



3^o Workshop - C2FUTURE: Market Intelligence Gathering

Third Workshop Report

aclima



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1 | GENERAL OVERVIEW

This third workshop regarding Market Intelligence Gathering between the clusters took place on the 21st and 22nd of July during two working sessions. The main objective of this second workshop was the discussion of the strategic opportunities in the predefined countries in order to collectively make a decision which 3 out of those are the most adequate to focus on.

Experts from Colombia and the USA were invited to deliver a presentation about the overall situation of the country as well as give insights into more specific opportunities. Later this data was analysed, and the clusters agreed on the top 3 countries of their interest when going international.

The following table exhibits the clusters and partners that are involved in the working groups:

CLUSTER	Country	Participants	Expertise Area	Activities
SEKEE (did not attend)	Greece	Manos Macromallis and Vasia	High Tech	Mobile applications, telecommunications providers, innovative communications.
GREEN HOME (did not attend)	Italy	Giuseppe Rossi and Gilda Capano	Sustainable building	Smart cities
CLM	Italy	Sara Cortese	Smart mobility	Supply chain (automotive, nautical, railway, intermodal transport and infrastructure, etc.)
ACLIMA	Spain	Igor Aranguren and Mikel Ibarra	Environmental services	6 value chains: waste, water, air, climate change, contaminated soils.
DTI	Bulgaria	Krasimira Shindarova	Information and Communication Technologies	ICT and Digital transformation
ICT	Serbia	Marina Blagojevic and Anja Pantelic	Information and Communication Technologies	ICT and Digital transformation

1.1 WORKSHOP PART 1.

➤ THE TOPICS ADDRESSED:

Throughout the session that took place on the 28th of June, the following points were approached and discussed:

- **Smart city plans:**

Previously to the session, a document was shared with all the clusters containing information about different smart city plans located in the 5 preliminary countries (Canada, USA, Mexico, Colombia and Algeria). The participants were asked to read the proposed plans, to later in the working group contrast the points of view and interests of each other.

To gather the data in a quantifiable manner, each smart city plan has been given a grade between 1 and 5, 1 meaning no interest and 5 meaning very interesting.

It must be highlighted that the points are based on how interesting the plans seem for the clusters overall, without going into specific opinions of the associate companies. It has been looked at from the point of view of finding opportunities as a whole based on their capacities, however it would still have to be checked with the members of the clusters how willing they are to enter a project in these specific countries once the selection of the top 3 has been done.

The following table sums up the marking of the clusters and the total grade each smart city plan got.

Representatives of Green home and Sekee did not attend the Working Group 3, therefore their marking for the smart city plans is not available and have been left blank.

		Aclima	ICT	CLM	DTI	Green Home	Sekee	Totals
CANADA	Montreal	1	1	5	1			8
	Nunavut	1	3	1	1			6
	Guel	4	5	1	3			13
USA	NY	1	3	3	1			8
	Columbus	2	3	5	2			12
	Las Vegas	1	1	5	2			9
	Cansas	1	1	4	2			8
	Vision Zero	1	1	5	3			10
	West Hollywood	1	1	3	3			8
MEXICO	Maderas	1	1	2	4			8
	Tequila	2	2	2	1			7
	Guadalajara	1		1	3			5
COLOMBIA	Medellin y Bogota	4	3	4	5			16
	Barranquilla	3	4	1	4			12
ALGERIA		3		2	3			8

Hereinafter, we summarize the points and topics mentioned in the discussion of the smart city plans:

- **Adapting to the plans:** One of the conclusions from the discussions was that the value chain that the companies from the clusters will create cannot be the same for all the countries nor all the plans. Once the gaps of each company have been found and filled in by other companies, a different brochure will have to be created to present it to each of the plans, a brochure that will specifically adapt to the demand.
- **USA:** It has been mentioned that it might be difficult to penetrate the USA market. Regarding technologies they country as a whole might be more advanced than what the C2Future companies might offer. USA will still be looked at, as an option, however always bearing in mind the difficulties that might arise in the process. It would have to be further analysed how to penetrate the market.
- **Mexico & Colombia:** The lack of awareness among the citizens regarding environmental issues is widely spread in the big cities of the less developed countries. Therefore, the air and water pollution are in a critical condition. C2Future might take advantage of this situation and propose plans with the intention of raising awareness and improving the conditions. All the clusters would fill in the gaps of each other in order to present the entire value chain of the proposal: Aclima with the companies of environmental matters, CLM in the improvement of the public transportation, and ICT clusters with technologies for air quality and pollution meters. It was also discussed how most of the citizens possess a smartphone, therefore, the ICT clusters could also assist in the development of an app to engage the citizens and spread the information through earning points, discounts or bonuses when an act supporting the environment is executed.
- When a specific country is chosen, the **following steps** must be followed, and questions would need to be answered or gather information on before definitely deciding whether to focus on it or not:
 - Contact the representatives of the chamber of commerce or government department of each city (or district of the city)
 - Gather more specific information on the problems they are facing in their day-to-day activities e.g.: air pollution due to highly contaminating cars, water pollution because of waste disposal from big companies...
 - Analyse the existing solutions they might have to face this problem. If they do not have any or the existing one is not working as it should, an opportunity to develop a value chain regarding the issue might arise for the clusters.
 - Another point that must be taken into consideration is if the projects accept the participation of international companies.
- **How to penetrate the market:** It has been discussed that perhaps in order to get into public procurements it is usually needed a local partner. Therefore, the clusters would need to work on finding associations and companies that understand the local market (culture, way of doing business...) and establish long term relationships to access the public administration.

- **Importance of offering entire value chains:** the local governments usually refuse to sign large number of contracts. Therefore, going with a full offer that would solve the entire problem they are trying to tackle from the strategy all the way to the implementation can add competitive advantage to C2Future.
- **Opportunities in Colombia:** The working group hosted Isabel Caro, a professional consultant based in Colombia to gather further information and deeper understanding of the opportunities in the country. A presentation was delivered covering content on the geopolitical situation and the social issues of the country during the last few years.

Later on, the institutions that supervise the environmental circumstances were presented, the Environmental and Sustainable Development Ministry, the Technology and Communication Ministry and SINA, the National Environmental System. The actions that each one of them is taking and the plans that are implementing regarding the energetic transition, strategies to become greener cities etc. were briefly touched upon.

In addition, it was mentioned the Article 147 of the National Development Plan, “Pact for Colombia, Pact for Equity”, which established that “territorial entities may define smart city strategies and must take into account the technical guidelines in the digital transformation component established by minTIC”. In other words, the national governments provide the territories with the resources and assistance to create and implement smart city plans. It was discussed that this emerges opportunities for C2Future to present defined plans to the local governments to tackle issues that are facing in their territories.

Based on the questions asked to Isabel, it was concluded that the chambers of commerce would be an adequate institution to look for contacts in order to gather more information about these plans as they seem very engaged in enhancing collaboration among companies, clusters and associations to create synergies.

- **PENDING TOPIS:** It was agreed that at the beginning of the second session of the 3rd Working Group Colombia and the opportunities that might arise in the different cities would be addressed. In addition, based on the grades each cluster gave to the smart city plans and the talks delivered by Ruggiera, Isabel and Pedro (to be delivered in the next session) about Canada, Colombia and EEUU, the top 3 countries will be chosen.

1.2 WORKSHOP PART 2.

➤ THE TOPIC ADDRESSED:

- **Opportunities in the USA:** The working group hosted Pedro Pajares, a professional consultant based in Virginia, the USA to gather further information and deeper understanding of the opportunities in the country. A talk was delivered covering content on the overall situation of the country and various points and tips on how to do business in the US were mentioned.

As the country overall is well known by the members of the clusters and does not need an exhaustive introductory presentation, we focused more on how to do business in the country and solving the questions on how the public projects work.

Regarding the country, it is necessary to bear in mind how the USA does not have a unique approach to the public projects everywhere, each state will have different actions to act upon and implement. IN states such as NY, it was mentioned that it would be very challenging to get into a project as they usually are not open to international collaboration. On the other hand, in west Hollywood for instance the situation is quite the opposite: looking at historical data they have always been open to collaboration with international clusters, associations and consortium. Therefore, at times of choosing the project the general conduct of the state must be analysed in depth.

Most of the companies entering the US market have had issues with regulations. This happens due to the huge difference in regulations between Europe and the US, therefore it will be crucial for the clusters to inform themselves in depth regarding this topic before any implementation actions take place.

The Small Business Administration might me a good point of entry to the bigger projects based on what was discussed. The SBA set aside a number of projects (up to 200 million dollars a year) for small companies that cannot compete with big multinationals. Since most of the member companies of the clusters are SMEs, it is an opportunity worth analysing.

The overall takeout from the talk delivered by the speaker in the US is that to get into a project in the country it is essential having a partner. On the one hand the costs of implementation from a process will be considerably less, and on the other hand the immigration policies as a foreign company will also be easier. IN addition, it has to be present the fact that in the US they measure the proposals based on how profitable they will be, therefore having a great plan will not be enough unless it's followed up by indications of future profitability.

It has been mentioned that Pedro might access contacts in the Chambers of commerce in NY, Washington DC, Huston and Chicago, therefore if a market analysis was to be conducted in the US, they could be of big help.

During the Q&A session a local cluster that might be of interest was mentioned, the following link will redirect you to their website:

www.smartcitidive.com

- **Analysis of the proposed plans (USA):** at the end of the session with Pedro Pajares, the smart city plans that were gathered for the US were presented to him. A small comment was made by him as well as the C2Future clusters:
 - **NY:** as an independent bidder it would be impossible to get into a project in NY as they are reluctant to collaborate. If the project is still of interest, the first step would involve finding out who is bidding for the project and contacting them to discuss if we can add value to their offer and that way collaborate.
 - **Kansas City:** it might be an interesting state to dive into. Kansas was in the back end of the US regarding technological advances in the last 35 years. However, in the last decade they have stepped up their game and are implementing numerous actions to become a greener, more sustainable and more advanced state.
 - **Columbus & Vision zero:** they are thought to be the 2 plans of most interest among the clusters, as they offer great opportunities in the 3 aspects of the plans that we will be focusing on (environment, mobility and ICT)

- **Decision making**

After the presentation and Q&A session on the US, a discussion took place in order to decide which 3 countries C2Future should focus on. The first point the Clusters agree on is that there is no ideal country. Each destination has its positive and negative aspects; therefore, they must weight them and see which ones would leave us with the most positive balance.

It was also agreed that they would choose the countries focusing on the overall characteristics as a country, not only on the specific plans that have been portrayed in the report of the smart city plans. Using the macro information and the overall idea of the country as well as the opportunities that they offer to the clusters and foreign companies to penetrate that country.

Before deciding the top 3 destinations, it was discussed that overall entering the USA and Canada at might have less of a problematic process than in the rest of the country. This is due to the regulations, that leave no room for corruption. However, the downside of these countries is that the technology is already very advanced and overcoming that would suppose a great challenge to the member companies of the clusters.

Mexico and Colombia would be the opposite. In terms of technology, they are not as advanced as European countries, therefore it leaves room for improvement for the companies. However, corruption and the lack of stability in the regulations and the elevated rates of corruption might be a difficulty companies will have to face when penetrating the countries.

Based on all the speakers that were hosted, the marks the clusters gave to each of the smart city plans and the discussions throughout the 3 working groups, it was decided that **COLOMBIA**, the **USA** and **MEXICO** are the top 3 destinations C2Future will focus on.

2 | PENDING TASKS

- Once the 3 countries have been chosen, it was agreed that the following steps should be listed and specified. Firstly, a market research has to be done in each of the 3 countries to establish the road map that has to be followed to be able to penetrate the market. This will provide insights into the situation of the country and assist C2Future in defining a strategy to enter. With this information, it will be possible to define an action plan with a list of actions that will have to be taken in destination (agendas, B2B meetings, trade shows, fairs...).
- Igor (Aclima) commits himself to try to contact Basque representatives in the USA and Colombia to ask for information about existing or future projects on smart cities that could fit C2Future's offering.
- In addition to this, the clusters also agreed on creating a base methodology that will be followed in Colombia, USA and Mexico. It will consist of a very basic methodology that will be adapted to the necessities of each country depending on how they work and the requirements they state. In any case it will be helpful having a base to build all these on. Having this base brochure with the steps to follow will be essential when entering the preparation of the project, mainly because they will be working against time. Once the projects open, they will have no longer than a month or two to present their offers, therefore having a base will lighten up the processes and shorten the times of execution.
- As Mexico is the only country that has been chosen without having a representative from the destination. Therefore, it was discussed that it would be interesting to host a speaker to gain insights and gather more information about the country. Sara (CLM) takes the initiative to invite the consul of Mexico to a meeting with the rest of the clusters.
- Summarizing, 2 approaches to the preparation for potential projects will be worked on in parallel:
 - The creation of a portfolio or brochure with the capabilities, references, offerings... of each cluster and its members to create a base methodology.
 - Looking for possible contacts and specific projects in the 3 countries.

3 | CONCLUSION

- **COLOMBIA, USA & MEXICO**

As the objective stated, the top 3 interesting countries to look for collaboration were selected based on all the discussions, inputs and voting that have taken place in the working groups.

- No matter which of the 3 countries C2Future decides to dive into, the first touchpoint will always have to happen through a **local partner** in the form of an association, company, or cluster. It is far more complicated to get a project and work on it in terms of working culture, paperwork, and relationship with public institutions without a partner.
- In the **following months** they must focus on gathering more information about the chosen countries, doing a market research, establishing contacts and preparing a common offer that will be used as a base when developing the offers. This will ease the processes when a concrete plan has been chosen.