



PRESS RELEASE

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ELLEN MACARTHUR FOUNDATION WINS THINKERS50 CK PRAHALAD BREAKTHROUGH IDEA AWARD 2013

LONDON – The Ellen MacArthur Foundation has won the Thinkers50 Breakthrough Idea Award for 2013 for its work on the circular economy. The award is dedicated to the memory of CK Prahalad and was presented by his daughter Deepa. The result was announced at a glittering awards ceremony at Drapers’ Hall, London. The Award was received by head of innovation at the Foundation, Ken Webster.

“The concept of the circular economy is radically different from the current global economic model. Yet its principles make sense and fit in with what we now understand about sustainability and the overuse of our natural resources,” says Ioannis Ioannou, Assistant Professor of Strategy and Entrepreneurship at London Business School. “Our existing economic models assume that there are inputs and then outputs. Limited inputs imply rising prices. But what about when there are simply no inputs? We have not previously explored non-linear models of economic production where the outputs of today can also become the inputs of tomorrow.”

Crucially, the circular economy does not talk about *consumers* but *users*. The argument behind the circular economy is that the linear, consumer-led economy is intrinsically a destroyer of value – whether it is through its use of energy, other raw materials or lack of reusability – at all stages. The traditional value chain leaks value at every link.

The circular economy aims to decouple economic growth from resource constraints – by design. Materials flows are classified in two ways: biological materials, designed to re-enter the biosphere safely, and technical materials, which are designed to circulate at high quality without entering the biosphere. Effectively, waste is designed out of the system and materials or components no longer required in their place of origin are “metabolised” elsewhere in the economy.

“The circular economy is genuinely groundbreaking and its potential is enormous,” says Stuart Crainer, cofounder of the Thinkers50. “This is not simply about sustainability, but changing the fundamentals of our systems and processes.”

The other ideas shortlisted for the 2013 Breakthrough Idea Award were:

Steve Blank – Lean Startup: Steve Blank of the Haas School of Business is credited with launching the Lean Startup Movement and revolutionizing the practice and teaching of entrepreneurship and innovation. Blank’s work, initially focused on startups, is now being applied to the corporate world. Blank is the co-author of *The Startup Owner’s Manual* (K&S Ranch, 2012) and *The Four Steps to Epiphany* (K&S Ranch, 2003).

Mark Campanale & Pradeep Jethi – The Social Stock Exchange: Launched in April 2013, the Social Stock Exchange is an online portal that will publish details of social ventures that want investment. The initiative, supported by the London Stock Exchange, was launched with 12 listed member companies from industries such as recycling, clean technology and social and affordable housing. The Social Stock Exchange will not act as a trading platform where investments can be bought and sold, but as a shop window through which social investors can access information on publicly listed businesses.

Bhagwan Chowdhry – Financial Access at Birth: Chowdhry is a professor of finance at UCLA's Anderson School. A meal with Vijay Mahajan, India's father of microfinance, led to Chowdhry and his host coming up with Financial Access @ Birth (FAB). FAB is a new venture designed by Chowdhry to increase access to financial savings. The idea is that when a child is born he or she is assigned an electronic ID, which also serves as a birth certificate. At the time of birth, \$100 dollars is also deposited into an online bank account to jump start savings. The FAB idea is to repeat this process for every child born across the globe.

Subir Chowdhury – The Economics of Quality: Subir Chowdhury's work establishes a clear link between quality and economics. He is currently working to demonstrate how this link determines the very economic future of countries and their citizens. He argues that the cumulative effect of poor quality (from waste, atrophy, corruption) will retard the advancement of civilizations.

Richard D'Aveni – Strategic Capitalism: With the rise of the new economic powerhouses, especially China, D'Aveni argues we are seeing a new form of capitalism where states compete against other states – or more accurately their forms of capitalism compete with each other for economic success. The struggle between China and the US amounts to the opening moves of a Capitalist Cold War.

Navi Radjou, Jaideep Prabhu and Simone Ahuja – Jugaad Innovation: Western corporations can no longer just rely on the old formula that sustained innovation and growth for decades: a mix of top-down strategies, expensive R&D projects and rigid, highly structured innovation processes. With the idea of jugaad innovation, Navi Radjou and his co-authors argue that the West must look to places like India, China, and Africa for a new, bottom-up approach to frugal and flexible innovation.

Sheryl Sandberg – Lean In: *Lean In: Women, Work and the Will to Lead* (Knopf, 2013) by Facebook COO Sandberg has re-ignited the debate about how women can best succeed in the workplace. Central to Sandberg's argument is the idea of leaning in, creating a virtuous circle of proving your worth and then shaping your future. It has spawned a movement.

About Thinkers50

Thinkers50 scans, ranks and shares the best management ideas in the world and has been doing so since 2001.

About Stuart Crainer and Des Dearlove

Des Dearlove & Stuart Crainer (www.craingerdearlove.com) are the founders and

directors of Thinkers50. Stuart is editor of *Business Strategy Review*. Des is an associate fellow of Oxford University's Saïd Business School. Stuart and Des are the authors of more than 15 books available in 20 languages. Former columnists to *The (London) Times*, they are editors of *The Financial Times Handbook of Management*.

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