

The Opportunities Become Clearer

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In a world facing finite resources and growing environmental problems, the concept of the circular economy has become a beacon of hope. It offers a unique business opportunity that not only promises financial growth, but also makes an important contribution to environmental sustainability. Circular economy business models essentially aim to break the traditional link between economic growth and resource consumption, thereby promoting resource efficiency and sustainability.

Unleashing competitive advantage

At its core, the circular economy aims to rethink the way we design, manufacture and use products. Companies can use a circular economy-based business model to reduce their resource consumption while extending the life of their products. This leads to significant benefits along the entire value chain. For example, Apple improved the design of its products to increase their lifespan and repairability. Refurbed, Momox and Rebuy, on the other hand, offer an online marketplace where consumers buy and sell used products and thus extend their product life cycles, including books and media. Furthermore, there are specialised companies that focus on the purchase, refurbishment and resale of used IT hardware.

Ownership and product life cycle

One of the biggest challenges in implementing the circular economy is that in most cases manufacturers of products do not have an overview of where their products are after they are sold, and they are effectively "lost" after their first cycle of use. To bridge this gap and promote the circular economy, innovative companies have therefore developed new business models. Foxway, for example, retains ownership of the IT products it offers, enabling multiple cycles of use. Nornorm and Lendis offer similar deals for workspaces and furniture. And Alchemy Global Solutions specialises in taking back products at the end of their useful life, working closely with manufacturers to implement efficient take-back logistics.

Circular economy as an investment opportunity

However, the benefits of circular models go beyond the realm of economics: because circular economy practices are inherently aligned with various environmental sustainability goals, including the United Nations Sustainable Development Goals (SDGs). In the field of impact investing, circular enterprises have therefore become the darlings of impact funds. They are in line with a large number of the 17 SDGs in total, which makes them attractive investment candidates. For example, circular companies can reduce carbon emissions, limit raw material consumption and minimise waste generation. And:

The circular economy ecosystem is evolving rapidly, driven by regulatory changes and changing consumer preferences. This evolution is creating new markets and financially attractive opportunities for investors.

The emergence of the circular economy as a business, sustainability and investment opportunity represents a critical shift in the way we view economic growth, resource use and environmental protection. Companies that embrace circular models not only gain competitive advantage, but also play a critical role in achieving global sustainability goals. Moreover, impact investors are increasingly recognising the potential of circular businesses to deliver both financial returns and positive social and environmental impacts. As the world faces increasing resource scarcity and environmental challenges, the circular economy is becoming not only an opportunity, but at the same time an imperative for companies and investors.

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