



Five reasons to support circular businesses

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The circular economy brings new innovation chances for entrepreneurs in different fields.

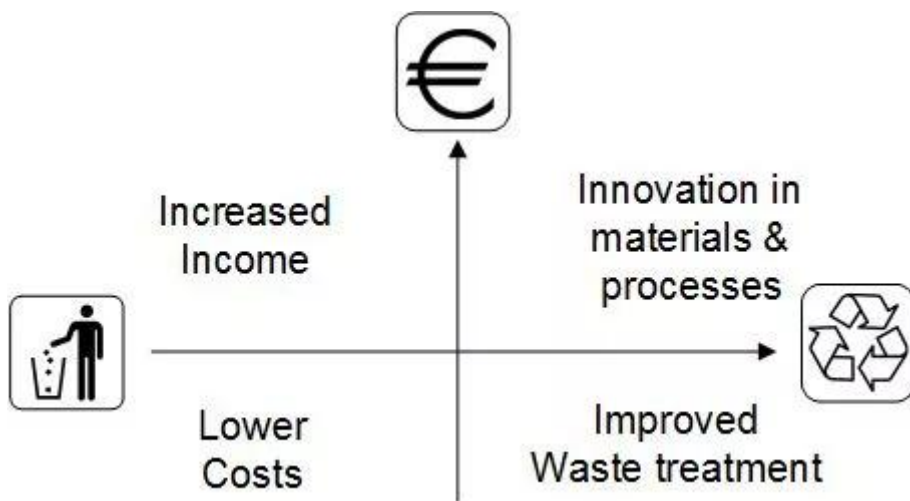
Switching to a circular business strategy is complex and requires time and investments. However, it pays off to work on it. Below you will find five interesting reasons:

1. Reduce your ecological footprint

In circular economy the common take-make-dispose approach is making way for a model which focuses on the reuse of products and raw materials. This is how we can save valuable materials and reduce of CO2 emission.

2. Minimise costs

In an average technology company material costs account for 50-60 percent of the total cost and an average of 18 percent of purchased raw materials does not eventually end up in a sellable product. Reduce the loss of raw materials by 10 percent results in an average 2 percent rise in profits. This can be done by recycling waste streams more and better and reusing them as raw materials, but also, for example, by using as little raw materials as possible in the design of products and components.



3. Promote innovation

Circular entrepreneurship encourages you to rethink your business model and product and to enter into new partnerships. For example, in new earning models, consumers and businesses will pay for the use of a product or machine rather than for its possession. The link between producer and customer becomes stronger when a product is traded like that, as a service. As a provider, you can respond better to the demand and develop additional services. There is also an incentive to optimise the design of your product. You will design products smarter, to ensure that they last longer, consume less, are easy to upgrade and repair, and their components or base materials can be reused. This creates a win-win situation for both the producer and the customer.

4. Offering a response to changing customer needs

Consumers nowadays attach importance to authentic and sustainable products, and are increasingly using products without the need to own it. Services and products must be personalised and convenience is the new standard. Companies also want to focus on their core business and want concerns to be taken off their hands. For example, they want to use compressed air, but without having to invest in an air compressor and any related maintenance and repairs. Governments and cities, with their purchases which account for more than 15% of GDP, are increasingly concerned with sustainability. Entrepreneurs should therefore make sure to adapt their offer to these new trends.

5. Respond proactively to European and Belgian policies

The circular economy will be noticed by policymakers at all levels and this will increasingly show in legislation. Targets for selective collection and recycling will be strengthened. Eco-design rules are being developed to increase the material efficiency of products. Consideration is being given to introducing reuse targets. Anyone who succeeds in anticipating these regulations that are in the pipeline will have a competitive advantage.

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(Source picture above: [Carbontrust](#) – 2015)

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