

WORLD RESOURCES INSTITUTE, AQUEDUCT

1. Problem Statement

WRI is looking to develop a sustainable funding model by 2019 that will yield at least US \$1,000,000/year in a way that remains aligned with WRI's commitment to transparency and open data and remaining cutting-edge.

WRI values:

"Count it", "Change it", "Scale it"

Background

The Aqueduct Water Risk Atlas tool uses global data to produce online water risk maps so that organizations can understand water risks and opportunities. The original funding for the tool came from corporate donations but this is not sustainable putting this valuable program at a high risk.

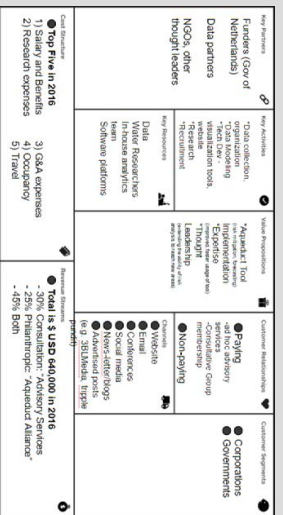


2. Sensemaking

Sources of Revenue:

- 1) Advisory Services engagements with corporations, which charges 2x-4x less than traditional consultancies
- 2) Aqueduct Alliance (a consortium of corporate and other donors) which is their member service arm. Members decide annual donation rate, varies for member
- 3) Combination of above

The Business Model Canvas



3. What's getting in the way?

- Optimal challenge: This is a "Push" rather than a "Pull" system. The AQ team is too short on staff.
- Connecting human chain: Groups in WRI not always sharing learnings/failures from business model initiatives
- WRI worried will lose institutional good-will by charging too much
- Reconciling intention and activity: Trade-off between cutting edge work with top 5% of firms and scaling to rest of 95% players. WRI only wants to work on innovative projects which limits them to top performing players

4. S-Lab Team's Execution Plan to Develop and Refine Business

	Feb	Mar	Apr	May
Met with Sponsors Weekly				
Conduct Secondary Research				
Interviewed 14 Stakeholders				
Developed and Tested Business Ideas				
Onsite Pitch at WRI in DC				

- Phase 1:** Conducted Interviews and Gathered Data
- Conducted 14 Stakeholder interviews from different Market Segments
 - Consultancies (Antea Group, WSP, Deloitte, Anthesis)
 - Corporate (Mars)
 - Rating Agencies/Data Providers (Bloomberg, MSC)
 - NGO (Ceres, WRI)
 - Government (Netherlands)
 - Weekly meetings with Paul and Eliza
 - Consulted with MIT experts
 - Onsite WRI visit
- Phase 2:** Developed 4 Minimum Viable Products (MVPs)
- Phase 3:** Test and Refine MVPs

5. Three Proposed Business Model Ideas

1. Raise Prices on Advisory Services so Closer to Market Price

- Segment: Companies/Gov'ts
- Meets 45% of Financial Goal
- WRI Value: "Change it"

Risks:

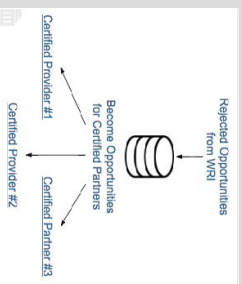
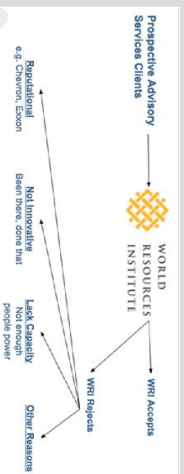
Lose business with existing clients because too expensive--need to communicate reasoning

Benefits:

Use funds to invest maintaining tool and in additional capabilities, e.g. data analytics, staff, data linkages
 Signals premium services

2. Aqueduct Certification/Pipeline Program

Pipeline of Opportunities Exists



- Segment: Consultants
- 65% of Financial Goal
- WRI Value: "Scale it"

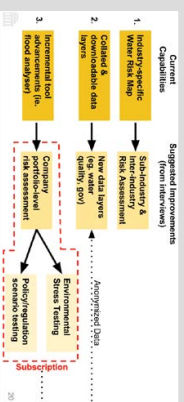
Risks:

"Death by Certification": saturation of NGO certifications
 Lack of interest by consultancies if not enough "positive leads"

Benefits:

Provides a mechanism to scale
 Accreditation communicates reliability and consistency
 AQ team learns about water risk needs & trends

3. Develop Subscription Based Analytics



- Segment: Companies/Gov'ts
- 10% of Financial Goal
- WRI Value: "Count it", "Scale it"

Risks:

Will companies be interested?
 Developing new analytics capabilities will cost 1-2 ppl for 6-12 months

Benefits:

Data is still open but tool that can be customized to the private sector
 Can add modules with more functionality over time and charge more
 Reduces inbound requests for advisory services

Guideline:

- 1) Any solution must align with transparency and open data commitment
- 2) No short-term solutions that don't work long-term
- 3) More WRI cross-group and involvement of stakeholders the better

6. What did we learn?

- Aqueduct tool is very highly regarded - considered "gold-standard"
- WRI undercharging or providing high-value services for free and value extracted by consultancies
- Project motivated staff to discuss ideas across WRI, connecting human chain

Next Steps...

WRI should gather more data on customer willingness to pay to benchmark price charged, and develop greater understanding of costs, including saving \$ by instituting across WRI's groups.