

Portfolio Highlight: Flume

Joe Fazio, VP of Customer Success



Hardware is hard. It's hard to design, hard to build, and hard to sell. It's no wonder why VCs notoriously shy away from backing hardware companies. That said, hardware is a means to an end. And at the end, it's all about the data that you can collect with said hardware.

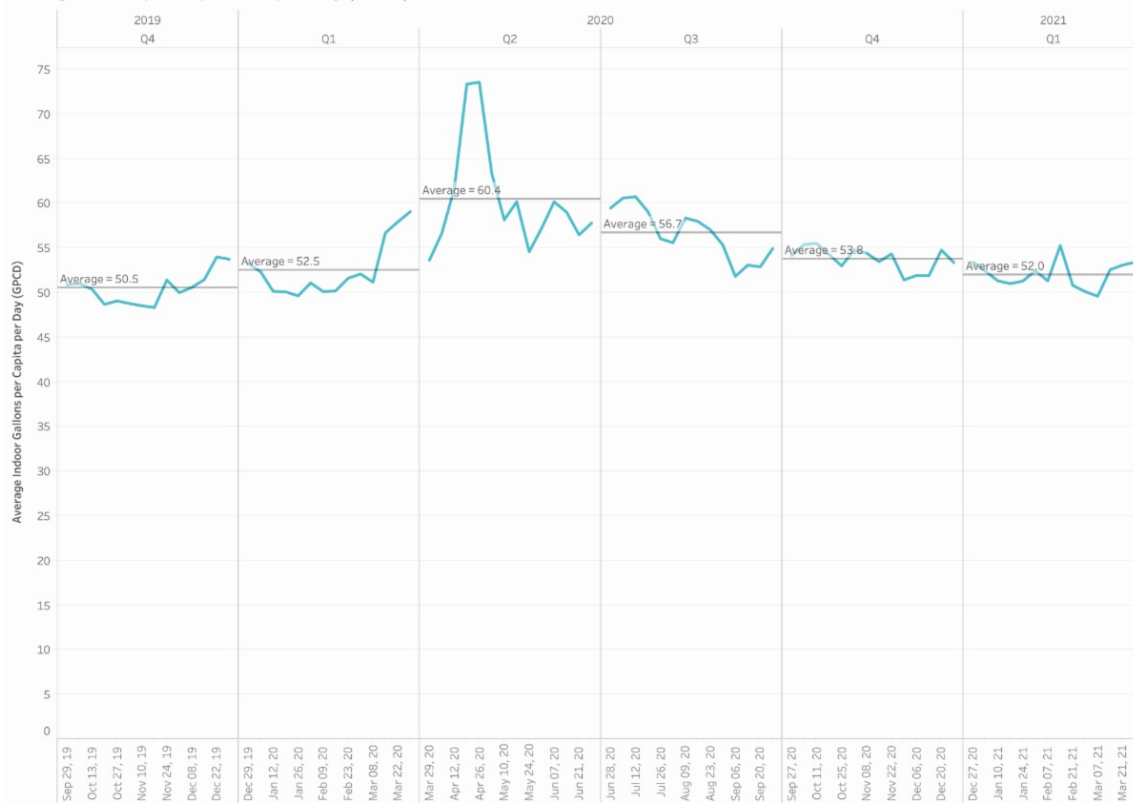
In Flume's case, we manufacture a smart water monitor. It's a device that any homeowner can install in less than 30 minutes. It straps to the city water meter and it collects water use data from the meter every 5 seconds. That data is then available to the homeowner in real-time on their smartphone. The Flume app notifies the homeowner of any leaks, and the homeowner is also able to monitor their water use in real time. Customers love this thing.

The Flume devices are typically marketed and subsidized by water utility companies. So, after the subsidy, most homeowners pay between \$25 and \$100 for the device. So, at this price point, the devices are very affordable for most homeowners. As such, we now have tens of thousands of devices throughout the nation (and beyond).

Now for the good part...with Flumes in 3,000 cities and 4,500 ZIP codes, Flume is the only player that has access to high definition, nationwide water use data. Who wants this data, you ask? Water utilities, states, cities, universities, nonprofits, and large brands.

The State of California has used our data to help inform water legislation. A major brand has used our data to prove that their products save water. Water utilities use our data for planning and forecasting. As an example, one of our utility customers is trying to decide whether they need to do a \$500M upgrade to their wastewater system. In order to make this decision, they need very accurate indoor per capita water use data and trends (as seen in the chart below).

Average Indoor per Capita Use per Day (GPCD)



And the great thing about water use data is that it gets stale very quickly. Things like weather, natural disasters and pandemics constantly change water use patterns (note the big COVID-related peak in the chart above). As such, our customers need updated data regularly. So, recurring data revenue with near-zero margins is a great business model. This is our future, and we are excited about our transition from a hardware company to a data company.

To learn more about Flume's data practice, please register for its [upcoming webcast](#) on April 29. For a discount on Flume for your home, please use our exclusive Augment discount code **AUGMENT2021**.



PROOF VC Podcast Featuring Sonali and Augment

Earlier this month, Sonali was featured on the Finding Proof Podcast - [click here](#) to check it out and listen to her advice for entrepreneurs!

In the News

LARQ

LARQ was featured on ABC's Shark Tank this month! CEO and co-founder Justin Wang was able to reel in Kevin and Lori, the two biggest sharks in the [tank](#). Check out [this video](#) of Justin pitching LARQ to the sharks, and click [here](#) to learn more about LARQ's history.

For a discount on LARQ bottles, please use our exclusive Augment discount code AUGMENT20.