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# Investing in Disruptive Infrastructure

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The concept of disruptive business models usually means Internet based technology applications, and the infrastructure industry is seemingly the furthest thing from that space, with its progress measured by yards of cement and not by clicks. But the tech savvy are ever on the look out for opportunities for disruption, now that the low hanging fruit of travel bookings and real estate listings are done. Disruption is coming to infrastructure, or perhaps it is already there.

Is Uber an infrastructure business? Probably not, by most definitions, but it is a disruptive business model that has reimagined personal urban surface transportation, hand delivery and now parking. What's next? Uber may get ride share right in a way that every State DOT never could. So while Uber is probably not an infrastructure investment per se—not asset based, for example—it certainly is a business model that builds upon the infrastructure space.

Energy is another space where technology solutions will be disruptive. Combine distributed solar with smart electrical grids, an app and some regulatory reform, and everyone with an iPhone can suddenly be in the power business. You would still need folks with hard hats and boots to climb on roofs to install panels but that, too, can be ordered up, Uber like, by every home and business owner.

Technology has already revolutionized the design and construction of physical assets but change in these major sectors is just beginning, in my opinion. What used to take years to design and build may take months in the near future, with advanced technology design and on-site 3D printing of construction elements.

These basic brick and mortar businesses are rapidly changing due to the

introduction of technology. Beyond health and safety improvements, many basic construction practices haven't changed for decades or longer. Just watch what happens next. Apple is about to deliver a car and Detroit is trembling. Just wait until Apple or Google delivers a bridge.

Some may wonder whether the valuations for some of these new tech companies are frothy, but, frothy or not, they are reinventing some of the most basic structures of human life and for those looking for the next Apple, Facebook or Google, think Uber and the seemingly low tech basic infrastructure asset classes. Indeed, Google is already disrupting distributed rooftop solar with SolarCity.

Finally, the capital formation around these assets are themselves ripe for disruption. This has already begun in emerging markets where investors seeking ways to deploy capital in a socially responsible manner are signing up for crowd-sourced seed investments for infrastructure projects in Sub-Saharan Africa. This is just the beginning. These high profile, public, capital intensive project are easily structured as retail investments that can have appeal to investors who have grown accustomed to self-managing portfolios by app, and as counterbalances to the growth investments they are making in technology. In infrastructure, investors can find both disruptive growth and real asset stability. This is an asset class and an industry worth watching.