Business Models, Finance and Procurement Action Cluster

Business Models, Finance and Procurement

Existing business models, finance & funding instruments and procurement schemes do not always fit today’s challenges within our cities.

The Business Model Action Cluster is a platform where local authorities, financial institutions, businesses, SMEs and other relevant actors work together to establish a dialogue between public and private sectors, identify and remove the obstacles to the implementation and development of a smart cities market.

The action cluster will capture and structure knowledge to guide Smart City projects in the search for business schemes to tackle their investment projects and support the development of innovative business and procurement models. In addition, it wants to ease the access of cities to financial instruments by making available knowledge about financing and funding opportunities and engaging the financial community.

Successes to date

The action cluster seeks to be a focal point for gathering and sharing information on business models among others from European smart city projects including present and future ‘lighthouse’ smart cities programmes.

Our work up to now include:

- Providing knowledge on financing instruments, through an interactive online financing guide [https://eu-smartcities.eu/funding-guide](https://eu-smartcities.eu/funding-guide). This offers the possibility to find information on around 30 EU funding and financing sources, and to find information matching the project ambitions, thanks to the use of filters.
- In addition, the AC has focused also on local innovation, providing examples of successful local innovation ecosystems [https://eu-smartcities.eu/content/report-local-innovation-ecosystems-smart-cities](https://eu-smartcities.eu/content/report-local-innovation-ecosystems-smart-cities).
- Further communicating about successful business models, finance opportunities and procurement examples through events and webinars [https://eu-smartcities.eu/content/our-webinars](https://eu-smartcities.eu/content/our-webinars).
- Enhancing the collaboration between smart cities lighthouse projects and other relevant projects working on smart cities finance solutions [https://eu-smartcities.eu/content/smart-city-leaders-meet-strengthen-their-communities](https://eu-smartcities.eu/content/smart-city-leaders-meet-strengthen-their-communities).
- Increasing collaboration with key European smart cities related initiatives like the Covenant of Mayors and the Urban Partnership for the EU, through joint events.

Planned actions

The action cluster seeks to be a focal point for gathering and sharing information on business models from European smart city projects including present and future ‘lighthouse’ programmes.

In support of this goal, next steps include the following:

1. Creating a structured business models library, with supporting frameworks and tools, and examples from successful smart cities business models aiming to promote what other projects have previously developed.
2. Expanding and maintaining the interactive funding guide
3. Capturing and communicating the success factors of smart cities business models
4. Sharing lesson learned from successful cross border and innovation procurement projects, through webinars and events
5. Further engaging different actors relevant for the development of the smart city markets
### Initiative Resourcing: BMF&P

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<thead>
<tr>
<th>To Do</th>
<th>AC</th>
<th>Mplace</th>
<th>GAP</th>
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<tbody>
<tr>
<td>1. Create a structured business model library</td>
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<td>2. Disseminate supporting frameworks and tools</td>
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<td>3. Capture example case studies</td>
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<td>4. Upgrade / maintain the On-line Financing Guide</td>
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<td>5. Identify procurement leading practices</td>
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<td>6. Identify procurement blockers / regulatory change</td>
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<td>7. Identify speakers; put in place webinars</td>
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<td>8. Develop matching process between city needs &amp; solutions</td>
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<td>9. Identify and align engagement with investors</td>
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### Issues
- The development of the real substance, in particular on BM, which will facilitate the replication of projects.
- Contribution to the unblocking of the procurement blockers
- Focusing on accessing practical information more than on theory

### Conclusion
The Ac has been focusing on the sharing of information. The alignment with the SCC01s will provide a conditioned common EC investment portfolio to exploit. A vital knowledge sharing given the AC focus on financed actions.

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**AC 20th June Breakout**

**Participants**

The Action cluster members will co-operate with the Vertical Action cluster during the morning session. The participation of the AC on the vertical meetings aims to create a link between the different Action Clusters and the Business Model, and to develop, in the long term, collaborations and joint contribution, based on the ACs common needs and the opportunities.

In the afternoon, there will be a specific session dedicated to the Business Models where more than 20 people are expected. The event will be an occasion to discuss concrete smart cities business models and the better way for the AC to capture the important information related to a BM, which can enable replication in other cities.

**Objectives**

The AC aims to align its activity to the wider context of EIP and SCC01 and develop a Marketplace, which will contribute to the implementation of integrated smart city solutions. The AC aims to provide tools that will support investors and projects promoters in developing Smart-Cities projects

In particular, the objectives can be divided following the three main topics: Business Models, Funding & Financing, and Procurement.

- The Action Cluster will develop frameworks and tools to collect information on Business Models contributing to the knowledge sharing and development of innovative solutions.
For what concern *Funding & Financing*, the AC aims to continue constantly the update of the Financing and Funding guide, thanks to the collection of feedbacks on the online tool; and the exploration of actions to engage beyond.

- Procurement – diffusion of information on innovative forms of procurements, identifying the areas of leading practice on procurement innovations.

**Desired outcomes**

The AC aims to produce different outcomes:

1. The products developed needs to be very practical and tangible, supporting concretely future initiatives.
2. The initiatives would like to achieve agreement amongst SCC01s, which will contribute to holding detailed workshops on BMs. This collaboration gives the possibility to involve the other ACs and participants of the EIP on the produced outputs and on the possibly create further collaboration.
3. The development of the Business Model library, with a road map, which clarifies the objectives, framework, tools of the repository.

**Input**

i. Information on Business Models, innovative procurement schemes and new financial instruments can be collected from stakeholders involved in the Marketplace and from external sources.

ii. A particular attention will be given to the SCC01

iii. Challenges and opportunities underlined during the vertical ACs

iv. BMF&P will map in detail a variety of projects in the European panorama

**Process**

a) Thank the organisation of Webinars and events, it will be possible to get people together and create knowledge sharing.

b) Online tools will enrich the EIP-SCC web page, giving to visitors to retrieved relevant information

c) Collaboration among different ACs, to increase the knowledge sharing between clusters.