



Guidebook for the International EPC+ platform

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1. Introduction

The EPC+ project aims at developing and promoting new business models for the implementation of energy efficiency services through cooperation between Small and Medium-sized Enterprises (SMEs).

Through cooperation innovative energy efficiency services (EES) can be offered. Cooperation enables SMEs to offer novel and high quality energy services which they could not provide as stand-alone companies. Such services are serious alternatives to standard energy efficiency services provided by large energy service companies (ESCOs) and may provide promising opportunities in terms of innovation and services.

The cooperation of SMEs with the aim to offer joint EES to the market is described as a SPIN.

A SPIN (SME Partnership for Innovative Energy Services) is an organized cluster of independent companies, mainly SMEs, that jointly supply energy efficiency services and that have a structured long-term collaboration with commonly agreed objectives.

One of the objectives of the EPC+ project is the development of an international EPC+ platform.

The international EPC+ platform is an international '**market place**', where - **according to commonly agreed rules** – its members can safely **exchange valuable know-how** and **develop EPC-models and SPIN-concepts**.

The international EPC+ platform started in July 2015 using the “Energy Efficiency Network Europe” as a more commercial name. “Platform” and “network” are used in this report as synonyms.

Fifteen energy efficiency services providers have joined the network (May 2016), covering 16 European countries. It is expected that the network will expand to about twenty members by the end of 2016.

This guidebook builds on the previous reports ‘Analysis of opportunities, barriers and requirements of the International EPC+ platform’ (D6.01), the ‘Organisational tools for the EPC+ international platform’ (D6.02) and lessons learned and insights gained since the start of the network in July 2015.

While the previous report D.6.02 gave a description of all the tools that were considered as important for the success of the network this guidebook has two objectives. The first objective is to provide guidance to future similar initiatives. The second objective is to provide an overview of information and supporting tools available to members of the network and to others interested in Energy Performance Contracting and the creation of international SPINs.

2. Creating added value and trust as a prerequisite for a collaborative network

In our previous report ‘Organisational tools for the EPC+ international platform’ we stated that a key success factor of the international EPC+ platform is the willingness of companies to join the platform as a member and to participate in interactions and potential business transactions. The identification and communication of the value proposition of the network is therefore an important first step. Another factor is the creation of a sufficient level of trust between members to facilitate business transactions.

A difficulty is that the market uptake of energy performance contracting is low in many countries, the time-to-market long and the prospects for service providers to make money out of EPC projects still unsure. A value proposition based only on EPC services would most probably not generate sufficient interest of a wide number of service providers to join the network. The creation of added value on the short term and a broader focus than only on EPC was considered as an important success factor in at least the early stages of the network.

To initially attract Energy Service Providers to join the international EPC+ platform the value proposition in the first year was based on the development of a shared capacity to serve international clients with mandatory energy audits in a large number of EU member states. Many of the Energy Service Providers that are within the target group of the network, including several EPC+ consortium partners, are also conducting (mandatory) energy efficiency audits and have large international enterprises as (potential) clients.

As several EU member states have not transposed Art. 8 of the Energy Efficiency Directive in their national legislation or are late with the practical implementation, many large enterprises still have to comply in a number of countries. This means that the attention within the EPC+ platform for mandatory energy audits will not totally disappear in 2016-2017. As from the beginning of 2016 the main focus of the network has shifted to Energy Performance Contracting, related services and other innovative concepts.

2.1. Providing added value to members

Potential added value is not only generated by the network as a whole but also by each member and its individual contribution to the network and/or to a more limited number of other members.

The added value that can be created is (1) information, (2) concrete business opportunities, (3) supporting arrangements and tools, (4) promotion and (5) innovation.

Information

The network is an excellent platform to share information about energy performance contracting and related or other energy efficiency services. Information about services and solutions offered by members can help other members in the development of their own services. Trends in more advanced markets can be used to assess market developments in other countries. Information can help members to take decisions and to adopt a more pro-active business approach.

At each monthly webmeeting one or two members present their company and services or/and give a more detailed explanation about one of their services or concepts.

Information on local market developments and trends are shared at monthly meetings.

Interesting information such as reports and guidelines from other sources (e.g. from the International Energy Agency, the Joint Research Centre etc.) are stored in the shared Google drive and are available to members.

Common business opportunities

The main goal of the network is to stimulate and support international collaboration between members in the field of EPC and related services.

A good insight in the expertise and services of other members is important for each member to understand the potential added value of other members to their business. In addition to the monthly meetings where one or two members present their company and services and the availability of this information on the shared Google Drive, a matrix overview has been developed with information per member of their fields of expertise, certificates and involvement in European or other co-funded programmes.

The opportunity to serve international clients that have to conduct mandatory energy audits in the framework of Article 8 of the Energy Efficiency Directive created a business opportunity for members in the short term. Therefore a condition to join the network is the ability and certification of energy service providers to conduct mandatory energy audits.

Members are encouraged to contact other members directly. Members can contact other members to get a quotation, to subcontract energy audits or/and to collaborate in other fields.

Supporting arrangements and tools

A number of common documents or tools useful for members to support business transactions can be developed at the network level.

An example of this is an Excel spreadsheet that has been developed to exchange information about a clients' profile, activities, locations and energy use. This information facilitates information exchange between members and is helpful to assess the workload to conduct energy efficiency audits for international clients and to make a commercial proposal.

Common arrangements will help business transactions between members. An example of an arrangement is a not binding agreement on the level of a commercial finders' fee for members as an alternative to subcontracting.

The need for other common arrangements, documents and tools will be discussed at network meetings in the coming months.

Promotion

Additional added value of the network to members is the common promotion of the network and of the individual services of each member. While the objective of promotion is in the first place to generate publicity for each member it also helps in the acquisition of additional members.

The following promotional tools are used:

- Common website www.energyefficiencynetwork.eu
- Newsletters;
- Network profile on LinkedIn;
- Discussion group on LinkedIn;
- Information on the network in the external communication of each member.

Newsletters will be disseminated as from June 2016 via each member. Each member can add own information to the newsletter to increase the commercial value for its own company.

Innovation

The EU energy efficiency target is unlikely to be met without additional measures. The sum of national indicative targets submitted by Member States to the European Commission corresponds to 17.6% primary energy saving compared to projections to 2020. In its framework strategy for a resilient Energy Union with a forward-looking climate change policy (EC, 2015-a), the European Commission underlined the need to “fundamentally rethink energy efficiency and treat it as an energy source in its own right, representing the value of energy saved”.¹ It is obvious that innovation including new business concepts are needed to close the gap between the EU target and what is expected based on current policies.

The generation of innovative ideas that can be integrated into business opportunities is one of the objectives of the network. The exchange on innovative ideas can be done at the network level and at the level of a more limited number of members.

Members can present their business ideas to all other members at specific meetings followed by evaluations and suggestions by participants or can approach one or more specific members to discuss business ideas.

The variety of members in terms of expertise, knowledge, markets etc. facilitates discussion on new ideas and the potential transition of ideas in concrete business opportunities.

2.2. Providing trust

While trust between large enterprises is achieved and/or secured by formal legal agreements, SME's are mostly not willing to spend a lot of time on formalities such as contracts or to take legal actions against a counterparty that fails to fulfil its obligations. Trust between the members in the network should therefore be build up step by step. Apart from legally binding agreements other actions are needed to realise a sufficient level of trust to facilitate business transactions between members.

¹ Source: “Securing Energy Efficiency to Secure the Energy Union”, European Commission Joint Research Centre, 2015

Contractual arrangements

Written agreements help to clearly define and understand what is expected from each party. Legally enforceable clauses will also have an influence on the behaviour of parties in an agreement and could be used as a last resort.

In the network agreement² signed between the coordinator and each member some clauses are included to encourage members to fulfil the obligations agreed with other members:

- (3.2) When the Associate³ provides services to another Member, it shall perform these services in accordance with good professional practice;
- (4.3) The Coordinator can terminate the Agreement at any time if the Associate becomes insolvent, ceases trading or is otherwise unable to meet the obligations under this Agreement.

Clause 4.3 enables the removal of a member from the network as a last resort when that member is not performing in compliance with agreed service levels or if it fails to fulfil other contractual obligations.

When members engage with other members they can agree the conditions in a separate contract. This can be a short contract for specific work such as for energy audits or a more comprehensive contract. The Simple SPIN Model Contract and the Complicated SPINs Model Contract developed in the framework of the EPC+ project for national SPINs can also be used by members in the international network.

Other trust building measures

The main incentive for members to provide services to another member at the quality level expected or/and agreed, is the prospect of additional business opportunities and work from members in the network.

Members are asked to provide information to the coordinator about other members that are in breach of the terms of an agreement between them.

On the other hand, examples of positive collaboration will be disseminated in and outside the network.

If needed, a more formal evaluation procedure to provide transparency on service levels provided by members to other members will be developed.

Another action to provide trust is the organisation of an annual meeting where members will learn to know each other better and where common topics of interest will be on the agenda. The first annual meeting will be organised in Antwerp (Belgium) at the end of 2016.

² The network contract is an annex to D6.02 and available on www.epcplus.org.

³ The word 'Associate' is used in the contract in the meaning of a new member.

3. Organising the network

3.1. From acquisition to keeping members on board

A (potential) member is presumed to move through several stages. The first stage is when a potential member has heard about the network and could become aware of the potential added value (awareness stage). The second stage is the internal decision making process and the contractual and administrative procedures to join (joining stage). The third stage is the initial participation in the network during a first period of between 6 months to one year (initial participation stage). The fourth period is the participation during a longer period of time (long term participation stage). At each of this stages a member will have to take a decision to join/continue to participate or to dropout. This decision will be based on an evaluation of the added value of the network and the effort it takes to join/continue to participate.

There are a number of reinforcing loops that can contribute to the success rate of earlier phases. The more members that are participating the more potential members will take the decision to join. The more publicity the network is able to generate for the network and for its members the more interesting it becomes for others to join and for existing members to stay in the network.

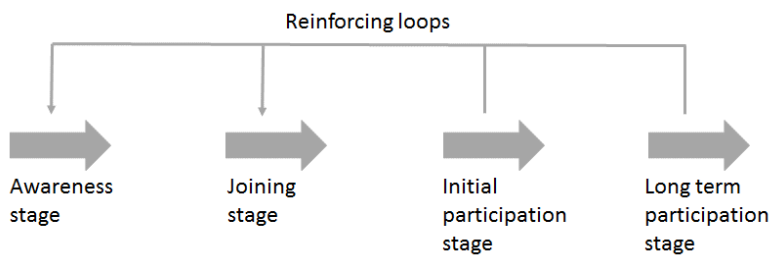


Fig.1 – Stages and reinforcing loops

‘Founding fathers’ are helpful in the acquisition process. That a number of companies considers the creation of a network important helps to convince others to join the initiative. In the case of the EPC+ platform the initial members were energy service providers in the network of the coordinator and partners in the EPC+ consortium. The H2020 co-funding from the Commission in the framework of the EPC+ project helped as well to increase the credibility of the initiative.

Positive outcomes in the initial participation stage will have a strong impact on the decision to stay in the network for a longer period. Examples of successful transactions between members will have a positive impact on the retention rate.

3.2. Approach membership strategically

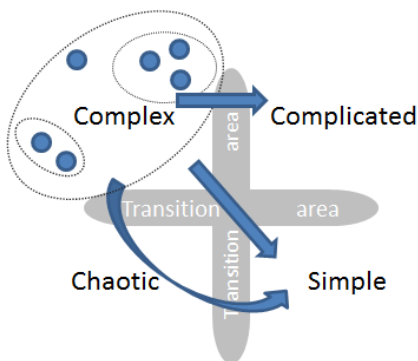
To maximise their own benefits, members prefer to be the exclusive partner for as many other partners in other countries or regions. As this cannot be achieved the ideal objective of the network is to have members (one member per country or more in larger countries) from as many European member states and to keep the network attractive for a maximum number of members over a longer period.

Potential members are selected based on their ability to generate assignments for other members, their ability to act as an associate (e.g. certified energy efficiency auditor) and their interest in Energy Performance Contracting or/and other more innovative services. Another criterion is the limited geographic presence of the potential member (members should be present in a maximum of two member states, but not in two large member states). This limited geographic presence is important to avoid that a member becomes too dominant or/and would become a competitor of one or more other members.

The coordinator is responsible for the acquisition of additional members. Initial contact is made by sending an email to potential members with information about the network and an invitation for a web meeting. When a prospect shows an interest a webmeeting is organised to exchange information about the network and about the potential member. The webmeeting is followed by a short period to evaluate whether the prospect fulfils the requirements and for the potential member to confirm its interests.

3.3. The network as a conglomeration of SPINs within a SPIN

Based on a previous analysis of different organisational types the international EPC+ platform could be seen as an international Complex SPIN to support the development of international Simple SPINs and/or Complicated SPINs.⁴ International Simple or Complicated SPINs created as a result of the interactions in the network can be temporary (e.g. in the framework of a specific assignment) or have a more permanent character.



A Complex SPIN is the best type to generate interactions that could lead to innovation and to facilitate the collaboration between Energy Services Providers. Simple and Complicated SPINs are the best types for actors to join forces with the objective to transform new ideas (e.g. generated in the Complex Spin) into business opportunities and to generate revenues by the collaboration of actors in SPINs.

Fig. 2 – Moving from the Complex SPIN to Simple or Complicated SPINs
Source Factor4, 2015, based on the Cynefin framework

The network itself is not only a self-organising organisation (Complex SPIN) but can also act as a Complicated SPIN to realise commonly agreed objectives which are easy to achieve such as common brochures, supporting tools etc.

International SPINs have similarities with national SPINs but also some differences. While national SPINs are composed of companies that provide complementary services, the members of the international network are companies that offer to a large extent the same services. These members are not competitors because of their different geographic markets.

⁴ For more information on Complex, Complicated and Simple SPINs see “Organisational tools for SME Partnerships for Innovative Energy Services” and the “Guidebook for organisational tools”.

Similarities and differences from the position of an actor in a SPIN (e.g. partner, principal, ...)

National SPIN	International SPIN
Focus on EPC and related services	
Collaboration between SMEs in a Complex, Simple or Complicated SPIN	
Market focus is geographically limited to one country.	Collaboration can be with the intention to expand or execute services in the home market or/and to serve international clients in other countries.
A service provider is mostly only part of one SPIN.	A member can be part of a number of different international SPINs.
The role of an actor in a SPIN is fixed.	The role of each actor in an international SPIN can shift depending on the assignment.
Potential threat that other actors in a SPIN will become competitors.	Very low threat that other members will become competitors.
Operate in a common cultural area	Cultural differences can cause difficulties to collaborate (E.g. language)
Limited physical distance enables collaboration	Distance can add costs and be a threshold to collaborate

3.4. The role of the coordinator

The formal tasks of the coordinator are stipulated in the network agreement between the coordinator and each member. These tasks include:

- Acquisition of new members;
- Network administration;
- Setup and maintenance of the common Google Drive;
- Organisation of common webmeetings;
- Setup and maintenance of the website;
- Creation of a common logo.

Apart from the coordination a major role of the coordinator is the monitoring of the participation of members in the network and of the interactions between members. Members that are not participating in a number of subsequent monthly meetings are contacted by the coordinator to know the reasons and to encourage them to participate again.

According to the network contract members have “to inform the Coordinator about transactions with other members and this on a monthly basis or when requested by the Coordinator”.

The information about transaction disclosed to the Coordinator can be limited to non-confidential information and will only be used by the Coordinator for the evaluation of the International EPC+ platform and network and anonymous reporting in the framework of the EPC+ project”.

Information about participation rate and transactions between members will be used to evaluate the working of the platform and to improve or adapt the organisation and activities of the network.

3.5. From business ideas to concrete projects

Members are free to present business ideas to one or more members or to all the members in the network.

Common webmeetings with regard to business ideas or proposals are organised with two main objectives:

- Motivating and facilitating members to present a business idea and to get initial feedback from a large group of members and to know the interest from other members in a potential collaboration with the member that initiated the business idea; and
- Showing the added value of the platform to all members.

Each business idea/proposal receives a number (e.g. 2016-03) and a document with a short description of it is stored on Google Drive. The member that launches a business idea/proposal remains the owner and the document and the information contained therein may not be used by other members for any purpose other than the evaluation of the business idea/proposal in the context of which the document is made available.

The presentations are disseminated after the webmeeting together with the short description and a standard document that is used by members to evaluate the proposal, to give recommendations and to indicate their interest to collaborate with the member that initiated the business idea/proposal.

The member that launched the business idea/proposal can use the feedback from other members to decide whether its idea/proposal is attractive and merits further development and to select members to collaborate with, in follow-up phases (e.g. additional initial meetings, working group, consortium, ...).

4. Overview of information, guidelines and tools

The process and tools that have been developed specifically for the international network are described in “Organizational tools for the EPC+ international platform”, February 2016, available on www.epcplus.org.

Network tools and information are also available for members on the shared Google Drive.

Information on Google Drive

Level 1	Level 2	Level 3
EU and Member state Legislation	Mandatory energy audits	European wide
		Per member state
Information on members	Energy Performance Contracting	
	Network level	
Library	Per member	
	Energy audits	
	Energy efficiency	Energy Performance Contracting
		Energy efficiency in SMEs
		General
Multiple benefits		
EU funding		
Network information	Network marketing	
	Projects	Project ideas
		Projects
	Common arrangements	
	Webinars	Monthly meetings
Special meetings		
Network supporting tools	Energy Audit supporting tools	
	Guidelines	

The international EPC+ platform is an international 'market place', where - **according to commonly agreed rules** – its members can safely **exchange valuable know-how** and **develop EPC-models and SPIN-concepts**.

The objectives indicated in bold are not different from the objectives as defined for national SPINs.

Reports, guidelines and tools are developed as part of the EPC+ project to support the establishment of national SPINs. This supporting material is also valuable for members of the international EPC+ platform to support the development of innovative services, new concepts and the establishment of international SPINs.

Supporting material already available on www.epcplus.org (May 2016)

N°	Title	Major content	Value to international SPINs
D2.01	Analysis of opportunities, barriers and requirements of SME Partnerships for Innovative Energy Services	SWOT analysis of SPINs; preconditions and recommendations.	SWOT analysis is highly relevant.
D2.02	Organisational tools for SME Partnerships for innovative energy services	Categorisation of SPINs in three SPIN types; name and role of actors per SPIN type; management consequences per SPIN type and overview of organisational tools and their importance per type.	Highly relevant because of generic character of SPIN types.
D2.03	Guidebook for organizational tools	Description of the different phases in the creation of a SPIN per SPIN type; recommendations; Simple SPIN model contract; Complicated SPIN model contract; European Code of Conduct for Energy Performance Contracting.	Highly relevant because of generic character of SPIN types, contract models and the European Code of Conduct.
D2.0	Interim status report of the establishing of SPINs	Documentation of the SPIN establishment process of EPC+ partners; national EPC market status, difficulties, risk management.	Relevant for international SPINs.
D2.05	Final status report of the establishing of SPINs	Market information on existing SPINs in partner countries; overview of SPIN development phases, status information per EPC+ partner.	Relevant for international SPINs.
D2.06	Minutes of 1 st workshop of SPIN partners	Information on workshop with SPIN actors.	Less relevant because of specific character.
D2.07	Minutes of 2 nd workshop of SPIN partners	Information on workshop with SPIN actors.	Less relevant because of the specific character.
D2.08	Description of the established SPINs	Status overview of established SPINs, including lessons learned	Relevant for international SPINs.

N°	Title	Major content	Value to international SPINs
D3.01	Analysis of the Training Needs of SMEs in Energy Performance Contracting	Survey and survey results about the knowledge of EPC concepts and the training needs per EPC partner country.	Relevant for SPINs operating in partner countries.
D3.02	Training material about Energy Performance Contracting	Training material about Energy Performance Contracting in English.	Relevant for International SPINs with a focus on EPC.
D4.01	Business Plan of EPC+ services	Business model canvas of EPC+ services; technical measures; financing; markets and client's needs; template for a market analysis.	Highly relevant as model canvas can be used in international SPIN development.

Supporting material that will become available on www.epcplus.org

N°	Title	Major content	Value to international SPINs
D3.04	Online availability of training in different languages	Online training about Energy Performance Contracting	Relevant for SPINs operating in partner countries.
D4.02	European Technical Toolbox	Standardised technical information; energy and cost savings and financial information about 8 Energy-efficiency-measures and 6 renewable energy measures.	Highly relevant for international SPINs that will include specific measures in their services.
D4.04	Financial toolbox	Financing of investments in energy saving measures; financing options and their consequences.	Highly relevant for international SPINs.
D4.05	Modular Model Contract in English	SPIN – Client model contract.	Highly relevant for international SPINs.
D5.03	(Adapted) Modular Model Contract in other languages	SPIN – Client model contract per partner country.	Relevant for SPINs operating in partner countries.
D5.5	Evaluation report about pilots	Description of EPC pilots in partner countries; market analysis, recommendations.	Local information but relevant because of insights and recommendations.