



18th LJUBLJANA SUMMER SCHOOL
Take the Best from East and West
3 - 21 July 2017

University of Ljubljana

FACULTY OF
ECONOMICS

LJUBLJANA SUMMER SCHOOL 2017

COURSE TITLE: LEADING CHANGE TO A CIRCULAR ECONOMY

Type of course: Bachelor course (for students in the final year of study) & Master course

Lecturer:

John McMackin, PhD, Dublin City University, Ireland

Jurij Giacomelli, MSc, Faculty of Economics, University of Ljubljana, Slovenia

ECTS credits: 7

Aims of the course:

Circular economy is a systemic solution aimed at redesigning the concept of manufacturing and creating a more sustainable and viable relationship among the three cardinal components of the production cycle: environment, consumer and producer. In light of the perils produced by a globalized world characterized by mass markets and mass waste, which have been critically endangering earth's biomes and human wellbeing, **the circular economy model provides a solution to reverse this trend**. The circular economy not only wants to prioritize a responsible state of mind on a level of personal interaction but is, at its core, fundamentally geared towards providing a vital link to aid both large scale and small scale businesses in orienting their production in a way that consents them to re-value those materials which are conventionally thought of as unusable, thus creating a cyclical loop that is cost-efficient, durable and enables a sustainable approach to the environment. The circular economy therefore represents a systemic shift and requires fundamental rethinking and redesign of business models in every organisation. Furthermore, it represents a game-changing development in our global business environment, bringing about new opportunities for existing and new business ventures.

A transition from conventional, linear business models to circular ones is a complex process which requires a holistic approach. First, it requires from business leaders a deep understanding of the dynamics of the changing business environment, in which the availability and relative scarcity of natural resources and energy have become key drivers of change. Furthermore the understanding of globalisation effects and technological transition, both defining the societal dynamics are a prerequisite to capture the underlying systemic and regulatory framework and foresee how it will change in the near future.

Second, business leaders today have to develop and lead through a thorough rethinking of ways their organisations work today in order to identify possible starting



points for the redesign of their business models. However, that is just the beginning of a **complex transformational journey**, which requires capabilities of change management being applied in new ways. Two fundamental issues distinguish circular business transformations from conventional ones. The first one stems from the fact that such a transformation is typically about a discontinuity of conventional business conducts, practices and even values. It is a broad strategic innovation process, which requires new ways of thinking, new skills and new ways to measure success and failure. Secondly, such a comprehensive business transformation requires a holistic engagement of all relevant stakeholders. Collaboration becomes a decisive organisational ability, which requires not only a shift in the underlying organisational culture or the management of key competencies, but, consequently, also in its hierarchy, prevalent managerial style, narrative and communication.

Leaders in circular transformation should essentially be design thinkers. **Design thinking for business transformation** is therefore an essential approach being thought at the course. Students learn how to deploy design thinking in specific context of a systemic circular change. Furthermore, the course aims to introduce students to the **key concepts of change management** in organisations, considering the key theories and research in this domain. Last but not least, **specific leadership skills and management tools** need to be acquired for the circular leaders to be equipped for this journey. The course aims to acquaint students with the required skills and enables them to apply them in the group project work. On the completion of the course, they will be prepared to apply the acquired material in the workplace.

Specifically, the course aims to:

- Acquaint students with principles of the circular economy the consequences of the systemic shift deriving from it;
- Explore the dynamic context of circular transition by considering the multitude of external and internal factors that drive or impact on this systemic change at the level of a single organisation or enterprise;
- Develop the ability of design thinking and develop the ability to apply its concepts in different contexts of organisational transformation;
- Introduce students to the complex and multi-dimensional nature of organisational change and develop their critical understanding of the various models, approaches and methodologies that explain the management of change;
- Prepare students to develop an organisational skill of cooperation and stakeholder engagement by creating specific innovation environments and developing appropriate collaborative networks;
- Consider the challenges associated with the implementation of organisational change and develop students' awareness of potential strategies to overcome these obstacles and gain positive stakeholder engagement;
- Offer to students gain a holistic experience through the group project work.

Course syllabus:

| Day | Topic | Lecturer | Readings and Requisites |
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| Tues, 4th (Day 1) | <p>Introduction to the Circular Economy</p> <p>Course introduction and objectives</p> <p>What is circular economy? Understanding the dynamics of change in the environmental, social, and business context</p> <p>Introduction to the group work assignment</p> | JM JG | <p><u>Reading for Day 1 and 2:</u></p> <p>Selected sources from www.circularchange.com</p> <p>Selected Readings from the New Dynamics; Tim Brown: Design Thinking; Tim Brown with Barry Katz: Change By Design; The Circular Dairy Economy Report; Circular Amsterdam</p> |
| Wed, 5th (Day 2) | <p>Circular design thinking for business model transformation</p> <p>Service design and Business Model Design</p> <p>Presentation of Aquafil</p> | JG | <p><u>Reading for Day 3:</u></p> <p>Kotter on Leading Change</p> <p>Case Study: Aquafil Closing the Circle</p> |
| Thurs, 6th (Day 3) | <p>Leadership skills for a circular economy</p> <p>Case study discussion</p> | JM | <p><u>Read for the Day 4:</u></p> <p>Kraaijenhagen, C., van Oppen, C., Bocken, N. (2016): Circular Business, Collaborate and Circulate, The Netherlands: Circular Collaboration</p> |
| Mon, 10th (Day4) | <p>Circular Thinking: Redesigning your business model to close the circle</p> <p>The 10-step approach towards a circular business</p> <p>Company visit: AquafilSLO</p> | JG | |
| Tues, 11th (Day 5) | <p>The art of collaboration</p> <p>Stakeholders engagement and collaborative networks</p> <p>Workshop: Day 1</p> | JG | |
| Wed, 12th (Day 6) | <p>Leadership and circular change</p> <p>The new narrative: Creating circular culture</p> <p>The role of the leader in implementing and managing change</p> <p>Workshop: Day 2</p> | JG | |

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| Thurs, 13th (Day 7) | In-class individual written Case Study Analysis (30 min) Workshop: Day 3 Consultations with the company | JG | |
| Mon, 17th (Day 8) | Implementing a circular transition: implementation plan; organisation and resources; designing an implementation scorecard; Circular Balance Scorecard and Sustainability Reporting as reporting an monitoring tools for change implementation, continuous improvement and stakeholders engagement; | JG | |
| Tues, 18th (Day 9) | Consolidation of findings: Group work collaboration: experience shared Recap and conclusions | JM JG | |
| Wed, 19th (Day 10) | Deadline for the completion and consignment of the written document completion Workshop Day 4: Class presentations preparation The new narrative cont'd | JG | |
| Thurs, 20th (Day 11) | Group class presentations | JM JG | Representatives of the Company |

Bibliography:

Main conceptual bibliography

- Brown Tim: **Design Thinking**, Harvard Business Review, June 2008;
- Brown Tim with Barry Katz: **Change By Design: How design thinking transforms organizations and inspires innovation**, Harper Collins, NY, 2009;
- Christensen C. M., Marx M., H. H. Stevensen: **Tools of Cooperation and Change**; Harvard Business Review, October 2006;
- Kraaijenhagen, C., van Oppen, C., Bocken, N.: **Circular Business, Collaborate and Circulate**, The Netherlands: Circular Collaboration, 2016;
- Lafley A. G. and Roger L. Martin: **Playing to Win, How strategy really works**, Harvard Business Review Press, Boston, 2013;
- Moritz Stefan: **Service Design**, Practical Access to an Evolving Field (Köln International School of design). Stefan Moritz, London, 2005;



- Phillips Peter L.: *Creating the Perfect Design Brief*, New York: Allsworth Press, 2004;
- Roger Martin: **The Design of Business**, Why design thinking is the next competitive advantage, Harvard Business Press, Boston, 2009;
- Sanchez R. and A. Heene: **The New Strategic Management**, Chichester and New York: John Wiley and Sons, 2004.
- Stuchtey Martin R., Per-Anders Envist, Klaus Zumwinkel: **A Good Disruption**, Redefining Growth in the 21st Century; Bloomsbury Publishing Plc, London, 2016.
- Webster, K., Johnson, C., Bleriot, J., Gravis, L.: **A New Dynamic 2**, Effective Systems in a Circular Economy, Cowes, Isle of Wight: Ellen MacArthur Foundation Publishing, 2016.

Selected Sources

- Circular Change (2016). Embracing the Circular Economy Green Means Business Opportunities – Digital has an impact. Link: <http://www.circularchange.com/events/conference/>
- Ellen MacArthur Foundation (2016). Towards a circular economy: business rationale for an accelerated transition. Link: https://www.ellenmacarthurfoundation.org/assets/downloads/TCE_Ellen-MacArthur-Foundation_9-Dec-2015.pdf
- Circle Economy (2016): The Circular Dairy Economy Report: <http://www.circleeconomy.com/case/the-circular-dairy-economy/>
- Circle Economy: Circular Amsterdam, A Vision and Action Agenda for the City and the Metropolitan Area (2016): <http://www.circle-economy.com/case/developing-a-roadmapfor-the-first-circular-city-amsterdam/>
- McKinsey&Co (2015). Link: <http://www.mckinsey.com/business-functions/sustainabilityand-resource-productivity/our-insights/europes-circular-economy-opportunity>

Teaching methods:

The course provides a strong practitioner perspective and integrates a variety of teaching methods, including:

- (1) **lectures**,
- (2) **shared experience with practitioners**,
- (3) **in-class group exercises, case study analyses and workshops**,
- (4) **readings, discussions**, supported by multi-media material
- (5) **comprehensive group-work assignment** based upon a real-life challenges from a local case study.

Furthermore, the course focuses strongly on the development of two abilities:

- a) **Knowledge integration**; to integrate theoretical knowledge from multiple disciplines, together with shared experiences and findings from business analyses into new business solutions and competencies (business models) by applying a holistic, design-thinking approach;
- b) **Collaboration**; the design of the comprehensive group work assignments aims at simulating a complex real-life experience of collaboration.

The quality of the learning experience is strongly related to student participation and interaction, what tightly correlates with the completion of the designated readings and case studies.



Prerequisites:

In order to be able to successfully meet all learning outcomes of this course, active interaction with a selected company that will be treated as a real-life case study is a prerequisite. Therefore, A company visit to a real-life case in Slovenia will be organised, which will be preceded with several interactions with the representatives of the company, and followed by a delivery of the final outcomes in front of the company's management.

Sufficient time and space even outside the teaching hours for group work and collaboration among students is therefore another prerequisite for a successful completion of the course objectives.

Examination methods:

Assessment for this course will have two components

1. In-class written Case Study Analysis (30%)

A written case-study analysis is a 30-minute in-class individual examination aiming at the consolidation the acquired knowledge so far, particularly of key methods that students will further use in the group work assignment. At the assessment students will provide written answers to a number of questions about the real-life case.

2. Group Assignment Report (35% of grade)**3. Group Assignment Presentation (35% of grade)**

Students will be divided into **teams** per 4 to 5 persons and teams will be grouped into **two** divisions, each of them focusing on one particular assignment set forth by the company.

Each division, composed of two or more teams, will act as external management consultants who have taken on the role of analysing the current business model and recommending a process of circular change towards a new or extended circular solution.

The purpose of the assignment is to apply the tools and concepts we have been learning to gain useful practical insights into a real circular change situation.

The reason for combining teams into two division is to simulate a real-life situation in which people often find themselves, when they have to find ways to cooperate among themselves as individuals, but also as pre-set organisational units put together to resolve a specific tasks or accomplish a specific a project. Therefore, students will be encouraged to identify individual and group competencies among them and divide work in a new, most suitable way to meet all the requirements of the project, including:

- Design thinking work method available information, requisites, and time constraints;
- Group Assignment Report according to pre-defined contents structure;
- Presentation, which should follow the principles of "the new narrative";
- Q&A session.

Both divisions are asked to submit the final report a day before the presentations, so to be able to focus on the later and have time and focus to "translate" the reported findings into an appropriate narrative.

There will be two presentations on the final day, each should be 15 minutes long, followed by a 5- to 10- minute questioning. Each Division should prepare to answer questions from the company, lecturers and classmates.

I would encourage you to be creative in how you present; you can use whatever method you think will be most effective in communicating your message.

Note: This course is comparable to the officially accredited course Change Management; course code: 196093 (ECTS: 7) at the Faculty of Economics, University of Ljubljana.

