



# INNOVATE project

WP2, D.2.3

Business Model

AGENEX – Extremadura Energy Agency



## Introduction

To better understand the project's goal and the important role that Extremadura Energy Agency - AGENEX plays to achieve it, there are a few facts that must be introduced.

On the one hand, one of the main objectives of AGENEX is to improve the energy efficiency (EE) in Extremadura Region. Furthermore, AGENEX is currently focusing its activities on triggering a leverage effect in specific sectors.

On the other hand, the building sector is one of the sectors with the highest economic and energy impact in the region. This sector experienced a huge growth in the past, when energy efficiency was not a priority. This explains why the building sector consumes more than 30% of the Final Energy Consumption, but it also reflects the possibilities that exist to overcome this situation.

### 1. Customer segments - Who will be your clients?

*Which market segment are you addressing? Who will be the beneficiaries of the model?*

The One Stop-Shop for Extremadura's (OSS-Ex) clients will be home owners. In this way, both types of residential buildings (single family houses and condominiums) will be targeted.

Furthermore, there is another group to be addressed in condominiums, this is the "Property Managers". In Spain, all condominiums must have a housing association which has a legal status and is responsible for managing the building's common zones (façade, stairs, halls...) and facilities (elevator, centralized heating system, etc.). These housing associations hire a "Property manager" (that could be a person or a company) which advises home owners and manages the building's common zones and facilities.

Thus, AGENEX has a very specific and defined customer segment. By accessing industry records, AGENEX has pre-identified more than 400 condominiums which are amenable to deep retrofitting (heating system, insulation, etc.). However, OSS-Ex will be open to the public and will offer services to any homeowner interested in energy renovations.

## 2. OSS key activities in short

*Specify if there are activities for specific market segments.*

The OSS-Ex's key activities describe the bundle of products and services that create value for the customer segments.

- Renovation advice service: This will be the basic service offered by OSS-Ex. Staff will check the energy situation of the target building and will advise on the energy solutions. The service will have two main levels:
  - Pre-scan service, in which advice will be given according to the data provided by owner/s and/or the "Property Manager" plus AGENEX's data sources (i.e. Industry records).
  - Preliminary study project. After visiting the target building and taking measurements, the staff will offer 3 scenarios with different energy rehabilitation levels.
- Access to financial tools and advice on financing plan: with the aim to help owners to decide 1 from the 3 scenarios, the staff will inform and provide all the available financial information. This information will include a personalized financial plan in which grants and other financial tools will be highlighted. Also, Key Performance Indicators (KPIs) such as Payback time, Energy and Economic savings, etc. will have a relevant position on the financial plan.
- Communication and marketing actions: The OSS-Ex's will develop a marketing campaign that will have common elements with the INNOVATE project and the OSS from other partners but also will have messages adapted to particular situation in the region. Regarding to condominiums, specific messages and actions will be delivered to "Property Managers" and the Property Managers Association.
- Professionals: trainings on innovative techniques. The OSS-Ex aims to train the business sector and financial institutions:
  - Building the capacity of the business sector:
    - Classical training for builders about Energy Efficiency construction solutions.
    - Training for technicians on how to calculate energy savings, guarantee systems for energy savings, economic analysis of Energy Efficiency measures, verification and monitoring of energy savings, etc.
  - Training campaign focused on the financial institutions, which will aim on increasing the awareness about the renovation of building and the specific OSS services.
- Post-renovation monitoring (in progress)
  - Reserve a payment % until savings are guaranteed
  - Promote ESCO model with limited time (2-5 years)

## 3. Value propositions: What benefits do you have to offer the selected market segments?

*Why will this work? Why will customers use the service? How are these benefits different from other offers available on the market?*

The main OSS-Ex's Value Proposition is to offer integrated services in one single office. In this way, the value propositions come from:

- Integrated services:
  - Technical advice (like engineering / architect companies)
  - Deep Energy Audit
  - Private procurement with the aim to select the best offer

- Financing (Grant and/or soft loan)
  - Post-monitoring
  - Possibly: guaranteed energy savings
- Centralization of public and private supports (specially on financing issues)
  - Avoid private considerations: OSS-Ex managed by AGENEX should be guaranteed by a **transparent process** where the final target would be energy savings instead of economic earnings.

#### 4. Cost and resource structure

*What resources are needed to implement your OSS activity?*

*What will be the organizational structure and its salary costs? What professional profiles will be needed?*

*What is the global annual budget for the OSS?*

Logistic sources:

The OSS Office will be located in AGENEX headquarters and will use the sources (computer, internet access, etc.) from AGENEX.

Measurement tools and other related tools will also be provided by AGENEX.

Human resources:

4 to 5 people working full time for AGENEX

Profiles:

- Background: Architect or engineer with knowledge on energy efficiency in buildings
- Other sources:
  - Publicity professionals (marketing)
  - IT Technician for APPS, website, social media or similar
  - Economist for grants and loans

#### 5. Revenue streams

*How will the OSS be financed? What are your financing needs?*

*Which services will be charged for?*

2 phases are foreseen:

Phase 1:

Funds come from INNOVATE project + AGENEX's own sources --> Costs will be mainly staff costs and all the services will be for free. Advice services include:

- Contact with clients
- Audits
- Procurement
- Checking building companies
- Monitoring of building process

Phase 2:

Get the financial support from the Extremadura Regional Government

Or

To integrate the process into other private companies focused on building renovation

Possibly: make a label with the aim to certify the private companies on OSS services.

## 6. Key partners

*Who are the partners and how will they contribute?*

### Public:

- Extremadura Regional Government
- County councils (Local Government Associations)

### Private:

- Associations of engineers and architects
- Association of "Property managers"
- Building companies (including ESCO companies)

## 7. Channels

*What channels will you use to touch your customers, in terms of communication and sales?  
How will you convince your customers of your service? How will you demonstrate the benefits of your offer compared to the rest of the market? How will you communicate? How will your services or products be promoted?*

**Awareness:** Marketing staff

**Evaluation & purchase:** Sales Staff (Architect/engineer with a high level of Communication Skills)

**Delivery & After-Sales:** Technician Staff (Architect/engineer with a high level of Technical Skills)

## 8. How will you monitor your activity?

Through KPIs:

- Number of contacts
- Number of requests to OSS-Ex
- Number of buildings renovated
- Saved energy / m<sup>2</sup>
- Saved energy / € invested.