

Scalable and Flexible Funding will Shape Smart Cities Growth for Decades to Come



Innovative technological infrastructure improvements for municipalities and public assets are at the forefront of “The New Normal.” Demand for more connectivity in our communities and enhanced services which improve our quality of life is greater than ever. However, the challenge of funding is also great - the process and program execution for Smart City projects require considerable investments, and public finance options are tighter than ever. Smart City advancements are critical to the enhancement of our future, and will shape sustainable socio-economic growth for decades to come; scalable and flexible terms are needed.

The current economic climate forces many cities to examine budget cuts and appropriate resources toward other initiatives, placing urban networking projects off for another day. Due to the focus on this industry, and the substantial benefits gained in deploying IoT concepts many more funding options are becoming available. These new options expedite and streamline project funding, and allow city leaders to enjoy the benefits of reducing financial constraints and obligations.

“Advances in technology present both a challenge and an opportunity for municipalities, municipal service providers and utility companies. The challenge lies in living up to what has become the new normal in societies across the world – delivering fast, convenient, and innovative services to an increasingly

technologically savvy population” - Anthony Amendola, CFO and Founder of Energy Advisors, LLC.

Using a Public-Private Partnership (P3) model, in this example Efficiency as a Service (EaaS), affords public entities a path to employ current technology and advance the ultimate goal of digitalization and smart civic services. The “as a service” business model simply creates a relationship in which the municipality purchases a service from a service provider responsible for the smart city application. This provider then delivers the service through assets it owns, maintains, and improves.



“Efficiency as a Service is an evolution of the Public-Private Partnership model which enables municipalities a viable option to deliver these services to their population without impacted already strained budgets” Anthony added.

Business models like these are becoming increasingly common for public asset optimizations using scalable approaches. Some providers have offered such a service in the past, with the distinct disadvantage of tying the service to their own, proprietary equipment. Cities with an eye towards constantly evolving technology and ever-changing needs of their citizens are justifiably skeptical of these offerings. P3 models such as EaaS emphasize the importance of having open-source interoperable Smart City networks that can be designed with the future in mind, knowing that the capital and service structure is in place, regardless of changing technology.

Benefits to Municipalities and Campuses:

- ✓ Upfront capital is not required - technology is fully funded through the service agreement.
- ✓ Strained city budgets are eased, as energy and maintenance savings reduce operating expenses.
- ✓ Additional Smart City technologies that may not normally be implemented due to capital constraints may now adopted, as a result of their ability to optimize performance and increase energy savings. This energy savings drives repayment of the cost.
- ✓ Reduced risk of ownership - the improvements are maintained by the service provider during the term.
- ✓ Years of deferred maintenance can be addressed economically.
- ✓ An agnostic approach towards vendors and technology provides a “future proof” solution that can grow and evolve to meet the needs of tomorrow.

Create, then Innovate.

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About Paradox Engineering

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