

SMART CITIES NEED SMARTER THINKING

THE SMART CITIES OPPORTUNITY AND PROBLEM...

Smart cities offer revolutionary economic, technological and social transformation opportunities. However, no “one-size” blueprints exist that are universally applicable. This is particularly true for large transformational projects where millions of people will gain access to city living. Recent economic and property development challenges also add risk and cost to Smart City development since the business and ROI cases are hard to test and subject to rapid change.

How can Smart City developers and investors remove risks to these projects quickly?

THE THREE CRITICAL PROBLEMS SMART CITIES FACE:

Targeting New Business Opportunities: Businesses/General Investment Authorities are evaluating how to make Smart City concepts work to create investment and generate revenue for Smart City operators.

We evaluate business and feasibility plans to identify the right services that generate revenues based on our Smart City knowledge and experience.

“Dusting off” and revising old plans and products: Businesses and investment authorities are re-evaluating their overall Smart City plans in order to “course correct” and resize existing initiatives. A question Smart City developers ask us about frequently is how to better scale project build-out in line with costs and revenue rather than ahead of revenue.

Innovative Smart City operators are also investigating new financing models or potentially shared revenue models for operations.

We review planned or “on hold” projects (e.g. the business infrastructure technical plan and organisational plan), look at how these might be phased and look at cost savings—e.g. green, power, additional or improved revenue streams such as new service deliveries (e.g. entertainment over fibre). Creation of the “recovery” process including creation of new consortia and PR are embedded into this process.

Satisfying financial investors and other stakeholders: Re-energising current and potential financial investors in Smart Cities is vital given the recent global financial problems and slowdown in project delivery. Many investors in Smart Cities may also have lower belief in these projects based on previous delivery and project credibility needs to be re-established.

We re-evaluate old and current plans to create new lower risk and sustainable financing models and consortia that will support Smart City projects. As a turnaround consulting firm for Smart City developers/investors we help make the business case for these cities clearer and increase potential uplift in real estate values through well-designed/financed/managed Smart City plans. For potential investors in new business propositions and investors in existing propositions our work focuses on how to build financial consortia that would invest to the feasibility plan for new business, facilitate meetings and build pitches for this audience. For dust-off opportunities where phase 1 building may have been completed there may be unrealised high potential to roll-out planned services without additional funding based on profit-share with vendors or service companies.

GLOBUS' SMART CITY DIFFERENCE:

1. **Direct Smart City project experience.** We have direct experience of doing projects as embedded advisors within Smart City project teams in city expansion and green field and campus and enterprise development projects.
2. **Broad geographic experience.** There is a very extensive cultural aspect in managing Smart City projects in different regions. What works in Saudi Arabia might not work in Dubai or in Korea. We specialise in emerging and transforming markets and have delivered projects around the world.
3. **Managing different stakeholders.** Smart city projects are complex and have many stakeholders. We have worked with external strategy consultants such as McKinsey to reality check and make implementable their recommendations and operator/developers such as EMAAR and regulators ranging from National telco regulators to investment authorities. We are expert at managing vendors and vendor influence on Smart City projects and the surrounding evaluation and planning processes.
4. **No one-size fits all/models for customisation.** It is a common misunderstanding that a single "model" is applicable across all Smart City projects. In reality, each project needs a unique design. There may be reusable templates and best practices but there is no single recipe for success. Managing this misunderstanding is a crucial and often overlooked skill.
5. **Rapid strategy assessment.** A problem we have seen a number of times is that strategic goals at a national or regional level do not connect to a workable plan or defined set of goals and expectations. This is particularly problematic for "Smart City" projects since teams may have insufficient information to understand the complexity of delivery for infrastructure and services (e.g. QuadPlay, NOC, regulatory requirements, interconnect, unified billing, etc). We intervened in a number of projects to provide this "strategy bridge."
6. **Rapid supplier evaluation.** We have developed a rapid supplier assessment methodology (RAVS™) designed to thoroughly yet quickly evaluate vendor offerings against common criteria and specific customer needs.
7. **Organisational models.** As Smart City operators go from plan to build and run we are asked to design new organisational models that reuse best practices and knowledge and blend these with "new age" organisational models and relationships with operators (e.g. mesh operations, cloud, shared risk and reward).
8. **Help with investor management.** We are regularly asked to participate in investor conversations to explain Smart City philosophies and what the economic models and opportunities are to augment the funding conversations at the government/family office/bank level.
9. **Rollout and implementation selection and management.** We are asked to provide strategic programme management and provide coaching and skills transfer for Smart Cities projects as they go into implementation.

SMART CITY EXPERIENCE IN ACTION – KING ABDULLAH ECONOMIC CITY

We were responsible for strategic, financial, investment and business case change and advice, as well as technology and service detailing, strategy and tactics implementation. Globus drove the programs on Vendor RFP creation and management, and vendor negotiation and selection in all areas of ICT, Technology, Services and Telecoms, with complete very advanced World Standard infrastructure and services, all inter-connected. The program was based around a "plan, build, operate" model. This entailed buying and having all infrastructure installed as an outsourced deal, defining services and having them developed as an outsourced programme, establishing a operation company together with a multi-channel contact centre for all services and establishing advanced multi service and pay per use billing services for the company to run. As the Smart City is not a licensed Telecoms operator, it was also necessary to establish a cooperation and usage agreement with one of the licensed operators to allow services to run into and out of the city on Fixed, Mobile and Internet transport. Globus was involved deeply in all of the above aspects, helping to shape the strategic planning as well as tactical

implementation during the critical first year of business. In addition, Globus ran the entire Vendor Selection and scorecarding exercise and initial vendor negotiations, leading to a reduction of over 60% of actual purchase price.

GLOBUS PEOPLE:

DR KENN WALTERS

Board Advisor and Business Unit leader in new and converging technologies, focusing on Business strategies and tactics, technology in Telecommunication, Mobile Communication, IP ICT Convergence and disruptive technologies, Billing systems and Contact Centre systems. Dr Walters has previously worked, over 32 years, in a variety of highly responsible P&L driven roles, including Interim CxO of the Converged operator Viag Interkom, (now O2 Germany), VP and Board advisor to ITT Corporation America, VP Telecoms Practice CAP Gemini Consulting, and Interim VP and Board advisor to IBM Corp and Siemens/Nixdorf. He has a comprehensive understanding of the newest technologies and implementation at a business and technical level, as well as how to migrate traditional businesses to the new business models and systems, while taking care of legacy systems and business processes in order to maximize their ROI. Dr. Walters holds a B.Sc an M.Sc and a Ph.D. in Computers and information systems (Major Telecommunication) and has completed postgraduate studies in Management, H.R. and Corporate finance in (amongst others), St. Gallen, Switzerland.

ASH PAL

Extensive experience of organisation change, RFP development, vendor proposal evaluation, team coaching, vendor management, CRM, change management and competition. Clients include Saudi Telecom, Etisalat, Batelco, Wataniya, Vodafone, Cable and Wireless, France Telecom, Deutsche Telekom, Telecom Italia, TeliaSonera, TDC, Telenor and T-Systems. Ash has over 20 years of business and executive experience in telecoms and information technology. He has worked with, advised or consulted to over 60% of the world's top 20 brands and innovators on change, transformation and technology. Ash has a strong reputation for solving complex problems and delivering financial benefit and most recently developed the organization plan for King Abdullah Economic City (KAEC) in Saudi Arabia. KAEC is part of an ambitious plan to build several technologically advanced "Smart Cities" and telecoms operators to create economic stimulus in Saudi Arabia. Ash formerly led the Platform Strategy function for Microsoft Europe, Middle-East and Africa (EMEA), a \$10 Billion revenue, 138 country business where he reported to the President of Microsoft EMEA.

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