



INNOVATE project

WP2, D.2.3 Business Model Mantova

1. Customer segments - Who will be your clients?

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

The OSS will develop services for the market segment of multi-owned condominiums.

Main beneficiaries are flat owners, in some cases also condominium administrators, as representatives of the flat owners. Other categories of beneficiaries are professionals and companies from the construction sector, as the OSS will be a kind of aggregator for the demand side.

2. OSS key activities in short

Specify if there are activities for specific market segments.

Activities are thought for condominiums, especially those built starting from the 50's to the year 2000. There are no differentiated services for buildings from different ages.

- Capacity building, information and training (for owners, professionals, craftsmen)
- Awareness raising: thematic events, with local experts with different specialization
- Energy audit by external experts
- Retrofit advice service
- Support during the decisional process
- Link to the market (list of architects, enterprises, materials, etc.)
- Support to customers for companies selection (evaluation of cost estimation)
- Post renovation monitoring
- Support to access financial tools (subsidies, financial innovative mechanisms)

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?

Nowadays there is no dedicated services to energy efficiency in buildings. There is no specific offer from public services, and in the private sector energy efficiency is considered an "add-on" and not a core service, especially for the housing sector.

Every condominium follows its own way, and the possibility to access all existent information and support depends on the individuals involved.

The set-up of a central point, a OSS, where people can find advice, support, validation and facilitation during the decisional process can increase the retrofitting, bringing benefits for the inhabitants, but also for the market.

The presence of the municipality in the management of the OSS will build trust in the citizens, moreover the involvement of all local professional associations will contribute to the continuous

training on innovative techniques and solutions in retrofitting, as well as up-to-date knowledge on existing subsidies, financing products, etc.

In the private sector, single services are actually provided, but without a quality assurance and depending on the interest of the single enterprises. Among the key stakeholders are Architects, Engineers and Surveyors Chambers, all of them are interested in contributing to the creation of a focus point for the realization of energy efficiency interventions. Specialized professionals have already notified their interest in building up this service.

The meetings organized with the key stakeholder so far have been appreciated by all the participants. In the next months it will be better defined how each partner will support the activities of the OSS, and if a direct involvement will be possible. As the municipality will hardly have the resources to cover all the costs and all the services, the most likely solution to be realized is the creation of a PPP. Within this structure it could be possible to develop a standardized high-level consultancy and supporting organization. The possibility to involve already existing in-house companies of the Municipality is under investigation.

Innovative financing schemes, like the possibility to set up a revolving fund, will be better investigated with the involvement of financial institutions: this could be a very new service, because it is not a usual loan. Possibility to set-up a revolving fund will be investigated with credit institutions.

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?

The budget of the OSS has to cover, at least in the starting period:

- Salaries for 2-3 persons, responsible of the operational and administrative part
- Communication (web, paper, exhibitions, workshops...)
- Specific activities (energy audit, monitoring): decision must be made whether these services should be charged or to be offered for free

Other big items like premises for offices and other events can be covered by existing structures (municipality, associations...)

5. Revenue streams

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

Which services will be charged for?

The financing possibilities are also tightly connected with the choice of the legal form of the OSS, which is at present still open.

The municipality could have a budget for the communication, or covering some costs like printing materials, etc...

An idea could be a sort of membership fee from category association or enterprises, or a fee based on the successful contracts.

Construction companies are interested in the OSS as a demand aggregator, and a well-designed plan could be worth a membership fee.

Can Sponsoring be accepted? We should define the criteria for the sponsorship.

Some services like energy audit, monitoring, subsidy access could be paid for by the condominiums, but it would be better to have a reduced fee, to support an easier involvement of condominiums: the idea to shift some costs falling in the first analysis step to the construction phase could increase the attractiveness of this model.

We should check if this is feasible, and if this can cover the costs.

Involvement of existing in-house organizations of the municipality or key stakeholder associations to take over some parts of the OSS would reduce some overhead costs due to the set-up of a new organization.

In the next weeks the political level is supposed to give some answers to the open questions.

6. Key partners

Who are the partners and how will they contribute?

ANACI and other associations (like AIAC) representing the condominium administrators: participating actively in the definition of training and bringing their experience

ANCE: all building companies have interest in the growth of this market, they can contribute with activities on the quality assurance of their members, and the realization of workshops and training.

Architects, engineers and surveyors Chambers: contributing to workshops, trainings, events, bringing in their past experience as institutional contributions, identification of possible experts to be integrated in the OSS staff.

Energy utilities (DH)

Banks and other credit institutions: development of tailored financing dedicated to condominiums, possible partner for the set-up of a revolving fund

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?

The main channel will be the local level: Mantova has an active communication office, and citizens are used to this communication channel

Local tv, local radio

Social networks

Associations' and stakeholders' newsletters

8. How will you monitor your activity?

The activity within the INNOVATE project will be monitored by a monthly review of the actions implemented, to control if they are still in line with the plan we have defined at the beginning. The municipality staff will organize regular meetings, both plenary and bilateral, with the stakeholders, in order to operatively solve possible bottlenecks.

If the plan is not realized, solutions have to be developed to redirect efforts and goals, taking into account the experience gathered in the study case

The activity of the OSS should be monitored verifying different streams

- Stakeholder involvement (Do the partners do their job?)
- Success of the information campaign (Do homeowners know that the OSS exists?)
- Success of the service offered (Do our customers like our services?)
- Financial sustainability

A typical process monitoring can be realized through surveys on the different market segment engaged.