

Shared Value vs BAU

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Favorite story: PPS New York

- Principle is a mix of a consulting job (assessing potential for savings) and an O&M job (co-leading the effort to get it done): reward as a % of savings obtained
- Quite successful despite many challenges:
 - *Cannibalization risk vs traditional Private Public Partnership models (partial privatization, outsourcing of operations, etc)*
 - *Long-term duration vs Short-term activities*
 - *Impacting corporate profile of Company (utility vs service)*

Why is it a priority?

- Traditional models are volume based ($\$/\text{m}^3$)
- Contradicts environmental aims
- Fuels controversy (like ... *bad guys taking 'water hostages'*)
- ... Dead end or not dead end, but certainly limiting the growth
- Issues at stake mean an urgency of starting working seriously
- Time: Shift will take very (very!) long
- Complexity: Disruptive process, it's about leadership

What are the most innovative opportunities?

- Shifting the paradigm of waste: from nuisance to resource
- Creating bridges between separated worlds: treating municipal waste water to feed industrial process, revamping water treatment plants paid by industrial uses, reusing industrial waste to spare water for other uses, treating industrial waste water to feed agricultural needs, etc
- Finding business models where we are enablers rather than 'owners', this process will generate a lot of new ideas
- This will be helped by identifying the true cost of externalities (like water) and the risk associated with not taking that into account

What are the biggest challenges?

- This is a disruptive process for the management
- This issue of the proper reward of expertise is a tricky one
- It needs a lot of education efforts toward customers (and general public too?)
- It needs to get the shareholders' support as changing business models changes the company profile
- It will be also very rewarding

How bright is the future?

- Bright, very bright!!
- If you believe an emerging new business world is already there, alive and kicking!
- If you are convinced that just repainting the body will not be sufficient and that you need to re-engineer the full thing!
- If you are ready to try!

Thank you for your attention!

