

BM.12

Generate ideas for the key activities block

Requires dialogue

This activity aims to generate ideas for how to address hotspots or strategic changes related to the key activities block.



INPUTS

- Hotspots or strategic changes related to the key resources block from the activities ST.7 Do a SWOT analysis, BM.2 Gather additional data on the business model, and BM.3 Gather additional data on operational performance.

OUTPUTS

- Specific ideas for how to change the key resources block to address the hotspots or strategic changes, used in the activities BM.4 Generate business model concepts at the big picture level - if taking a 'Bottom-up' approach, BM.15 Evaluate the benefits, and BM.16 Evaluate the costs and BM.17 Evaluate the risks.

BM.12 Generate ideas for the key activities block

Beyond the development of new value propositions (dealt with in the activities *BM.6 Generate marketing ideas for the value proposition block* and *BM.7 Generate technical ideas for the value proposition block*) the key activity of most relevance for eco-innovation is production processes, since production can be a major contributor to the life cycle sustainability impacts of a product. Many readers will already have significant experience of Resource Efficiency and Cleaner Production, therefore the aim of this activity is to introduce some templates and considerations which may offer fresh insights and ideas for both the Service Provider and the Company.

A good starting point for improving the sustainability performance of production processes is with conventional material flow and energy analyses. Some amount of Input Output Analysis data on energy, water and material flows should have been gathered as part of the In-Depth Assessment, but it may be necessary to enhance these data with further data at the level of individual production processes in order to obtain a more detailed breakdown. This type of analysis can be useful to identify and quantify the major flows that occur during the production processes and the sources of waste and emissions. Detailed guidance on how to perform material flow and energy analyses is provided in the UN Environment 'Promoting Resource Efficiency in SMEs resource kit' (PRE-SME).

Once you have identified the most significant material, energy and monetary flows and any specific problems within the production system you can use these data to focus your efforts in searching for ways to reduce the environmental, social and economic impacts of these flows. To help generate innovation ideas systematic approaches such as the *9 Windows on the World* template can be employed.

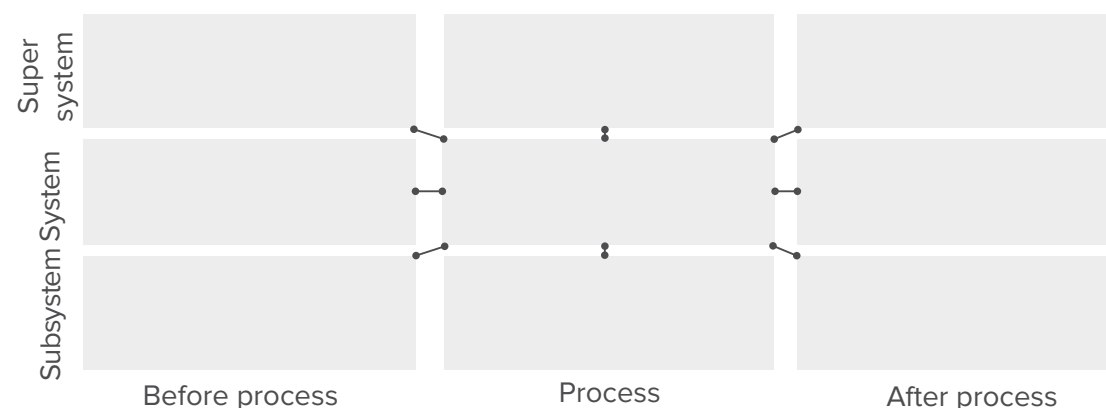
HOW TO GO ABOUT IT

See the 9 Windows on the World instructions within the activity *BM.7 Generating technical ideas for block the value proposition*.

- *Is there a risk that the key resource may not be available in the future?* For example, the Tasty Tuna Company is extremely dependent on a supply of fresh tuna as a key resource. This supply is under threat due to overfishing.
- *How can this risk be reduced or mitigated?* One way to mitigate this risk would be to lobby the local government to create and enforce fishing quotas. This would offer an environmental benefit by protecting the fish stocks, whilst also providing a more secure future for the company and the local fishermen.

→ Further information in the Agri-food, Chemicals and Metals Supplements

Template of 9 Windows on the World

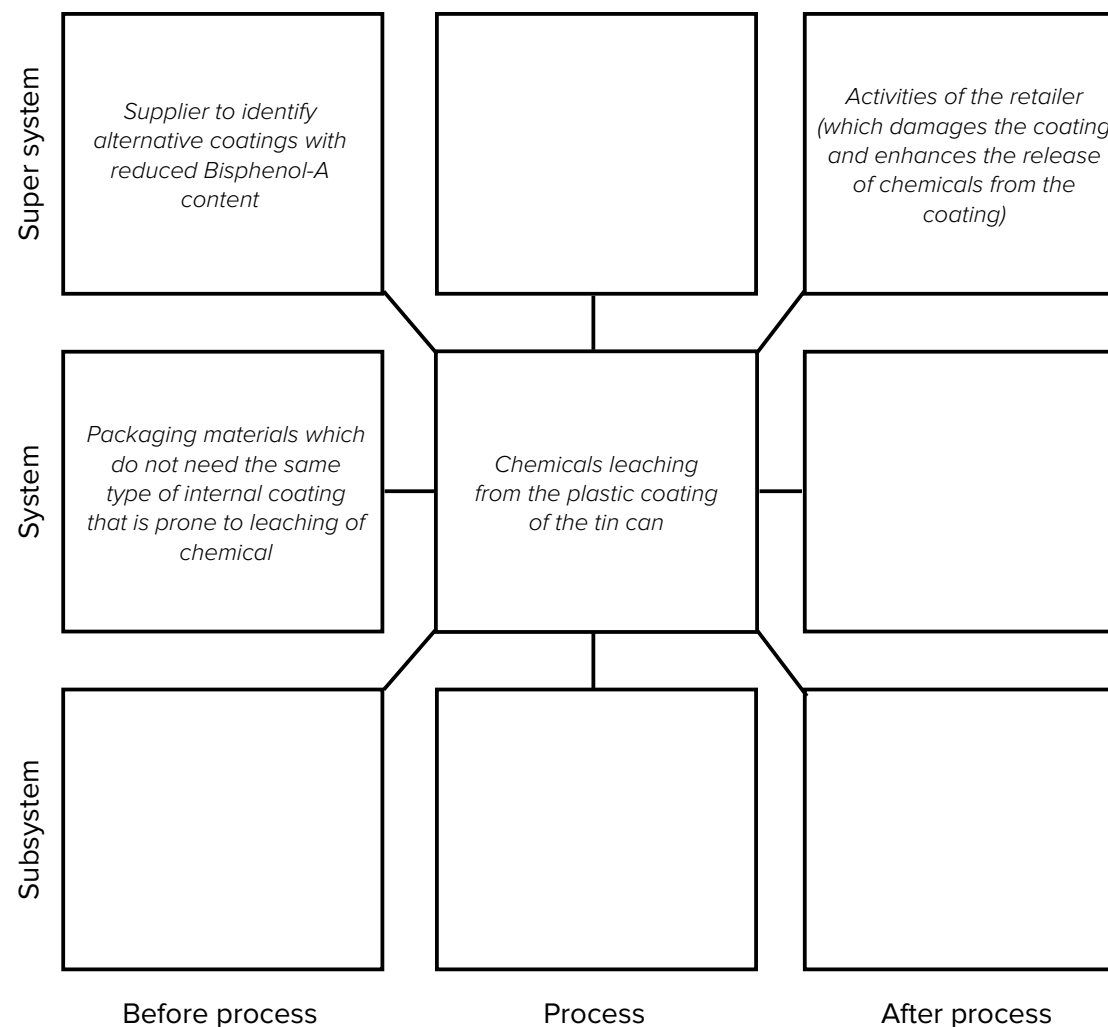


BM.12 Generate ideas for the key activities block

LEARNING CASE STUDY OF 9 WINDOWS ON THE WORLD

One of the key principles of the 9 *Windows on the World* template is extending the scope of the problem. In some instances, this may mean looking beyond the production processes that take place within the company, into the wider value chain. For example, if The Tasty Tuna Company would like to address the problem of chemicals leaching from the plastic coating of the tin can they could ask their can supplier to identify alternative coatings with reduced Bisphenol-A content. Taking a wider systems perspective, they could also investigate their distribution operations and the activities of the retailer to understand why tins get dented (which damages the coating and enhances the release of chemicals from the coating). Alternatively, they could commission a local technical university to investigate alternative packaging materials such as foil/plastic laminate pouches, which do not need the same type of internal coating that is prone to leaching of chemicals.

These examples demonstrate why it can be useful to try to engage suppliers, customers and other partners in the search for opportunities for eco-innovation within production processes. The *BM.13 Generating ideas for the key partnerships block* activity provides further advice on this topic.

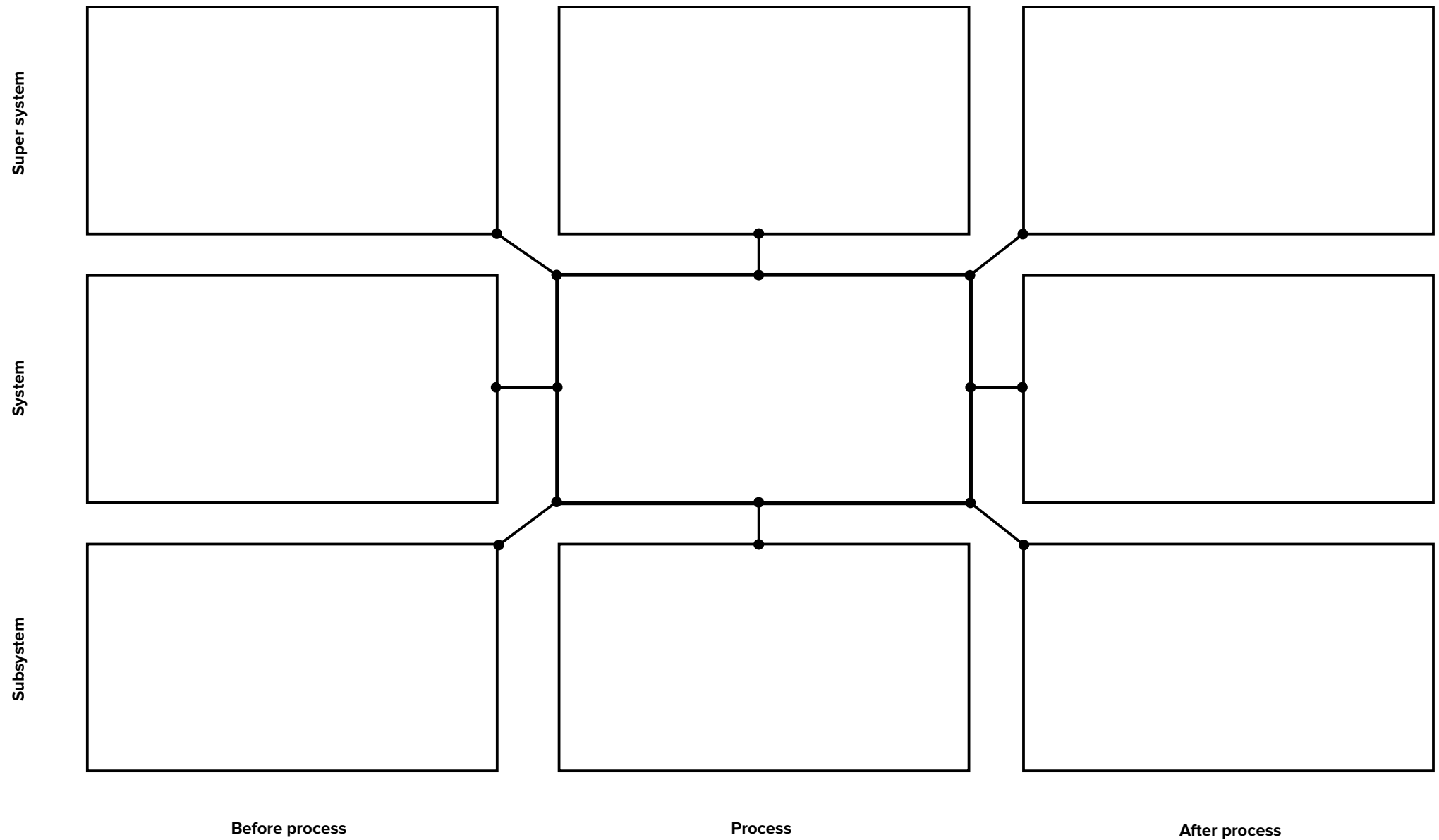


9 Windows on the world

Project

Date

Version



Used during activities
BM.7 and BM.12

BM.12 Generate ideas for the key activities block

BACKGROUND INFORMATION

Typical key activates in the food industry include:

- Procurement of raw materials - buyers who are procuring the raw materials are responsible for securing the materials with the required specifications for the best possible price
- Processing and packaging
- Food safety and quality control
- Product development
- Supply chain management and specifically cold chain management - Often need to ensure temperature controlled supply of highly perishable goods
- Marketing and sales - Achieving the requirements for certification and labelling schemes as well as customers' procurement policies is an increasingly important part of marketing and sales



BM.12 Generate ideas for the key activities block

BACKGROUND INFORMATION

Typical key activities in the chemical industry are:

- R&D, Customer Relationship Management (CRM) (channels, sales, and marketing) are key activities for successful chemical companies
- Procurement
- Production
- Quality control
- (Hazardous) Waste prevention and treatment
- Environmental, Health and Safety (EHS)
- Product Stewardship along the product's life cycle



BM.12 Generate ideas for the key activities block

BACKGROUND INFORMATION

Typical key activities in the metals industry can be focal points for eco-innovation:

- R&D – particularly in designing for sustainability. 3D printing can be used to quickly and efficiently make prototypes and reduce resource consumption
- Production – sustainability performance can be substantially improved by using advanced manufacturing techniques such as 3D printing (e.g. parts from titanium powder), additive manufacturing, as well as integrated production techniques (industry 4.0)
- Customer Relationship Management (CRM) – channels, sales, and marketing are key activities for successful metals industry companies and are integrated with production.
- Spectrum of activities related to closing the loop models (return, reuse, remanufacturing, separation and recycling)
- Quality control – of raw materials, semi-finished inputs, and final products are critical in reducing off-spec products which lead to high life cycle economic and environmental costs
- Procurement – green procurement principles can be mainstreamed into purchasing forms
- Extended product responsibility – particularly critical for take-back systems, especially EEE products.

Industry example 4: Closed loop business model

The Kingfisher Group has developed a new, closed loop business model to deliver improved Value Propositions to their customers. The Value Propositions of the company are relevant, better, sustainable and affordable products and services for the customers. It also resulted in a healthy annual dividend for the shareholders and created additional employment for society. The key activities concerning this approach include responsible sourcing, design for reparability and recycling. Some examples from the Group would be the re-mining of materials from power tools containing metal parts, which is done by Screwfix UK, subsidiary of Kingfisher group. Another example is the rental and repair services offered by Castorama, another affiliate to the group. The idea originated due to many people owning these tools, however only used them rarely, resulting in resource inefficiency, hence the provision of a rental service. The company created partnerships with its suppliers who design durable products for rental which have a longer life span and are easier fixed by authorized professionals. The offering of these services also strengthens the customer relationship.

References

Kingfisher report: http://www.kingfisher.com/netpositive/files/reports/cr_report_2014/2014_Net_Positive_Report.pdf