

BM.11

Generate ideas for the key resources block

Requires dialogue

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

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The In-depth Assessment should have identified the key resources for the company, including physical, intellectual, human and financial resources. Below some guiding questions are provided to help you to identify opportunities for innovation in the key resources block.

HOW TO GO ABOUT IT

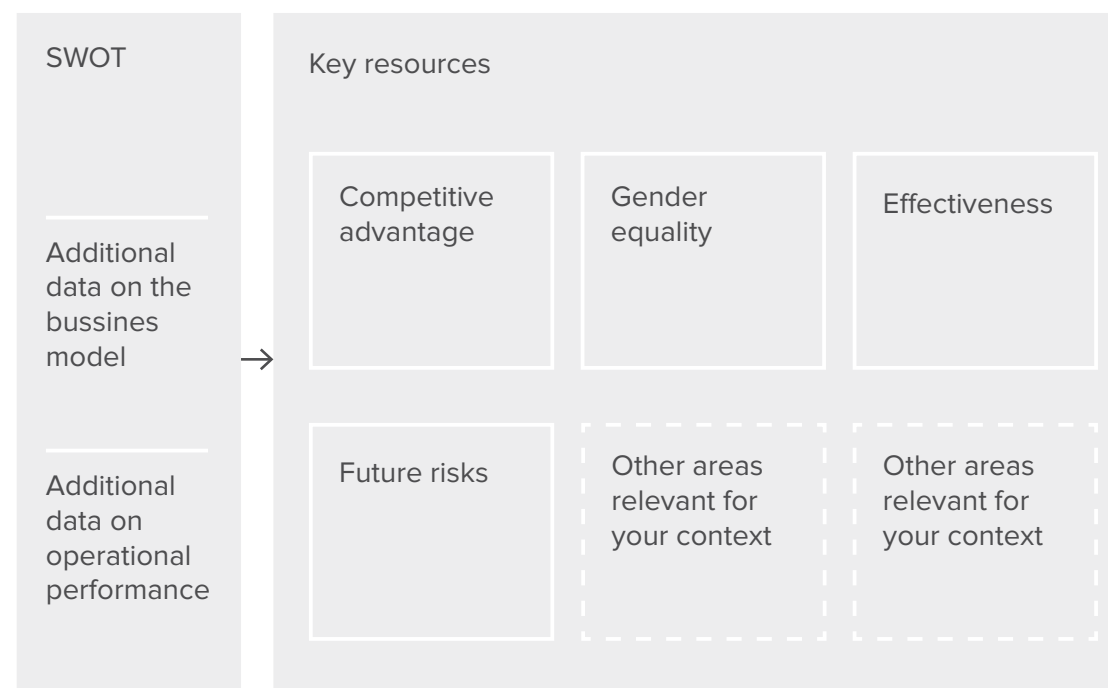
To identify opportunities for innovation in the key resources block ask questions such as:

- *Do the key resources the company possess offer a competitive advantage?* For example, a workforce that is skilled at tuna loining would provide the Tasty Tuna Company with the advantage of reduced time and fish loss in the loining process.
- *If the workforce is a key resource, are equal opportunities available for both women and men?* For example, many of the production workforce at the Tasty Tuna Company are women but do they have the opportunity to rise through the company to a position on the Senior Management Team?
- *How can the resources be exploited more effectively to enhance the competitive advantage?* For example, a key resource of the Tasty Tuna Company is the tuna processing factory and equipment (retort ovens, filling and canning lines, quality control lab etc.) but perhaps it is only operational for 12 hours per day and 5 days per week. What could be done to increase the utilisation of this expensive equipment towards a full 24 hours per day and 7 days per week?
- *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.

Template of Key Resources Ideas



Key resources ideas

Project _____

Date _____

Version _____

SWOT

What key outputs from activity ST.7 could affect key resources?

Additional data on the bussines model

What key outputs from activity BM.2 could affect key resources?

Additional data on operational performance

What key outputs from activity BM.3 could affect key resources?

Key resources

In what ways could the resources of the company - including physical, intellectual, human and financial resources - be used to address hotspots or strategic challenges?

Competitive advantage

Do the key resources the company possess offer a competitive advantage?

Gender equality

If the workforce is a key resource, are equal opportunities available for both women and men?

Effectiveness

How can the resources be exploited more effectively to enhance the competitive advantage?

Future risks

Is there a risk that the key resource may not be available in the future?

How can this risk be reduced or mitigated?

Other ways in which the company's resources could help eco-innovation?

Other ways in which the company's resources could help eco-innovation?

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LEARNING CASE STUDY KEY RESOURCES IDEAS

SWOT

- *Unsustainable fishing methods causing tuna stock depletion*
- *Rumours that new policy will ban unsustainable fishing methods*
- *Significant fish loss and waste between point of catch and point of use.*

Additional data on the bussines model

- *Key resources are:*
- *Experienced buyers*
- *Fast, efficient processing staff*
- *Tuna processing facility*

Additional data on operational performance

- *Energy consumption of retort ovens is higher than industry benchmarks due to lack of maintenance and inefficient use.*
- *Rival tuna processors offering higher wages.*

Key resources

Competitive advantage

- *Efficient processing staff can help to reduce waste and production costs.*
- *Experienced buyers can help to get the best fish at a good price.*

Gender equality

- *Could aim to increase number of female workers in management position to address the gender imbalance.*

Effectiveness

- *Add a night shift so that factory facilities are used 24 hours per day.*

Future risks

- *Staff could be poached by a rival processor – need to offer great working conditions and wages.*
- *Invest in factory maintenance to avoid any major, unexpected facilities problems.*

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TIPS & TRICKS

BUILD CAPACITY IN SOCIAL SUSTAINABILITY

An interesting area to explore in future iterations of the eco-innovation activities with the company is staff development and training. As mentioned previously, training on topics such as Life Cycle Thinking or Cleaner Production can be a very good way to support the development of future eco-innovations. Social sustainability aspects should also be covered in training and participants should be gender balanced. This type of training may not be appropriate as a first project as it can take some time for the benefits of training in eco-innovation topics to be realized and should therefore be more of a long term objective.

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



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LEARNING CASE STUDY

In order to solve the issue of variability and seasonality of the raw materials supply (mangoes) the Mango Pulp Company has decided to diversify its product portfolio to include products from other fruits and vegetables. The additional products are made from raw materials available in the off-season for mango.

BACKGROUND INFORMATION

Food and drink processing is highly limited by unstable supplies of crops and other raw materials. The availability, variability and seasonality of raw material supplies can dictate both production volumes and product quality. In addition, the demand for specific food products is often seasonal as well (holidays, weather etc.) making it even more challenging for companies to manage the supply and demand. This issue is often solved by having extra capacity for peak seasons or by increasing storage capacity for products with longer shelf-life. The seasonality of supply and demand needs to be incorporated into the strategic planning process. Questions that are important to considered are:

- How is the extra manufacturing or warehouse capacity being used in the off-season?
- Can some of the peak manufacturing be outsourced?
- What cost are involved for having unused capacity and large inventory compared to outsourcing?
- Considering these cost, what is the optimal combination of capacity, inventory and outsourcing in the supply chain?

Other key resources in the food industry include:

- Physical: Equipment, facilities, raw materials
- Intellectual: The processing know-how, patents, product formulations (recipes), brands
- Human: Personnel with key competences, e.g. raw material buyers, product developers, production staff, marketing and sales staff
- Financial: Capital in the company or access to capital

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LEARNING CASE STUDY

In the case of TipTop Textiles Co., a key resource in the new business model is the logistics system for retrieving used textiles and delivering new textiles. For this customer segment, high value would be placed on timely delivery of products in the volumes required.

BACKGROUND INFORMATION

The following is a list of key resources typical of the chemical industry to help you think about how to generate new eco-innovative business models:

- Raw materials: price, volatility, availability – importance of procurement principles
- Customer Relationships: marketing, sales, channel offerings
- Physical equipment: move towards multi-functional and modular plants (e.g. F3 factory project).
- Process intensification: can lead to smaller, more compact and reliable plants reducing the ecological footprint of production.
- Staff: Marketing and Sales, R&D, Environmental Health and Safety (EHS), procurement
- IT-based CRM or customer interface (depending on business model)

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TIPS & TRICKS

CONSIDER SECONDARY MATERIAL USE

The use of secondary raw materials is quite common in the metal value chain and serves as a response to diverse sustainability challenges the industry is facing, such as raw materials scarcity, price volatility, demand for more sustainable products, waste reduction, etc. It therefore entails a great potential for innovation. For the usage of secondary raw materials the *Life-cycle Stakeholder* template used in activity PR.3 can help to identify potential partners that could help to increase the availability and quality of secondary raw materials. For example, recyclers can provide new processes for recycling starting with the customer demand for sustainable products. These secondary raw materials can be gathered

through take-back schemes, which reduce the amount of metal disposed of and increase the amount of scrap metal available as a secondary raw material.

BACKGROUND INFORMATION

The following is a list of key resources typical of the chemical industry to help you think about how to generate new eco-innovative business models:

- Raw materials: price, volatility, availability – importance of procurement principles
- Customer Relationships: marketing, sales, channel offerings.
- Physical equipment: move towards multi-functional and modular plants (e.g. F3 factory project). Furthermore, process intensification can lead to smaller, more compact and reliable plants reducing the ecological footprint of production.
- Staff: Marketing and Sales, R&D, EHS, procurement
- IT-based CRM or customer interface (depending on business model)

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LEARNING CASE STUDY OF KEY RESOURCES IDEAS

SWOT

- *Dependent on the supply of high quality, sustainably sourced metals and volatile prices.*

Additional data on the bussines model

- *Can decouple from the volatile metals market*

Additional data on operational performance

- *New skills in working with customers as well as new partnerships with metal waste collectors to capture the required quantity of end-of-life metals*

Key resources

Physical

- *Physical resources such as fixed assets (property, plant, and equipment; e.g. machining equipment) or materials required to make the product (steel bars, aluminium parts, industrial cleaning agent)*

Intellectual

- *Brands, design or manufacturing know-how, customer knowledge, etc. (BikeBizz Co. brand name, expert system for customizing bikes to customer's body type and riding style)*

Human

- *Employees who are particularly important to the success of the company (bike designers, marketing manager; buyer responsible for procuring sustainably sourced metal parts)*
- *new skills in remanufacturing end-of-life bikes and their components*

Financial

- *Access to financial resources as listed in the Eco-innovation Manual (e.g. green credit line for switching to an environmentally friendly surface cleaning technology)*