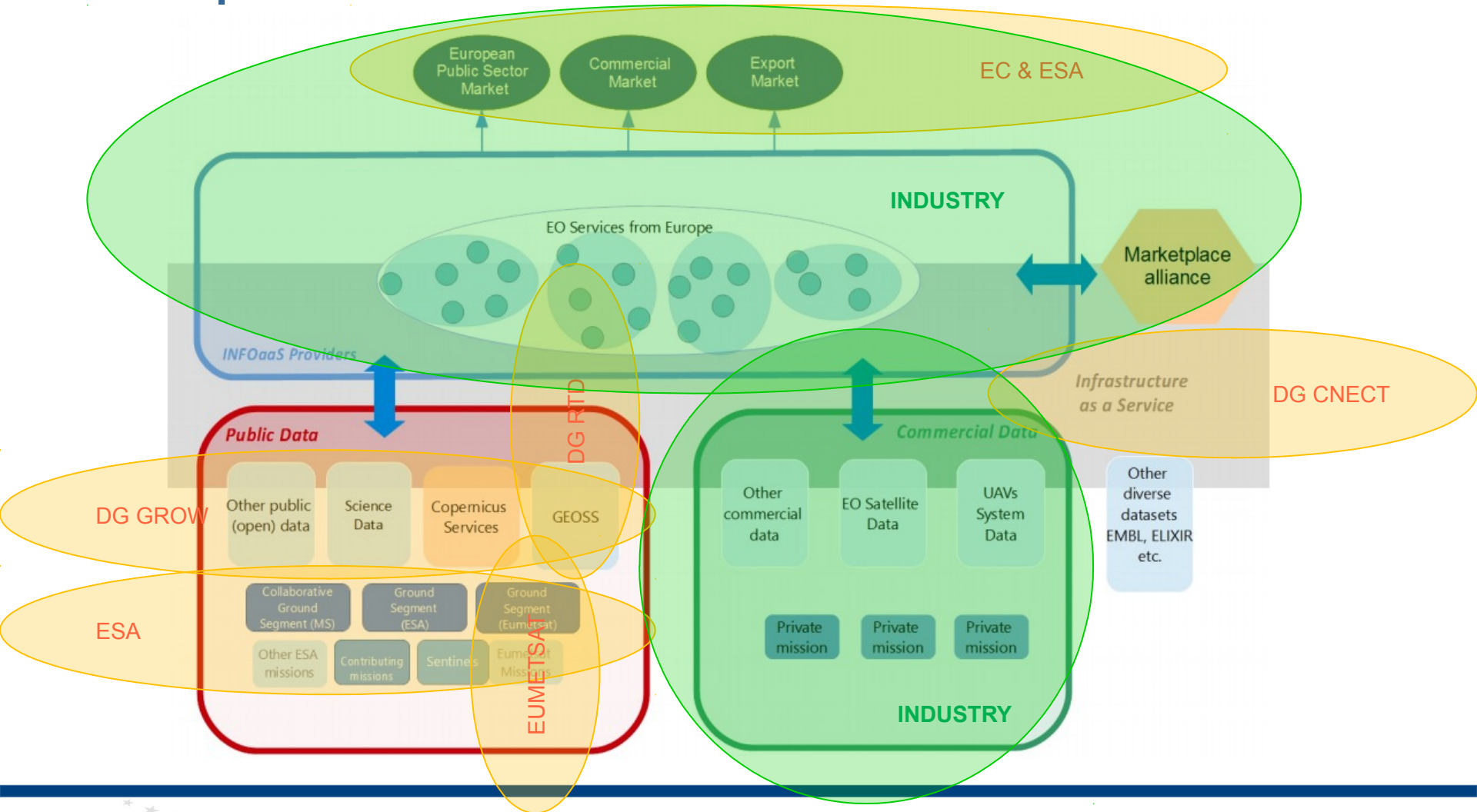
To facilitate this, we propose to establish a European *Marketplace Alliance for EO Services (MAEOS)*



What is EARSC doing?

1. Conducting MAEOS Study to define in more detail what the Marketplace should look like, what roles it should play and how it can be established.
 - Stakeholder consultation (June to August)
 - Legal and governance constraints (September to November)
 - Business Planning (September to December)
 - Promotional Actions (June to February)
2. Make recommendations to the Industry on what could be done – seek endorsement (December / January)
3. Implement MAEOS according to the business plan: January 2017 onward.

Working together





Stakeholder Consultation

There has been very strong support to the concept of a marketplace but everyone has different views on what this means:

Stakeholder consultation to gather more detail.

1. On-line questionnaire released on 27th June
2. Distributed widely to our full company list (around 600 addresses).
3. We shall need responses as soon as possible; end of July at the very latest.
4. We are open for a workshop to review discuss results but timing is critical



Stakeholder Questionnaire

Gather views on the Marketplace and what it can provide:

- Your position in the value chain
- More interest in e-services or consultancy?
- View on business portfolio in 5 years time
- Use of existing platforms.
- Specific services to be offered by MAEOS
 - promotion of products and services?
 - brokering and / or selling?
 - certification?
 - Order-processing back-office?



MAEOS Questionnaire: Please fill in it on-line @

<https://www.surveymonkey.com/r/ZDQBQSS>

or contact:

secretariat@earsc.org

More Information at www.earsc.eu