Product Renovation and shared ownership: sustainable routes to satisfying the World’s growing demand for goods

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Consumer Growth and Sustainability

A few basic points

• Industry produces goods from primary materials, energy and labour.

• The demand for consumer goods is a function of personal affluence.

• Globally the number of people who will be wealthy enough to live a developed lifestyle could triple by 2030.

• The IEA want to reduce global emissions from industry by 23% as part of its green house gas reduction strategy
Will progress help us?

- Modern plants are more energy efficient so have lower emissions.
- Designing for purpose not surplus will reduce our material demand.
- Improved scrap recovery and recycling reduces demand for new material.
- Substitute low emission materials for high emission ones.
- Reduce packaging.

But we will still only be able to produce half the goods we want within the emission target.
What do we do with our goods

Use them occasionally

Store them mostly

discard them when a new design comes along
What we could do

Hire if we don’t use it often

Share if we use regularly

For the user - Lower up front cost
For business – Predictable income
For the environment - Fewer goods needed
Some more options

Make things stronger & repair them so they don’t need replacing so often

Remanufacture worn out goods

Convert obsolete ones
Yet More Options

Sell unwanted goods

Find alternative use for discarded goods
Same strategies apply to “sustainable” technologies
All these activities go on but why are they not mainstream Businesses?

Perceived barriers to promoting product life elongation

- Capital constraints
  - No take back supply chain
- Consumer perception
  - Consumer behavior
- Cost restraints
  - Lack of standards for reused goods
- Cultural expectation of new models
- Lack of knowledge
  - Cultural expectation of new models
- Secrecy within supply chain
- Complex supply chains
- Time constraints
  - Secrecy within supply chain
- Capital constraints
  - No take back supply chain
- Complex supply chains
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Business drivers towards longer product life and higher product utilisation

- Disruption of material supply
- Impact on profitability
- User demands/attitudes
- Future Cost uncertainty for materials
- Future Cost uncertainty for energy
- Policy

*If you can’t influence it, it’s a risk to your profits*
What are the business benefits of extending product life and shared ownership

- Lower material price
- Lower material price volatility
- Reduced risk material supply disruption
- Long term relationship with customers
- Opportunities for partnerships
- Potentially higher profits
- Environmental impact

Servicitzation is the new mass production
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