Boosting the circular economy among SMEs in Europe
SMEs are key to boost the transition

The world is facing unprecedented environmental challenges including: material resource scarcity, ecosystem decline, water scarcity and global warming.

SMEs are essential in the transition since they account for the majority of economic activity:

- represent **99% of all businesses** in the EU;
- account for **85% of new jobs** created over the last years;
- and provided **two-thirds of employment** in the EU private sector (Eurostat, 2018).

Non-renewable natural resources are becoming more scarce

There are large hurdles for SMEs to become circular:

- lack of awareness and knowledge due to a smaller time horizon;
- access to technical knowledge and skills;
- access to finance;
- more restricted organizational capacity;
- and lack of support from supply chain.

Closing loops will significantly change supply and value chains and thereby affect SMEs

© 2018 KPMG Advisory N.V., registered with the trade register in the Netherlands under number 33263682, is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks of KPMG International.
Reshaping the value cliff...

Adding Value
- Retail/service
- Manufacturers of end products
- Manufacturers of semi-manufactures
- Raw materials suppliers

Destroying Value

Circle Economy et al. (2016)
...into the value hill

Input
Circular Input Models (CIM)
- Circular Supplies
- Circular Product design
- Circular Process design

Use
Circular Use Models (CUM)
- Long lifetime
- Circular Product design
- Circular Process design
- Circular Supplies
- Product as a service
- Sharing platforms
- Track & Trace
- Sell and buy back/leasing

Output
Circular Output Models (COM)
- Reuse / redistribute
- Support lifecycle
- Refurbish & Maintain
- Recovery provider
- Recycling facility
- Share platforms
- Product as a service
- Sell and buy back/leasing

Circle Economy et al. (2016)
For this transition we need to inspire and help SMEs

We need to inspire and help SMEs through **SME support programmes**. Which are combinations of support services offered to SMEs to inform them about the benefits of circular economy and helps them to reduce/overcome the barriers that hinders the implementation of circular economy strategies and practices.

Examples of support services offered through such programmes are amongst others:

- collecting and communicating inspiring examples;
- offering trainings on topics and themes related to circular economy (e.g.: circular design, circular procurement);
- facilitating communities of practice;
- offering vouchers and subsidies to reduce risk for SMEs to explore/implement circular economy strategies and practices;
- support for access to finance and subsidies;
- and/or a green deal on circular procurement to boost demand.
Invest now, be in the lead for years to come

Degree to which company can be characterized as circular

Share of business community

- **Required investment to create a group of fast followers joining the circular economy - thereby facilitating a fast and smooth transition**

- **Primary focus group of support programmes**

- **Fast followers**

- **Frontrunners**

© 2019 [legal member firm name], a [jurisdiction][legal structure] and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.
Thank you

Carlo Cuijpers
Sr. Consultant
Tel: +31 6 10380602
Cuijpers.Carlo@kpmg.nl