

CIRCULARITY: THE CHANGE AGENT FOR CORPORATE WATER STRATEGY

Linear models of corporate water strategy need to change. Tired conceptions of efficiency and replenishment are increasingly unfit for purpose. Core principles of circularity, including sharing, exchange and optimisation, support the fundamental re-imagining of relationships between companies and their stakeholders, around water use.

Corporate Water Strategy

Our research finds that companies with a water strategy generally use it as a risk mitigation tool. The approach is linear: identify – evaluate – manage – mitigate. It has also worked pretty well: companies that are vulnerable to losing their licence to operate have generally improved their position by articulating a corporate water strategy emphasising efficiency improvements, a commitment to replenishment, etc. The problem is, this isn't really helping to fix the fundamental problem.

Efficiency

Imagine a company that is super-efficient in its water use. Right next door, there is rival company that squanders water with abandon.

Now, imagine there is a water supply shock. The super-efficient company either has to take a bigger share of what's available, or it has to cut production. Neither is an attractive option. Meanwhile, all the leaky company has to do is fix a few pipes.

Maximising efficiency isn't always a rational business strategy. And yet it's the benchmark metric for water risk.

Replenishment

This is the idea that companies offset their water use by returning it to the ecosystem. '100% replenishment' has a nice ring to it.

The problem is that with offsetting, water isn't like carbon. When, where and how water is both consumed and returned generally matters much more than the proportion replenished.

Setting aside the philosophical question of whether companies can even claim to be 'returning' water, replenishment is increasingly – and in our view, undesirably - in the zeitgeist of corporate water strategies.

Circularity and One Water

Literature on the circular economy emphasises the use of physical, usually scarce, resources. My research proposes that in terms of corporate water strategy, knowledge is similarly precious, while its ubiquity is also often wildly overestimated. Emerging business models of circularity include the sharing economy, products as services, and the rationale of partnership with competitors. I argue that they are also profoundly important to ensuring corporate water strategy remains fit for purpose.

Sharing, Exchange and Optimisation

By definition, best practice takes time to develop, and requires transparency. In terms of corporate water strategy, knowledge is acquired slowly, and the best ideas typically remain jealously guarded in competitive silos.

Circularity and the sharing economy offer the prospect of increased utilisation of knowledge and process. Commercial imperatives that drive collaboration amongst competitors are creating new marketplaces for the sharing and exchange of best practice. Smart optimisation will help reduce the vast resources wasted by constantly reinventing the wheel.

One Water

Corporate water strategies somehow need to evolve from linear risk mitigation exercises into inclusive, regenerative processes that pay more than lip service to stakeholders. This requires collaborative models that also take account of vested interests. A tall order, but it is precisely what the circular economy offers.

By extending the application of circularity models to include best practice as a scarce and valuable resource, it is possible to develop a framework that advances corporate water strategy to ensure its continued fitness of purpose. We call this framework **One Water**.

ONE WATER. IT'S TIME TO TALK-THINK IN CIRCLES



Dr Alex Money
Programme Director
University of Oxford, UK

T: +44 (0) 1865 614 940
E: alex.money@smithschool.ox.ac.uk
W: www.alexmoney.net

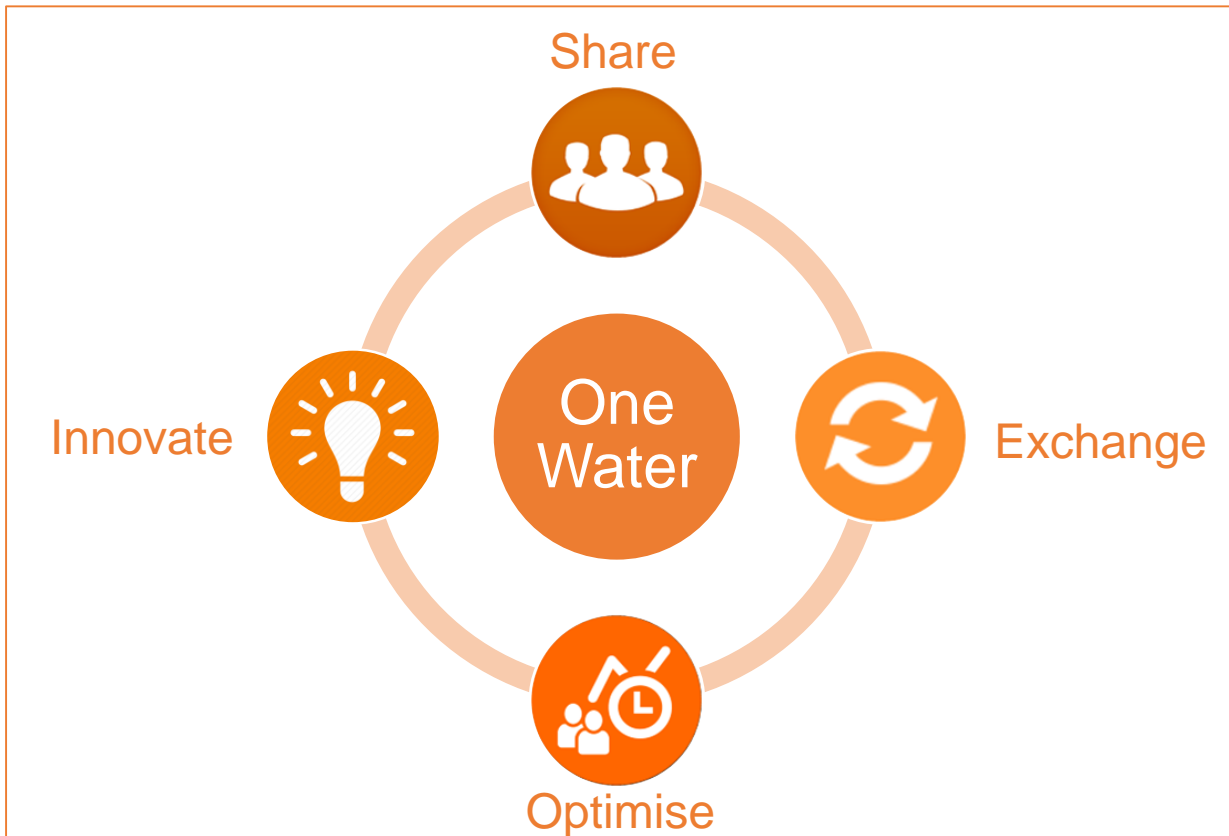
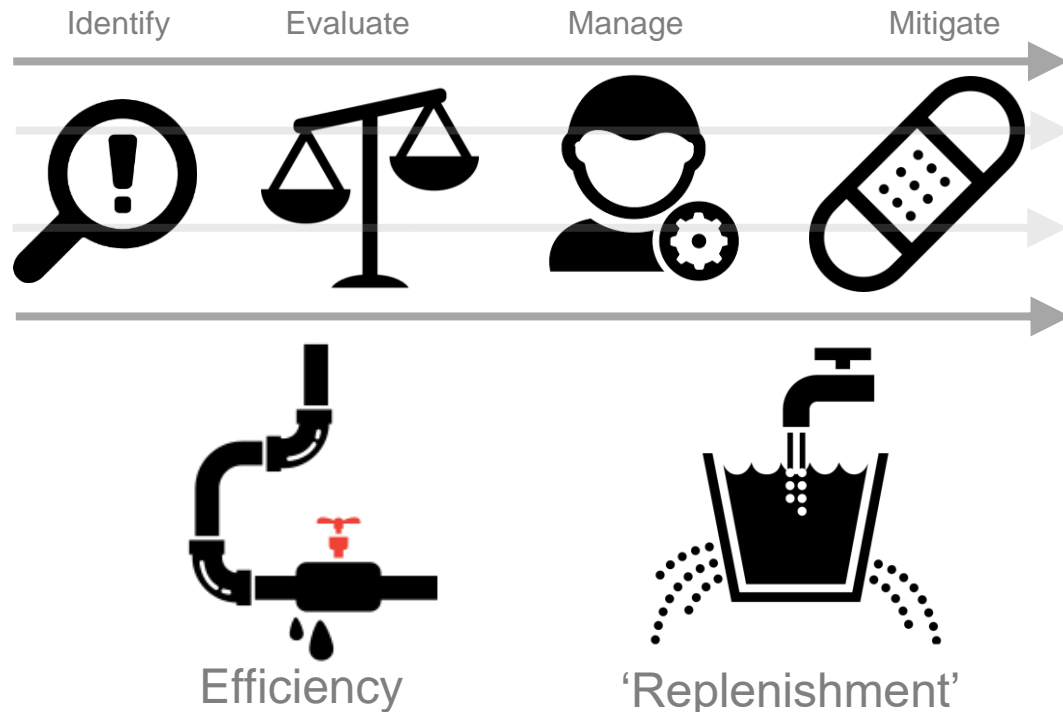
Note: this work connects to a major research project that I lead at the Oxford Smith School, called Bridging the Gap. For more information, please get in touch.



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Linear Corporate Water Strategy



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