

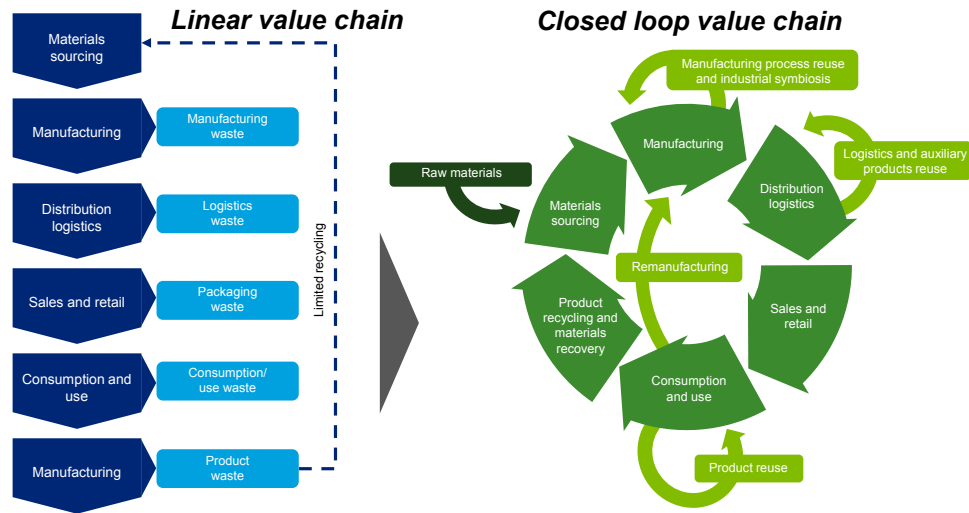
Deloitte.

Circular Economy
From theory to practise



What is circular economy?

Instead of discarding assets after only one product cycle, companies are developing ways to continually re-acquire and reintroduce these assets to market.



Perspectives and insights on circular economy

A circular economy goes beyond the pursuit of waste prevention and waste reduction to inspire technological, organisational and social innovation across and within value chains.

Perspectives

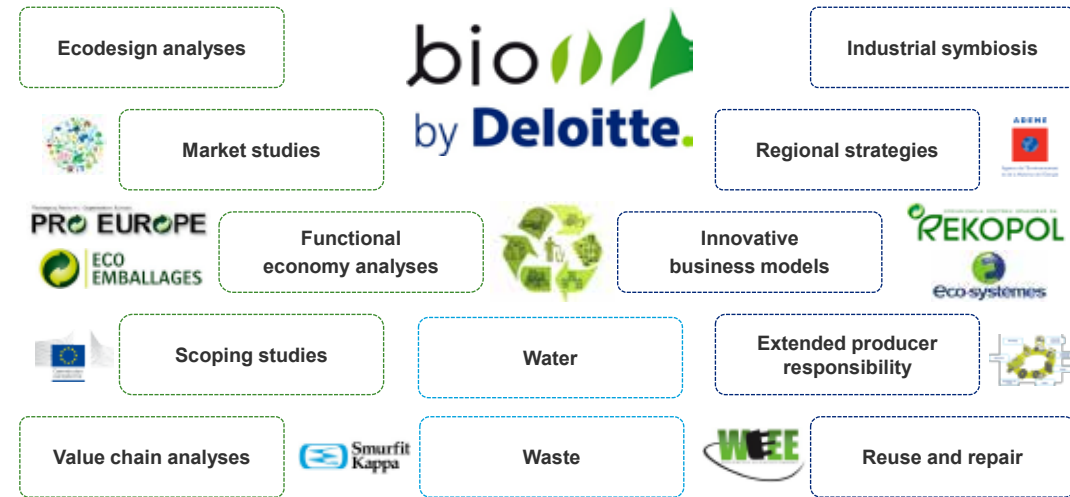
- A circular economy is one that is restorative and regenerative by design – it is about optimisation of value circulation, not prevention of waste generation
- It is a continuous positive development cycle that preserves and enhances natural capital, optimises resource yields, and minimises system risks by managing finite stocks and renewable flows
- According to a survey conducted by Sitra, a circular economy represents an opportunity for Finland worth 1.5 to 2.5 billion euros
- Finland is in a good position to thrive in the face of global competition due to factors such as a high education level, solid technological expertise and a strong reputation as a cleantech operator

Deloitte insights

- A recent BIO by Deloitte study for the European Commission identifies:
 - Priority materials: agricultural products and waste, wood and paper, plastics, metals, and phosphorus
 - Priority sectors: packaging, food, electronic and electrical equipment, transport, furniture, buildings, and construction
- Among key drivers are rising material costs, changing societal values, environmental benefits, supply security, value recovery, and legislation
- Among key barriers are technology change, consumerism, costs for recovery and management of reverse logistics, and lack of competence

BIO by Deloitte expertise on circular economy

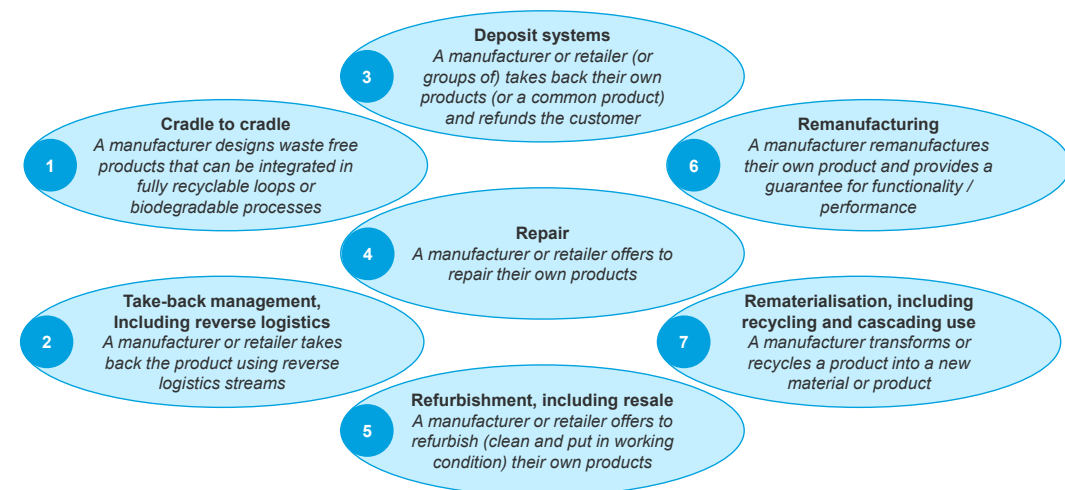
BIO by Deloitte has worked with all stakeholders along the product and waste lifecycle and our experience cover all aspects of a circular economy.



Overview of circular economy business models

Deloitte has identified seven different types of circular economy business models, which can provide as a useful method for thinking, highlighting different logics and rationales.

The seven types of circular economy business models



Overview of specific approaches to get started

Deloitte suggests a number of approaches that a company can choose in order to begin the journey of working with circular economy – or develop the efforts even further.

Analysis and expertise approaches

Inspirational talk or breakfast session

<p>What What is the first step, if one has never worked systematically with circular economy before? A targeted presentation, talk or session might be the right kick-starter.</p>	<p>How Deloitte and BIO provide expertise and inspirational case examples on how to work in the area of circular economy, e.g. as presentations or sessions.</p>	<p>Why The objective of an inspirational circular economy talk or session is to kick-start or inspire the work of a business unit or a company.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Talks and presentations • Breakfast sessions • Inspirational material
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Innovation workshop(s)

<p>What Innovation workshop(s) is a good point of departure in order to clarify the needs of the business, or it can be as part of developing the circular economy business further.</p>	<p>How The workshop(s) will be facilitated by Deloitte, who prepare the material, e.g. based on input from client and Deloitte material. The focus of the workshop will be decided with the client.</p>	<p>Why The objective of the innovation workshop is to brainstorm ideas and discuss possible actions on innovation efforts within circular economy business development.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • New market creation • Business logic transformation • Opportunity identification
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Value chain mapping and analysis

<p>What Value chain mapping and analysis can provide a starting point for leveraging key opportunities within circular economy, e.g. by co-innovate with stakeholders and partners.</p>	<p>How Deloitte will perform the relevant analyses based on a great variety of best practice tools and methods as well as industry and company knowledge to be leveraged.</p>	<p>Why The objective of value chain mapping and analysis is to recognise opportunities in the value chain in order to develop the business around circular economy.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Co-innovation with stakeholders and business partners • Recognising opportunities
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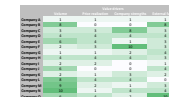
Benchmarking and industry peer analysis

<p>What Benchmarking and industry peer analysis will provide key insights on how other companies in the industry use and leverage efforts within circular economy business development.</p>	<p>How Deloitte will perform the relevant analyses based on a great variety of best practice tools and methods as well as industry and company knowledge to be leveraged.</p>	<p>Why The objective of the benchmarking and industry peer analysis is to create a foundation for decisions on where and how to play in order to make the right decisions.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Benchmarking analysis of comparable companies • Industry peer analysis
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Regulatory studies

<p>What Regulatory studies play an essential part of actions regarding circular economy, because all efforts are naturally subject to national and international law and conditions.</p>	<p>How Deloitte will perform the relevant analyses based on a risk and/or opportunity approach with a great variety of best practice tools and methods as well as crucial expertise.</p>	<p>Why The objective of the regulatory studies (risk and/or opportunity approach) is to develop and clarify the regulatory environment of circular economy.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Regulatory study using different risk and opportunity approaches
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Environmental profit and loss calculation

<p>What The environmental profit and loss calculation is about making sure that the organisation have a nuanced understanding of the environmental impacts whether positive or negative.</p>	<p>How Deloitte masters the entire value chain of environmental information and offers support in client's environmental net positive journey, which includes clarifying environmental footprints.</p>	<p>Why The objective of the calculations is to develop a better understanding of the environmental footprint in order to better position the management to environmental decision-making.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Environmental profit-loss calculations • Net positive journeys • Performance measurement
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The Deloitte analysis and expertise approaches to circular economy business development is about inspiring and positioning the management for better environmental decision-making.

Facilitation and support approaches

Strategy facilitation

<p>What Strategy facilitation with focus on circular economy can take various forms and methods dependant on e.g. maturity of the business and knowledge of circular economy.</p>	<p>How Several tools can be used in order to facilitate strategy work within circular economy, but one crucial element is developing the business case for possible scenarios.</p>	<p>Why The objective of circular economy strategy facilitation is to create the right innovation and entrepreneurial environment, so company stakeholders are able to re-think the business.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Business case development • Plan for integrating circular economy efforts into corporate strategy
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Piloting and implementation support

<p>What Piloting and implementation support is about making sure that the strategy is solidly founded in the organisation, e.g. enabling the right competencies and skills in the workforce.</p>	<p>How Several tools can be used in order to support the circular economy strategy work, e.g. agile solutions, testing, disruptive thinking, implementation plans, and regulatory reviews.</p>	<p>Why The objective of the piloting and implementation support is to strengthen the organisation's ability to carry out the strategic actions on circular economy business development.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Pilot workshops and individual training • Implementation plans • Agile solutions • Regulatory review
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Performance evaluation

<p>What Performance evaluation is about valuating the externalities of circular economy efforts in a structured way in order to improve the understanding of the circular economy efforts.</p>	<p>How The most relevant evaluation tools related to circular economy are sustainability and business KPIs, which can be incorporated in the business performance metrics.</p>	<p>Why The objective of performance evaluation is to understand the value of the circular economy efforts and continuously be able to evaluate the business case for the circular economy efforts.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Sustainability and business KPIs • Net positive valuation • Sustainability benchmarking
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Customer engagement

<p>What Customer engagement is essential in supporting the client's circular economy business models.</p>	<p>How Deloitte will conceptualise the customer engagement based on various types of analyses and share valuable customer engagement expertise.</p>	<p>Why The objective of customer engagement is to incorporate circular economy efforts in the business case and make sure they are leveraged optimally.</p>	<p>Deliverables</p> <ul style="list-style-type: none"> • Conceptualisation of the customer engagement • Impact measurement • Take-back systems
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The Deloitte facilitation and support approaches to circular economy business development focuses on creating the right innovation and entrepreneurial environment in order to facilitate sustainability changes.

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