

Are commodity price surges and supply issues accelerating the circular economy?

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Soaring prices, supply problems of all kinds of raw materials and products ... these are all burning issues that can have a major impact on your business. Will the Club of Rome's prediction that our raw materials will be depleted come true, or is this just a temporary glitch linked to stronger economic growth after this crisis? And above all, what can we do to protect ourselves? Is this growth in itself really such a great idea?

Of course, there is no single recipe for solution, but the Sirris and Agoria experts are convinced that applying circular solutions is an important step in the right direction. However, when it comes to circularity, companies too often think in terms of recycling and look primarily at minimising and properly recycling their own waste. But circular solutions are much broader than just recycling.

Doing more with less

The essence of circularity is how a company can generate more added value with fewer raw materials. This can be done by applying the many possible strategies within the so-called inner

circles of the circular economy. These are often aimed at keeping the added value of a product in society for as long as possible, for example by extending its lifespan, but also by means of predictive maintenance or even remanufacturing. The aim is not only to keep the used raw materials in society longer, but often also to create higher added value by significantly reducing the cost of purchasing new raw materials, parts or even new machines. Numerous enablers are important in this respect, including eco-design, but also digital technology and even new business models, such as the 'as-a-service' model, which focuses on offering functionality rather than a product.

Thresholds, questions and challenges

Applying a circular strategy still proves difficult for many companies, which are often blinded by the numerous barriers. Questions such as “Isn't this going to undermine my market?”, “How do I deal with my technicians who do maintenance?”, “How do I best implement eco-design principles?”, “How do I make money with a product that never breaks down?” ... are often the first elements to surface. Moving towards as-a-service business models or even using digital technology as an enabler is therefore much more difficult. Circular economy also requires cooperation in value chains and ecosystems, which is often an additional challenge for companies.

Solutions do exist for the various challenges and barriers that companies experience. Indeed, it often gives rise to more added value, new markets and stronger customer loyalty. So, with rising raw material prices and challenges in the supply of certain raw materials, why are we not seeing a boom in circular projects?

Need for inspiration

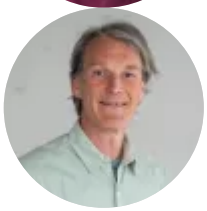
We have no answer to this, but it is mainly a matter of getting inspired, starting with an experiment and using lessons learned to take further steps towards upscaling. What stops you from seizing this opportunity? The time is now, which is why during Acumen 2021 (18-21 October) Sirris and Agoria will be offering inspiration, useful tools and tricks on how to turn your circular idea into an experiment or even into a broader scale-up.

Contact our circular experts!

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