

# **POEs: The Business Case**

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# Making the Business Case – Business Driven (and Change Triggered) By...

- Profit
- Predictability, as certainty seldom exists
- Lowering risk, or managing it
- Cash flow
- Timing
- Market share / growth / differentiation
- Reputation / brand

## Making the Business Case – Business Will Want to Know

- Will POEs be a legal requirement or voluntary measure?
- How conducted, measured, enforced?
- Consistency across locations, building types and client types (Building Standards or Planning)
- How long does process last? (not just the monitoring)
- Where is benefit to them?
- How can they sell on cost(s)?

# Making the Business Case – Will Depend On

- Version of POE used – (what is gathered and how)
- Accuracy of data collected
- Timeliness of data
- How data then used
- Feedback loop reporting changes adopted matter

# No Business Case if Findings Are Not Actioned

- POE is as limited as any assessment tool:
  - BREEAM, EPCs, Calorie Counters
- Requires willing engagement and clear outputs
- Some can be done for free, cheaply, by behavioural change
- BUT also - Can only spend the money once = hard choices

## Difficulties for Business Case: (owner occupiers aside...)

- Further year or more before “completion”?
- Can you sell on an asset with potential outstanding “liabilities”?
- Whose liabilities are they?
- How do you distinguish responsibility between designers, operators, occupants, manufacturers, contractors...

# Business Case: Requirements to Changed Approach

- Rethinking of contract and supplier relationships
- Liability and insurance
- Lending and investment models
- Onward sales models

# Business Case: What Will POEs Cover in Terms of Liability / Responsibility?

Baseline -

- Meeting building standards

And Then...

- Passiv haus / Code
- Ensuring renewables deliver as promised (on site)
- New materials / new technologies / new methodologies

# Business Case: Who Owns POEs and Who Sees Them?

- Super public - open knowledge growth/ portal to information
  - Swedish model
- Public - badging / shaming
  - EPC model
- Semi public - peer group
  - BiTC ranking model
- Private - internal communication / risk assessment
  - Survey model

## Business Case: Who Gains if Findings Acted Upon?

- Owners
- Occupants
- Operators
- Insurers
- Regulators
- Good designers
- Innovators
- Responsible contractors
- Politicians
- Society

Who loses? - cowboys, those embarrassed, those sued...

# Buildings Shape a Financial Legacy too...

£1 x £5 x £200 rule

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