

Invest Smartly in Circular Projects

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The circular economy is everywhere. Whether it’s about sustainability, innovation, or regulations, the message is clear: the future is circular, and companies need to make the move. For manufacturing companies, however, this is more than just a slogan; it’s a strategic necessity. But how do you ensure every euro yields returns and that projects truly contribute to the goals? The translation of vision into practice often remains a complex challenge. Time to turn this ambition into concrete, profitable steps!

Unfortunately, the next step often turns out to be a tangle of opportunities and obstacles, a jumble of solutions and pitfalls, a minefield of possible investments and potential revenues. Above all, there seems to be no right or wrong way to launch circular initiatives.

False start

We see many companies going all out in waste valorisation projects, putting all their efforts into product development, investing in digital technology or setting up a completely new business model. In many cases, the experiences are not (entirely) positive, much has been learned, but there is little enthusiasm to start again. This is a typical flashpoint approach that is rarely successful from the first attempt. Consequently, a lot of the scarce time and resources that have been used will not yield anything worthwhile. These are in fact unnecessary costs. This is quite unfortunate because it reduces, rather than enhances, the enthusiasm for substantial change and it reduces

the time and resources available for shaping the circular economy.

This observation made us realise that we, too, still underestimate the preliminary process towards a circular action. We now want to explore the importance of choosing a method that quickly brings together insights and opportunities with limited time and investment.

Complexity

Almost every manufacturing company is an old hand at the linear economy. We are good at that. Only, if we suddenly change the rules of the game and the goals, we will not have the right reflexes or the tools to deal with it. Companies together form a very complex whole. Some supply chains are already almost impossible to follow. In the B2B context, too, fewer companies are still in contact with the end user. Let alone that they have an idea about how products are handled or disposed of. The complexity lies not only in the number of actors and stakeholders, but also in the time aspect. Products with a long life cycle or products that change hands several times before being discarded are hardly traceable by the producer, let alone by one of their suppliers.

Because of the complexity of the situation, a good analysis based on the known facts does not provide enough information and insight to make informed decisions.

Yet there are also large and small companies that do manage to set up successful initiatives. Companies that gradually incorporate circular products and services into their daily operations succeed in anchoring these good practices and increasing support.

What are the key features of such a successful approach?

From the guidance of companies, our learning networks, the company testimonies we were able to detect three golden tips. It is important to follow all three tips at the same time!

1. Iterative approach ('Learning before Earning')

Don't make a big plan that you will try to execute. Choose an iterative approach where you think before each iteration what exactly you want to learn. For a manufacturing company which designs and markets its own products, these will be different learning objectives than for a component manufacturer who supplies an OEM. The needs of producers of (nearly) mono-material products will be quite different than those of producers of complex mechatronic systems.

Where exactly the learning opportunities lie that tie in with the circular economy, for example, can be found by using simple templates and tools such as the R-strategy map or the Cesar Tool.

2. Start from the customer's point of view

Many companies hardly know their (end) customers and their motives. They know who they are selling their product to, but do not necessarily know why the customer chooses their product. The key here is to get into real contact with the customer, with the end user, with the owner, with the service provider of the product. Who is your real customer? Is it the buyer of your product, the user of your product, the installer of your product, the owner of your product...?

Find a problem experience by your 'customer' that is worth solving. If you find that, the chances are much higher that your circular product and/or service will also be marketable.

3. Small, smaller, smallest

The most counterintuitive tip is this: despite the very big challenge, don't make a big deal, don't do a big campaign, don't do a market survey. Keep it small. Create an action that you can really do tomorrow, discuss with one colleague, interview one customer, preferably live. Let the insights grow iteratively from there. Look back regularly and evaluate what has already changed and what the next meaningful step might be. One day, you will involve several people inside and outside the organisation and increase support, but that is certainly not a goal from the start.

More information on this topic?

Contact us

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