New Business Models for the New Economy

Co-op Power
Florence, Massachusetts
16 August 2018

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About Reporting 3.0

- **Global Public Good**: Operating under OnCommons (a non-profit gGmbH registered in Germany), Reporting 3.0 curates a multi-stakeholder community generating “open source” knowledge in a neutral, pre-competitive space to revitalize the global Commons.

- **Positive Mavericks**: Constructive engagers who transcend incrementalism to achieve necessary transformation.

- **Scalable Ambition**: Acting at the micro level to design next-generation reporting that triggers macro systems level change, spurring the emergence of a regenerative & distributive economy.

- **Blueprinting the Future**: Expert Working Groups vet *Blueprints on Reporting, Accounting, Data & New Business Models* that make transformative Recommendations.

- **Leading Transformation Journeys**: pilot Recommended practices to prove feasibility and then scale up change with support from Advocation Partners.
Positive Mavericks

- Work constructively (not destructively) toward positive change;
- Think independently, challenging personal & institutional constraints, structural limitations, unconscious biases & shadow agendas;
- Backcast from a desired future, building bridge foundations on the far side of the river and spanning backwards to meet the present;
- Catalyze transformation from the foundations of incremental change;
- Act at the scale and pace dictated by science & ethics;
- Think and act at systems levels, making nano / micro / meso / macro links;
- Work collaboratively in ne(x)tworks, dispelling the illusion of separation;
- Maintain persistence in the face of widespread resistance to a transformative agenda, and active hope in the face of societal collapse and existential risk.
5th International Reporting 3.0 Conference at KPMG Amsterdam
New Business Models Blueprint Release

Blueprint Series 2016-2018

Blueprint 4: New Business Models

Integral Business Model Design for Catalyzing Regenerative & Distributive Economies

Final Report | 12 June 2018
Lead Authors | Bill Bauer & Ralph Thurm | Reporting 3.0
Clustering of Sustainable Business Model Literature

1. Product-Service Systems

2. Sustainable Business Model Archetypes

3. Sustainable Value Assessments

4. Strongly Sustainable Business Model Canvas

5. Systems Theory-Based Business Model Generation

Clustering of Sustainable Business Model Literature

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Integral Business Models

Differentiators

- Interlink Four Scopes (Nano / Micro / Meso / Macro Levels) Clearly
- Develop Integral Leadership (Nano Level)
- Apply Context-Based Multicapital Performance Metrics (Micro Level)
- Catalyze New Level Playing Fields in Industrial Sectors / Investor Portfolios / Bioregional Habitats (Meso Level)
- Advocate for Economic, Societal, and Ecological Systems Change (Macro Level)

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6. Clustering of Sustainable Business Model Literature

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General Characteristics of Integral Business Models

- Synergistic
- Contextualized
- Thriveable
- Purposeful
- Leadership-driven
- Scalable
- Multicapitalist

Integral Business Models
General Characteristics

@2018 Reporting 3.0
Integral Business Model Implementation Methods

- Governance & Strategy
- Risk & Innovation
- Scenario Analysis & Transition Planning
- Roles & Strategic Leadership
Business Model Transformation Scalability

New Business Models

New Industry Ecosystems

New Integral Economies

Inspired in part by Mark Van Clieaf, Organizational Capital Partners
Risk Continuum

- Career Risk
- Enterprise Risk
- Portfolio Risk
- Systemic Risk
- Existential Risk
Preamble:

1. This template refers to Integral Business Model Design. The term integral is explained in the template through eight general characteristics. This is the starting point and the end point of this work template.

2. The process workflow of designing a business model based on an integral approach is furthermore following known categorizations of phases like ideation, prototyping, go-to-market, evaluation (improving & adapting).

3. Other tools like the ones in the template can be used in parallel if the organization feels more comfortable with it. Reporting 3.0 however refers to tools that it has developed in its set of blueprints, and that also showcasing how they are specific value for the creation of an integral business model.

4. The different phases are first explained in more depth in the left columns of the template, and then a set of hands-on statements is trying to find out the level of existing readiness to design an integral business model.

5. So far we haven’t seen integral business models yet. That is not a surprise as this Blueprint and its template offers an innovation, not yet explored in the literature, but necessary if we design our future economic system and related business models in an integral way.

6. The outcome of the use of this template can be understood as a gap analysis. The scoring is an attempt to show how far you are away or close to be able to transition towards our understanding of an integral business model. A low score should not be seen as a disappointment, but as a point for improvement towards future-readiness of a business model.

7. All steps in the journey towards an ideal situation can be supported by the whole set of Reporting 3.0 Blueprints, depending on how you design your process to come closer.

8. Most of all, feel inspired, not frustrated. You are on to something grand, and it should sparkle ideas on next steps to take.
Co-op Power Case Example
Co-op Power is a decentralized network of Local Community Energy Cooperatives making a difference in the world.
Co-op Power is…
A Consumer-Owned Energy Cooperative and
A Grassroots Investment Fund
1. Become a member-owner of your Community Energy Co-op and Co-op Power. Participate in determining what good green jobs and clean energy to bring to your community.

2. Buy in with your member equity and joining fee. Make loans or investments in the initiatives you want to support.
3. Your equity, fees, loans, and investments build our community energy co-op and the jobs, businesses, and products and services we want most.

4. Receive the benefits from the new product and service offerings you’ve helped create.
In our network, you participate as a consumer, investor, worker, and a person with a voice in the political process.
Co-op Power
Accomplishments

750 member households
10,000 supporters
250 volunteers

$300,000 in member equity, $2.5M in member loans, $2M in grants, $300,000 from local loan funds, $2M in local investment, and $10M for our new tax equity fund for nonprofit and community solar
Outcomes -
12 Enterprises, 26 Network Programs, more than 200 solar arrays, and more than 400 Good Green Jobs

- Six Solar Installation businesses including PVSquared, Kosmo Solar, Green in Green, Great Sky Solar ($60M/yr)
- Northeast Biodiesel ($5.4M biodiesel plant)
- Energia ($2.8M/yr energy efficiency business)
- Resonant Energy ($1M/yr solar project development)
- Thermal Window Fabricator
- Two Green Electricians

- Co-op Power Network Programs
  - Residential Solar Vendor Network
  - MiniSplit Vendor Network
  - Heating Fuel Buying Group
  - 2 Residential Energy Efficiency Programs
  - 2 Energy Efficiency Upgrade Neighbor to Neighbor Programs
  - 2 Solar Hot Water Installation Neighbor to Neighbor Programs
  - Community-scale Wind Program Research
  - Community-scale Biomass Program Research
  - 5 Community Solar Programs
  - National Local Ownership Tax Equity Fund
  - Fossil Fuel Freedom - How to kick your fossil fuel habit
  - Solar Hot Water Installation Training Program for Plumbers
  - Roots Up Training Program - Energy Efficiency jobs for Court Involved Youth
  - Good Green Job Training Program for energy efficiency crews and solar installation crews
  - Etc
Nuestras Raíces, Nueva Esperanza, and Co-op Power
Partnered to create an energy services company in Holyoke MA, train out-of-school youth, and provide air sealing and insulation for residential, multi-family and commercial buildings. Workers own 30% of the business.
Co-op Power...

- is incorporated at the Meso level as a regional cooperative of local community energy co-ops.
- works as part of the Energy Democracy network of community based nonprofit and cooperative energy organizations.
- is working with community-based solar developers in the Energy Democracy network to facilitate local ownership of solar for limited resource communities around the world.
Context & Purpose

IBM Design

System Conditions
- Threats of Climate Change; Race and Class Inequality
- Polarized political climate
- Lack public understanding of the benefits of ownership
- Lack of public analysis of class and race inequity

Sales/Markets
- Collaboration with like-minded organizations to create markets for our offerings

Products/Services
- P&S are launched in response to community needs
- Business development programs
- Community Outreach, Education, and Planning programs
- Communications and PR programs
- Green Job training Programs
- We’ve launched 12 new enterprises, 26 CEC programs, and 3 small business networks bringing new products and services, new assets, and new jobs to local communities
Context & Purpose – Strategy Continuum

Competitive Assessment, Positioning and Maturation Pathway

- **Purpose:** Build a just and sustainable energy commons for all
- **Competitive Assessment:** Convert perceived competitors into collaborators
- **IBM Positioning and Maturation Pathway:** Regenerating/Macro to Thriving/Macro
Success
Process Design

Plan/Do:
- Owner-Members set the agenda
- Performance based metrics established
- Risk mitigation insufficient

Data Design Process:
- Salesforce CRM collects data for impact analysis. Much more work needed here
- No data gathering for justice impacts or sustainable purchasing

Accounting for Success:
- Measure carbon reduction, economic impact of businesses/jobs created, intermittently

Dashboarding:
- Dashboard results not yet fully integrated in ongoing management
Success

IBM Implementation

Go to Market

Macro
- Successful collaborations making positive impacts
- Further need to collaborate to address utility and bank financing hurdles
- Needs to identify economic benefactors

Miso
- Leveraging positive impacts through collaboration to reduce negative impact and increase positive impact - buying groups, policy advocacy, joint fundraising and infrastructure development

Micro
- Creating positive impacts
- Stand-alone P&S are not yet performing
Scalability:
IBM Evaluation

Alignment with IBM 8 Characteristics

Micro/Meso/Macro Basis – positive impact on all three levels.

Context-based – clear context know-how creating sustainable, regenerating activities. It has not yet thrived.

Purpose-driven – clear purpose understood throughout the organization

Scalability-focused – effective mission-driving business model that could work for communities across our region once we solve the thrivability challenge
Scalability: IBM Evaluation

Alignment with IBM 8 Characteristics (cont.)

**Multicapital based** – We focus on making good use of natural capital, human capital, social capital, manufactured capital, and intellectual capital. We value them all highly in our multi-class context, respecting the contributions of every person and the environment.

**Leadership-driven** – Co-op Power leaders aim high and are focused on these eight general characteristics. They are also committed to justice and equity.

**Thriveability-based** – We have often been thwarted by utilities, banks, and other businesses who see us as competitors instead of allies.

**Synergy-focused** – Co-op Power does make the most use possible of collaborations with other organizations. We are as committed to the success of other mission aligned organizations and businesses as we are to our own.
Blueprint Series 2016-2018

Blueprint 5: The Transformation Journey

A Step-By-Step Approach to Organizational Thriveability and System Value Creation

Synthesis of the Reporting 3.0 Work Ecosystem Version 1.0 | 12 June 2018
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Thank You!

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