

CIRCULAR BUSINESS COMPETENCIES BUILDING: GAPS IN BUSINESS FUNCTION-SPECIFIC KNOWLEDGE & SKILLS FOR A CIRCULAR ECONOMY



CO.PROJECT CIRCULAR BUSINESS COMPETENCIES BUILDING

This co.project set out to identify key knowledge and skills needed for certain business functions to bring circular economy ideas into their line of work. The co.project convened the participants from five organisations in three chosen business functions (Marketing & Sales, Procurement & Supply Chain, and Product Creation & Design) and distilled a list of missing knowledge and skills needed for all functions and specifically for each area to accelerate the transition to a circular economy.



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CO.PROJECT LEADS

PHILIPS

Markus Laubscher

Program Manager Circular Economy
markus.laubscher@philips.com

"In Philips we have been able to create awareness and transmit the general knowledge about circular economy principles to many colleagues over the past years. At the same time, we realise that a massive scale-up in competence building, both in terms of numbers of employees and depth of content, is needed in order to make circular thinking the new normal in our company. This co.project takes on the challenge of trying to make circular principles specific enough, so that individuals know how to contribute to the company transformation through their functional roles, be it in product creation, marketing & sales or procurement & supply chain."

EXETER UNIVERSITY

Peter Hopkinson

Director of the Exeter Centre
for Circular Economy
p.hopkinson@exeter.ac.uk

"The rapid growth of interest in the circular economy raises many questions for organisational leaders about how to take advantage of the opportunities for value creation. The implementation of the circular economy requires a wide set of skills and competencies across many different functions. This co.project provides a valuable and timely contribution to the practitioner research literature focussing on three key different functional roles to identify the skills and competencies required to make the value shift from linear to circular and overcome the many challenges, tensions and barriers to successfully deliver new value propositions. This collaboration between five pioneering circular economy organisations, reveals what leading practitioners say about the key competencies and skills for circular economy and the gaps in their knowledge or capabilities. This work provides a platform and framework for diagnosing and developing an organisational competency framework, future skills and training programmes."

WHAT CIRCULAR ECONOMY CHALLENGE DID THE CO.PROJECT TRY TO SOLVE?

This co.project was set up to understand what competencies (knowledge, skills and attitudes) are needed to drive circular economy thinking in specific functions within businesses.

WHAT WAS THE SCOPE OF THE PROJECT?

The three objectives of the co.project were as follows:

- Identify the gaps in circular economy knowledge and skills for specific business functions;
- Develop tools and resources in order to meet the above objective; and
- Support the development of an active champions network and culture that fosters the internal transformation towards a circular business.

The co.project activities were conducted within three selected business functions: Marketing & Sales, Procurement & Supply Chain, and Product Creation & Design.

WHAT WAS THE CO.PROJECT OUTCOME?

Through the series of surveys, focus group calls and data sharing exercises, the co.project team has identified a preliminary list of circular economy knowledge and skills that are needed for specific business functions to implement circular economy solutions.

The company representatives have shared their feedback and expressed that their participation created momentum within their organisation and positively engaged their colleagues in finding better ways to address the circular challenges which they are dealing with. As a result, great enthusiasm has been generated among the companies and a commitment amongst their participants to continue working on defining the circular

economy knowledge and skills for businesses and creating a set of resources to address the existing gaps.

Developing tools and resources was deemed too ambitious to achieve within the timeline of the co.project as the Core Team was keen to report the results back at the next Acceleration Workshop in May 2019. However, it will be the main focus of this project going forward (as described in Next Steps).

KEY LEARNINGS

Circular economy understanding is key

- Building the new skills and knowledge of employees to thrive in an increasingly circular world needs to be the focus of every organisation.
- Being able to clearly articulate the circular economy model is key. Understanding the core concepts and ideas of circular economy is seen as a fundamental competency for all business functions, combined with the ability to tell the circular economy story convincingly and in a business function-specific way to both internal and external stakeholders. Educational activities and training on circular economy to all employees of a given organisation has been overwhelmingly recommended by all co.project participants.

The importance of collaboration

- Collaboration across the different business functions is necessary to generate more joined-up and feasible solutions. This includes fostering cross-functional teams and conversations among them, engaging with other players within the industry or across the supply chain, and cross-industry cooperation.

Making the case for a circular economy

- It is recognised that there has to be a strong business case for circular economy solutions to show their advantage over the linear ones.

- Understanding the financial implications of the extended use cycle of a product is paramount in making a successful business case.
- In order to gather expertise and knowledge through the pilot projects, there has to be an acceptance of associated financial risk.

A shared journey

- There has been a strong sense of shared challenges among participating companies. While some good case practices have been shared that provide quick fixes, the overall sense has been that the ‘real nut’ has not yet been cracked.
- Despite all participants clearly recognising that there is a long journey ahead of them in terms of gaining new knowledge and skills, there was a strong feeling of “doing what is right” and “we will get there no matter what”.

Key highlights for each function

- Procurement & Supply Chain: the changing relationship with suppliers, being able to assess the circularity of a product, its components, and materials, and a clear understanding of a circular procurement process.
- Product Creation & Design: the ability to design for multiple use cycles, defining circular materials, and understanding the link between customer demand and reverse logistics.
- Marketing & Sales: managing changing customer relationships, gaining data modelling skills, and being able to sell the circular economy solutions in a story.

CO.PROJECT OUTPUT

Identified business function-specific knowledge and skills for a circular economy.

Co.project findings can be found here.

NEXT STEPS

The next stage of this project will be led by the Learning Team of the Ellen MacArthur Foundation, whilst the core members of the co.project, Philips, H&M Group, Essity, and Tarkett, will continue to participate in the work of addressing the gaps of function-specific knowledge and skills for a circular economy.

The emerging themes for the work streams are:

1. Managing changing supplier relationships
2. Communicating circular economy for specific business functions
3. Calculating the cost, benefits and risk of extended product life
4. Assessing the circularity of a product, its components, and materials

CO.PROJECT CORE TEAM

COTY

Cecilia Calzola

Global Initiative Leader
cecilia_calzola@cotyinc.com

ESSITY

Susan Iliefski-Janols

VP Product Sustainability
susan.iliefski-janols@essity.com

EXETER UNIVERSITY

Michele Miller

Senior Lecturer

H&M GROUP

Ulrika Nordvall Bardh

Circular Strategy Lead Non-Commercial
Goods at H&M Group
ulrika.nordvallbardh@hm.com

PA CONSULTING

Isabelle Linden

Circular Economy Delivery Lead
isabelle.linden@paconsulting.com

PHILIPS

Cindy Copier

Consultant Innovation Management
cindy.copier@philips.com

TARKETT

Elodie Jupin

Circular Economy Manager EMEA
elodie.jupin@tarkett.com

TU DELFT

Deborah Sumter

PhD Candidate Design for a Circular Economy
d.x.sumter@tudelft.nl

CO.PROJECT FACILITATORS

ELLEN MACARTHUR FOUNDATION

Monika Koncz-MacKenzie

Learning Innovation Manager
monika@ellenmacarthurfoundation.org

ELLEN MACARTHUR FOUNDATION

Ilma Stankeviciute

Co.Project Facilitator
ilma.stankeviciute@ellenmacarthurfoundation.org

CO.PROJECT CONTRIBUTORS

Employees of Coty, Essity, H&M Group, Philips, and Tarkett

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BECOME
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