

# Driving value with innovation



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In a period of change and challenge, the water sector is confronting substantive issues. But which of them should the industry focus on? And what does the supply chain need to do to support it?

Possibly the most significant test the sector faces is economic and given the drive to reduce costs, suppliers have to meet short-term, highly focused project budgets in an extremely competitive environment. This is one of the key tests, because of the issues inherent in achieving very short-term high competitiveness while maintaining a business with a model that supports longer-term structural competitiveness.

The need to invest is vital to ensure the lowest overheads and highest productivity, but it is challenged by the industry's highly varied needs

and systems. Regulatory demands compelling the sector to meet carbon reduction objectives and other pressing requirements, such as the need to reduce the longer-term costs of operations and maintenance, also have to be prioritised.

In addition, suppliers need to understand how to present the best value of a solution to meet the sector's objectives built around Totex, when the supply chain itself has yet to fully absorb the concept and its implications.

So how can we overcome these core challenges? We must recognise that this is a time to drive value through innovation, but given the sector's maturity the scope for major innovation is limited. However, we can enhance, refine, tune and re-energise, set new, ongoing objectives, and deliver continuous improvement.

Suppliers can also address the sector's needs by prioritising reliability: through designing and specifying products that help compensate for the pressures on operators to complete routine inspections and maintenance,

and finding ways to achieve treatment efficacy over the long term against the risk of producing very highly competitive products and solutions that only meet performances over the very short term.

Success relies on having long-term experience and a significant installed base, giving certainty about how the design and specification of the product or solution will impact on treatment from day one and throughout the lifecycle of the asset.

Effective service is also vital – supporting customers in delivering across the spectrum of their activities. This fits within an effective supply chain avoiding overlap of service each part of the chain can expertly provide.

To succeed, service must be highly responsive, competitive, and expert, and must add value for both customer and supplier. From this, longer-term and value added relationships will develop, and from these will come the solutions we need to succeed at a time of change and challenge.

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