



Resilient businesses: how circular collaboration makes your business stronger

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How do you make your business more resilient in a world of unexpected events and crises? What seemed implausible a few years ago is now a growing trend: long-term partnerships, based on a highly motivational shared goal, have proved to be a powerful tool for making businesses more resilient. In this article, we share some inspiring examples and look in particular at how long-term partnerships make businesses more resilient and robust.

Resilience and robustness: the impact of crises on businesses

Business owners are used to risk management. They spread risks by diversifying, serving multiple customer segments, maintaining a wide product portfolio, offering additional services and so on. These are good practices, because 'exceptional' crises and major unplanned events such as pandemics, extreme weather conditions, wars, and political/geopolitical shifts are becoming increasingly common.

The effects of these events are hard to predict, but they can have a direct impact on your business or infrastructure, as well as affecting your activities indirectly. The consequences for turnover, sales and other aspects of your results can be either positive or negative. The same goes for your value chain and stakeholders, of course, which is why we would like to take a closer look at the importance of chain collaboration.

How businesses become resilient

Relationships as a basis for resilience

The negative consequences of crises often dominate the news, but there are plenty of examples of businesses that have become more resilient and better able to withstand crises thanks to long-term relationships.

There is a clear trend towards businesses offering their high-quality products on the basis of long-term contracts. Forms of collaboration and co-creation where there are shared long-term goals are becoming increasingly common, even extending to contracts that were unthinkable a few years ago. For example, agreeing a contract for PaaS (Product-as-a-Service) for a period of 10 years used to be rare. In 2023, this was one of the themes during the Sirris Executive Exchange session of the CE Connect learning network. At the time, it was said that customers do not want to take the risk of committing to a supplier for a longer period. Since then, there have been several businesses that have started marketing their high-quality products through long-term contracts of this kind. In fact, this looks like an emerging trend. Forms of collaboration and co-creation with shared long-term goals are becoming increasingly common.

Successful examples of collaboration

- **Proximus, H. Essers, CDTI and Entra Group:** These businesses work closely together on [carbon-neutral operational processes, including transport \(Proximus/H. Essers\), with a focus on refurbishing electronic devices](#) (Proximus/CDTI/Entra Group). Partnership contracts over terms of up to 10 years are in place. In other words, these businesses are looking beyond short-term gain and striving for structural collaboration. Shared goals and a long-term partnership enable all parties to flourish.
- **Q-lite and De Lijn:** LED screen manufacturer [Q-lite has a PaaS \(Product-as-a-Service\) agreement for the installation of 300 to 500 digital displays for De Lijn](#). This agreement includes 15 years of maintenance and a guarantee that 99.8% of their bus stop displays will be working properly at any time. The service contract runs for a period of eight years.
- **ETAP Lighting:** ETAP Lighting is increasingly selling [Circular Light as a Service \(C-LaaS\) projects](#) with contract periods of up to 20 years. Dozens of buildings such as hospitals, schools, public buildings and business premises are now using this service. ETAP works together with installers, who in turn appreciate the benefits of structural long-term contracts of this kind. The strength of this partnership, combined with ETAP's own R&D and high-quality production close to the customer, make it easier to win C-LaaS contracts and manage them profitably.
- **Fanuc:** Fanuc is placing even more emphasis on [the lifelong repairability of products and offering cost-effective solutions to customers](#). This requires an innovative approach, including repairing devices with outdated technology. Fanuc uses re-engineering to develop upgrades that are compatible with older systems, and is strengthening collaboration with its component suppliers with this in mind.

- **Project Remanumaat:** [Sirris is investigating how long-term collaboration between manufacturers and sheltered workshops leads to successful product repairs, upgrades, reuse, retrofitting, refurbishing and so on.](#) Building and earning trust, mutually recognised roles and clear responsibilities form the basis of an effective partnership.

There must be even more examples worth mentioning of businesses that are leveraging long-term partnerships. Does your business have a partnership of this kind that contributes to the circular economy?

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This will help us to motivate other businesses to take action!

[Share your story and inspire others!](#)

What makes businesses resilient?

Businesses that enter into long-term partnerships make a conscious choice to bind themselves to partners. Many businesses see this form of dependency as placing restrictions on their freedom and flexibility. In a linear model, dependencies of this kind seem to be less present, which is why they are often seen as an advantage. But is this really the case? Practice suggests otherwise.

Take the blocking of the Suez Canal by the container ship Ever Given. This incident had a major impact on our manufacturing industry and exposed the vulnerability of highly centralised supply chains such as those for electronics and batteries. The consequences were quickly felt: longer delivery times, shortages of parts from the Far East and further disruption to supply chains, all on top of the after-effects of the Covid crisis. The vulnerability of these supply chains illustrates how tied in manufacturing businesses are in the linear economy.

Businesses with circular solutions such as remanufacturing and refurbishing have proved to be far more resilient. A good example of this is Proximus, which managed to continue serving its customers with refurbished products during this incident.

Solutions in response to unexpected crises

Businesses with diversity in their sources of income, supply chains and product range show more robustness. An example here is businesses that use both new and refurbished components, serve various customer segments or offer products as a service. These businesses are less dependent on a single model and can find an alternative solution more quickly, which means that unexpected setbacks have less impact.

When the electronics supply chain was disrupted, for example, it turned out that reusing components and refurbished products not only represented a solution for businesses, but was also increasingly accepted by customers. This generated permanent extra income from which these

businesses continue to benefit.

New revenue models offer opportunities

Long-term relationships are a powerful means of increasing resilience. They provide more stable and predictable revenue and create opportunities for additional revenue models, such as:

- Retrofitting, refurbishment, remanufacturing: repairing, upgrading and selling products that have reached the end of their first phase of life.
- Part harvesting: reusing valuable components for repair or sale.

These revenue models can exist in parallel and respond to the needs of different customers or users. Although they create extra dependencies, they also offer flexibility by providing multiple solutions. If something unexpected happens, some of these revenue models may remain operational, or knowledge from one activity may lead to new insights and solutions for others. In this respect, the network of interdependencies, far from being a limitation, is a powerful means of ensuring resilience.

Resilient business: how do you get started?

Start small and learn fast

A circular transformation starts with small-scale experiments according to the fail-fast principle: you make inexpensive errors with a known maximum cost and a high potential return.¹ An example of the maximum cost might be a limited time investment or a small budget that you determine in advance in order to test out your approach. The high potential return might be finding new sales opportunities, access to new markets or improved delivery reliability.

This enables you to gain experience while limiting the risks at the same time, so that making mistakes isn't a big deal: the focus is on learning and taking advantage of opportunities. In addition, this approach quickly provides valuable insights and experience, which come in handy when an 'unexpected' crisis occurs.

Prepare for the future

By experimenting, you can reduce uncertainty about sudden changes. Past solutions are no guarantee of future performance, but by testing on a small scale you build up a better picture of what's feasible and why. That way you avoid falling into the trap of thinking: 'We've always done it this way and it's produced adequate results.'

Understand the bigger picture

How do different initiatives work together? What are the long-term effects? By looking at the numerous relationships between the different initiatives, you can also spot new links. These may lead to you setting up an extra fail-fast project. By gaining experience, you increase your understanding and prevent yourself from acting purely on the basis of theoretical knowledge. After all, practice is not the product of theory.

Conclusion: build a resilient business

Long-lasting relationships such as long-term contracts and co-creation with shared goals increase the robustness and resilience of your business. By consciously entering into long-term partnerships, you gain more control over the relationship and the potential joint results.

Combining different revenue models increases your organisation's flexibility and learning capacity. This makes your cost-benefit model more resilient and less sensitive to unexpected, unplanned events. If you embrace interdependencies and take a step-by-step approach to them, your business will learn faster and be better prepared.

Does your business have experience of this? And are circular concepts involved?

[Share your story and inspire others!](#)

Reading tips

[Discover seven key insights for eliminating obstacles in the circular economy](#)
[Take inspiration from some of our case studies and the success factors they highlight](#)
[How to select an approach that leads to circular progress](#)

Sources

- ¹Taleb, N. M., 2020, Antifragiel – Dingen die baat hebben bij wanorde, Uitgeverij Nieuwezijds (pg 179)
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