

A portrait of Stef Kranendijk, a middle-aged man with light brown hair, wearing glasses, a grey suit jacket, a light blue shirt, and a red tie with white polka dots. He is smiling and looking slightly to the right. The background is a blurred office setting with a window.

# GOING BEYOND SUSTAINABILITY

Stef Kranendijk, CEO of Waalwijk-based Desso Carpets, is an enthusiastic supporter of the 'Cradle to Cradle' (C2C) business concept. Here he explains the underlying principles behind it and why it is good for business. **Text Tim Skelton**

**D**esso is the first carpet manufacturer in the Europe, Middle East & Africa region to adopt the Cradle to Cradle philosophy, which instead of using the traditional linear model whereby products are made and then disposed of, uses a circular model inspired by nature.

Father-of-three Kranendijk studied Postkandidaats Bedrijfskunde at RSM's forerunner, the Interuniversities Institute for Business Administration (IIB), then based in Delft. Having gained a Bachelor's degree in economics from Groningen, he entered IIB in January 1975. 'It was the first MBA qualification of its kind in the Netherlands,' he recalls. 'I liked the fact it had a practical part to it, which was not common at that time. I also appreciated that we only had 30 students, and 60 staff members assigned to us – it led to a lot of in-depth discussions.'

For his graduation thesis, Kranendijk examined the assumptions that formed

are still used today. 'It made me realise that models are only as strong as the assumptions they are based on,' he says.

On leaving IIB, Kranendijk embarked on a glittering career that included 19 years at Procter & Gamble, with stints in the Netherlands, the UK, Italy, and Turkey, before becoming General Manager of P&G Netherlands and then P&G Germany. 'In 1997 my wife wanted to move back to the Netherlands,' he explains. 'First I went to Stanley Works for two years as President EMEA, then spent several years serving on the boards of other organisations.'

### A new challenge

Kranendijk started investing in companies in 2001, and when the opportunity to become involved with Desso arose, he decided not only to invest, but also to run it. The current management team (plus private equity firm NPM Capital) bought the business from the Armstrong Group in April 2007. 'It was always a great company,'

Revamping a company is one thing; making it fully Cradle to Cradle certified requires more effort. Few organisations in any sector have considered such a bold move (one exception being Danish shipping company Maersk), so from where did the inspiration arise? 'We appointed a Sustainability Director in 2007,' Kranendijk explains. 'Then I saw a TV documentary (Waste is Food), which explained C2C. I thought it was fantastic and wanted to move Desso in that direction. But it meant changing the whole company.'

What Kranendijk also spotted was an opportunity to gain a competitive advantage. 'C2C goes beyond mere sustainability,' he enthuses. 'By sourcing positively defined raw materials (determined by C2C assessment criteria as materials that can easily be disassembled at the end of their life and used to create new ones), introducing new manufacturing methods and collecting used carpets from clients, we are doing everything we can to achieve a closed loop process from production to use and back again.'

Carpet manufacturers produce large volumes of material, making them highly suitable for such transformations. Nevertheless, it would still be a major exercise. 'When I saw Prof. Michael Braungart, the man behind the C2C concept, on that TV documentary, I read his book. Then I got a chance to talk to him in 2008, told him I was a great believer, and wanted to change my company.' ▶

“By showing how C2C can be run successfully, others will follow you.”

Stef Kranendijk, CEO, Desso Carpets

the basis of what was then the Dutch government's economic model, as used by the Netherlands Bureau for Economic Policy Analysis (CPB). His suggested revisions were adopted by the CPB, and

he observes, 'but its designs were a little boring. We focused on this and set up a network of architects and designers in different countries, the Circles of Architects. Now we are seen as a trendsetter.'



*Desso Carpets wants all of its products designed to C2C principles.*

## A new roadmap

As a result, Braungart visited Desso and gave a presentation. The company then held workshops to formulate a roadmap, with the stated aim of having all products fully designed according to the C2C principles by 2020. 'We realised we couldn't be perfect in a day, so we prioritised,' Kranendijk says.

They started with carpet tiles, which represent almost 50 per cent of the entire carpet business. 'To make the change you have to analyse all your ingredients; we found over 700 in carpet tiles and set about replacing the bad ones.'

The full changeover to a polyolefin backing from the traditional bitumen backing will occur gradually over the next three or four years as the costs of EcoBase – a replacement developed with Dow Chemicals – are reduced through economies of scale.

For C2C to function, Desso also needed to recycle certain types of old carpets and carpet tiles and consequently introduced its 'Take Back' system. In fact, Desso separates and recycles competitors' carpets alongside its own via its innovative Refinity technique, which enables them to

separate the yarn and other fibres from the backing, thereby producing two main material streams which can be recycled.

As well as making environmental sense, evidence shows C2C works economically: Desso's EU market share in business carpet tiles increased from 15 per cent in 2007 to 23 per cent in 2011. Kranendijk also sees the philosophy can help him tap into the health market. In his presentations, Braungart pointed out that indoor air

carpets.' The reason, he explains, is very fine particles (smaller than 10 microns) can be trapped by carpets, whereas they float into the air with hard floors and can be inhaled and absorbed by the body.

As a result, Desso developed AirMaster, which independent tests show is eight times better than hard floors at retaining fine dust, and four times better than conventional carpet. 'We introduced it in 2010, and it's our fastest-growing product.'

“ RSM is doing well compared to many business schools, but it can do much, much better.” Stef Kranendijk, CEO, Desso Carpets

quality is up to eight times worse than outdoor air because it contains volatile organic compounds (VOCs).

'We looked at how indoor air quality could be improved,' Kranendijk says. 'I saw a study that revealed hard floors can be two to three times less effective at taking fine particles out of indoor air than

## C2C at RSM

Coincidentally, Kranendijk's original inspiration, Michael Braungart, joined RSM's Decision and Information Sciences department in 2009 and holds the Special endowed Cradle to Cradle Chair. 'He's a brilliant man, highly creative and provocative,' Stef thinks. 'He says it

is best to be eco-effective, and to strive towards having a positive footprint. He explains this using practical examples, and I sometimes speak at his lectures to show how C2C can improve market share, profitability and management in practice, and to talk about how good this can feel.'

With RSM's clear interest in sustainability, Kranendijk thinks it could soon be leading the way. 'It's doing well compared to many business schools,' he suggests. 'But it can do much, much better. There is a major opportunity to have a course on steering linear economies towards a circular economies, and with Michael Braungart on board this could have real substance.'

Kranendijk recently participated as jury member for RSM's Green Master Thesis Award, which rewarded these

that highlighted the business relevance of sustainability. It was a task that impressed him: 'I didn't realise it would take me so much time, but it was nice to do. There were so many meaningful studies,' he says. Moreover, if RSM runs a course on developing circular economies, he is keen to have Desso used as a case study.

In the wider context, Kranendijk's enthusiasm for promoting C2C is likely to remain a central theme in his life. 'I believe the biggest impact you can make is by running a business,' he says. 'By showing how C2C can be run successfully, others will follow you. This will be my agenda for the next few years, because I'm very passionate about it.' ■

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