Accelerating a transition to a Circular Economy

Raphael Stermann, Program Leader
Who We Are. What We Do.
Who We Are. What We Do.
1912
company established

800+
dealer partners around the world

1,700+
patents worldwide

$3.1 billion
annual revenue (fiscal year 2016)

15
manufacturing locations

110,000+
companies served in the last 5 years

12,000+
employees worldwide

No. 1
global market
We unlock human promise.
By creating great experiences.
In the places where people work.

To help leading organizations create “destinations” that can improve engagement, enhance wellbeing and foster innovation.
We help people by creating better places for them to work, learn and heal.
People are at the heart of everything we make and everything we do.
Who We Are. What We Do.

INSIGHT-LED
We are human-centered.
We share what we learn.
Who We Are. What We Do.

GLOBAL REACH
Who We Are. What We Do.
What We Do.

CREATE RESILIENT WORKPLACES
THAT AUGMENT HUMAN INTERACTION
Design for Wellbeing

Designing workplaces to support the holistic wellbeing of people can amplify employee engagement and satisfaction.
Create an Ecosystem

The workplace should be designed as an ecosystem of interconnected zones and settings that are destinations where people have choice and control over where and how they work.
Who We Are. What We Do.

BROADEST PORTFOLIO OF SOLUTIONS
Who We Are. What We Do.

EXPLORE + PLAN + PROVIDE
FOUNDATION

Setting the path to Circular Economy
For more than two decades, we have been developing excellence in Product Design & Performance
As the global leader in the furniture industry, Steelcase has led the way in closed-loop product design thinking.
Three pillars guide our efforts to innovate, improve, and deliver on our product promises.

- Material chemistry
- Life cycle thinking & LCA
- Reuse and Recycle
Material chemistry

Healthy materials for safe and continuous cycles
Material chemistry

1600+ materials assessed

100 parts-per-million

24 human and environmental health criteria

50+ *Cradle to Cradle certified™* products

Think®
First product to earn a C2C™ certification 2004
Life cycle thinking & LCA

➤ Identify the innovation opportunities along the life cycle
Life cycle thinking & LCA

**Integrated**  life cycle & eco-design approach

**Continuous**  LCA calculations to guide product development choices

**40+**  product LCAs and EPDs published
Reuse and Recycle

→ Build products inspired by a closed loop
Reuse and Recycle

Preferred recycled & recyclable materials

Rapid and easy disassembly of materials

Guiding material recovery
We continue to advance our know-how and best practices around sustainable (and more circular) product design:

- Pursuing dialogue with suppliers and recyclers
- Exploring circularity indicators for product development
- Contributing to the Social LCA movement
- Uncovering biomimicry-inspired solutions and fostering material innovation
- And much more!
Concurrently, and for more than a decade, we have also been expanding our know-how in “day two” services & share models.
Steelcase created services inspired by the Circular Economy
Additionally, to pave the path to a Circular Economy, we have been fostering strategic partnerships & engaging consultants

(to name a few)
“A Circular Economy is restorative and regenerative by design, and aims to keep products, components and materials at their highest utility and value at all times.”
We asked ourselves:

How might we build on this foundation and guide the business choices we make... to help ACCELERATING the transition and unfold the full potential of a Circular Economy?
ACCELERATING

The transition to a Circular model
What we knew:

- The circular economy is a **guiding framework** and a catalyst for innovation.
- It’s about systems thinking and **requires a shift in mindsets**.
- **Disruptive innovation is complex** and challenging.
What we wondered:

– What are **the skills and capabilities required** to thrive in a Circular Economy?

– What is **the business case** to optimize the business systems?
  – To align & expand business models
  – To scale service capabilities in new ways

– How might we **leverage the advances in technology** to support system-level innovation?

– How might we **collectively adopt new design sensibilities** inspired by the Circular Economy?
And most importantly...

Are we aligned in our understanding of where we are & where we want to go?
To help us with this questions, we engaged in two complementary exercises:

- Sustainability **Materiality** Assessment
- Sustainability **Maturity** Assessment
Sustainability **Materiality** Assessment:

Aimed to determine the environmental, social and governance issues that are most important to Steelcase and its stakeholders.
Sustainability Maturity Assessment:

- Two core phases.
**Phase 1:**

➤ To diagnose the current levels of integration of sustainability into business development, product development and other sustainability-related processes.

**Criteria examples:**

- Environmental product strategy
- Product System offerings
- Supplier qualification
- Monitor use and EOL
- People engagement
- Etc.
**Phase 2:**

- To define a vision for improved maturity and develop a strategic roadmap.

*Articulated around 3 main pillars for Steelcase:*

1. **NEW BUSINESS INNOVATION**
   - New business model development
   - New market intelligence

2. **ADVANCING BUSINESS EXCELLENCE**
   - Company strategies alignment
   - Engage customers

3. **EXPANDING BUSINESS FOUNDATION**
   - Knowledge & competence development
   - Stakeholder engagement

🌟: high influence
⭐️: medium influence
⭐: low influence
The sustainability **Materiality & Maturity** assessments enabled us to:

- Evaluate our strengths and gaps, and to socialize this assessment across the company
- Collectively create a shared vision in line with the greater Steelcase purpose and material issues
- Have a basis for setting strategic goals, and understand how they feed one-another
- Engage stakeholders more easily thanks to a common language
- Start translating the vision into an action plan and monitoring progress
PROMISES

To unfold the full potential of CE
The promise of New Business Innovation:

We need to **embrace real change and innovation** in our business models.

At Steelcase, we continue exploring and experimenting with new business models inspired by the Circular Economy.

This also requires a shift in our approach to evaluating risks and profits!
The promise of **Designing for Circularity**: 

We need to **embrace new design sensibilities**.

- Long life
- Sharing
- Modularity
- Re-pair
- Re-furbishing
- Re-assembly
- Re-manufacturing
- Re-valorisation

**DESIGN FOR CIRCULARITY**

supported by

CIRCULAR SYSTEMS
The promise of the **Internet of Things**:  

We need to **embrace new technologies and analytics** as connectivity is key!  

Integrated in our products and the workplace, technology will allow insights into:  

- Use patterns  
- Performance patterns  
- Location and availability  
- Provenance  
- Specifications and product/material value  

...and will ultimately enable smarter circular systems by informing decisions.
The promise of Design Thinking:

We need to embrace human-centered service design.
The promise of **Co-creation with customers**:

We need to **pave the path together with our customers**.

- Products → Smart, Connected Environments & Services
- Intuition → Data-driven analytics
- Products → Performance
- Transaction → Relationship
Conclusions

Learnings from a global company
Our ability to accelerate the transition to a Circular Economy will require:

- To continue leveraging CE as a guiding framework for innovation, in particular for business innovation
- To continue building and enhancing a supportive organizational & innovation culture
- To develop the adequate business foundation across the company
- To empower the key stakeholders within the company
- To demystify and change our approach to risk & ROI
- To continue engaging in strategic partnerships
- To leverage the promise of IoT
- To continue living our design thinking approach
- To co-create with customers
The ability to anticipate and adapt is what has helped make Steelcase a 100+ year old company.

The circular economy is really about thinking in terms of complex, adaptive systems.

Fueled by technology, it creates a new framework for resilience – one that we believe will propel us through the next 100 years.