



# HERA (B): HOW CIRCULAR ECONOMY BECOME A PILLAR OF THE STRATEGY

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## Abstract

This is part of a case series. The case illustrates how a major Italian public utility company (Hera Group) developed a practical initiative of circular economy, by using second life plastic for a new type of pipeline. The adoption of this new solution under different context conditions is shown and discussed.

## Target for Teaching

- Corporate Strategy
- Innovation
- Organization
- Circular economy

## Target audience and Issues

The real-case application described in the case was quite appreciated by the students. By analyzing the practical experience carried out by Hera Group, they were able to better understand the impact of the initiative, as well as to identify the issues arising in the actual implementation, which have to be kept in mind for selecting the right context of application. Another element that significantly attracted the students' attention was how the very idea originated – i.e., the fact that it was derived from a different industrial sector. This raised a intriguing discussion on the importance of keeping a broad view on business problems, and particularly when it comes to sustainability, in order for the managers to look for opportunities even behind the perimeter of the firm's sector. The analysis of the pivotal role of the supplier in the innovation developed gave a chance to reflect of the importance of collaborative buyer-supplier relationships in the supply chain, which can indeed result as a key factor for a successful transition towards circular economy. Some students were able

to suggest a few other examples of virtuous buyer-supplier relationships in the development of sustainable innovation.