

Real stories

Submer

“The immersion cooling is the only technology that will enable us to meet the European goals in energy efficiency and CO₂ reduction”

Daniel Pope - CoFounder & CEO

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Introduction

We're pleased to present the real life case study of Submer, a leading startup on a national level. Through the interview with its CoFounder & CEO, Daniel Pope, we can learn about their origins, the challenges they have faced, the decisions they have made...and many other things.

Submer is a Spanish company specialized in equipment cooling using a non-conductive fluid. Founded in 2015 by Daniel Pope and Pol Valls, the startup aims to address the challenges of energy efficiency in IT infrastructure.



Introduction

Founders	Daniel Pope, Co-funder & CEO Pol Valls, Co-funder, CSO & Investor Relations
Website	https://submer.com/
Year founded	2015
Location	Barcelona, Spain
Employees	30 women / 95 men
Product/service	Technology
Sector	technological
Technology	<i>Artificial Intelligence (AI)</i>

About Submer



Daniel and Pol are the founders of Submer, two restless minds with experience in the world of data centers, who began **developing a new technology in 2015 to innovate the way technological infrastructure is cooled.**

Thus, the idea that Submer proposes to the market is to replace the industrial air conditioning used to cool equipment with **a non-conductive fluid, which reduces heat transmission.**

Therefore, Submer develops **immersion systems for servers and high-performance computing systems.**

Key Clients

As explained by Daniel, CEO of the startup, they have very relevant clients who have the need to implement **high-performance computing infrastructures**. Therefore, at Submer, they provide a highly advanced system for **cooling next-generation computing technology infrastructure**.

One of the clients expressing this need is the **European Commission**, which has a variety of systems deployed and utilizes cloud service providers such as **Microsoft, Amazon, Google, among others**.

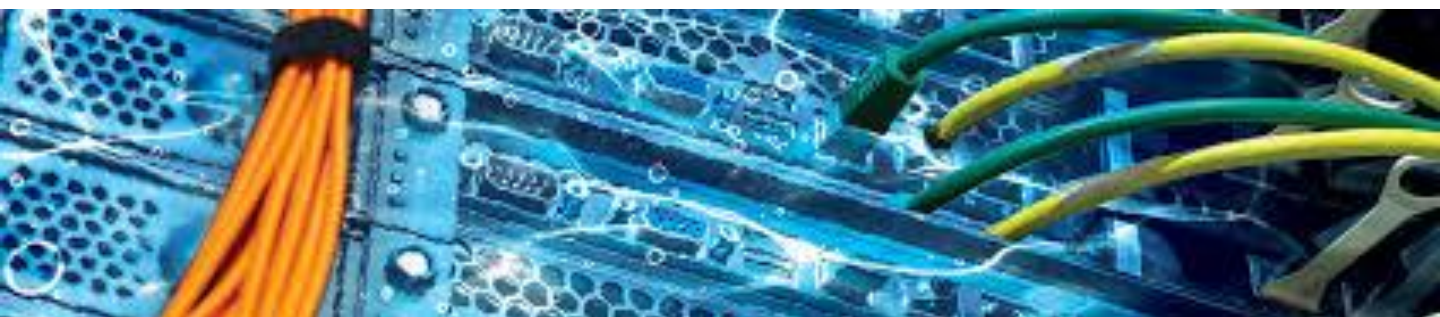
Challenges in knowledge management

Submer has faced many challenges since its creation in 2015. However, as explained by its CEO, one of the most significant has been **the growth of the startup**.

Currently, Submer has over 120 people on the team, making it increasingly difficult to maintain **the culture of a startup: flexible, creative, and with a highly motivated team**.

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The main challenge for the company is to maintain focus on innovation, a critical aspect for competing in the market



International focus



In its early days, Submer identified a business opportunity in the United States. Currently, **70% of internet traffic is generated and consumed in this country, as it holds 70% of the world's data center infrastructures.**

As Daniel explains, the dominance of the United States is due to the fact that most content **is generated and consumed in this market.** Additionally, **the majority of cloud service providers** (Microsoft, Google, Amazon, Meta, etc.) **have their networks deployed in this country.** Therefore, a significant portion of their infrastructure is deployed in this market, where most data is generated.

On the other hand, he mentions that there is a clear and rapid acceleration in the Asia Pacific region, including countries such as Singapore, Australia, Indonesia, Malaysia, and India. Due to this, they anticipate reducing their focus on the United States in the next 2 to 3 years and gradually gaining market share in these markets.

In the short term, **the construction of vast amounts of internet infrastructure and data centers** is anticipated in this region, especially in India.

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35% of our workforce is located in these regions, primarily in the United States

Market evolution

As the CEO explains, **Spain holds a leadership position in the data center industry**, as several submarine cables belonging to major operators such as Google or Meta have been installed in the country, specifically in the Basque Country, Galicia, and Catalonia.

Having achieved the goal of attracting this strategic infrastructure to Europe, it is now time to proceed with its deployment.

In this regard, **cloud providers are building their own data processing centers (DPCs)**, and currently, there are several such as Amazon and Google in Aragon, and Microsoft and Facebook are planning to set up in Madrid.

We can conclude that **Spain has positioned itself as an attractive market for these major cloud providers**, given its strategic infrastructure for the future.

Similarly, at the national level, there has also been an increase in initiatives in this area, such as the Barcelona Supercomputing Center, the Canfranc Laboratory, or Telefónica.

Competition

Submer started its activity in 2015 with a single competitor and now has approximately 6 or 7, although **there are still business opportunities and therefore, room for growth.**

For Daniel, **maintaining the ability to innovate is key.** Furthermore, Submer's strong positioning and recognition as a **highly specialized company in this technology** serve as a barrier to entry against potential competitors.

Strategic Alliances

Chip manufacturers (such as Intel, AMD, and NVIDIA) are a strategic alliance for Submer as they enable immersion cooling, being non-conductive of heat, as explained by its CEO.

At the same time, **server manufacturers** are crucial for carrying out the procedure, as they determine where the chips will be located. Servers need to be compatible, optimized, or easy to use on investment platforms like those of Submer.

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Our alliances are more closely associated with what goes inside our machines because those components have a strong dependency on the technology we develop and its benefits



Growth Strategy

Daniel explains that **internationalization was crucial for Submer from day one**, and fortunately, they were able to secure European funding to initiate the project.

The initial operations were with European clients, but they quickly expanded to the United States, which currently accounts for 70% of all operations.

Currently, as mentioned earlier, they are gaining traction in the Asian market, especially in India, while continuing their international expansion.

Assumed Challenges

The greatest challenge that Submer faced was during the COVID-19 pandemic, when it had **to manage an exponential increase in demand for the technologies it offers.**

Additionally, the startup experienced a **decrease in agility and faced difficulties in innovating due to its growth and the challenges associated with remote work.** The location of teams in different places initially complicated collaboration.

Another challenge was the difficulty in entering the market, which took 6 years from the creation of the company. This period required patience, self-confidence, and continuous adaptation to the market.

Sector Trends

According to the CEO's opinion, Submer's positioning **is based on computing performance and sustainability.** In this regard, he emphasizes that Submer's technology **enables a reduction of nearly 50% in the energy consumption required to operate a data center,** which, in the current context of climate change and sustainability policies, represents significant added value.

Furthermore, Submer is positioning itself as an **international company, present in the European, American, and Asian markets,** and plans to continue growing with the help of artificial intelligence.

Startups Law

Daniel considers that within the framework of the Startup Law, aspects such as **tax incentives, streamlining procedures, and access to financing** are essential for fostering the development and growth of the **entrepreneurial spirit**.

In this line, he also highlights that any platform that **centralizes and unifies the different agents, players, or entities that can help develop innovation** and accelerate the startup world is very good news for the sector.

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Before the Startup Law, entrepreneurship was akin to a journey through the desert, very complex and without reference tools

Submer



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