



Understand it

Apply it

Generate quick win ideas

Check an existing concept

More detail ...

Design wheel

Explore

Create

Evaluate

Manage

Impact map

Performance dashboard

Role-based guidance

Topic-based guidance

See examples

Strategy

What's wrong with Business As Usual?

- Medium to long term growth strategies often tend to neglect material resource risk factors and/or energy price and security-of-supply risks. Sustainability of future business increasingly depends on these factors.
- Simply pushing suppliers to reduce costs without careful attention to other key factors fails to address longer term business resilience, or recognise indirect costs that occur elsewhere in product lifecycles. These costs can occur in terms of compliance or brand impacts, further downstream.
- Today, supply risks are often addressed by having more than one supplier. However these suppliers themselves often rely on a shared supply chain that is subject to resource shortages and materials price hike shocks.
- Company-wide consistency of purpose is essential. The Circular Economy requires cooperation across business units to look at the full end-to-end costs and impacts. This should include customer and external cost impacts.
- Localised targeting on cost reduction can, in isolation, lead to greater end-to-end costs for the business.

What can I do better?

- Identify key material resource risk factors and/or energy price and security-of-supply risks. Decide the acceptable level of risk and develop a materials/energy strategy to help mitigate unacceptable risks.
- Use a People, Profit, Planet representation to capture overall impacts, beyond purely financial, and use this to inform decision making and investments.
- Understand your supply chain risks, beyond the first tier of immediate suppliers.
- Look beyond compliance for longer-term options; incremental adaptation can prove more costly in the long run.

How can I do better?

- This toolkit provides a "system model". By using it you can identify hotspots that are priorities for action and understand the wider impacts of proposed changes.
- A novel way to take account of resource risks is to use a "stakeholder" to represent key natural resources; the impacts are then captured as stakeholder impacts.
- Ensure People, Profit, Planet performance KPIs are included in scorecards, to encourage continuous improvement.
- Build awareness of the People, Profit, Planet assessment criteria via training, communications and use of tools that help evaluate these.
- Reconsider current business models to see if a Circular Economy business model might add more value; this might include leasing or refurbishment models.
- Use the People, Profit, Planet criteria to stimulate improvements and drive innovation that supports growth and product differentiation.

How do I measure success?

- Look for improvements that are aligned across the People, Profit, Planet criteria and not purely driven by cost reduction; these could then help with product differentiation and growth.

- Benchmark sustainability progress using metrics and compare progress against sustainability thought leaders and competitors. Seek to identify competitive advantage arising from this progress.
- Have the decisions made reduced exposure to materials and/or energy price and supply risks?
- Has brand advocacy improved and is this translating into improved sales?
- Evaluate People, Profit, Planet success factors at the product concept stage, to avoid costly re-engineering later, and track against successive product generations

Further reading

- See the summary of [Eco-labels](#) and [Material impacts](#).