

The Business Case for Sustainable Products

Determining the next steps towards amplifying your sustainability initiatives for your organization



STEP 1: ASSESS CURRENT STATE

What do you need to know **right now** in order to take steps towards accelerating your sustainability goals?

STEP 2: DEFINE FUTURE STATE

What are your **organization's goals** in each area? Are they **realistic given the time horizon**?

STEP 3: DETERMINE IMMEDIATE NEXT STEPS

What **questions need to be answered** and what **decisions need to be made first** in order to make progress towards the defined goals?

Sustainable Products

Sustainable Products Approaches

1. Product Deconstruction and Material Cataloguing
2. Product Design & Lifecycle Analysis
3. Material Sourcing

Step 1: Assess the Current State

1. **Sustainability Initiatives:** What are our current sustainable product initiatives and their level of success?
2. **Strategic Alignment:** How do our sustainability efforts align with our overall business strategy, brand identity, and corporate values?
3. **Market Perception:** How is our commitment to sustainable products perceived by customers and the market? What is the customer demand for our sustainable products?
4. **Competitive Landscape:** How do our sustainability efforts compare with our competitors'? Are there opportunities for a competitive advantage?
5. **Financial Implications:** What are the revenue and/or cost implications and financial benefits of our current sustainability initiatives?
6. **Organizational Capacity:** Do we have the necessary resources and skills for our sustainable initiatives? What additional resources might we need?

Sustainable Products

Sustainable Products Approaches

- 1. Product Deconstruction and Material Cataloguing**
- 2. Product Design & Lifecycle Analysis**
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Step 2: Define the Future State

1. How can we effectively deconstruct our products to identify and catalogue the materials used, and what sustainable substitutes can our product engineers consider in their designs?
 - Develop a systematic process for product deconstruction, material cataloguing, and researching sustainable alternatives for product design.
2. What are the financial implications and regulatory constraints when transitioning from current materials to sustainable alternatives?
 - Analyze cost implications, understand regulatory constraints, and assess potential long-term savings from using sustainable materials.
3. How can we engage our suppliers to source sustainable alternatives, and how do we involve our stakeholders to transition to sustainable product designs?
 - Strategize supplier engagement for sourcing sustainable materials and plan stakeholder communication for the transition towards sustainable designs.

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Step 2: Define the Future State

1. What aspects of sustainability do we aim to embed in our product design? How does sustainability align with our overall product strategy?
 - Consider the feasibility of these goals based on current capabilities, resources, and market trends. Evaluate if the goals align with consumer expectations and regulatory requirements.
2. How will we integrate lifecycle analysis into our product design process? What specific environmental impacts do we aim to reduce through lifecycle analyses?
 - Evaluate the cost and time involved in conducting lifecycle analyses. Consider the availability of data and the ability to act on the results.

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Step 2: Define the Future State

1. What sustainable materials or suppliers do we aim to incorporate into our product manufacturing? What are the sustainability criteria for these materials or suppliers?
 - The cost, availability, and performance of sustainable materials. Evaluate the reliability and sustainability credentials of potential suppliers.
2. What challenges do we anticipate in transitioning to more sustainable materials or suppliers? How can we mitigate these challenges?
 - Possible disruptions to the supply chain, increased costs, or changes in product performance. Develop contingency plans to address these potential challenges.

Sustainable Products from a Major Technology Solutions Provider

Building the Business Case for Sustainable Products: Major Technology Solutions Provider Approach

The Company’s business case for sustainable products is driven by the compelling combination of environmental stewardship, customer demand, and potential for financial gains. Despite the initial costs associated with transitioning to sustainable inputs, the Company’s approach proves that integrating sustainability into product design can generate significant business value.

Assess the Current State	
1.	Sustainability Initiatives: The Company has undertaken a series of initiatives including product deconstruction and material cataloguing, mapping the supply chain, engaging with suppliers, exploring alternative materials, and scaling up the use of recycled content in their products.
2.	Strategic Alignment: The strategic alignment of the Company’s sustainability initiatives is driven by environmental stewardship, customer demand, and potential financial gains.
3.	Market Perception: The Company’s sustainable products have boosted customer loyalty. The 2023 Deloitte Consumer Signal report shows customers are willing to pay a premium for sustainable products, and many B2B customers now expect companies to take environmentally beneficial actions.
4.	Competitive Landscape: The Company has not only worked within its own supply chain but also founded consortiums and collaborated with competitors to create new supply chains for recycled materials, increasing demand for sustainable materials and attracting more suppliers.
5.	Financial Implications: While there are initial costs associated with transitioning to sustainable inputs, the Company’s approach proves that integrating sustainability into product design can generate significant business value.
6.	Organizational Capacity: The Company has demonstrated the organizational capacity to undertake large-scale sustainability initiatives, including complex tasks such as product deconstruction, material cataloguing, and supply chain mapping.

Define the Future State	
<p>Product Deconstruction and Material Cataloguing</p> <p>The Company started by deconstructing their products and cataloguing materials, providing a foundation for their product engineers to identify potential sustainable alternatives and shaping product design efforts.</p>	<p>Product Design & Lifecycle Analysis</p> <p>The Company started by deconstructing their existing products and cataloguing the constituent materials, which allowed them to identify areas where more sustainable materials could be incorporated. They also scaled up their use of recycled content to achieve maximum impact.</p>
<p>Material Sourcing</p> <p>The Company mapped its supply chain and engaged with suppliers to identify more sustainable inputs. They also experimented with creative uses of alternative materials, such as recycled carbon fiber and ocean-bound plastics.</p>	

Incorporating sustainability into product design is not just a good decision for the planet, but it's also a strategic business imperative in today's environment-conscious market.

Overview: Building Your Business Case for Sustainable Products

Considerations for Your Business Case:

- Understanding the current situation
- Business case development

Today's Focus

- Cost and Investment Analysis
- ROI and Payback Period Estimation
- Risk Analysis
- Stakeholder Engagement
- Implementation Plan
- Monitoring and Evaluation
- Communication Plan

Future State Planning

- Reflection & Next Steps

Outcome