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Digital First Aid Kit ENTrepreneur's for
recovering from COVID-19 pandemic

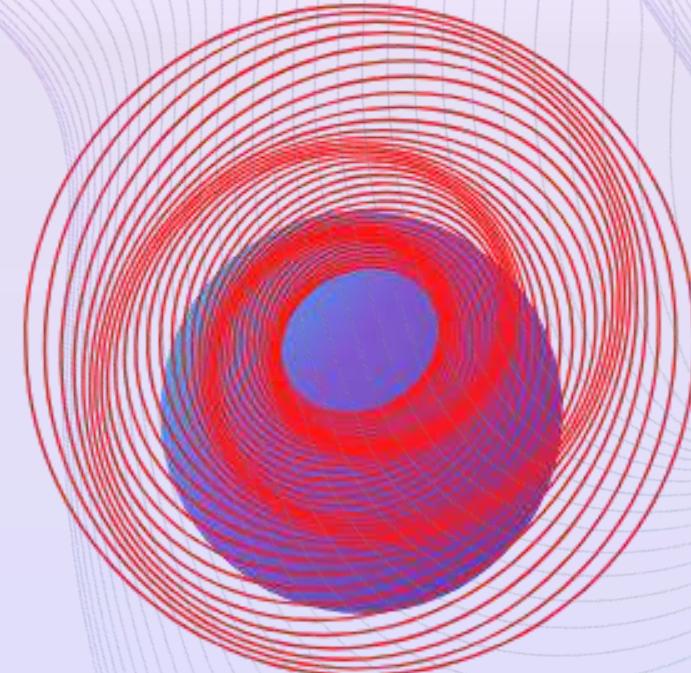
CONSULTANT TRAINING TOOLKIT-TEMPLATE CHAPTER 6 - PART A

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CONSULTANT TRAINING TOOLKIT

CHAPTER 6-PART A

*What is sustainability, circular economy
and green economy*



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1. *Introduction-What is sustainability, circular economy and green economy?*



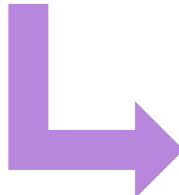
Adapted from: <https://www.etmm-online.com/european-commission-proposes-framework-for-biobased-plastic-materials-a-ada822ed65cbe3260452350199fe1bde/>

Circular economy

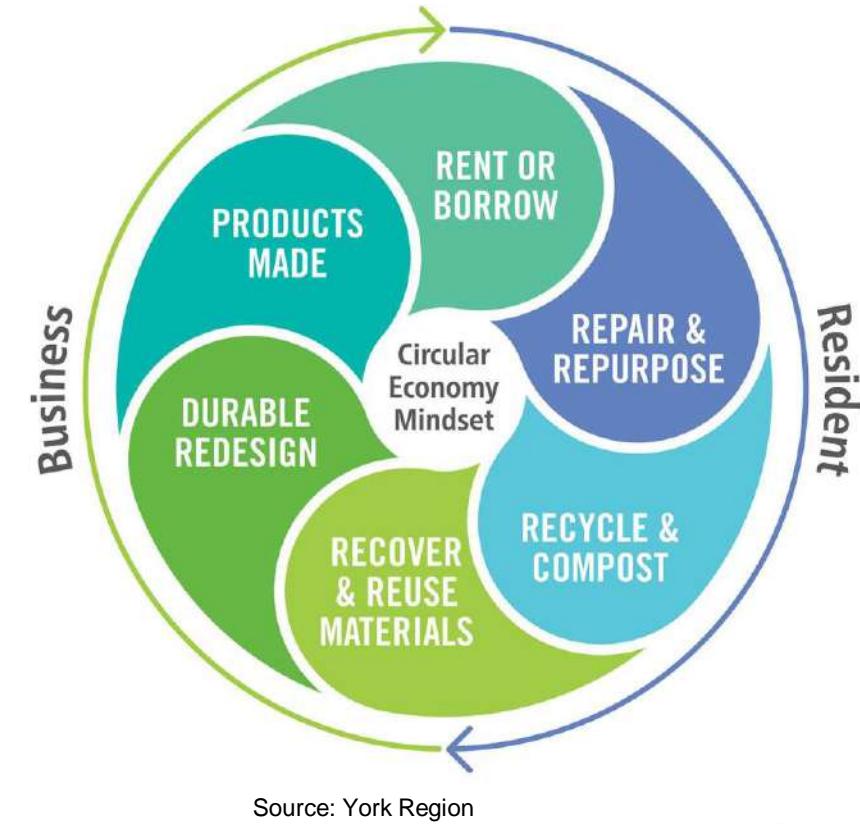
The circular economy involves

Sharing → Renting → Reusing → Repairing → Refurbishing

The life span of products is prolonged



Reducing the amount of waste that is produced



These products can be used repeatedly to create more value.



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What is circular economy, green economy and sustainability



Adapted from: <https://fuse.education.vic.gov.au/Resource/LandingPage?ObjectId=d1686333-aa4c-4475-95c0-d69ec612aa8c>

The green economy results in improved welfare and social equity, while significantly reducing environmental risks and ecological deficits.

Green economy is based on six main sectors:

1. Renewable energy (solar, wind, etc.)
2. Green buildings (e.g. LEED - Leadership in Energy and Environmental Design)
3. Alternative fuels (electric vehicles, hybrids or alternative fuels)
4. Water management (water treatment, rainwater harvesting systems, etc.)
5. Waste management (recycling, disposal, etc.)
6. Land management (including organic farming, habitat conservation, urban-park afforestation, reforestation and land stabilisation).

What is circular economy, green economy and sustainability



Adapted from: <https://fuse.education.vic.gov.au/Resource/LandingPage?ObjectId=d1686333-aa4c-4475-95c0-d69ec612aa8c>

Sustainability or sustainable development is the ability to exist and develop without depleting natural resources for the future.

The concept of sustainability is made up of three pillars:

1. Environmental – also informally known as planet,
2. Economic - also informally known as profit
3. Social - also informally known as people

The circular economy/green economy falls under one of the pillars of sustainability, being those economic models that support socially sustainable development in dynamic balance between human and natural systems.

Why we need to move to a circular economy



Adapted from: Image by Freepik

The circular economy has a number of long-term advantages, including:

- reducing total annual greenhouse gas emissions,
- reducing pressure on the environment by reducing the amount of waste produced,
- greater security of supply of raw materials,
- increased competitiveness,
- stimulating innovation,
- stimulating economic growth,
- job creation (by 2030, the number of jobs in the EU alone is expected to increase by 700,000),
- increase quality of life in general, globally, not only for people, but also for land and sea life,
- development of smart cities

The challenges of a circular economy



Adapted from: rawpixel https://www.freepik.com/free-photo/sustainable-energy-campaign-tree-light-bulb-media-remix_15604413.htm#query=circular%20economy&position=10&from_view=search&track=sph

The main challenges we will have to face include:

- **Finance** - moving to the circular economy involves considerable costs
- **Lack of key economic enablers** - these are those intermediate pathways that support the shift to the circular economy
- **Lack of skills needed for a circular economy** - include, for example, the personal ability to think about and implement concrete ways of reusing, refurbishing and recycling products
- **Consumer behaviour and business models** - the circular economy requires changes in consumer behaviour and business models
- **Multi-level governance** - action is needed at many levels (e.g. international, European, national, local, business and individual) and in many policy areas.

2. *Business benefits of the circular economy and sustainability*



Adapted from: <https://www.nationalgeographic.org/lesson/circle-stuff/>

Business benefits of the circular economy and sustainability



Adapted from: <https://www.nationalgeographic.org/lesson/circle-stuff/>

Practically, adapting to the circular economy brings many benefits to a business, including:

- avoiding repetitive work and focusing on innovative aspects of the business
- efficient management of stocks and raw materials used
- reduction of waste and the possibility of reintegrating some waste into the production cycle
- increasing productivity
- increased competitiveness
- increasing profit
- stimulating the economic growth of the business
- improving working conditions
- increased visibility for early loss prevention
- effective control over the business
- emergence of new professions

3. Sustainable and Circular business models



Source: Canva

Sustainable and Circular business models

An organization's circular business model is a way to create, offer, and deliver value to its broadest range of stakeholders while minimizing environmental and social costs. Circular companies today are more focused on creating value for their customers and shareholders through innovative and efficient business practices. Instead of working on redesigning and restructuring product service systems from the top down, they focus on developing and implementing bottom-up service systems that will ensure the future viability and competitiveness of the business.

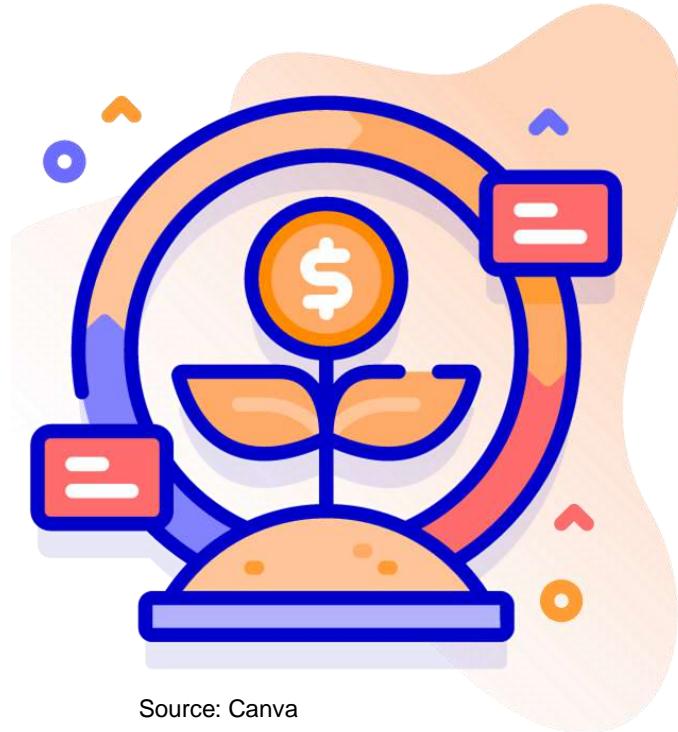


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Sustainable and Circular business models

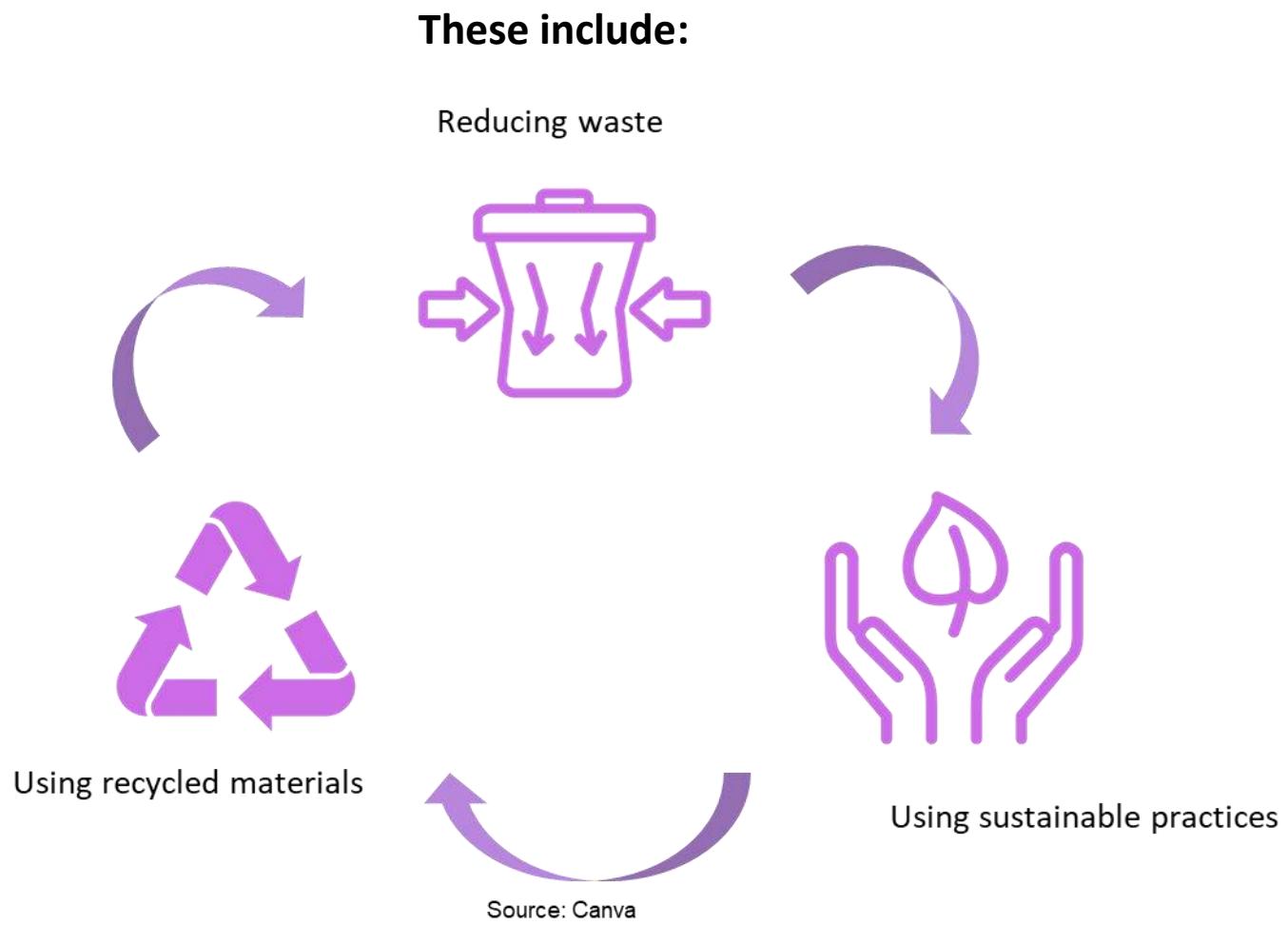


Source: Canva

Circular companies are deeply involved in the product use phase and generate revenue by providing services rather than selling physical products. A shift to a circular business model is a necessary step for a company to focus on its customers and provide the best possible customer experience. The identified circular business model can be used to implement the idea of circularity on a practical level.

Sustainable and Circular business models

There are some key elements that are essential for a successful business model that includes the use of a circular economy.



Circular Economy in Business



Source: Canva

In a circular economy, growth is not based on the consumption of finite resources, but rather on the reuse and recycling of those resources. This course defines the concept of an economy and explores the different dimensions of an economy, including the difference between a biological and technical economy, the different opportunities to keep materials and products in use, and the history of ideas about an economy. The benefits of moving from a linear economy to a circular economy are emphasized. A society that is designed to be healthy and regenerative. A circular economy means that economic activity builds and rebuilds the overall health of the system by recycling and reusing materials and resources more often. The concept recognizes the importance of the economy working at all scales. This includes large and small businesses, organizations, and individuals, globally and locally.

Key strategy elements

There has been a fundamental shift in the way companies operate in recent years, and this shift requires a different way of thinking and doing business. This circular business model typology offers opportunities to implement the idea of circularity on a practical level. The companies briefly described do not necessarily present new strategies for complete business models, but rather key elements that contribute to a circular activity. There are no boundaries between the different types, but there are differences between them. There are many ways to use them to achieve massive natural resource productivity.



Circular supplies



Access and performance



Extending product value



Bridging



Circular supplies

The company is based on the availability of renewable, recyclable or biodegradable resources that support circular systems of production and consumption. The product focuses on providing a substitute for critical, scarring materials that are harmful to the environment.



Access and performance

Access and performance are important to provide the capability or services needed to satisfy user needs without having to purchase or use physical products. The value for companies is to offer products and services and provide customers with solutions.



Extending product value

The company focuses on exploiting the value of products and provides high-quality, long-lasting products that are supported by durability, repairability, upgradeability, and modularity. Values that would otherwise be lost through waste of materials.



Bridging

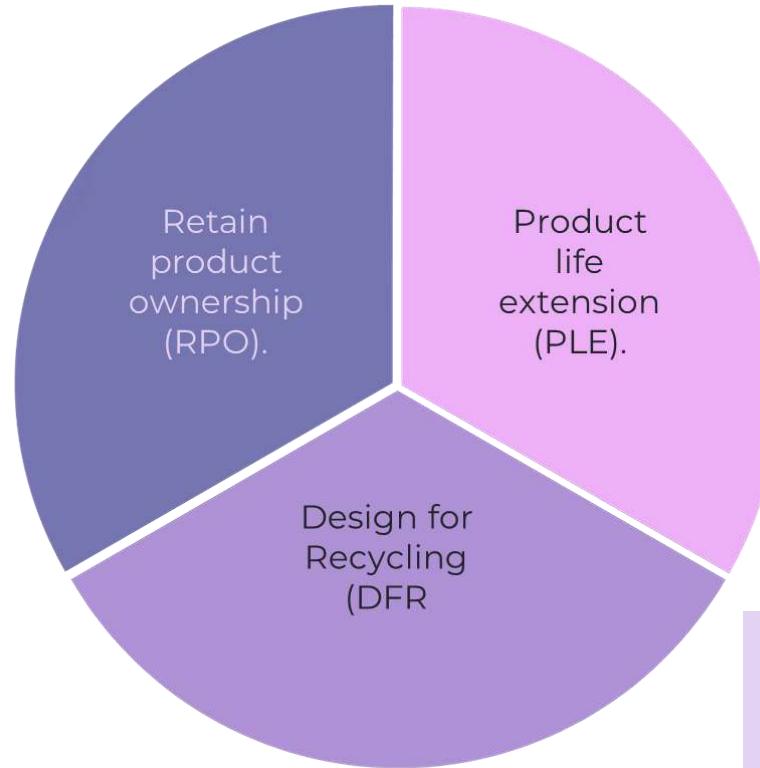
It encourages collaboration among producers and consumers, either individuals or organizations. The value proposition is about enabling people to interact and work together to meet the needs of both supply and demand.



Three Strategies for Circularity

Retain product ownership (RPO).

In the classic version of this approach, the producer rents or leases his product to the customer instead of selling it. Thus, the producer is responsible for the products when consumers are done with them.



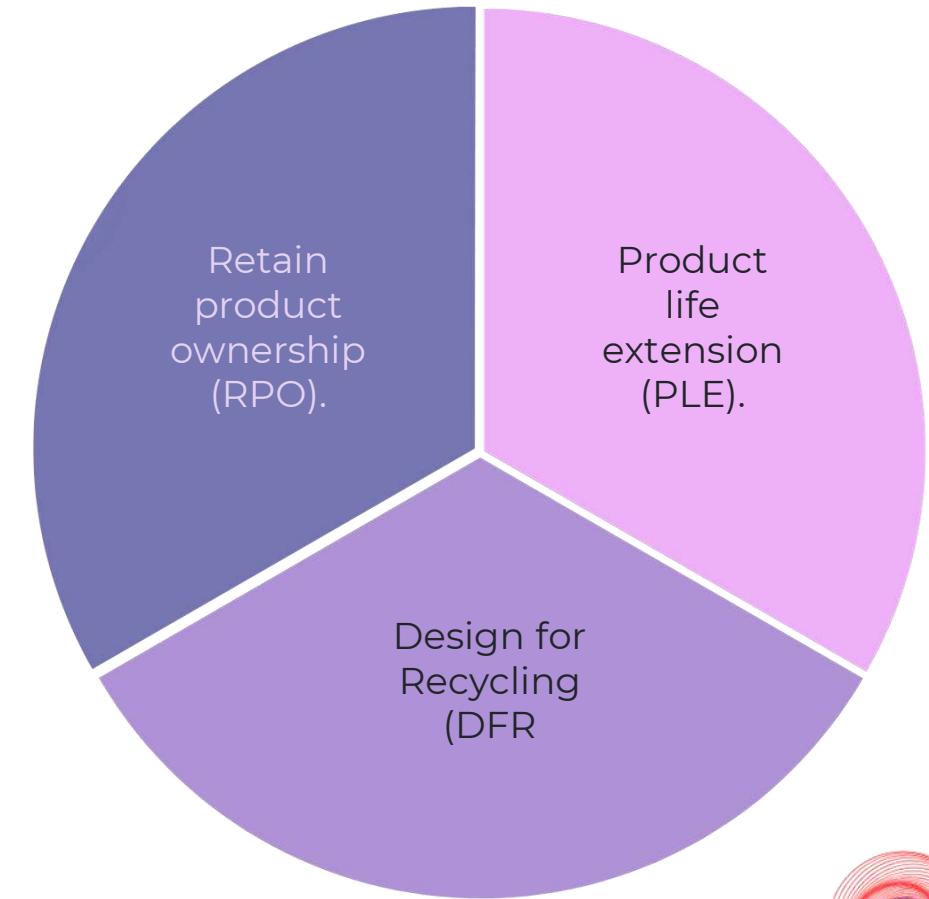
Product life extension (PLE). Companies applying this strategy focus on designing products to last longer, which can open up possibilities for used product markets.

Design for Recycling (DFR). Companies that apply this strategy redesign their products and manufacturing processes to maximize the recoverability of the materials involved for use in new products.

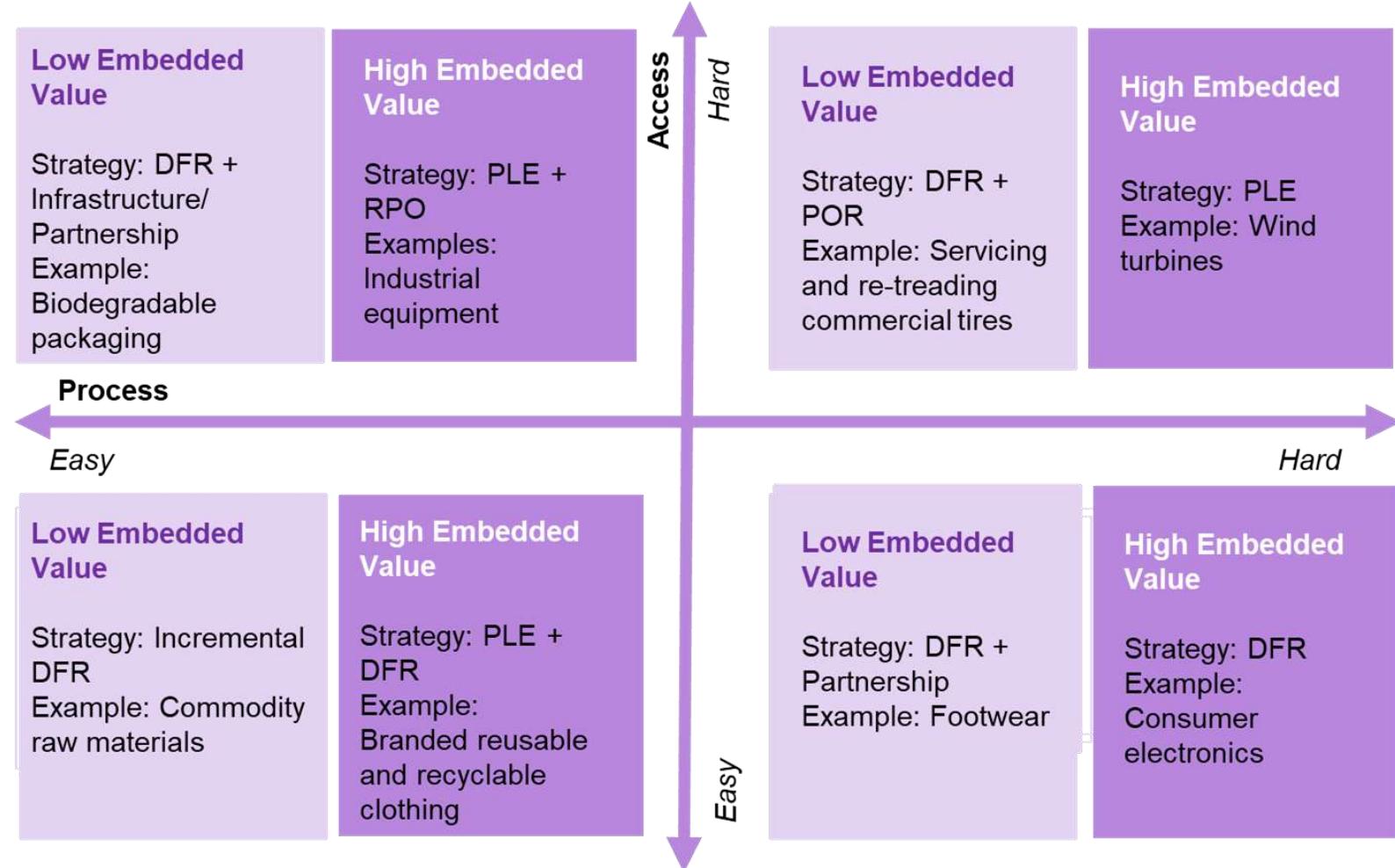


The Circularity Matrix

For companies seeking to make a circular business model for their products, the right model will involve one or more of three basic strategies: retaining product ownership (RPO), product life extension (PLE), and design for recycling (DFR). The right strategy for recovering a product is based on how easily the manufacturer can get it back and how much value can be extracted from it. Each company faces different challenges along each dimension depending on its abilities and competitive environment. Changes in the company's abilities and competitive environment can affect which challenges it faces



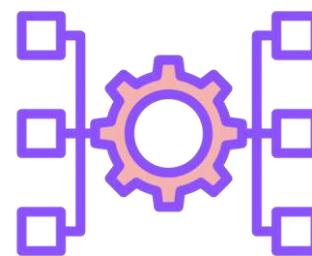
The Circularity Matrix



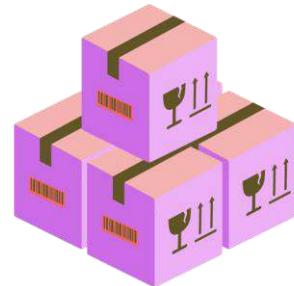
Five Elements for a sustainable business models



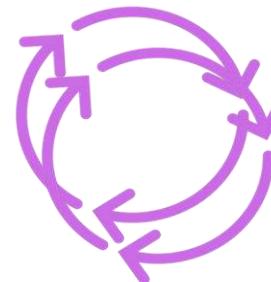
Diversity



Modularity



Slack resources



Matching cycles



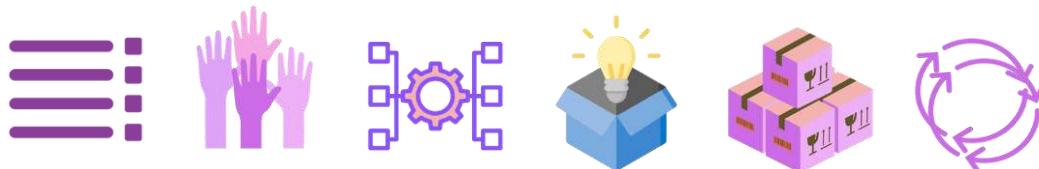
Openness

Diversity

The company needs to find ways to bring in a diverse set of resources, people, and investments so that they are better prepared for possible challenges or disruptions. A single line of business, a single source of income, or people sharing the same interest can expose a company to greater risks. There is no longer a "safe" way for companies to limit themselves to knitting. This trend is slowly dying as people are learning more about creating their own clothes and having more fun learning new things.

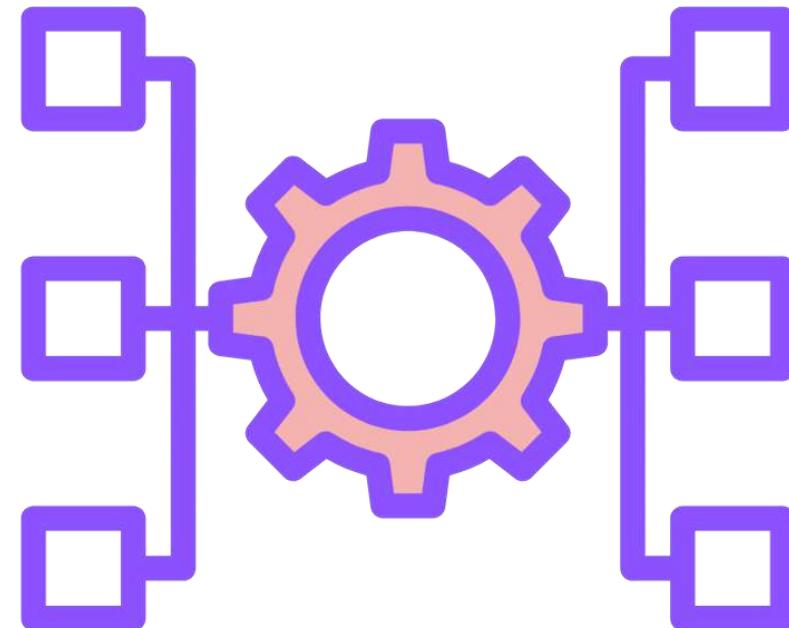


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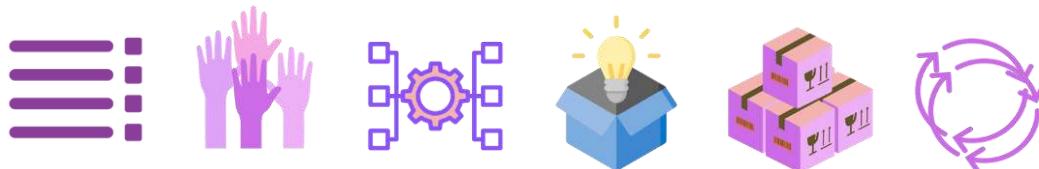


Modularity

In a matrix organization, knowledge flows are usually facilitated by the modularity of the organization. However, these organizations are not only resource-intensive, but they also put the entire organization at risk, causing wide repercussions. Organizations need to be more independent and focus on modularity (keeping functions separate) so that they are not affected by shocks.



Source: Canva



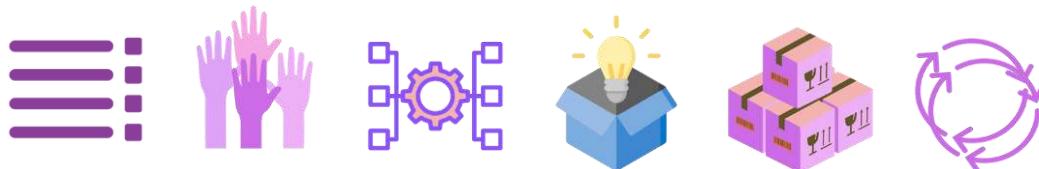
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Openness

Companies that are open and responsive to the outside world will be able to thrive in today's environment. These companies are concerned about future problems. They are constantly monitoring the outside world and projecting possible future scenarios. People expect to be able to help shape their potential futures and also help deal with the present. The link between the organization and the outside business is important and can be easily changed or adapted to meet the needs of the outside business.

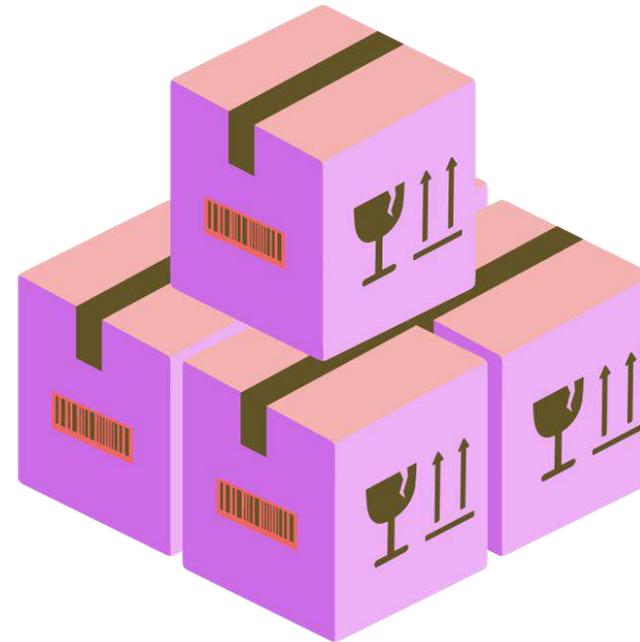


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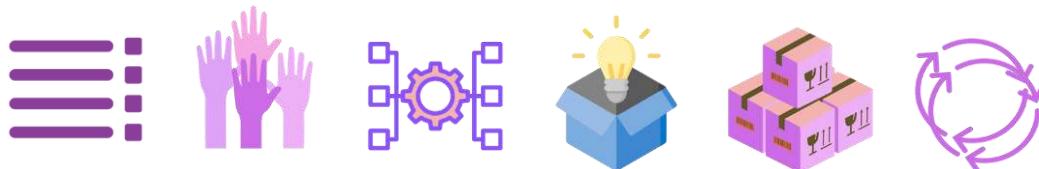


Slack resources

In an era of just-in-time production, it is often seen as a waste to have free or spare resources. Despite the challenges, innovation and adaptation require financial and creative investments, as well as room to change direction. Companies that may face storms should give themselves some time to adjust to new ideas, scenarios, and changes in thinking. It is always important to have sufficient resources to fuel a sustainable business model.

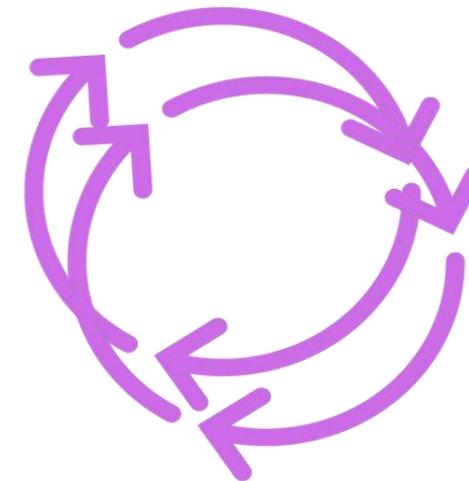


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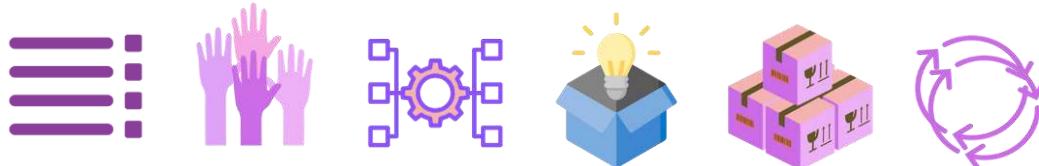


Matching cycles

Companies often think about optimizing performance and getting more out of less. Companies are on a treadmill where they are doing the same thing over and over again, and this is causing them to face resource constraints. Resilient companies don't think about constant growth, but about cyclical processes: up and down cycles, production cycles, and consumer buying pattern cycles. By understanding the rhythms of business and the environment, a company can better synchronize with them and not overdo what is likely to be just one cycle.



Source: Canva



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