

Generating sustainable business solutions

Elcon Solutions Oy of Paimo, Finland develops, markets and produces uninterrupted AC and DC power systems, customised DC power supplies, DC/DC converters, custom tailored electronics and wireless solutions, while importing components for green power systems. The company's main focus is on solutions for energy and industrial plants. Their battery back-up systems are necessary for guaranteeing the 24/7 operation of critical devices. Battery backed up DC power supply system solutions are being used in many power plants and stations, substations, and many other locations including e.g. uninterrupted power supply of process automation.

The challenge

Elcon was looking at exploring potential business models and understanding the impact of their business activities to help deliver social, environmental and economic benefits. Their participation in the Sustain Value project provided access to tools designed or identified for generating sustainable solutions, which resulted in their extensive involvement in the use of the tools for generating opportunities to change their business.



Approach

Sustainable business modelling tools developed in the Sustain Value project and two tools that already exist were used with Elcon to assist their business modelling approach. The tools were used for exploring the service model for Elcon – such as new offerings in monitoring facilities and equipment, new revenue streams through lease, and revenue through reuse, and configuring the new value proposition with the potential new business model.

Outcomes

The team at Elcon developed a new understanding about sustainable business models and assessment of sustainability of their own products through the application of the sustainable business modelling tools. Based on this information there has been concrete operational arrangements and also changes in ways to think about and discuss the sustainability of products. The use of the various tools resulted in following:

- Broaden thinking and formalise ideas and pathways for the new offering
- Revaluation of the existing business – vision, corporate strategy
- Generating cross organisational views and change, while encouraging openness amongst employees
- The positive impact of using shared infrastructure and resources for improving communication of production and delivery stages and being cost effective

Recommendations

The implementation of the new business model also brings new challenges to Elcon's every-day operations. In order to respond to its value proposition, operational arrangements were made and new requirements for product development were identified. In this case operational changes were accomplished by networking with another manufacturing company. In this new setting Elcon's responsibilities are in operations related to sales, services, product and service design and development while their partner is responsible for the manufacturing of the products.

Wider lessons

The development and implementation of sustainable business models is a temporal process made up of a series of incremental activities building progressively towards a more completely integrated solution. It requires a long term vision and redesigning business models for sustainability. Assisting companies in understanding the true scope of the impact of their activities on a broad range of stakeholders and identifying possible pathways to change is only part of the challenge.