

An aerial photograph of a multi-lane highway interchange, overlaid with a semi-transparent purple filter. Two large, dark purple circles are positioned on the page: one in the upper right and another in the lower left. The text is placed over the upper portion of the image.

P3, Change-Management and Data-Driven Opportunities:

A conversation with a traditionally non-technology company about implementing smart technologies

by Karl Schober and Jody Becker

The elephant in the corner of the room of just about any discussion with city and community leaders about deploying smart city technologies and infrastructure modernization is the looming question: how will we pay for it? The public-private partnership, or P3, model is frequently on the list of options, but there are challenges to adapting this model for smart and connected communities. **Dentons Canada Senior Associate Karl Schober** sat down with **Jody Becker, Chief Strategy Officer and SVP International & Digital Services and Sustainability of EllisDon** to examine how P3 models have become static in today's rapidly changing world of technology, the difference between leading edge versus bleeding edge technology, and the transition of a traditionally non-technology company to a rapidly-evolving data-centric landscape.

Karl Schober: Smart cities initiatives often involve collaboration with other organizations, in particular the public sector. Do you feel that the P3 model is the appropriate model for smart city initiatives, or do you think we have to look beyond that?

Jody Becker: I think the P3 model has been very instructive in terms of how we should think about technology going forward. What is has forced my industry to do, is to think about the long term life of any asset that we build. Traditionally, a contractor may have simply built what was specified in the documents without really thinking about the long term life of that asset. Through the P3 model, we've been forced to think about that. As an operator of those types of assets through the P3 model, it's become much more important to us. We now require that our facility management teams and construction teams work entirely collaboratively through that process.

The challenge that I see with the P3 model is that it is too static for the rapidly changing world of technology that we live in today. We have to think about how we're going to approach that going forward. The specifications that are created for our projects often are developed two to three years in advance of when

we begin to build. Then, the construction process may take three or four years. By the time that the technology is handed over to the operator, it may be completely obsolete.

So, I think the P3 model has to become more dynamic in order to address that changing technology. We may have to look at different ways to refresh that model, from a technological point of view, and we have to think about how we specify the technology that's going to go into those projects. There's a lot of concern about technologies being too "bleeding edge," and a lot of public sector clients, through the P3 model, are uncomfortable with that bleeding edge technology. They want to have something more tried and tested.

Karl Schober: What are some challenges you faced as you oriented your company toward a more digital world, and what advice would you give others making the same kind of shift?

Jody Becker: For a construction company, we are one of the furthest types of industries from technology in the traditional sense. I think McKinsey ranked us just above hunters and farmers in terms of growth from technology. It was a real challenge to start looking at

how we could transform the company into a digital company -- from a traditional company using blueprints to drawing blueprints in 3D, but also using 3D models to facilitate construction and to operate those buildings. It takes a lot of "change management." What I think has been most important to our organization in that change management has been to focus on it from a values perspective. We have a number of values that we hold sacred both from an employee-stakeholder perspective to what we deliver to our clients, including, most importantly, transparency. And so from a change management position it was very important that everyone we work with understands *why* we are doing things in addition to how we are doing things. And when we go to our clients, we take that same values-based approach. This has allowed us to be able to talk to our clients about what is leading edge and what is bleeding edge, and why they have to have a particular type of technology in their buildings -- why it is important to their business. This has allowed us to build trust with those clients.

Karl Schober: Have you had opportunities or challenges in determining where data can become a revenue stream for your organization? What advice would you give other organizations trying to identify revenue streams with data?

Jody Becker: I think the first principal that we come to the data question with is: How do we protect our own data? How do we make sure the data of our clients is protected? In terms of monetizing our data, we are developing, and have developed over the last number of years, a product that is focused around evaluating the effectiveness of our subcontractors. We've now worked with a developer to take that data, anonymize it, and work with the data of a number of our competitors and partners to do the same thing, in order to create a subcontractor evaluation tool that can be used not only by general contractors, but also by the surety market and the insurance industry to consider how to evaluate [subcontractors]. It's a tricky question for us, we didn't set out to monetize that data, that's not the particular focus, it was really around a business objective for us, but if it has the additional benefit of having a financial benefit, that works as well.





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