



CENTRO  
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DESARROLLO



**WE & B**

# Inclusive Business Models – Promoting SMEs In The Water Sector

14th June 2016

# Main Objectives



One of the main objectives of DEMOWARE is:

- ∞ **Market Access and business development for SMEs** in the water sector.
- ∞ **To Design and deliver an online tool** to support **SMEs** in the development and exploitation plans. This will include:
  - Business vision creation
  - Market insights
  - Access to finance
  - Adaptation of products to markets
  - Product positioning
  - Partnership strategies

# Why Innovate on Water Reuse Business Models?

- ∞ Water Reuse faces global barriers
  - Lack of sustainable business models
  - Lack of correct pricing of the resource
  - Regulatory challenges
  - Poor public perception due to a lack of public understanding
  
- ∞ DEMOWARE has investigated to help companies define:
  - New markets that present opportunities for the services
  - Providing business model strategies promoting technologies linked to water reuse.
  - Demonstrating the full benefit of water reuse schemes based on a Cost Benefit Analysis
  - “innovative financial engineering” of water reuse schemes (through pricing, taxes, incentives etc.).
  - Tools for SMEs to define new business opportunities.

# How are Water Reuse Schemes currently Financed?

- ∞ In broad terms three principle models exist for financing the construction, operation and maintenance of wastewater treatment:
  - Public financing
  - Private financing or
  - Joint Ventures - Public Private Partnerships (PPP)
- ∞ Within these principle models of financing the following variances exist:
  - Private Responsibility
    - Fully Private Provision
    - Service Contracts
    - Build, Operate, Transfer
    - Concession Contracts
    - Passive Public Investment
  - Public Responsibility:
    - Fully Public Provision
    - Passive Private Investment
    - Design and Construct Contracts

# Cost Recovery for Water Reuse Schemes

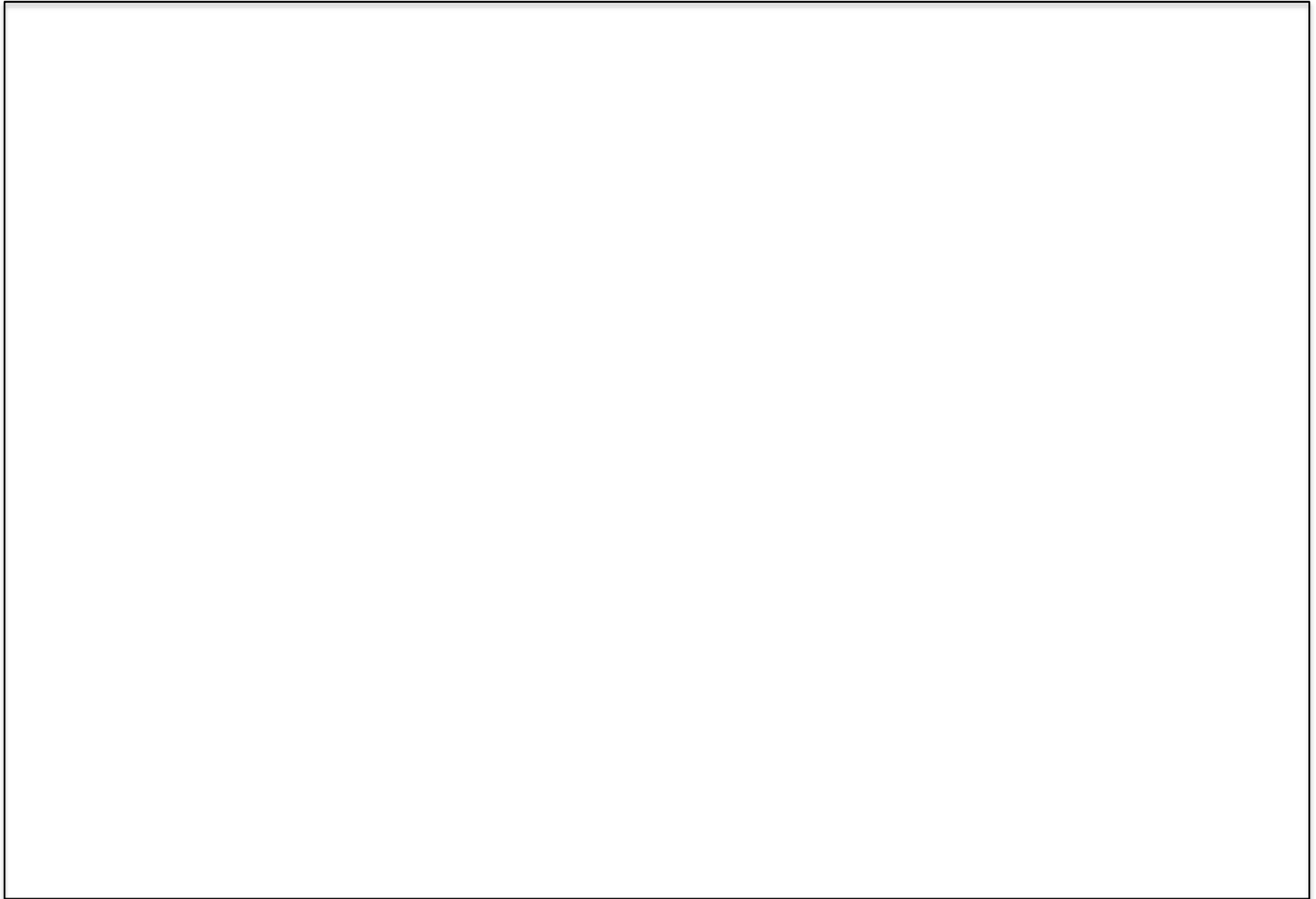
∞ The most common models for recovering operational costs for wastewater treatment operations are:

- 1. Water Pricing for Cost Recovery**
- 2. Water Rights Trading**
- 3. Payment for Ecosystem Services (PES)**
- 4. Financing**

## Business Model Investigation: Methodological Approach

- ∞ 3 Demonstration sites were considered (Reuse schemes for Urban, Industrial and Agricultural)
- ∞ Analysis of the business model value chain from the identified sites
- ∞ Positioning strategy for the near future (up to 2017) and the core mission strategy up to 2017; desired markets taken into consideration; and the expansion goals for products/services
- ∞ The level to which inclusive and sustainable business management concepts are relevant to the companies were analysed:
  - relevance of inclusive and sustainable business management;
  - major initiatives on sustainable management
  - major initiatives on inclusive business management

# Business Model Value Chain (Example Urban Water Reuse)



## Recommendations to improve business models of the sites analysed

- ∞ **Recommendation 1:** Expand the identification phases of the services delivered (Partnerships)
- ∞ **Recommendation 2:** Improvement of the production phases (emerging contaminants)
- ∞ **Recommendation 3:** Improving the sustainability impact(maximizing the re-use of by-products)
- ∞ **Recommendation 4:** Expanding the access to markets
- ∞ **Recommendation 5:** Expand the use of strategic tools to improve the business model value chain
- ∞ **Recommendation 6:** Developing awareness for building in mentality changes (engage the civil society)



## Current Business Models that can be adapted to the Water Reuse Market.

- ∞ Strategyzer/Business Model Canvas
- ∞ Business Model Kit
- ∞ Business Model Innovation Tool Kit For Emerging Markets
- ∞ SME Toolkit
- ∞ SustainValue
- ∞ Business Model Architect
- ∞ Start-up Strategy Framework
- ∞ The Lean Start-up Methodology
- ∞ The LaunchPad for Enterprise

# The Adapted Water Reuse Business Model Canvas

<p><b>Key Partners</b></p> <ul style="list-style-type: none"> <li>• Who are our Key Partners through the value chain?</li> <li>• Which are the Key Resources that we require from our partners?</li> <li>• Which Key Activities do our partners perform?</li> <li>• What M&amp;E framework we use to evaluate partnership performance?</li> </ul>	<p><b>Key Activities</b></p> <ul style="list-style-type: none"> <li>• What are our Key Activities based on revenue %?</li> <li>• What are our Key Activities based on diversification and long-term goals?</li> </ul>	<p><b>Value Proposition</b></p> <ul style="list-style-type: none"> <li>• What is the value our company provides:</li> <li>• For our clients</li> <li>• For our shareholders</li> <li>• For our community</li> <li>• For our employees</li> <li>• For the environment</li> </ul>	<p><b>Customer Relationships</b></p> <ul style="list-style-type: none"> <li>• Define the typology of customer relationships we adopt?</li> <li>• Define costs per type of customer relationship</li> <li>• What M&amp;E framework we use to evaluate customer relationships?</li> </ul>	<p><b>Customer Segments</b></p> <ul style="list-style-type: none"> <li>• Define all the potential customers for urban water reuse</li> <li>• Of these, who are our most important customers?</li> <li>• Categorize clients by % of type of customer relationship</li> <li>• Define strategy to engage priority clients</li> </ul>
<p><b>Key Resources</b></p> <ul style="list-style-type: none"> <li>• What Key Resources do our Value Propositions require?</li> <li>• Are we missing key resources to provide water reuse value to the sector?</li> <li>• Our Distribution Channels?</li> <li>• Customer Relationships?</li> <li>• Revenue Streams?</li> </ul>			<p><b>Channels</b></p> <ul style="list-style-type: none"> <li>• Which Channels are we using to reach the clients in the urban setting?</li> <li>• Define each of these channels per product (water, energy, sludge etc)</li> <li>• What is the performance success ratio from each channel?</li> <li>• How do we integrate the Channel distribution into our customer strategy?</li> </ul>	
<p><b>Cost Structure</b></p> <ul style="list-style-type: none"> <li>• Define all costs associated to the value chain of activities</li> <li>• What are the most relevant costs based on the key activities?</li> <li>• Define how the costs are aligned to value generation per each activity phase</li> </ul>			<p><b>Revenue Streams</b></p> <ul style="list-style-type: none"> <li>• What value are customers really willing to pay for water reuse and associated products (energy, nutrients etc)?</li> <li>• How much does each Revenue Stream contribute to overall revenues?</li> </ul>	

# Tools for SMEs for Business Promotion: Methodological approach

## **Methodological process:**

- Demand assessment among SMEs
- Piloting with selected SMEs
- Identification of existing tools
- Development of specific tools
- Programming of beta platform, piloting and testing with a few SMEs
- Programming of platform and launch

Based on the needs from potential target audience (SMEs and corporations) identified with the survey, some of the preliminary results from the survey analyses processed so far are described based on :

- a) sector representativeness;
- b) information about the companies: mission, main products and customers; and
- c) analysing the engagement of companies through the Business Model Value Chain.

# Sector Representativeness

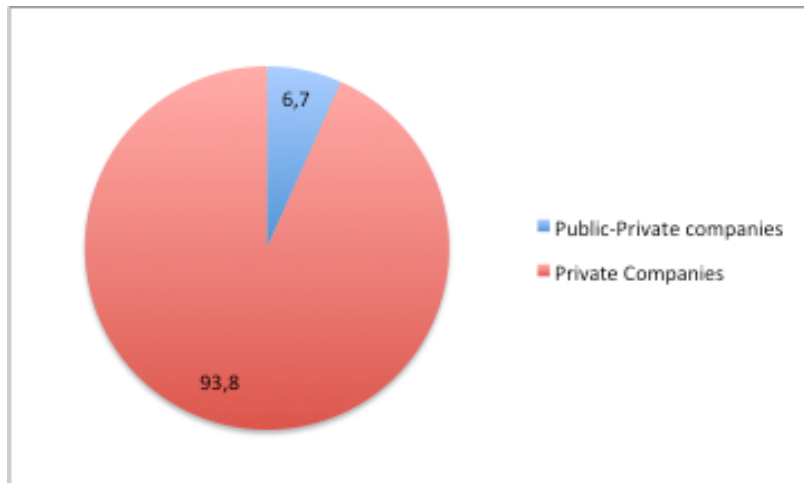
The SMEs represented in the study performed are the main ones of traditional sectors related to wastewater treatment and management

## Main sectors represented by companies engaged in the study

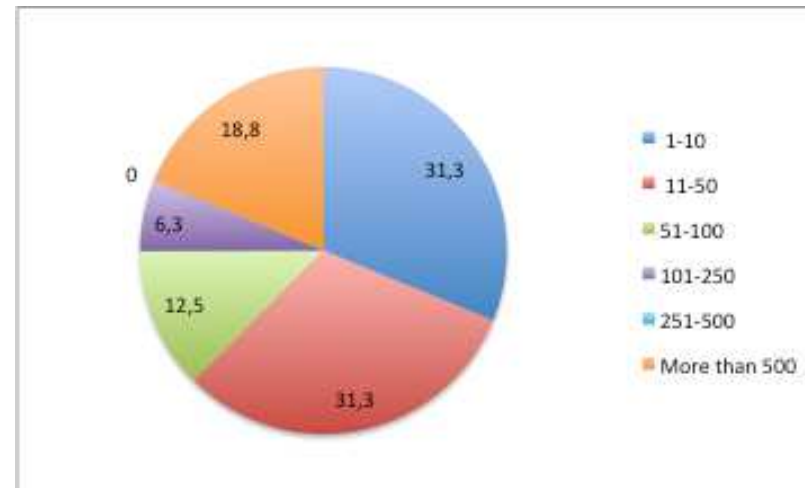
Wastewater Treatment  
Water  
Engineering & consultancy  
Water consulting  
Environmental and civil engineering  
Nanotechnology Applied to Water Remediation  
Manufacturing  
Pump industry  
ICT  
Chemical & Petrochemical  
Water and wastewater technology supplier  
Capacity building  
Policy support  
WATER + ICT  
Services  
Innovation consultancy

# Sector Representativeness

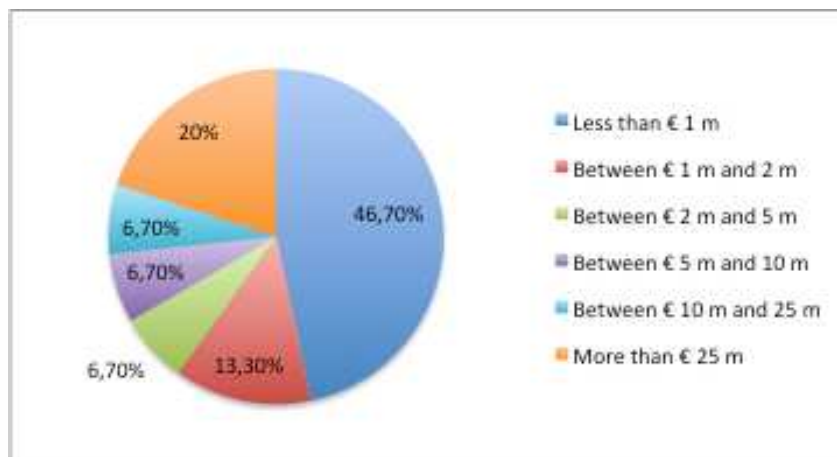
Private and public constituencies of companies analysed



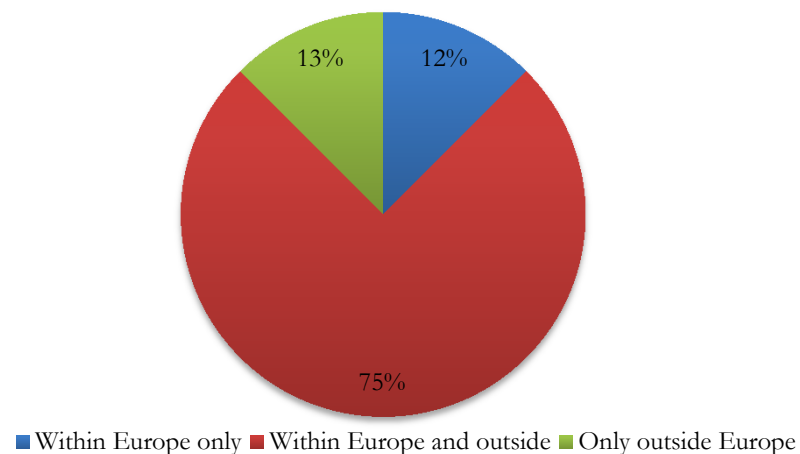
Employees per each of the companies analysed



Annual turnover of companies analysed



Regions of business activities of companies analysed



# Company strategic information

**About the company's missions:** Most of the companies see their mission with regards to the bigger picture and their goal is to provide sustainable solutions for the world's growing water demand and the growing water shortage. Some companies focus on optimizing their specific product/service, such as capacity building or pump manufacturing.

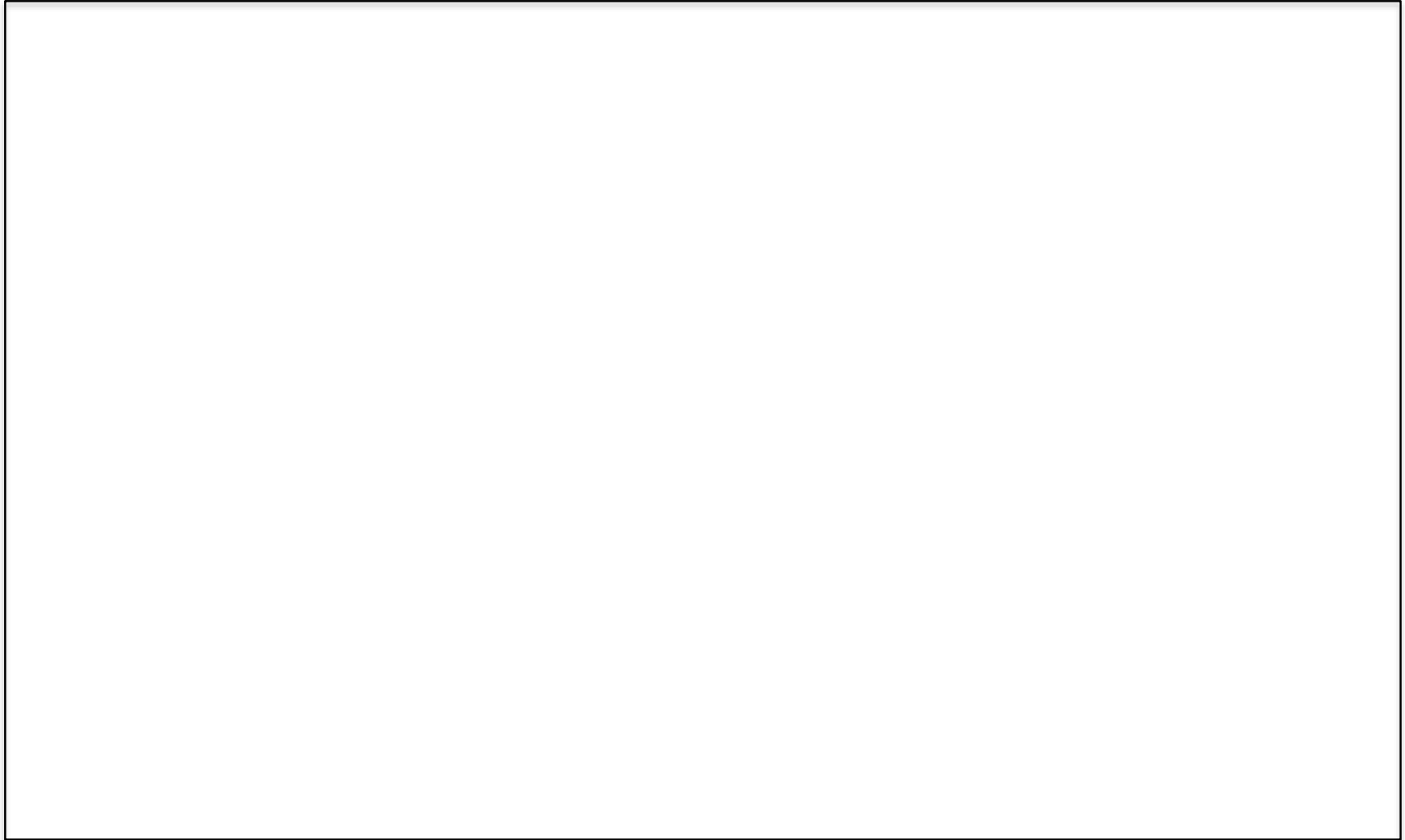
**Concerning main products:** The main products that the companies analyzed provided are the following:

- Technology providers for the wastewater treatment management plants
- Developers of research on new technologies for the water sector in general
- Providers of consultancy services, which included feasibility studies, capacity building, project development and project management of water projects.

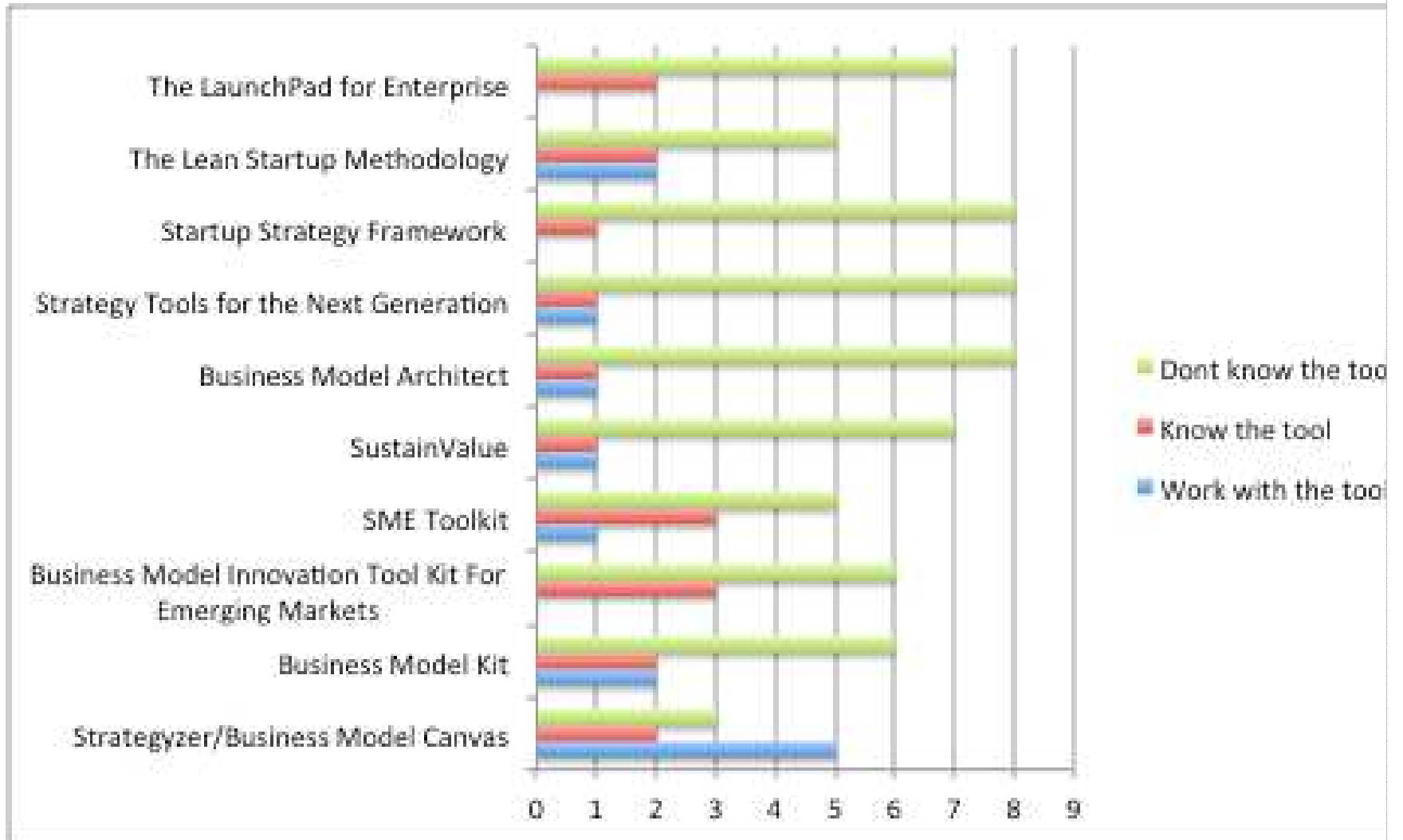
**Concerning main customers of the sector:** Some of the main customers that are more common for the companies analyzed are the following:

- Public administration and private companies
- Utility companies, wastewater treatment plant owners and operators (public & private)
- Water Engineering Firms, Industrial Wastewater Producers
- Innovation providers and demanders
- Products/services for different industries (aviation, mining, energy, infrastructure, etc.)
-

# SMEs expression of need of support



# Main tools used by companies





# Content Manual Proposed

## Content of the Manual proposed for the Toolkit:

- Manual - Content – What to find on the platform
  - General description of the structure – Phases, Development Categories and Tools
  - Detailed description of each phase with categories and tools
    - Phase I – Identification
    - Phase II – Design and Incubation
    - Phase III – Life Cycle Management Process
    - Phase IV – Post User
  - Different applications proposed and recommendations on how to use the manual

# Preliminary Tool Production Matrix

<u>I IDENTIFICATION</u>	<u>II DESIGN AND INCUBATION</u>	<u>III LIFE CYCLE MANAGEMENT PROCESS</u>	<u>IV POST USER</u>
<i>Product/service identification, its market and demand</i>	<i>Product/service development (business plan road map)</i>	<i>Business Management</i>	<i>Monitoring and development</i>
<b>a. Identification of demands</b>	<b>a. Access to financing</b>	<b>a. Supply chain management</b>	<b>a. Evaluation of results and return on investment</b>
<b>b. Definition of the product or service</b>	<b>b. Design of the product or service</b>	<b>b. Eco-efficiency</b>	<b>b. Continuous improvements, re-orientation and modification</b>
<b>c. Customer Demand Planning</b>	<b>c. Business Model Governance Structure</b>	<b>c. Project Management Systems</b>	<b>c. Recycling Re-use and elimination strategy</b>
<b>d. Customer Development</b>	<b>d. Business Plan Development</b>	<b>d. Distribution</b>	<b>d. Replication and Upscaling</b>
<b>e. Feasibility Study</b>			

# Moodle Online Knowledge Platform



DOCUMENTATION DOWNLOADS DEMO TRACKER DEVELOPMENT TRANSLATION MOODLE.NET



Español - Internacional (es)



Usted no se ha identificado. [\(Entrar\)](#)

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equipos de código abierto más  
grandes del mundo.

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aprendizaje de  
código abierto

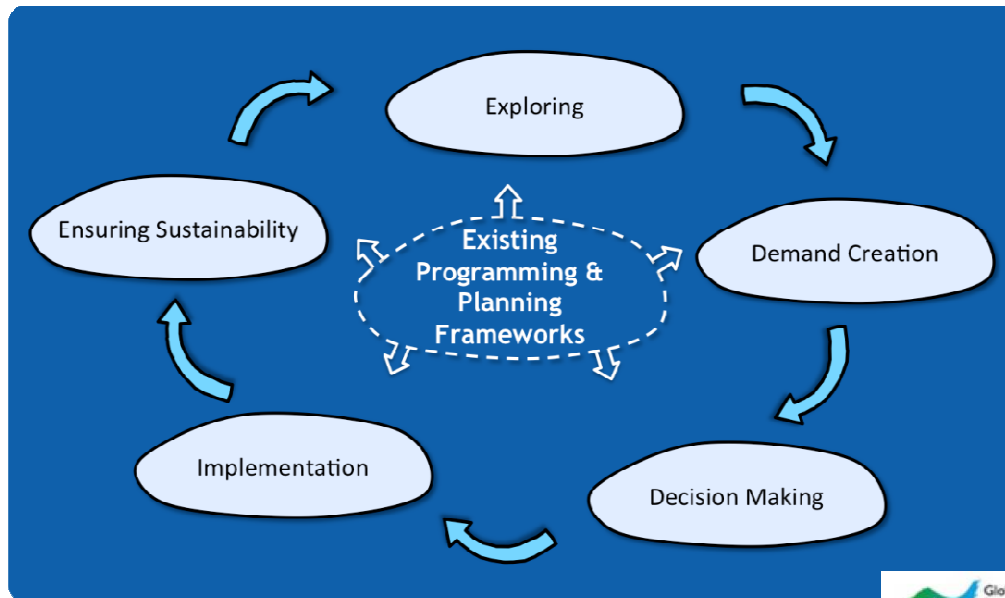


Impulsando  
ambientes de  
aprendizaje en todo  
el mundo



Historias sobre  
Moodle alrededor  
del mundo

# Tool Development Framework



Global Water Partnership  
**ToolBox**  
Integrated Water Resources Management

English Español  
PRESS ROOM CONTACT US  
+ GWP Regional Websites

ABOUT TOOLS CASE STUDIES CRITICAL CHALLENGES PUBLICATIONS

- The Enabling Environment (A)
- Institutional Roles (B)
- Management Instruments (C)

**59 TOOLS**

Enabling environment  
Institutional roles  
Management instruments

WATER FOR PEOPLE FOOD NATURE AND OTHER USES

What is IWRM? IWRM Principles, Plans and Strategies

Latest Case Studies

- Brazil: Integrated environmental assessment of agricultural production systems in the Toledo River Basin (#441)
- Pakistan: A Successful Model of the Urban Water Partnership in Karachi (#440)
- Uruguay: Capacity building for climate disaster risk management at local level in Pantanoso watershed in Montevideo (#439)
- Armenia: Local solutions for waste water management in Armenia village (#438)
- Argentina: Drinking water supply system for rural population of Eastern Tucuman (#437)

How to contribute

You can submit case studies and references to this site.  
Contribute to the IWRM ToolBox

Knowledge Centers  
IWRM in Education  
To build a closer working relationship on knowledge

Regional Paper  
Urban Groundwater - Policies and Institutions for Integrated Management

Latest Publications  
New GWP Policy Briefs on Urban, Transboundary, and Economic Water Issues

# Tool 1 – Area prioritization

**1 Do you have a Business Idea you want to implement**

Yes  No

**2 What are the business areas more relevant for you?**

- |  |   |
|--|---|
| <input type="checkbox"/> Economic turnover (growth)  | <input type="checkbox"/> Corporate Reputation |
| <input type="checkbox"/> Profit                      | <input type="checkbox"/> Productivity         |
| <input type="checkbox"/> Employee engagement         | <input type="checkbox"/> Customer service     |
| <input type="checkbox"/> Product quality             | <input type="checkbox"/> Marketing            |
| <input type="checkbox"/> Sustainability              | <input type="checkbox"/> Change Management    |
| <input type="checkbox"/> Other: <input type="text"/> |   |

**3 Define the social challenge you are targeting**

- |  |   |
|--|---|
| <input type="checkbox"/> Climate Change              | <input type="checkbox"/> Social inclusion |
| <input type="checkbox"/> Poverty Erradication        | <input type="checkbox"/> Security         |
| <input type="checkbox"/> Water Access                | <input type="checkbox"/> Gender equality  |
| <input type="checkbox"/> Energy Access               | <input type="checkbox"/> Health           |
| <input type="checkbox"/> Education                   | <input type="checkbox"/> Human Rights     |
| <input type="checkbox"/> Other: <input type="text"/> |   |

**4 Prioritize your selected areas/choices?**

**Economic drivers**

1 Selección de las tres primeras

2

Numerico o binario

3

**Social Challenges**

1 Selección de las tres primeras

2

Numerico o binario

3

# Tool 2 – Idea Selection

1. Write down 5 ideas that contribute to enhance your economic drivers

Idea 1
Idea 2
Idea 3
Idea 4
Idea 5

2. Write down 5 ideas that contribute to enhance your social challenges

Idea 6
Idea 7
Idea 8
Idea 9
Idea 10

### 3. Idea prioritization model

Idea/Name and Description

Idea 1  
Idea 2  
Idea 3  
Idea 4  
Idea 5  
Idea 6  
Idea 7  
Idea 8  
Idea 9  
Idea 10

Potential impact to economic drivers

	ED1			ED2			ED3			
Idea 1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 5	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 6	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 7	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 8	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 9	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5

Idea/Name and Description

Idea 1  
Idea 2  
Idea 3  
Idea 4  
Idea 5  
Idea 6  
Idea 7  
Idea 8  
Idea 9  
Idea 10

Potential impact to social challenges

	SC1			SC2			SC3			
Idea 1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 6	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 7	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 8	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 9	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5
Idea 10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	5

#### Results:

- 2) The three ideas with biggest impact on SC
- 3) Ponderation approach
- 4) Make your selection according to one of the Economic Drivers and Social Challenges

# Tool 3 – Product/Service viability

## sector

### Industry Life cycle

non-existent  
 embrionary  
 Introduction  
 Growth  
 Maturity  
 Decline



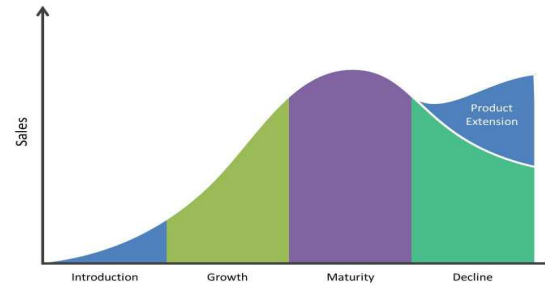
### Competence analysis

Companies offering a similar product

Nivel de diferenciacion entre tu product y lo que se ofrece

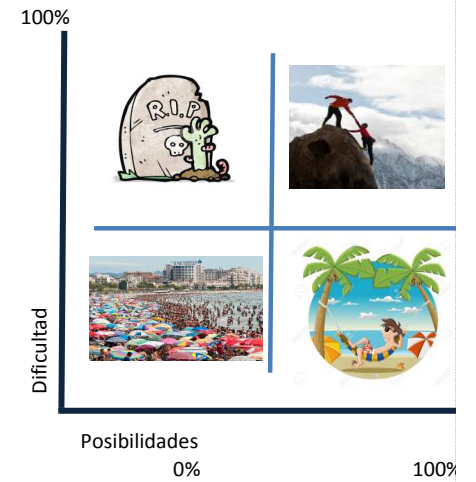
Disponibilidad de tu product en tu zona

Crear indice agreagado de dificultad (1-10) en funcion de 4 escenarios



1	2	3	4	5	6	7	8	9	10
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

os (everest . Caribe)



# Thank You



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