

STEPPING UP FOR SPRING

Carly Perry is prioritising driving value from Spring's first challenge – and finding a funding Plan B – as she takes on the role of the innovation hub's first MD.



On 16 May, Carly Perry will become the first ever managing director of Spring, the water sector's new innovation centre of excellence, which was developed out of the sector's 2050 innovation strategy. Spring seeks to be the engine behind the innovation strategy by focusing innovators on sector priorities and unblocking challenges related to delivering solutions.

Contracted in from Sia Partners, Perry has served as consultant executive lead since July 2021 and has been integral to the design and development of the Spring minimum viable product (MVP), which went live in December.

There are two main services available: an ideation and collaboration incubator, which seeks to stimulate, create and nurture new ideas by facilitating clear lines of communication between water companies and potential innovators; and an innovation adoption incubator, concerned with taking promising ideas into practice, including through signposting innovators to practical assistance, for instance on funding and intellectual property management.

The effort has been impressive, turning concept into reality in a few short months. Perry reflects that this has been a “truly a sector wide effort,” with the Spring team supported widely by water companies, supply chain companies and academics to mobilise.

A quick glance at the Spring website shows the large number of stakeholders that have been involved to date. “There has been a lot to manage and I won't underplay that,” she says. Now the basics are in place, Spring has sensibly formed a strategic advice panel of experts and stakeholder representatives. This will enable

it to keep in touch with and take a steer from diverse interests, without incurring the high resource cost of engaging directly with so many parties on an ongoing basis.

Opportunities and challenges

Perry is clearly very excited about her new role. For her person-

ally, she says “a lot of planets have aligned”. Her consultancy background, she says, will help her effectively hold the ring at an organisation that necessarily needs to bring different interests together, given “I'm not biased to any group and can facilitate polarised challenges by bringing parties together towards a common goal”.

As water sector lead at Sia, she has broad and relevant experience, working with water companies to deliver transformational programmes in technology and innovation adoption; mobilising large scale initiatives to meet new regulatory requirements; and designing strategies for regulated water companies. Very recently, she has led the water sector's open data strategy consortium, Stream, which has just secured partial funding from Ofwat's innovation fund (see p26).

Perry will finish at Sia on 13 May, and start the following Monday as Spring's MD. “I'm under no illusions about how difficult this is going to be,” she shares, “...but there's also a huge opportunity to help Spring shift the dial on innovation for water.” For innovators, Spring's centralised one-stop-shop approach will make engaging with water companies easier and more efficient, which should in itself lead to an uptick in approaches. For water firms, Spring has the wonderful opportunity to help them solve their problems – which are often, given the essential nature of the service, wider society's problems too. Perry says she is “highly passionate about the environment” especially and is keen to get stuck in to green challenges.

But she's up against a “fragmented innovation ecosystem”. “Great work is already happening across the industry,” she reports, “but in pockets,” so part of Spring's role will be to “champion, connect and hero that work”. That will be resource intensive and take time, so there will also be work to do in encouraging supporters to “keep the faith while we're trying to do something really difficult”.

Start small

Like many startups, Spring has had to respond to significant challenges early in its journey. It has just received what Perry calls “disappointing news” that it has not been successful in its bid to secure £4m from the Transform stream of the second round of Ofwat's Water Breakthrough Challenge innovation competition. The hope had been that this would allow Spring a rapid start and to operate at scale, whilst also transitioning into a sustainable cost-covering business. The funding would have mobilised the plan to pursue its full vision of delivering transformational change, aligned to the overlapping strategic innovation themes set out by Ofwat and the sector's 2050 strategy. These include mitigating climate change through achieving net zero carbon; enhancing natural systems and the water environment; and ensuring infrastructure is resilient into the future.

Perry is clearly disappointed, but takes a sanguine attitude. “It

was Plan A but it wasn't our only plan,” she says, adding that having to change and adapt as you go is a natural part of innovation and growth. She emphasises too that Spring remains confident of Ofwat's support for what it is trying to achieve. It awaits detailed feedback from Ofwat and the Transform judges, and will do its best to learn lessons from the experience.

UKWIR has been instrumental in the incubation of Spring, with its members continuing to support both financially and strategically, and for now, Spring continues to draw on its initial award from the Ofwat fund and the sizeable seed fund created by the water and supply chain companies to get it off the ground. It will explore other funding routes, which could include grants and additional funding from the supply chain and water companies, as well as introducing revenue generating services. There is also ambition to collaborate with other innovation specialists like Innovate UK, and sectors like energy and agriculture where there are obvious synergies with water. Perry says there is “a huge amount of support for us” within the water sector, so she is confident Spring will find a sustainable Plan B.

But how has the news impacted immediate plans? “My main message now is that we'll start small, and focus in on priorities more closely. Our immediate priority is finishing the innovation challenge cycle that we have started and working with the sector to break down the barriers of innovation mobilisation and adoption.” She adds: “We may not be able to grow as fast as we wanted to – but we will grow nonetheless.” She explains that Spring had earmarked a number of things that it will now have to delay. These include running an open call for innovation; developing a knowledge transfer service to make it easier for teams to share learning from their projects and access global lessons; hosting innovation exchanges with other sectors to swap ideas – for example, with the Satellite Applications Catapult to gather ideas that could be relevant for leakage; and setting up a virtual academy to teach innovation skills and training to create “future ready people”.

Perry: “At the moment, we're not taking any of these off the table, but we're pushing them back until we have learnt from our priority offering and can create revenue stability.”

First question: treatment emissions

In this new situation, Perry has a few key items on her agenda. The first is to secure demonstrable success in the first innovation challenge Spring hosted. This was open between 14 February and 15 March, and posed the specific question: how can a reduction in operational emissions from water and wastewater treatment be achieved? “We have laser focus on delivering the first piece of value,” she says, explaining that a good result on this first net zero carbon challenge would put the organisation on a firmer footing, build interest and trust in its services, and generally make the benefits it can provide more real. “Spring is quite conceptual to people outside the team,” she reflects.

She is pleased with the initial showing. Spring received 17 “brilliant ideas” in response to the question, she reports, with the innovators due to pitch this month to a panel of 12 water companies who will assess them. The hope is to mobilise a collaborative project or projects, backed by a number of water companies, and potentially after that to build a pipeline of projects addressing the specific treatment emissions question. “What would success look like? Say five companies, piloting the idea together,” Perry shares, adding that getting that process to work for the very first

time will require commitment and effort. Spring will try to unblock any sticking points as they arise.

Post the Water Breakthrough Challenge funding decision, Perry says Spring's KPIs will be built around this first net zero challenge. It is looking at metrics including the number of ideas generated, the number of collaborative projects generated, and what efficiencies are achieved in terms of costs saved from the collaborative route. It will also be looking to articulate the benefits passed on to the customer through water companies.

An open challenge on net zero, without a specific question posed, is planned for later this year, once Spring has learned lessons from the specific question challenge and brought together a more diverse assessment panel.

Advocacy and the organisation

The second priority on Perry's agenda is “creating an advocacy voice for innovation in water...to drive innovation as an agenda” as well as make progress in specific challenge areas. She hopes to “bring exposure” to opportunities to get involved in the sector, including by building out a challenge road map. She says net zero only secured the win to be Spring's first challenge by a whisker, and that there are plenty of other challenges to be going at as well. Working with others to compile a challenge roadmap will bring visibility to potential innovators and funders, prevent work being duplicated, and potentially help attract more much needed support. Perry shares that she has already had a proactive approach from a US venture capital fund asking to be notified when Spring runs infrastructure challenges. Publishing a roadmap would certainly spread the word.

Finally, underpinning these exciting innovation activities, Perry says she also needs to focus on getting the foundations of Spring as a business right. That will include building relationships and trust, and developing the right governance and operational model. A ‘transition board’ (see box) was created for the MVP phase, which comes to an end in June. For the permanent board, Spring is looking for further balance in the experience and skills of members.

In terms of personnel, there will be a blended operating model comprising a small core Spring team which Perry will recruit over the coming months once the board has approved. This will be supplemented by water company staff playing defined roles on particular challenges, and wider partnerships. The process emissions challenge, for instance, has been run in partnership with Isle Utilities. Shaunna Berendsen, who along with Perry has led the creation of the MVP phase, will return to her company, Anglian Water.

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