

Life cycle perspective as a driving force for new business

- Kitchen renovation helps customers reduce their environmental impact at a lower cost

This example comes from Modexa, a company that works on solutions for kitchen renovations. The example shows how the life cycle perspective and results of an LCA can be used in marketing and sales to guide customers to make better decisions based on sustainability.

The life cycle assessment that Modexa requested from IVL Swedish Environmental Research Institute showed the amount of carbon dioxide that their customers avoid emitting by keeping the elements of their old kitchen that are still in good shape. Modexa used this information as a selling point when meeting with a customer that was going to renovate flats in Botkyrka just south of Stockholm, Sweden.

Modexa sells kitchen solutions. Their business concept is based on renewing kitchens by utilising the existing basic structures and adding on features such as cupboard doors, hinges, drawer systems and worktops. Modexa started in 1998 and currently has sales of about SEK 160 million per year. Its headquarters in Borås and manufacturing facility in Västerås employ 55 people, and they have at least as many local installers in Sweden's 30 biggest cities. Modexa's customers are property management companies with rental units. In 2015, Modexa discovered the concept of life cycle assessments for the first time. This led them to contract IVL to conduct an LCA on kitchen carcasses. They used the results of the assessment to show customers how they can reduce their climate impact and energy use.

We met with Mikael Larsson, Head of Sales and Marketing at Modexa, to learn more about the company and its focus on the life cycle perspective.

How does Modexa apply the life cycle perspective?

- Our entire business concept is about the life cycle perspective, because we're preserving what's good and replacing what's bad. What we didn't know before was how life cycle assessment can be used as a tool for the organisation. Our production unit is environmentally certified and we have long wanted to reflect our positive environmental aspects in our customer offering. Now we can better communicate the benefits of applying a life cycle perspective. We will continue these assessments to demonstrate to our customers how much better it is for the environment not to demolish parts of their kitchen units that still have many good years ahead of them.

How did you come to be involved with the life cycle perspective and how did you learn about it?

- Our business concept is based on demand from our customers. The company's founders started with the basic consideration: 'Why replace fixtures that can be kept, when you can create a new kitchen for tenants that is also cost-effective for the property owner?' SCA, which often does life cycle assessments, told us how they translate them into practical measures. As a result, we

contacted IVL to conduct a life cycle assessment.

What did the life cycle assessment entail, and what were the results?

- IVL did an assessment of average kitchen carcasses, produced and installed in Sweden, based on a generic Swedish apartment kitchen. The analysis included the production of raw materials and packaging materials, transport and waste management. The results showed that 75% of the climate impact of kitchen carcass comes from the raw materials. For example, you can save 80 kg of carbon dioxide per kitchen just by retaining the original cupboard carcasses. However, the total saving on the entire concept is much greater.

How did the report affect your work?

- Modexa has always worked from the assumption that it's better environmentally and financially to keep what's good and replace what's bad, but until we began measuring and attaching figures to every aspect, we didn't realise just how much better. The results of the life cycle assessment make

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it much clearer, more fun and also more useful to provide a concrete example. Because our whole business is about making use of good quality, built-on-site carcasses rather than tearing them out and replacing them with new structures that are often poorer quality, life cycle assessment helps us to show customers the environmental benefit of keeping more.

One concrete example of how we've used the results is in the sales pitch to a customer, where we can point out the environmental potential of keeping as much as possible of the original kitchen rather than buying new.

One customer that was convinced by Modexa's life cycle assessment was Botkyrkabyggen, a municipal housing company in Stockholm and Botkyrka's biggest housing

company, which owns and manages some 10,600 homes. Modexa met Botkyrkabyggen in connection with one of their ongoing pilot projects for the renovation of properties from the run-down 1960s One Million Homes programme. One of Botkyrkabyggen's goals for the renovations was to choose the best solution in terms of environment, quality and satisfied tenants who were also able to keep living in the apartments.

Can you tell us more about the Botkyrkabyggen example?

- Botkyrkabyggen had 99 flats to be renovated. While taking measurements in the kitchens, the company did a technical inspection in order to produce a specific analysis. The customer had previously drawn up specifications of what they wanted done in the kitchens. After the technical inspection, our recommendation was that they didn't need to remodel as much as they were proposing."

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What did that lead to?

- With the results of the life cycle assessment, we were able to show our customer how they could spare the environment in a big way by conserving more and replacing less. It seems somewhat counterintuitive, because you want to sell as much as possible. But I think in the long run this will lead to even more sales. When customers buy our concept, they are the ones saving money, we're just helping them. When we presented our results to our customer, they couldn't say no. We were able to show them that they would reduce their environmental footprint and to a much lower cost. There is also a social-justice dimension, as more tenants can afford to stay in the flats because the renovations are less extensive.

What other results have you seen from this example?

- Property management companies often want to save energy on operating costs, but they don't consider savings to be made on materials for the flats. As the LCA shows, raw materials make up a significant part of the climate impact of new manufacturing.

What results has this led to in your organisation?

- If we do an estimate of the 10,145 kitchens we renovated in 2015 with the figures we got from the IVL report, we've prevented over 800 tonnes of carbon dioxide emissions by keeping the existing carcasses. And those figures are about benefits outside the organisation, which I think is the coolest part. We can be as climate-efficient as possible in our own organisation, and of course we should try to do that, but the greatest saving through this method actually benefits our customers.

What parts of the company have been involved?

- The idea of ordering a life cycle assessment to spotlight environmental impact and what can be saved by renovating kitchens rather than buying new fixtures came from the marketing and sales department, so they've been heavily involved in this, as well as our management and production.

This is a central focus for us and it's now a part of our environmental management system. In 2017, the entire organisation will be given more information about the life cycle perspective and how it can be communicated. We will continue focusing on our life cycle approach; to us it's about working with our customers step-by-step to reduce carbon dioxide emissions. That's what we've focused on above all.

What are your greatest obstacles to intensifying your life cycle approach?

- The greatest obstacle has been resources and skills. We are not a giant company, and so far it's been a handful of people promoting these issues. But now we've recruited a quality manager who will take over the responsibility for LCAs in the future. And of course, in the future it will still be important for the entire organisation to focus on these issues.

What advantages are there, apart from the environmental ones, to taking a life cycle approach?

- There's a kind of internal pride in working this way. I think it feels good, and I'm convinced that many of our employees are genuinely happy to be selling these solutions. We know that we are contributing from a greater perspective.

What is your next step in your life cycle approach?

- To continue spreading the message both internally and externally about the environmental benefits of maintaining the original cupboard carcasses.

What tips do you have for others to get started with or further develop their efforts to reduce their own organisation's climate and environmental impact?

- Number one is to find people in the organisation who are passionate about these issues. It's also important to think from the outside in – how to create added value. We have no purpose if we can't help our customers achieve their goals – and not just financial ones, but also environmental goals!

Contact

Mikael Larsson, Head of Sales and Marketing, Modexa
mikael.larsson@modexa.se

Interview 7 January 2016: Anna Wikström, Project Manager, Swedish Life Cycle Center.

*Text and layout: Anna Wikström and Rebecka Hallén Jorquera, Project Manager, Swedish Life Cycle Center
This article is part of the project entitled: Good examples – Inspiration for energy efficiency through the entire value chain, which was carried out with funding from the Swedish Energy Agency. You can find out about additional examples of applied life cycle thinking, read more about Modexa's work on climate change or learn more about the life cycle perspective via these links:*

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