What's Up in UPS?

Written by Bob Snyder 17 October 2011

What's new in UPS, you ask? OK, you didn't ask because you don't think anything really new is going on. Isn't it a mature market with a few behemoths locking up the business?



Yes... and no. It is a mature market but Geneva-based **AST Power Quality Solutions** believes it can target the exposed underbelly of the old UPS beasts. The very fact that UPS is mature means the market leaders have over-extended their product lines, added more complicated features to units to justify their price points, and evolved clunky ordering and logistics structures. All for single digit profit margins.

It's the maturity that has created their vulnerabilities, argues AST-PQS.

Founded in 2009 and out with their A Series UPS line in Europe in September 2010, AST Power Quality Solutions is an independent joint-venture business extension to ASTModular SA, a provider of modular data centres and headquartered in Barcelona.

AST-PQS goal is to build a complete set of all-inclusive power quality solutions (aka UPS) for the professional (B2B) 1-phase markets. The USP of their UPS (OK, I've been waiting years to work that clever phraseology of acronyms) is to simplify the typical confusingly-broad product offering by including all the most important features, yet matching the price points of "less advanced" products currently available.

This is the foundation of AST A Series UPS line. That series covers the 1 - 10 kVA market segment with only five models. All A Series products are on-line/double conversion. They can be installed in standard 19" racks or as stand-alone units (R/T) and they come with SNMP communication port as standard (A1 only with standard RS-232).

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The more popular models for single rack installations (3 and 5 kVA) also have "more than 30% more battery-run-time than any other solution without (optional) battery extension." Their 2-year customer warranty depends upon a rapid product swap. No need for service/repair. That's part of **their simplicity and quality strategy**.

And there's more: most UPS buyers have to buy an installation kit as an option. At AST-PQS, they include the rack key and feet as a complete solution.

"We are the not the cheapest but we do add more value without asking extra money," says Risto Thurén, General Management Sales and Marketing at AST-PQS.

"Think about the UPS market today... I mean, count the SKUs of a major supplier and you'll find 4966 SKUs. Nearly 5000 SKUs! That creates a nightmare of logistics. Who could keep all those models in stock?"

"Power quality is only about 5% of the turnover of a major broadliner. Therefore, according to major UPS makers, you need at least 100 SKUs to cover 5% of your overall business. A smaller distributor can't live off a single digit margin on 5% of their business so if we show up and offer double digit margins, then we are a hero."

"Our strategy is 100% through the channel," says Thurén. "We want our partners to earn even three times more profit versus others, so our product, pricing, inventory, marketing and sales management are the most efficient in the industry."

What's up in UPS, you ask? It's a new concept in UPS where AST-PQS expects less to be more...

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