

The Eco-innovation Project on Agri-food SME's

Empowering SMEs in agri-food Sector through Eco-Innovation



Why Eco-innovation?

In recent decades, there has been a growing recognition amongst manufacturing business leaders on sustainability challenges such as climate change, worker welfare and resource constraints which have a significant impact on businesses.

Thus, an alternative approach that can help to address sustainability related business drivers is needed whilst offering opportunities for growth, cost reduction and competitive advantage.

Eco-innovation is an approach that aims to fulfill these multiple requirements by identifying the key sustainability challenges and opportunities and then using these to drive changes throughout the company and its value chain, from the business strategy and business model to the operational level.

The Project

By NCPC Sri Lanka

- **Implementing Agency:** UNEP
- **Local Partner:** National Cleaner Production Centre Sri Lanka
- **Initiation:** 2014
- **Aim of the project:** To develop local resources and capacities for eco-innovation in developing and emerging economies
- **Target Industries:** Food processing SME's in Sri Lanka

Eco-innovation

is the development and application of a business model, shaped by a new business strategy that incorporates sustainability throughout all business operations based on life cycle thinking and in cooperation with partners across the value chain. It entails a coordinated set of modifications or novel solutions to products (goods / services), processes, market approach and organizational structure which leads to a company's enhanced performance and competitiveness

Benefits to Industries

- Enable to **save cost** through reduced resources usage such as raw material, energy & water
- **Revenue growth** can be achieved by targeting new markets, which were perhaps not suitable or interested existing service offerings.
- Ensure complying with **regulations** and **buyer requirements** through implementation of sustainable solutions
- Enhance the **relationship** of the management **with employees**
- Creation of a **network** within the industry, enhancing symbiosis between **international** & local service providers
- Ability to **learn** from the best through **success stories** around the **globe**



Case Study: Eco2Distrib

Eco2Distrib is a business established in 2008 with 10 employees in France. The company is producing consumer products to the retail market.

Business Strategy adopted

- 🌱 Change the consumption pattern of consumer goods and desire to purchase in a more sustainable way by end consumers (by a market study)
- 🌱 Expand to retail market leaders such as Carrefour, E.Leclerc, organic stores and manufacturers who are aware of environmental issues and interest in sustainable businesses.
- 🌱 Expansion to other countries such as Germany, Italy, Spain and USA

Business Model adopted

- 🌱 Manufacture machines with an electronic system that dispenses fluid consumer products such as detergents in retail stores
- 🌱 Connect to product suppliers and retail stores to reduce cost of packaging and handling individual products
- 🌱 Reduction of waste by supplying the exact quantity required by consumer
- 🌱 Reduce the environmental and economic cost of individual packaging by working with the entire supply chain

Business Growth Achieved by Implementing Eco-innovation

- 🌱 Approximate 15% annual sales growth
- 🌱 Increased income by almost 200% in 3 years
- 🌱 Increased demand beyond the current capacity of company



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