

(DON'T!)
**WASTE
WATER**

Xylem's Weirdest Move?

With Max Storto,
Lead Innovation Analyst

@xylem

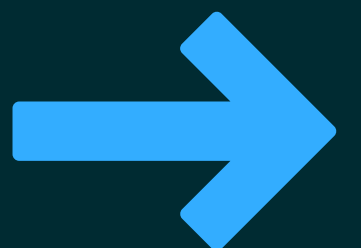


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**Xylem will soon be shuffling
around piles of money
thanks to the two cohorts of
companies it's hosting in its
Innovation Labs...**



**...but not the way
we'd all imagine!**

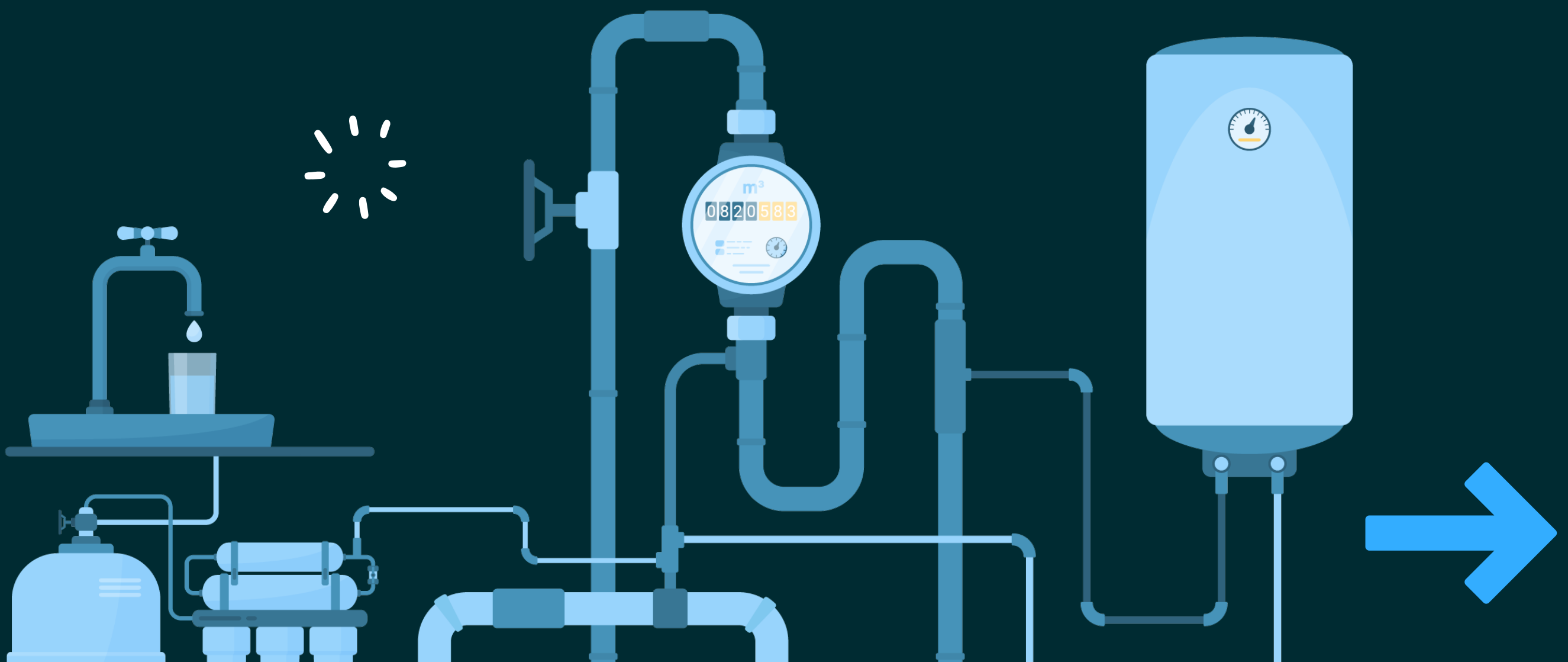


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Indeed, one would think
the second largest Water
Company in the World has
the higher ground



and can force its conditions on
the Cool Kids that desperately
need its superpowers to put their
Go-To Market on steroids.

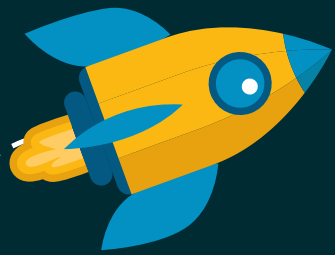


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You would easily imagine Patrick Decker sitting in a Shark Tank armchair and negotiating in a pure Mark Cuban or Kevin O'Leary style:

Yes, I'll put \$300'000 in your company, but for 35% of the shares and with a \$20 royalty on each COD sensor sold in perpetuity!





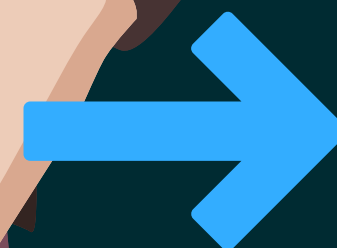
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**Yet, in reality, it's the
total opposite:**

We don't take
any equity for the
startups that join
our accelerator! Oh,
they're playing it
cleverly, I see.

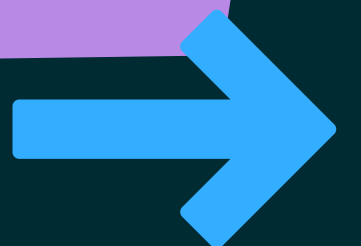
**So the catch must be on
the contractual terms...**



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There's only one
piece that has to be
part Of the MOU...
HERE WE GO!

... we want them to let us know
if they are to enter a commercial
arrangement that would preclude
them from working with Xylem.



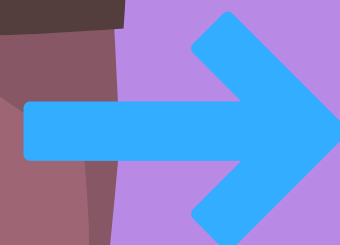
**Wait... what?!
That's it?**

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We've had lawyers from these startups who say: "this is all?!" They thought we were hoodwinking them or something.



But really that's it!





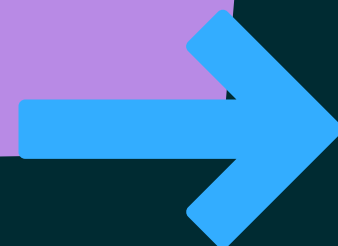
**So no equity,
no exclusivity and
no binding relationship...**

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**Did Xylem suddenly turn into a
philanthropy? Well, not at all:**



**It's more that the long term goal
and benefit for Xylem is the
commercialization potential, being
able to sell more solutions, and
be able to bring it more to our
customers. That's worth more
than just the upside of investing.
And equity is so valuable to the
startups at this stage, that it's
clearly not something that we're
trying to take from them.**





... and that's one of the gem of this week's exploration of the Xylem Innovation Labs:

there's (much) more value in open innovation than in short-term investment.



Check it out!

