Grundfos Lifelink:
Sustainable and scalable solutions through partnerships and business model thinking.

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Grundfos in brief

Founded in 1945
World leading manufacturer of pumps and pump solutions
More than 18,000 staff in more than 56 countries

AMERICAS:
8 sales companies
2 production companies
3 other brands

EMEA:
33 sales companies
12 production companies
7 other brands

CHINA:
2 sales companies
2 production companies

ASIA/PACIFIC:
12 sales companies
2 production companies
2 other brands
Challenges of water service providers in the developing countries

**Non Revenue Water:** Developing countries lose approx 14% of their water revenue as commercial losses

**Revenue collection:** Inefficiency in revenue collection

**Scalability:** Keeping up with demand from increasing urban population and informal settlements

**Water service management:** Lack of professional tools for monitoring performance and ensuring transparency

1 [www.siteresources.worldbank.org](http://www.siteresources.worldbank.org)
To be able to provide a reliable water supply in the developing world, water service providers must be supported in:

- Managing sustainably drinking water as a scarce resource
- Improving the ability to collect and manage revenues to enable financial viability of operations
- Improving access to competencies and spare parts for service and maintenance
- Improving capacity to expand water infrastructure and thereby increase the service coverage
- Moving towards using renewable energy
- Ensuring accountability and reporting towards donors and investors
AQtap is an intelligent water dispenser offering a unique and integrated platform for revenue collection and online remote management of water points.

AQtap includes a SmartCard solution for water credit storing and a water management system.

**AQtap includes:**

- **SmartCards**: Where water credits are stored.
- **AQtap dispenser**: Where water is tapped and credits managed.
- **Water management system**: Where transactional and operational data is processed and published.
Changing the game to long term sustainable water solutions
Moving from equipment to solution and service delivery

FROM TRADITIONAL

• Pilot projects and small scale approach
• Community operated water projects
• Water is free – it is everybody’s right
• Low financial sustainability

TO SUSTAINABLE APPROACH

• Large scale set-up based on partnerships
• Water Utilities for the BOP customers
• Realistic tariffs for viable operations
• Innovative & Sustainable business models

CHANGE THE GAME!
Value creation through sustainability

Eco-innovation allows for new ways of addressing current and future sustainability challenges

- Grundfos Lifelink builds on innovative technology and integrates maintenance and service in offerings in business models provided to customers
Evolution of Grundfos Lifelink solutions
Service delivery is the key factor for success

Traditional solutions
• Low cost solutions
• Limited focus on service
• Local management of maintenance

1st and 2nd Generation solutions
• Integrated operation, service & and revenue collection systems
• Innovative technology and solutions
• Focus on service of systems

3rd Generation solutions
• Cost reduction
• Increased simplicity
• Continued focus on service
Evolution of Grundfos Lifelink Business Model

Traditional Solutions:
- Little finance for maintenance
- Frequent breakdowns

1st & 2nd Generation Solutions:
- Grundfos integrated service into offerings to costumers
- Leanings – service is not our core business

3rd Generation Solutions:
- Grundfos trains & supports local sales & service providers in aftersales services
Service Offering: From low tech to simple, innovative solutions

1. Lower life-cycle cost
   • Architectural innovation of single components

2. Simple and robust operations and maintenance
   • Reliable maintenance
   • Transparency of operations

3. Easy to use and affordable price
   • Simple interface and prepaid Water Card
   • Effective fee collection
The Lifelink solution approach delivers 4 dimensions of sustainability

**TECHNICAL SUSTAINABILITY**
through remote monitoring and professional service and support

**FINANCIAL SUSTAINABILITY**
through effective revenue collection and transparent revenue management

**ENVIRONMENTAL SUSTAINABILITY**
through the use of renewable energy and improved water management

**SOCIAL SUSTAINABILITY**
through reliable access to safe water – the foundation of good living standards and the key to socio-economic development
Designing a holistic business model

1. FUNDING & FINANCING
   Identify options and partners for funding and financing of projects

2. PROJECT MODEL & TECHNOLOGY
   Design the right project model and technology solution based on local context and project needs

3. WATER CONSUMPTION & REVENUE
   Population base and water consumption is key to estimate the expected revenue flows and designing the right business model

4. OPERATION & MANAGEMENT
   Organisational set-up for owning and operating the water points, including financial management and water-user support

5. TECHNICAL SERVICE & SUPPORT
   Choice of service and support model, either own service team or contract with professional service partner

SUSTAINABILITY IN 4 DIMENSIONS

TECHNICAL
FINANCIAL
SOCIAL
ENVIRONMENTAL
Partnerships - Beyond products, services and know-how

Sustainable water solutions that changes lives can only be achieved through long-standing partnerships across sectors.

Grundfos Lifelink facilitates the right solution by:
- Enabling funding
- Advising on feasible business models
- Engaging as a committed technology & know-how partner
- Finding and linking suitable partners for each project calling upon a diverse network of trusted partners:
  - Governments
  - Water service companies – public and private
  - Development sector organisations
  - Private sector companies
Projects and Case stories
Case: Lifelink projects in Kenya

Nairobi Water – Partner to Grundfos
4 Unit
Mathare Informal settlement
Commissioned June 2015
Case: Lifelink projects in Kenya
Case: Lifelink projects in Kenya

40 demonstration projects have been implemented in Kenya since 2009. Developed in close collaboration with a range of partners across sectors.

The goals:
- To prove a minimum of 10 years operational sustainability for all 40 water projects.
- To show that through partnership, the right technology and set-up, new models can be developed for sustainable water supply in low-income communities.

The Lifelink solution for Kenya demo projects:
- The automatic water-dispensing unit draws water from an elevated tank. The tank is filled from a borehole using a solar-powered Grundfos pump.
- Consumers acquire water credits for the RF device through the mobile banking system in Kenya, M-PESA.
Lifelink sustainable water solutions

Through the holistic approach, Lifelink water solutions enables four dimensions of sustainability for long-term, reliable water supply:
Thank you for your attention!