

Circular Business Transformation: Finding Your Starting Point

Moving to a circular business model may seem daunting, but most successful strategies begin with small, focused steps that build momentum over time. Every business is at a different stage of its circularity journey - some are just beginning to explore circular economy principles, while others are already piloting innovative business models.



What is the Circular Economy?

The circular economy is a model of production and consumption that aims to keep resources in use for as long as possible, extracting maximum value from them.

Why it matters now?

Businesses need to be on the front foot. They need to have a plan for the role of circularity in their strategy. That role might not be big today, but that should be a purposeful and informed choice, not an accidental blind-spot.

A growing wave of businesses are already using circular models to unlock new customer value and gain first-mover advantage.

Humanity is currently using
1.7 times

more resources per year than our planet's ecosystems can regenerate.



The regulatory push is accelerating

Circular economy regulations are rapidly evolving from voluntary frameworks to mandatory requirements. Governments across multiple jurisdictions are implementing sweeping changes that will fundamentally alter how products are designed, manufactured, sold, and disposed of.



Businesses across the UK and EU are being held financially accountable for the environmental impact of their products - from production to disposal.



Transparency requirements are increasing, with mandates to track materials and prove sustainability claims.



New rules are pushing companies to design products that are longer-lasting, easier to repair, and fully recyclable.



Non-compliance is becoming costly, through fines, taxes, or loss of access to key markets.

The biggest challenge is choosing the right first step for your business today.

Balancing long-term circular ambitions with current commercial realities is essential. The first step needn't be large - but failing to start can be costly. Business leaders need to honestly assess where they are today and make an informed decision about what comes next.

Circularity Ready Reckoner

Our Ready Reckoner is a simple diagnostic tool that helps establish your circularity baseline and diagnose where you are on your circularity journey.



Question 1

Does your business have a clear view of the sustainability and circularity regulations that could impact it?

YES NO



Regulatory Scenario Planning
Developing clarity on the possible impacts of sustainability regulations on your business

Potential Implications

- > Anticipate compliance costs before they hit your bottom line
- > Position ahead of competitors caught off-guard by new regulations
- > Build resilience against regulatory uncertainty
- > Turn compliance obligations into market differentiators



Question 2

Has your business assessed the potential role for circular business model within your value chain?

YES NO



Circular Value Chain Diagnostic
Assessing the opportunities and risk that circular business models present to your value chain

Potential Implications

- > Pinpoint hidden waste streams costing your business
- > Uncover supply chain vulnerabilities before they disrupt operations
- > Map resource flows to identify circular intervention points
- > Quantify the business case for circular investments



Question 3

Has your business developed a circularity strategy integrated into overall business strategy?

YES NO



Circularity Strategy
Building strategies using circular business model to deliver customer value & competitive advantage

Potential Implications

- > Define your competitive positioning in the circular economy
- > Align sustainability goals with commercial objectives
- > Create roadmap for systematic transformation
- > Build stakeholder confidence through clear circular vision



Question 4

Has your business developed an approach for trialing new business models?

NO



Business Model Innovation
Developing the capabilities to rapidly assess and trial new business models

Potential Implications

- > Unlock new revenue streams from circular approaches
- > Transform cost centres into profit generators
- > Create customer lock-in through service-based models
- > Scale circular solutions for exponential growth potential

The value creation opportunity

Circularity delivers value in ways linear models can't. The sustainability imperative is real - but the commercial opportunity is even greater. Is your business ready to turn circularity into a competitive advantage?



New revenue streams



Increased customer loyalty



Supply chain resilience



Enhanced stakeholder preference



Regulatory compliance

About Cognosis

We're a London-based strategy consultancy

We unlock business potential by creating strategies that drive sustainable growth. For over 25 years, we've been igniting growth across more than 60 countries with some of the world's most ambitious companies.

Our award-winning approach to business model innovation development has underpinned successful programmes with some of the world's most trusted brands including AB InBev, AkzoNobel, McCormick & Company, Diageo, Hiscox, Three Mobile and DS Smith amongst many others.

What we do

STRATEGY

- > Business Strategy
- > Competitor Strategy
- > Strategy Implementation

INNOVATION

- > Business Model Innovation
- > Brand & Product Innovation
- > Value Proposition Development

CIRCULARITY & SUSTAINABILITY

- > Regulatory Scenario Planning
- > Value Chain Diagnostics
- > Sustainability Strategy

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