



# An old recipe for an emerging issue

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“ Why it is important to give strategy a real life dimension, for instance, through the implementation of quick wins pilot projects

I really enjoy that moment, when you finish an assignment and you look back at your deliverable - that handful of slides that kept you up and running - and feel that everything you put in there makes perfect sense. It's like bringing order to chaos. Fighting entropy.

But, is that all? Is this handful of slides the final stage? The result of a work well done? We don't think so. To reach the final stage, you need to bring your slides to life, you need to make sure that all your ideas and conclusions are implemented (or at least implementable), even in challenging conditions (economic downturn, lack of liquidity, etc...). And one of the best ways to do so is by running a pilot: an old recipe for an emerging issue.

My first “management consulting” PowerPoint slide was miserable. I remember the look in my manager's face, torn between telling me the truth and trying to avoid demotivation. It took me some time to get the grasp of it, but now I'm a total PowerPoint obsessive freak. The structure and flow needs to be perfectly [Minto](#), the boxes need to be perfectly aligned, the colors have to match and have a reasoning behind, the storylines need to be crisp and clear.

I would say that almost every management consultant has been criticized, at least once, for being in the “paper business” i.e, for delivering reams of paper that end up at the bottom end of drawers and never see the sunlight again.

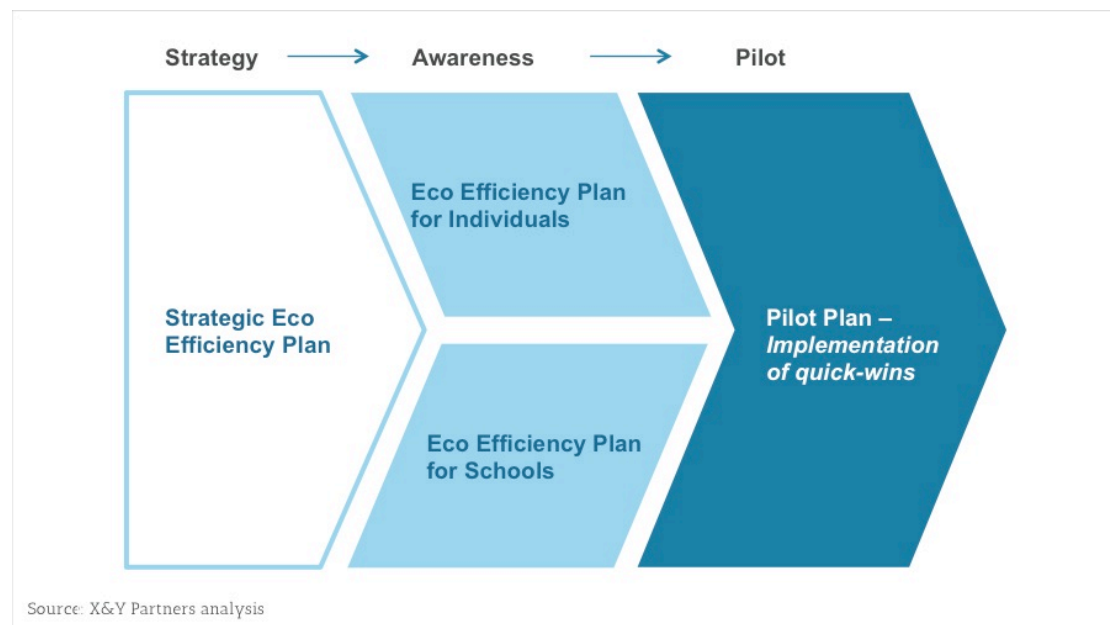
It is not always the consultant's fault though. A lot of stellar strategies don't ever get to be implemented because they are not convincingly sold to senior management or,

as is often the case during economic downturns, because the investment and effort required to implement it are not readily available.

In our opinion, that handful of slides should thus just be the halfway-mark, a compass that guides the remaining steps of the project.

We see every project as a three stage process: an initial phase, where you structure the approach and choose the best options (Strategy); a second phase where you discuss and build awareness around your plan (Awareness); and a third phase, where you must prove that it all makes sense (Pilot).

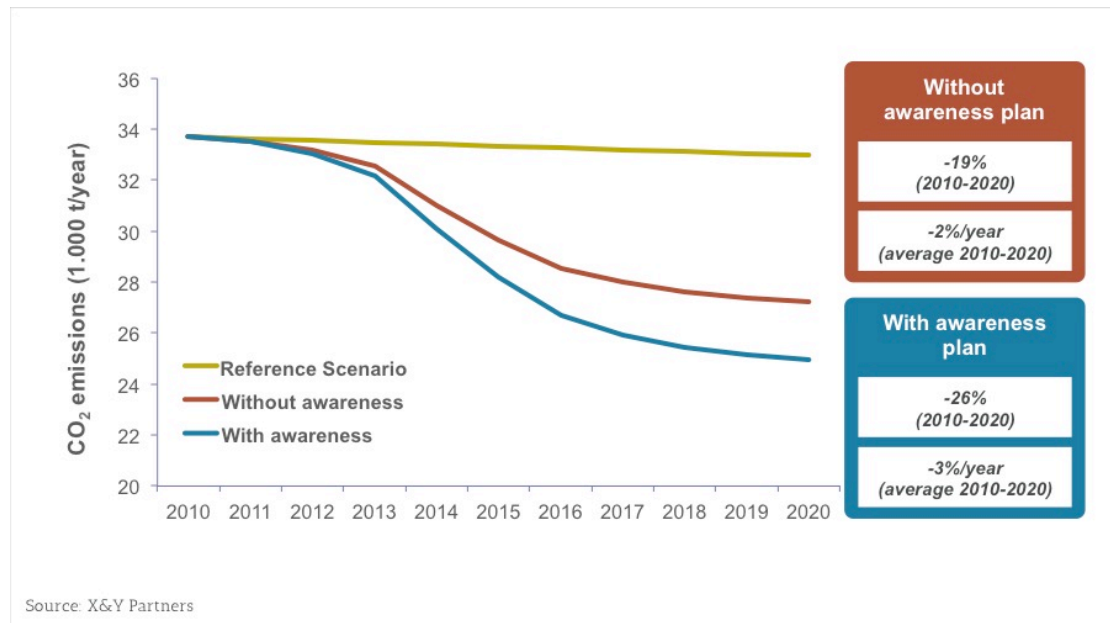
Our recent *Eco-Efficiency Strategy* for Nisa, is a great example of this approach (Exhibit 1).



*Exhibit 1 - Methodological approach for the Eco-Efficiency Strategy for Nisa*

Nisa is a Portuguese rural municipality in Alentejo (one of the poorest regions in Portugal) that despite the remarkable interest in energy efficiency, sustainability and low carbon economy, has a very tight budget for these initiatives. For this project we created a long list of initiatives in the areas of energy, transports, waste, water, forest and biodiversity, and used a proprietary methodology to select a short list of approximately 50 initiatives, all financially viable on its own. The implementation of the full pack of initiatives represents, for the entire municipality, a decrease of 26% in the carbon emissions, an investment of 0,9 M€/year and a revenue of some 2,2

M€/year. If the available financing mechanisms (e.g. public funding, ESCO models, carbon credit generation) are leveraged, this investment may decrease down to some 0,32 M€/year.



*Exhibit 2 - Comparison among the different scenarios considered*

There's a catch however: numbers and charts will do very little to convince a Mayor or its citizens of the bona-fide nature of your plan; you will need actions for that. Thus, from the 50 initiatives, we selected 10 of the so-called quick wins: actions that could easily be implemented with a residual initial investment but with a significant impact (Exhibit 3). We also selected a Pilot Community, and concentrated all our efforts there, to help build awareness and momentum.

Pilot Action		Recipients	Goal
P1	Incentives to recycling and composting	25 families	Reduce up to 30% the waste generated
P2	Economic Incentives Program	Companies	Support two applications
P3	Optimization of public areas lighting	Municipality	Reduce up to 10% the energy consumption
P4	Elaboration of best practices manuals	5 families; 2 companies; Municipality	Reduce 14 kgCO <sub>2</sub> /person, the equivalent to 18 kWh of electric energy
P5	Creation of an Eco-Efficiency Support Cabinet	Overall population	Create and operationalize the support cabinet
P6	Creation and stimulation of a volunteers group	Overall population	Implement one project
P7	Optimization of the public transports system	Overall population	Create a car sharing platform
P8	Elaboration of a carbon credits program	Forest owners	Quantify the carbon credits potential
P9	Optimization of electric power factor	3 companies	Reduce up to 1,5% the reactive energy
P 10	Optimization of electricity and water contracts	Municipality	Reduce these costs up to 2,5%

Source: X&Y Partners

*Exhibit 3 - Pilot Project main actions*

In a couple of months, and with a small budget, we implemented these quick wins in the Pilot Community. Most of the results were very promising, and their expansion to the entire municipality is now being equated. However others had to be adapted to the reality that we found in the terrain (Exhibit 4).

Pilot Action		Results
P1	Incentives to recycling and composting	An increase in the recycled residues was notorious for all the participants. However, the qualitative nature of the outputs received made it impossible to quantify
P2	Economic Incentives Program	The Economic Incentives Program, involving all the major stakeholders, was defined and approved by the municipality
P3	Optimization of public areas lighting	A 5% reduction in electricity consumption was obtained in the Pilot Community with the change in lighting schedules
P4	Elaboration of best practices manuals	Best practices manuals, created for individuals and companies, were widely distributed and are available in the Municipality web page
P5	Creation of an Eco-Efficiency Support Cabinet	The structure, personnel needs and competences of the Support Cabinet were defined as well as the main key success indicators for the success of this Cabinet
P6	Creation and stimulation of a volunteers group	A volunteers group was created (Eco Cucos) and their first initiative (an Eco Track) took place in the 22 <sup>nd</sup> of August 2011
P7	Optimization of the public transports system	The limited number of public transports led to a redesign of this initiative into a car sharing platform
P8	Elaboration of a carbon credits program	This initiative was redesigned to the creation of a Support Cabinet and support material to help forest owners take advantage of the Governmental and EU incentives for Forestry
P9	Optimization of electric power factor	The only company in the Pilot Community with capacity to implement this initiative had already implemented it
P 10	Optimization of electricity and water contracts	All the contracts were revised and savings of some 5% per year are expected in the electricity contracts

Source: X&Y Partners

*Exhibit 4 - Pilot Project main results*

An example of the latter was initiative P7 (Optimization of the Public Transports System) that was redesigned to a car-sharing platform, given the residual number of public transports among the communities. Another example was initiative P8 (Elaboration of a carbon credits program): during our initial conversations with the forest owner's community we realized that there was a striking lack of information regarding support schemes for forestry. For instance, most of the owners couldn't understand the mechanisms that they had available to improve their lands or the steps needed to accomplish an application for grants. Implementing a carbon credits' program here seemed inappropriate, given the real nature of the problems that they were facing. Thus we redesigned this initiative into the creation of detailed flowcharts with all the steps necessary for the application to the most relevant financing mechanisms along with the creation of a Support Cabinet dedicated to this specific issue.

Sometimes the immediate implementation of the full strategy is not easy or even feasible. It is important then to be able to select the core of the project, the initiatives that can be readily implemented and gather critical mass. This will also give you a chance to improve on things that looked good on paper but don't really work out in reality.

The initial momentum is crucial, and if you can prove that your strategy makes sense and is "implementable", then it's much easier to gather buy-in for the rest of it.



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