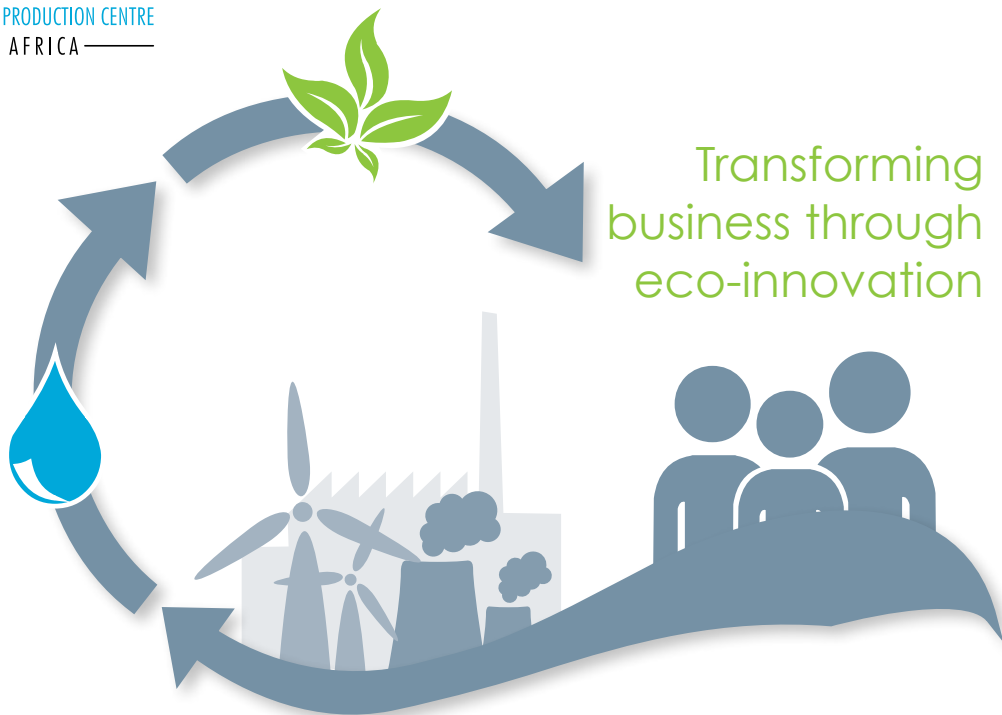




NCPC

NATIONAL CLEANER PRODUCTION CENTRE

— SOUTH AFRICA —



Eco-Innovation Programme

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Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

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Eco-Innovation Programme

Transforming business through eco-innovation

The South African Eco-Innovation Pilot Implementation Project is a collaborative initiative between the National Cleaner Production Centre of South Africa (NCPC-SA), the United Nations Environment Programme (UNEP) and Stellenbosch University.

What is Eco-Innovation?

Eco-Innovation is the development and application of a **business model** that is shaped by a new business strategy, which **incorporates sustainability** throughout all the **business operations** based on **life cycle thinking** and in cooperation with organisational partners across the value chain.



Life cycle thinking goes beyond the traditional focus on the production site and manufacturing processes to include environmental, social and economic impacts of a product over its entire life cycle.

Once a coordinated set of modifications or novel solutions to products (goods/services), processes, market approach and organisational structure have been implemented, eco-innovation leads to enhanced performance and competitiveness.

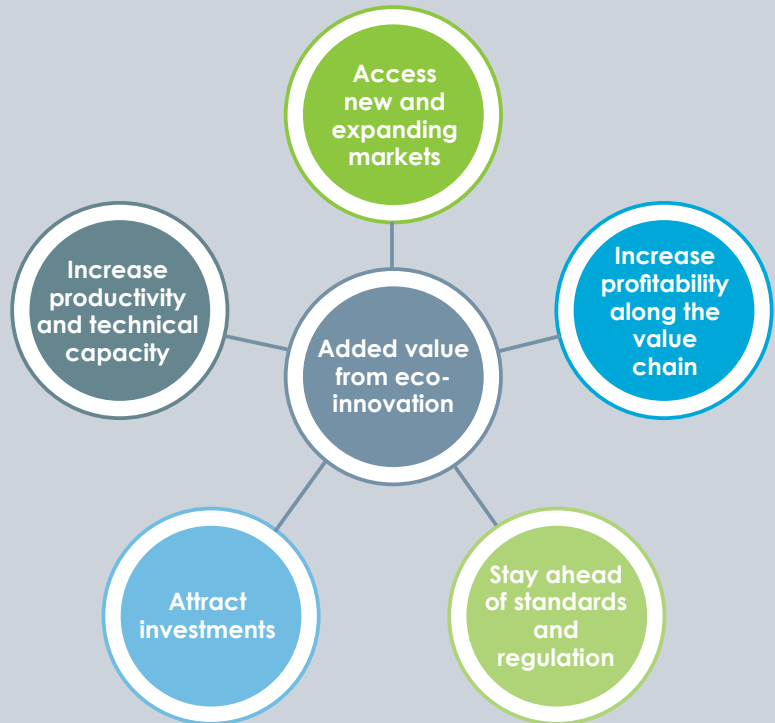


How does Eco-Innovation apply to your business?

Eco-Innovation is applied across the business from the strategy and business model through to operational activities such as design, production, purchasing and marketing. For a company to be truly successful, eco-innovation must be embedded in the culture and working practices of the company.

Whilst a significant investment in terms of time, resources and effort needs to be made, by a company, to implement eco-innovation the long term cost savings and increased efficiency is worth the investment.

Business drivers for eco-innovation



“**Eco-Innovation** provides a win-win solution to **improving economic competitiveness and sustainability** as it **starts at the company strategy level** and extends influence beyond the company gates **to the supply chain.**”

Why do companies need to eco-innovate?

With rising energy costs, disruptions to the supply of raw materials and changes in legislation there is a need for companies to take action and avoid the risk of failure when these issues impact industries. In other words companies should identify and exploit opportunities for innovation that will add value to the enterprise and the customer whilst reducing environmental risks and costs.

Eco-Innovation is an approach that aims to fulfil these multiple requirements by identifying the key sustainability challenges and opportunities and then using these to drive changes throughout the company and its value chain, from the business strategy and business model, through to the operational level. Whilst offering opportunities for growth, cost reduction and competitive advantage.



Eco-Innovation adds value by:

- **Creating access to new and expanding markets** – There are a number of market opportunities for companies who eco-innovate in existing market segments i.e. those who have an interest in sustainability. Or there could be opportunities in segments of entirely new or emerging markets that impose stringent sustainable procurement policies and standards.
- **Increasing profitability along the value chain** by modifying processes to reduce key impacts, designing products to allow easier recovery and reuse of materials are some of the ways to increase profitability.
- **Stay ahead of standards and regulations** – Meeting requirements of environmental legislation is often viewed as a costly but necessary activity. However, it can also be a source of competitive advantage if, for instance, changes in regulations lead to new market opportunities that are identified by leading companies.
- **Attract investments** – Smaller companies that have shown capacity to eco-innovate can attract investment from larger companies that are struggling to find suppliers in order to scale up production, improve product quality and so forth.

Public funds are also easier to obtain if the company is able to demonstrate significant sustainability as part of a funding proposal.
- **Increase productivity and technical capacity** – Workers prefer to work for companies that are environmentally responsible – this in turn assists companies to attract, recruit and retain skilled innovative individuals.

Often eco-innovation also requires new skills and competencies. Investing in relevant training to meet these needs has shown to have significant pay-off in terms of working practices and greater innovation.





For more information or enquiries about any of the services of the NCPC-SA, please visit our website or contact us on

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