

XPRESS CASE STUDIES ON BARRIERS TO INVESTMENTS IN RENEWABLE ENERGY SOURCES

– BELGIUM –

This case is about a SME (Bel-SME-1) who provides consultancy services to PAs and SMEs for renewables.

Bel-SME-1 was established in 2012. Since 2015, they have been delivering services to the market. The interviewee has been CEO of the organization since 2017. Bel-SME-1 works as consultant in the field of the energy sector, they aim to realize climate goals with PAs. They support the PAs in Belgium to reach sustainability goals. They have introduced various innovative solutions in business models, and public sourcing legislation. For instance, PAs can buy solar installations from the private suppliers, and the business model for the purchasing and collaboration is based on their innovative business model.

Analysis of current situation

a. Sustainability strategies, energy related strategies

The company is working with renewable strategies and the overall energy related strategies. They work to unburden PAs by providing energy management. Bel-SME-1 provides cheaper solutions for PAs, based on a total cost study by KPMG indicating that Bel-SME-1 does the job with fewer required resources.

b. PP strategy or regulations & support for SMEs

There is mainly indirect support for innovative SMEs, both at regional level and national level. There are some schemes diminishing for Photovoltaic (PV) devices. On EU level, there is a call to develop a system to use Power Distribution Unit (PDU).

The interviewee also mentions that he has seen that the majority of the public sector has made statements on their websites for their intentions to buy renewables. Also, there exists a formal procedure called “state of translation and contraction” or “competitor dialogue” for SMEs. But it is quite rigid. It is also complicated because actors in PAs do not really specify what they want to procure.

Themes

Several themes emerged from the interview, such as established strategies to procure RES, supplier engagement, ease of access to information for SMEs, barriers for SME to participate in a tender.



There are established policies as well as strategies at public authorities in Belgium. These organizations promote pre-tender engagement and often invite SMEs to a dialogue before tenders. Also, SMEs approach PAs with their company presentations to establish dialogue. Interviewee sees the most problematic phase of this communication is during the tender time.

This consultancy SME has worked as a bridge between SMEs and PAs. It has focused to make information easier to access and use for its customers. They have high focus on their technical expertise, and they invested a lot during past years, and they are going to a harvesting mode to use the investment, and also to assess the effectiveness of their investments.

They mention that it is to some extent hard to find right expertise in the market. However, it is not hard to find financial support in terms of funds and loans to finance projects. Also, it has been a great source of learning for the SME to work with renewables to become one of the successful actors in the market. They are very satisfied with the level of support they received from public sector. Instead, they mention that PAs are sometimes decisive in the way they want a tender to be prepared which makes it a bit difficult. The interviewee mentions that flexibility is important to make the relationship more successful.

They have been successful in giving consultancy services to the SMEs and PAs. They see that technical expertise is the lifeblood of their success. They have had no problem in receiving fund to support their business. They allocated considerable resources in marketing of their services. In terms of financing, they allocated 20% to market their innovative solutions. Their innovation is mainly about creating digital platform, business models, and ease of access for customer to use RES services.

Summary & Discussions

Bel-SME-1 relies heavily on their technical expertise to deliver innovative solutions related to RES. However, they have not forgotten to focus on marketing activities which helped them to cover investment costs and show turnover of 700 000 Euros. Their success also depends on the existing policies as well as strategies to procure RES. These strategies even promote pre-tender dialogue which gives great opportunity to SMEs to participate more in tenders. Supply, distribution, and management issues are the most challenging issues in front of them which demands better teamwork, ensuring suppliers environmental consideration.

The interviewee mentions that economically most advantageous formula is often used to evaluate tenders and tenders are often open procedure. LCA is becoming more and more important in tenders. Bel-SME-1 is on right track to give more consultancy services to SMEs due to know-how of the market they gained, focus on technical as well as marketing parts, and awareness of legal issues, support schemes, and existing regulations to promote RES.

