

EFMD & Business: Making Real Progress in Sustainable Development

EFMD is proud to announce the publication of *The Sustainable Business: Resource-Life Extension*, the newest addition to its portfolio of sustainability based education and training materials

Available as a free download for businesses and business schools, this latest volume of application exercises is the second workbook in the series and is designed to walk participants through the beginning stages of resource-life extension, the foundation on which circular economics, cradle-back-to-the-cradle, closed-loop production and similar resource-recapture concepts are based.

Measurable results are a certainty – and any organisation that earnestly undertakes the exercises can expect to reap significant financial benefits.

EFMD offers this workbook in conjunction with *The Sustainable Business* and *The Sustainable Business Workbook: Waste Elimination*. These books are now being used as workplace training guides in a number of businesses and they can be easily put to use as a post-graduate business school elective that blends theory with application. Moreover, all three books have been translated into Simplified Chinese by National Chengchi University in Taiwan. Arabic translations will be available this summer, courtesy of the University of Dubai.

The importance of resource-life extension

To accommodate a growing population that is becoming increasingly affluent and living longer (all of which escalates material consumption), smart businesses are beginning to transform from a production-based business model into a more intelligent performance-based model that uses less to do more.

The core of this is resource-life extension, a process that helps marshal the planet's finite resources by extending the life of materials to maximise profits, reduce waste and pollutants, and create jobs. Remanufacturing provides a good example. As far back as 2004, a look at remanufacturing used automotive engines compared with manufacturing brand-new engines revealed lower economic costs (30%-53%), lower raw material consumption (26%-90%), lower waste generation (65%-88%), lower energy consumption (68%-83%) and lower emissions (50%-88%) including:

- 73%-78% less CO₂,
- 48%-88% less CO,
- 72%-85% less NO_x,
- 71%-85% less SO_x, and,
- 50%-61% less non-methane hydrocarbons.





‘The Sustainable Business’ is the operational guide for the sustainable development of our company, not least because it summarises the abstract concept of ‘sustainable development’ into two forms of application – waste elimination and resource-life extension – and lays out a clear path to their achievement

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“The United Nations (UN) has set a goal of becoming climate neutral and environmentally sustainable. We call this initiative ‘Greening the Blue.’

We heard about the Sustainable Business programme, downloaded the materials from the EFMD website, and asked Jonathan Scott and Walter Stahel to conduct a training session for UNFPA staff at UN City in Copenhagen, where 42 UNFPA staff members had the opportunity to learn about the principles of sustainability and how waste reduction and circular economics (resource-life extension) helps our suppliers while at the same time achieving the goals of the UN.

As an introductory text, The Sustainable Business offers us real examples from well-known companies and emphasises the financial benefits of being sustainable. And the attractiveness of the workbook programme lies in its self-implementation methodology and a results-orientated focus on efficiency and profitability for our suppliers.”

**MORTEN SORENSEN, DEPUTY CHIEF, PROCUREMENT
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Additionally, remanufacturing engines creates jobs because skilled workers are needed to take apart and inspect the old engines. Furthermore, remanufactured engines are more durable than new engines because heat and vibrations from everyday use causes new engines to solidify and settle– all of which makes a used engine stronger.

“Just keep in mind that extending the life of resources isn’t only about remanufacturing,” says Jonathan Scott, author of *The Sustainable Business*, and co-author of its workbooks. “Additional examples include training an employee to perform different tasks; finding multiple uses for a chemical, tool, material, machine, building, work area or process; sharing employees, tools, equipment, shipments/deliveries and research projects; making joint purchases with other companies; exceeding the average lifespan of a tool, machine, building or material; decreasing employee turnover and absenteeism; adopting cascading uses of components, materials and resources (such as water); facilitating repeat customers, and so on.”

Scott speaks from experience. For years, as part of his sustainability courses taught at business schools across Europe, he has required his students to conduct waste assessments in local businesses – the results of which have showed hundreds of businesses in over a dozen countries how they can achieve millions of dollars in (combined) cost savings.

Recently, he and Walter Stahel (the pioneer behind resource-life extension) worked with a factory in Yancheng, China, and in less than three hours showed that it was possible to achieve 1.3-million RMB in annual cost savings if the waste in several key areas was reduced by a mere 5%.

How the books work

The exercises in the workbooks are designed to be administered over several months by a manager or teacher with experience in project management, change management, team building and/or coaching (an MBA programme is an ideal setting).

Participants first read *The Sustainable Business* and then meet to go over the programme and its objectives (to cut costs and increase revenue by examining sustainable practices). The assignments are completed by the participants at the businesses where they work. The participants then meet again to give short presentations describing the estimated results of the exercises they were assigned.

This is a lively process that stimulates an exchange of best practices and problem-solving ideas. It is important, however, that the workbooks are done in the proper order because waste elimination should precede resource-life extension (this is fully explained in *The Sustainable Business*).

Just as important, after completing the programme, businesses can administer it to their suppliers and distributors so that even more waste and revenue can be squeezed out of logistic chains. This is why the Yueda Group, one of China's largest state-owned conglomerates, is adopting the programme among its numerous subsidiaries and partnerships.

Networking and more information

Does your sustainability program deliver financial results for its participants? Or are you still over-emphasising 'going green' (which only covers a fraction of the sustainability spectrum) and recycling (the most wasteful and expensive of the closed-loop options) as a means of proving your sustainability credentials?

Sustainable development is reliant on co-operative networking, ongoing education and measurement. If your business or business school would like to administer the sustainability workbook programme and join its growing network, please contact Jonathan T Scott through the Facebook page of *The Sustainable Business* or through his LinkedIn profile.



TOP:

Walter Stahel (left), and Jonathan Scott answer questions at a business forum in the Yancheng Economic and Technical Zone, Yancheng China. The forum was hosted by Chen Yunhua, Chairman of the Yueda Group, deputy to the 12th National Party Congress and chairman and secretary of PC.

ABOVE:

Walter Stahel (left) and Jonathan Scott conduct a training session at the United Nations

The Sustainable Business Workbook is available for download from the EFMD website:

www.efmd.org/sustainablebusiness



'The Sustainable Business' and its workbooks are a great source of significant value, both practical and profound and worthy of a thorough reading by every business and industrial zone that wants to increase its chances of profitability and survival in a world that is facing many challenges

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