



## B.5 Involving the right stakeholders

Short description	You identify and mobilize relevant stakeholders that may play a role in the local energy collective and develop your network.
Tools provided	Value Creation Canvas (see Figure 1) Stakeholder analysis table (see Figure 2)

Apart from you and your Energy Working Group, additional stakeholders (such as Energy Service Suppliers, linked SME associations, entrepreneurs and the municipality) can play a role in the activities of a local energy collective and in the realization of collective energy projects. This step revolves around engaging those organizations, mobilizing them and formalizing the collaboration.

When designing the value proposition of the local energy collective, you have decided on an initial selection of the type of activities and services you are going to organize for (and with) the collective. To effectively carry out these activities, you need a team with suitable resources. It is therefore important to understand which resources are required, which role the partners in the Energy Working Group have, and which additional partners are needed as complements. Four activities have been designed to help get insight into these questions and into the potential partners for the local SME energy collective. These are described in sections B.5.1 – B.5.4 below.

### B.5.1 Identifying the needs and resources

First, you want to have a clear view on what resources are required to fulfill the impact ambition and value proposition of the local SME energy collective. These can be resources or capabilities that you, as a Trusted Partner, have yourself, but also things that you might seek to provide indirectly by building external partnerships. Most of the resources needed are intangible resources (knowledge and capacity). Experiences of other local SME energy collectives show that fully mature collectives operate best if they have access to the resources listed below (see Section B.5.2):

- Collaborative capabilities to build a strong network, find partners for the network and exchange information within the network
- Innovative and technical knowledge to implement the energy projects, this includes knowledge on energy efficiency and novel energy measures
- Strategic capabilities to keep track of the (potentially changing) needs and individual ambitions of the SMEs and multiple benefits on energy projects
- Leadership capabilities to be inspiring and to create a long-term vision for the SMEs
- Mediating capabilities to be a trustworthy intermediary between the SMEs and the Energy Service Suppliers



- Financial resources and capabilities for financing the local energy collective (Section 0 explains various ways to structure the revenues)
- Organizing capabilities for the networking events and creating promotional materials
- Support from local governmental agencies

For realization of your specific impact ambition and related services and activities, it might be necessary to add some extra, specific resources to the list.

The idea is to then identify or recognize which resources are readily available to you, and what activities you would easily be able to perform. Next, you can identify which resources are still lacking and should be provided by partnerships with external organizations and/or individuals.

One way to get a clear overview of your internal resources, and required external resources is to use the Value Creation Canvas (Figure 1). In the middle, you write down the value proposition of the local SME energy collective. On the top, you fill out what you can offer: your own activities and resources. And at the bottom, you write what you need from other stakeholders. The canvas, then, simultaneously captures the activities and the connected resources that you have or that your partners should have.



Figure 1. Template of the Value Creation Canvas<sup>1</sup>.

<sup>1</sup> Adapted from Groote Schaarsberg, M., Koers, W. A., van der Weij, W., and Rijken, M. (2015). STEM – De energietransitie van onderaf - Huidige en toekomstige samenwerkingsvormen en handelingsperspectieven. TNO.



### B.5.2 Scanning your network

As described above, some of the resources and activities you need to find externally. For this, you need to find enthusiastic partners to take up a (supporting) role in the local SME energy collective. By analyzing the stakeholders in your network, you get insights into their resources and interests, which enables you to identify potential partners.

#### Example: Partners in the NEMo project of the Network Motzener Straße

In the NEMo project (a zero emissions initiative in the German network Motzener Straße), cooperation was established with an engineering office, that supported participating companies with measurements as part of the actions identified for the initiative's climate protection plan. The network also participates in EU-projects with different actors, particularly with universities (for example on circular economy).

First, you want to assemble a long list of stakeholders (e.g. Multiplier Organizations, municipality, progressive SMEs and sector organizations) within your network. If you have formed an Energy Working Group, then you can use that stakeholder overview as a basis. You can also extend the overview by adding stakeholders from the network of the Energy Working Group. Important stakeholders to include are Energy Service Suppliers that can support the SMEs with energy efficiency measures. Energy Service Suppliers include, for instance, energy auditors, energy advisors, energy service companies (ESCOs), technical experts, and equipment suppliers.

Once you have this long list of stakeholders, you can analyze the stakeholders and their current roles. By understanding their interests, resources, and influence, you can identify which parties are most important to involve. Based on your own experiences, discussions with the Energy Working Group, and possibly a scan of the stakeholder's website, you can fill out the table below for each stakeholder<sup>2</sup>.

When analyzing which Energy Service Suppliers to involve, it is important to match them with the needs of the SMEs in this specific local SME energy collective and to the actual services to be offered (see examples below).

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<sup>2</sup> TNO, IVAM, ENGIE, ECWF, Klapwijk Parkmanagement, and Markus Makelaardij. (2016). STEM Snelstartgids duurzame energiemaatregelen op bedrijventerreinen. TNO.



Stakeholder	Name	Interest	Influence	Resources / possible role
Sustainability department municipality	Jane Do	Very high	High	Network of SMEs and local service suppliers, access to finance
Chair of entrepreneurial organization	...	...	...	Access to SMEs, initiating the idea to the SMEs
...				Specialist in renewable energy
				Access to data on energy consumption

Figure 2. Example of way to structure information in a stakeholder analysis table that needs to be completed for each specific case (i.e. table incomplete on purpose)<sup>2</sup>.

**B.5.3 Reaching out to supporting stakeholders**

Based on this analysis, you can identify the most important stakeholders to involve to fulfill your ambition and which combination of stakeholders suits best, e.g. stakeholders that already have a good relationship, or stakeholders with aligning visions. Stakeholders with high influence and high resources can enable the local SME energy collective, and stakeholders with high interest provide a driving, enthusiastic force.

You might also want to think about the timing: who do you need now, and who can be involved later for specific activities. For example, an important element of the local SME energy collective is to bring SMEs and Energy Service Suppliers together. Some of the suppliers can be (more or less) continuously involved as their services are included in the offer of the energy collective. Others can be more temporarily involved, depending on the activities over time.

The next step is then to reach out to the key stakeholders and start shaping the collaboration. Together with the Energy Working Group, you can engage them by discussing their mutual interest of establishing a local SME energy collective. By focusing on “what’s in it for them”, you can make potential partners enthusiastic in joining and taking up responsibility. The table below shows some examples of relevant motivation aspects for Energy Service Suppliers.



### Motivational aspects for Energy Service Suppliers

Raising awareness and contributing to energy savings

Benefits of scale due to the collective approach (many small customers included at the same time)

SMEs have expressed need for its services, involvement will give positive PR

Increased network with other entrepreneurs

Good examples of supplier involvement in similar ongoing/earlier initiatives (see example below, or even better, from your own local experience)

It is advised to start approaching the potential partners that are already enthusiastic and have high influence on others. Connecting these stakeholders to your local SME energy collective could increase the interest of others. In your contacts, you can try to identify additional benefits for the stakeholders to engage in the collective and understand what would motivate them to be involved.

After discussing the local SME energy collective, its ambition and value proposition, you should discuss their commitment. Once you have all the required stakeholders on board, you will need to discuss these roles and responsibilities together. Roles to think of are:

- You, as Trusted Partner: chair of the local SME energy collective, enthusing SMEs, awareness for the local SME energy collective in your network;
- Municipality and/or regional governmental agency: co-financing, information about measures, taking energy-saving measures in the public space, subsidy contributions, information about tax deductions, assistance with communication; and
- Development company: offering financing from funds, integration of renewable energy in restructuring projects.



### Example: BEST Energy Check-up Enschede Harbour Area

In the Enschede Harbour Area (Netherlands), a local energy initiative has been developed by the Belangenvereniging Ondernemers Havengebied (BOH, local entrepreneurial association) and the BEST initiative (Climate-KIC project consortium). The goal of the initiative is to activate SMEs to invest in energy efficiency measures. The local initiator of the project is the BOH that plays the role of Trusted Partner in this initiative. The BOH provided the organizational resources for, e.g. a secretary through which SMEs on the business park could be contacted. To stimulate SMEs to participate in the collective initiative, the support of the municipality was used. Due to their strong, trustworthy relationship with the SMEs, the municipality was able to actively address them.

The local entrepreneurial association had already organizing and interaction skills, but only limited knowledge on energy efficiency. Therefore, the resources of the BEST initiative were used to fill this gap. Skills on energy measures and financing was supplied by the BEST initiative, as well as the capacity needed to execute the energy project. For continuation of the local energy collective after the BEST initiative, funding from the province has been obtained, which provides BOH with resources to run the local energy collective over multiple years.

### Example: Involving Energy service suppliers in Energy Efficiency Networks in Sweden

In the Swedish Energy Efficiency Network programme (EENet), each network was connected to a dedicated energy expert. The energy expert visited each company in the network to help to make an energy audit and provided continuous guidance in the work with energy efficiency, for example setting energy-related goals and strategies and develop action plans for implementation of measures. The network programme was partly financed by public funding, which supported this service and allowed for hiring energy experts so that this service could be included in the offer to the SMEs. For the energy experts, the involvement in the energy efficiency networks was a large, long-term commission, involving great opportunities to reach many new potential customers with a similar type of projects.



#### B.5.4 Formalizing the collaboration

To formalize the collaboration and ensure commitment from all stakeholders, there are multiple options. The local SME energy collective can have a less formal (or legal) status. It can also be part of an existing organization, like an entrepreneurial organization, a sector association, or perhaps even a local energy advisor. It is important to consider the most appropriate form to suit the activities of the initiative.

Creating a legal structure requires a significant investment in time and money. It is, therefore, only advised to establish this legal entity when you already have a solid group of motivated partners and, for example, have already experience with these partners in energy projects. Being a legal entity does have its advantages, as you would be able to sign contracts for assignments, subsidies, and projects directly, instead of having separate contracts for all individual members.

Several legal forms may be applicable for a local SME energy collective. The ultimately chosen legal form will play a central role in the implementation of the activities, managing costs, and revenues, and is the point of contact for the SMEs and possibly for (external) financiers. In Appendix B.4, information on these various legal forms is enclosed:

- Association
- Cooperative
- Foundation
- Private company.

It is important that there is a good match with the (future) activities and the various participating parties. And remember, a choice for one legal form is not binding. Over time, you can decide to change the legal form, if the activities change. It is also possible to combine legal forms. For example, a foundation that is the full shareholder of the private company of which the participating SMEs receive certificates. It is important to involve the participating SMEs in the initiative and in the ultimate choice of legal form. It is recommended to seek advice from your lawyer in this process.

You can also choose not to form a legal entity. The local SME energy collective only needs to be a legal entity when it will sign contracts for assignments, subsidies, and projects itself. If this is not the case, signing a *collaboration agreement* is a less formal way of ensuring the commitment of all partners. In this agreement, you write down the intentions you have with the local SME energy collective. This includes the impact ambition, how you are going to achieve this ambition (value proposition, services and activities), the roles and responsibilities of each stakeholder, a timeline and the cash and in-kind contributions of each stakeholder. All partners have to sign this document.



### Example: Funding of the NEMo project

In the Motzener Straße industry park (Germany), the SMEs themselves have founded an association (also mentioned under A.1). This association initiated a climate protection concept (the NEMo project, see also B.1, page 23), which was developed with the association's own funds and with the help of various funding supports (local and national). The creation of the association allowed member SMEs to have a structure that coordinates actions and activities and can access, in addition to its own funds, grants on a local or national scale.





## APPENDIX B.4: Examples of legal forms for a local SME energy collective

Form	Explanation
Association	<ul style="list-style-type: none"> <li>- The objective of an association is to use the profit to achieve the objectives of the association</li> <li>- The members have control through a general meeting of members (GMM) and appoint the board of the association who implements the decisions of the GMM</li> <li>- 2 types associations: an association with full legal capacity and an association with limited jurisdiction. Directors of an association with full legal capacity are not personal liable for the obligations of an association.</li> </ul>
Cooperative	<ul style="list-style-type: none"> <li>- It is an association that enters into an agreements with and for its members; “an association with a company”</li> <li>- The members have control and appoint the board of the cooperative</li> <li>- All members share in the profit of the cooperative</li> <li>- Different types of cooperatives, such as a business cooperative (buying, selling and supplying by the members), the consumer cooperative (collectively buying and selling) and the employee cooperative (whereby members provide services / products in the service of the cooperative).</li> <li>- The cooperative can also be established with exclusion of liability. With the exclusion, the members are never liable for any losses.</li> </ul>
Foundation	<ul style="list-style-type: none"> <li>- Non-profit; the proceeds (profits) must be used for the realization of its objectives (similar as association).</li> <li>- A foundation does not have members (difference with association).</li> <li>- Authority in a foundation rests with the board.</li> </ul>
Private company	<ul style="list-style-type: none"> <li>- Control rests with the general meeting of its shareholders</li> <li>- The (registered) capital of the legal entity is divided into shares, these shares are not freely negotiable or transferable as it happens on a stock exchange, hence the term private company.</li> <li>- A private company can also be combined with a cooperative, in which the cooperative has full ownership of the private company.</li> </ul>