

Library of Things: A Critical Reflection

Sustainability Leadership

In this essay I will identify and illustrate the practices and purpose of chosen venture - Library of Things – detailing how I believe it is exemplifying sustainable leadership, and its positive contribution in modelling how business can adapt for climate-beneficial changes. I will explain and explore the organisation, identifying how and why this venture is a good example of sustainable leadership. This essay will draw on theories considering the power of reuse, the importance of local communities in sustainable development, understanding how to utilise community spaces in a sustainable way, as well as reflect on the importance of female-led businesses and of modelling new governance structures.

The paper is structured as follows. In Section 1, Library of Things (LoT) is introduced as a business, reviewing its mission, purpose, and primary activities. Section 2 then details the aspects of LoT that the author feels makes it a good example of sustainable leadership, incorporating an underpinned by leading academic research and theory. Concluding thoughts and considerations for their onlooking approach will close this essay.

Section 1

What is Library of Things?

Library of Things is a “social business on a mission to make borrowing better than buying” (Library of Things, 2022a). Encouraging a sharing economy, LoT consumers can access and borrow a wide range of useful household items, such as sewing machines, drills, and fun items such as pasta machines and sound systems, thereby supporting the reduction of production, consumption, and waste of new products. Consumers can rent products for one day, multiple days or weeklong durations from self-service kiosks. LoT began as a volunteer-based experiment in 2014 and is now a successful start-up with a team of sixteen servicing seven neighbourhoods in London (Library of Things, 2022d).

LoT recognises that 80% of household items are used less than once per month, with many of the items it offers requiring storage space, usually with a high purchase price (Library of Things, 2022a). Providing this shared economy allows a better way forward for both people and the planet;

- For People – LoT recognise that there is a borrowing opportunity for many *things* that consumers want to use but use infrequently, perhaps don't have the space or the budget for. LoT can fill the gap with their service providing an affordable, accessible, and convenient way to fulfil consumers usage needs for many products. LoT are also supporting local communities both by offering a service that may otherwise be paid for online or with 'out of town' companies, as well as fostering additional spend by providing the local population with a reason to visit and spend with local high streets. LoT also enable job creation and economic wealth creation within the neighbourhoods they work in (this will be discussed in more detail in the second part of this paper).
- For Planet – Reuse encourages less new products to be extracted, manufactured, and shipped around the world, benefitting emission rates and natural landscapes. Reuse also reduces waste; the emissions and resources required (both economic and natural) within the waste-disposal industry. LoT recognises a need to address electronic waste, as the fastest growing waste stream (Library of Things, 2022a).

Library of Things is currently utilising existing community spaces, like libraries, to offer their service in seven London neighbourhoods (Library of Things, 2022a). LoT's purpose goes beyond reducing production and consumption and the environmental benefits that comes with this, they are also on a mission to support the "reimagining of community-powered places" (Library of Things, 2022a). LoT recognises that with nearly one million retail and hospitality jobs lost in 2020 (Library of Things, 2022a) local town centres need redeveloping to support a sustainable future (this will be discussed in more detail in Section 2).

LoT is female led and is modelled on a new governance structure named 'steward ownership' (Partington, 2022). It is for the many reasons listed above that this multi-faceted organisation demonstrates a good example of sustainable leadership. I now hope to research the many aspects mentioned above, to understand the importance of these in sustainable development and explain just why they are such great examples of sustainable leadership.

Section 2

Reuse & Repair

LoT began with a mission to tackle wasteful consumption, to make borrowing better than buying for people and planet (Library of Things, 2022b), offering a sharing economy based on borrowing useful household *Things*.

Why is this important?

With unsustainable patterns of production and consumption now understood to be a major cause of modern global environmental challenges, there is a need to transition away from the current linear take-make-dispose system where the majority of natural resources are extracted, used, and disposed of (Cherry and Pidgeon, 2018; Noakes, 2021; Hofmann, 2019). Noakes (2021) explains that of 100.6 billion tonnes of primary raw materials extracted in a year only 8.6% is recycled, with the majority ending up in landfill. Further supporting LoT's purpose, Noakes (2021) finds that in 2019 electronic waste was estimated to be as high as 50 million tonnes, with the majority being landfilled, and therefore leaking harsh chemicals and materials into our natural environments. Looking beyond what is now commonly known as a broken recycling system, the circular economy is generally defined as important to transform our current system to one "where the value of products, materials, and resources are maintained in the economy for as long as possible, and the generation of waste minimised" (Hobson *et al.* 2021).

The concept of the circular economy is widely discussed by academics and practitioners (Cherry and Pidgeon, 2018, Noakes, 2021, Hofmann, 2019). It is recognised as the fundamental solution to issues such as climate change, waste and resource depletion (Cherry and Pidgeon, 2018; Hofmann, 2019). Product longevity is widely explored within the circular economy narrative through closed material loops, as well as through repairs, reuse and redistribution (Cherry and Pidgeon, 2018; Hobson *et al.* 2021). Cherry and Pidgeon (2018) find that the eventual shift towards a circular economy will require the development of innovative new business models, such as 'product as a service' or the 'sharing economy' (Ellen MacArthur Foundation, 2022) which encourage consumers to move away from the traditional ownershipbased consumption towards reuse and repurposing (Hofmann, 2019). This perfectly portrays the benefit LoT can contribute to a more sustainable economy. Hofmann (2019)

explains the reality that lifestyles must change, and we must all shift away from consuming, to reach the UK's 2050 net zero ambitions (GOV.UK, 2021).

In order to facilitate social and economic changes, innovation must look beyond the redesign or reuse of products and services but also in the redesigning of business models (Cherry and Pidgeon, 2018). A common example of a new business model that supports this is products-as-a-service or 'use-oriented services' (Cherry and Pidgeon, 2018), these models are designed to provide products as a service, whereby products are leased or rented, exemplified by LoT's borrowing services. The increase of 'servicisation' supports the dematerialisation of the economy, shifting to selling a service or using products as a service and thereby reducing the demand for and production of new products (Cherry and Pidgeon, 2018).

Product as a service - or more commonly, reuse - reduces resource use through new production (natural and economic) and waste creation (Cherry and Pidgeon, 2018; Cooper and Gutowski, 2017). For consumers, products as a service also provide increased choice, maintenance, and repair provisions, and in the case for LoT a solution for a lack of needed storage space and lower purchase costs (Cherry and Pidgeon, 2018). Cherry and Pidgeon (2018) also highlight an additional sustainable behaviour output from product-as-a-service consumption, in which a greater consciousness of personal consumption levels may encourage broader sustainable user behaviour.

There is a growing body of research surrounding the concern with product services, and the lack of ownership (Hobson *et al*, 2021). Owning products is often seen as providing intangible added value by way of flexibility to use the product at will, as well as a sense of identification with the product, leading many to raise concerns regarding the possibility of large-scale adoption (Cherry & Pidgeon, 2018). This should be a notable consideration for LoT, though given their leasing service allows users to both choose when to use the products and to choose the duration of use, this should aid in diminishing these concerns somewhat.

As Noakes (2021) identified, the adoption of circular economy practices cannot alone address the demanding and urgent challenge of sustainability, which requires business to balance economic, social and environmental needs. With this, we will now explore further socioeconomic approaches that LoT demonstrate within their organisational structure.

Local Economy

LoT have created a governance structure and business model within which wealth remains in the local communities (Library of Things, 2022c). LoT are utilising strong partnerships to create new local ecosystems that improve the prospects for local economies. As local economic development is not a statutory requirement by governments, it is an arena for leadership and innovation to mobilise many entities to improve the performance of a place (OECD 2015). LoT again portray leadership in facilitating such changes through entrepreneurial and creative thinking. This is perfectly exemplified by LoT's aspiration to foster a transition to "communitypowered neighbourhoods" (Library of Things, 2022a). LoT can help in preparing local economies for future opportunities and move away from previous (unsustainable) societal norms and cycles of production (OECD, 2015).

Transition Town (2022) initiatives highlight that "thriving communities need flourishing local economies". Generating local economies can be hugely advantageous to communities providing significant potential for creating jobs and societal wealth for local economies (Mitchell, 2016). LoT (2022d) explain that 85% of consumers' money spent at locally owned businesses remains within the local community, supporting the creation of local jobs and creating socio-economic wealth in community spaces where LoT's services are provided (AMIBA 2022). This is supported by AMIBA (2022) who found that locally owned and run businesses contribute a greater percentage of revenue compared to out-of-town companies (chains/multi-nationals).

AMIBA (2022) find that local businesses can enhance wealth creation in communities *directly* by spending money operating the business, utilities, inventory, equipment, and wages, as well as *indirectly* by recirculating money that would have otherwise been spent in other areas. Additionally, attracting local consumers to spend money fosters wealth creation as consumers are likely to contribute spend to the wider local community (Demartini, 2018) when shopping locally, for example employees purchasing lunch from a local shop is spend which otherwise would not have occurred in the local economy.

LoT are working in partnerships with existing community spaces such as libraries, to inspire and encourage the 'reimaging' of town centres (Library of Things, 2022a). By choosing to provide their service within existing community spaces, LoT are embracing the element of reuse far beyond the products they are offering within the service. Therein lies another reason

why this organisation has been chosen as an example of sustainable leadership. LoT are incorporating previous infrastructure through the creative use of “second hand spaces”, which offer significant sustainable benefits for communities which house these otherwise unused spaces (Herman *et al.* 2018). I find the idea of utilising the pre-existing values of a place to borrow - a library - to accommodate the expansion of community borrowing beyond books a creative and entrepreneurial step in the transition of making reuse more visible; a necessity in the ongoing transition to more sustainable cities (Herman *et al.* 2018).

Female Leadership

LoT is run and owned by three women, which is noteworthy within the sustainability leadership narrative for several reasons, namely, the success of an organisation, better climate considerations, and improving global inequality and thus poverty (GlobeScan, 2019). Demartini (2018) finds that encouragingly female led businesses are one of the fastest growing entrepreneurial populations in the world.

Examples of female leadership supports the progress of a sustainable future because it represents female empowerment in leading entrepreneurial roles (UN Women, 2022). Demartini (2018) explains that female businesses can contribute significantly to the wealth creation for economies around the world. It is also widely understood that women’s representation and leadership at both national and community level have proven to drive better environmental outcomes (UN Women, 2022). UN Women (2022) note that countries with higher representation of women in parliament adopt stricter climate change policies, resulting in lower emissions. Furthermore, UN Women (2022) found that women are more likely to produce holistic solutions as they are more likely to consider their families and communities when decision-making, a crucial element for effective strategies to tackle climate concerns. Berger and Kuckertz (2016) agree explaining that female leaders focus less on economic goals than men in similar roles, and instead devote time considering social goals too.

As LoT illustrate, female entrepreneurs and their socially concerned businesses benefit their local communities, which can be seen as critical in supporting the equality argument. Berger and Kuckertz (2016) point out that a company may not reach its full potential without equal male and female representation in decision-making and is therefore a worthwhile objective in itself. It can be said that gender equality and empowerment of women is not only worthy of a sustainable goal, but also as a fundamental part of all other goals.

It was only through carrying out this research that I realised Library of Things was founded and run by three women, given all that I had learnt about the organisation and just how comprehensive its social conditions were laid out perhaps it was no surprise, but nonetheless it remains an encouraging and engaging discovery. Increasing the proportion of female founders whether it be in a start-up ecosystem or larger, raises the level of female representation in the entire economy (Berger and Kuckertz, 2016).

The United Nations (2022) highlight that laws and legal gaps continue to prevent women enjoying their basic human right of equality. Data from 95 countries in 2022 presents a very discouraging picture for women's rights around the world considering high statistics of violence against women and lack of employment opportunities. Whether it begins with grassroots or governments, the more female representation in business the higher chance we have to succeed in bridging the inequality gap, and thus reaching the UN's Sustainable Development Goal No. 5. Groundwork (2022) suggest with the 2030 deadline for achieving the UN's Sustainable Development Goals, it is important for society to offer the scope and space for women to contribute to the solution, which further calls for gender equality and women's empowerment, proving once again the importance in start-ups like LoT modelling what the world needs to achieve.

Governance

LoT set out to create a “balanced company structure that requires directors and shareholders to put the [company's] mission first” (Library of Things, 2022b). LoT set out to re-envision the nature of corporate ownership (Purpose, 2022).

LoT redesigned the company structure “to legally require directors and shareholders to put our missions first”. This ambition defined as steward-ownership is set out in LoT's articles of association, as well as their investment and partnerships agreement (Library of Things, 2022b).

Partington (2022) define steward-owned companies as for-profit companies, with the main difference being that profit is reinvested into the business rather than being extracted by investors. Purpose (2022) explain that steward-owned companies harness the power of for-profit companies whilst preserving a company's founding purpose. This model allows business to create products and services that deliver societal value whilst protecting it from extractive privatised capital.

Steward-owned companies cannot be bought or sold (Partington, 2022), they have been retooled structurally to maintain founders' control over the business and protect the decision-making process (Purpose, 2022). Ensuring that decisions are made purely for the benefit of reaching the companies' set out mission, vision, and purpose rather than to increase profit margins or succumb to the personal motivations of investors. Steward-owned companies split out the decision-making power of a business and its economic rights, allowing control of the business to remain with founders and employees (Partington, 2022).

LoT (2022b) explain the realisation that to truly fix the "broken consumption system" they also need to fix the broken system of capital and a pursuit of financial growth. Purpose (2022) support this explaining that "by disrupting the relationship" between power, money and purpose, steward-ownership can be a powerful agent to facilitate much needed economic and systemic change.

LoT (2022b) found that UK company law defines the primary purpose of a company is to create value for shareholders, in our economy this is widely understood to translate as profit. It is hoped in time that the idea of value is more than profit, seeing value creation beyond the profit line through natural capital, sustainable supply chains, ethical and equal working, and internalising many of the costs that are currently externalised. It is companies like LoT that are willing to challenge and shape the norms that are leading examples of how business needs to change, through highlighting systemic problems that need to be addressed for meaningful improvements to sustainable living.

Investing time and resource into adapting a governance structure into a new model which is not legally classified within the UK, is a significant example of purpose beyond profit, illustrating true sustainable leadership. Too often a company can classify themselves as sustainable for just one element of the business - usually this is the consumer facing side of the business - and overlooking all other parts of the business. Not only does LoT illustrate consideration for multi-faceted sustainable development, but their business model, governance structure, leadership team and service, produces it by their very functionality.

Conclusion

Integrating sustainability values and ensuring that sustainability is a core part of a business, is recognised by experts as defining leadership (GlobeScan, 2019). I chose to research LoT

because I was curious to learn more about their sharing economy platform. Exploring LoT in more detail I realised I was learning about many more social considerations than any other business case study I have explored thus far within my Sustainability Leadership learning, and I believe them to be exemplary of sustainable leadership in business. By reviewing and reflecting on LoT's model I have been rewarded with a broad review of many aspects within the sustainability narrative.

I felt it important to highlight some important considerations to conclude this essay. Firstly, it is not clear how LoT acquire their products, whilst they suggest partnering with key manufacturers it is not clear if this is for second-hand items, unwanted 'hand me down' items, repairs services or new items at trade prices which can be introduced into the system. There is some work to understand the procurement of the items and thus the true environmental benefit of the items within the service. Secondly, within the narrative of sustainable consumption and production and transitioning away from our current take, make, dispose linear system, there will be an imperative on designers and manufacturers to harness qualities of reuse and repurposing of materials. If this were to become commonplace, and consumers engage directly with the manufacturer, then there is a chance that LoT's service will be made redundant. This leads me to question if LoT's model has significant longevity. That being said, we are many years away from such a wide-sweeping transition with mainstream product design and use, with many communities and second-hand spaces in need of a Library of Things service.

Library of Things is many *things*. It is a female-led business, a reuse product-service provider, modelling a new governance structure, utilising pre-existing community spaces, and it is therefore a great example of sustainability leadership. It is my hope that this essay affords LoT's model the commendation it deserves for its truly entrepreneurial and sustainable beginnings.

References

- Berger, E.S.C and Kuckertz, A., 2016. Female entrepreneurship in startup ecosystems worldwide. *Journal of Business Research*, (69)
<http://dx.doi.org/10.1016/j.jbusres.2016.04.098>
- Cherry, C.E., Pidgeon, N.F., 2018. Why Is Ownership an Issue? Exploring Factors That Determine Public Acceptance of Product-Service Systems. *Sustainability*, 10,
<https://doi.org/10.3390/su10072289>
- Cooper, D.R. and Gutowski, T.G., 2017. The Environmental Impacts of Reuse: A Review. *Journal of Industrial Ecology*, 21(1), pp. 38-56.
- Demartini, P., 2018. Innovative female-led start-ups. Do women in business underperform? *Administrative Sciences*, 8 (7). doi:10.3390/admsci8040070
- Ellen MacArthur Foundation., 2022. Shaping a sharing economy. Available:
<https://ellenmacarthurfoundation.org/circular-examples/shaping-a-sharing-economyamsterdam> [May, 2022]
- GlobeScan., 2019. The 2019 Sustainability Leaders. Available:
<https://globescan.com/2019/06/04/unilever-patagonia-ikea-sustainability-leadership-2019/>
[May 2022]
- GOV. UK., 2021. Net Zero Strategy: Build Back Greener. Available:
<https://www.gov.uk/government/publications/net-zero-strategy> [May 2022]
- Groundwork., 2022. Women in sustainability. Available:
<https://www.groundwork.org.uk/women-in-sustainability/> [May 2022]
- Herman, K. Sbarcea, M, and Panagopoulous, T., 2018 Article Creating Green Space Sustainability through Low-Budget and Upcycling Strategies. *Sustainability* (10)
<https://www.mdpi.com/2071-1050/10/6/1857>

Hobson, K. Welch, D. Wheeler, K., and Wieser, H., 2021. Consumption Work in the circular economy: A research agenda. *Journal of Cleaner Production*, 321.

Hofmann, F., 2019. Circular business models: Business approach as driver or obstructer of sustainability transitions? *Journal of Cleaner Production*, 24 (1).
<https://doi.org/10.1016/j.jclepro.2019.03.115>

Library of Things., 2022a. Why Library of Things. Available:
<https://www.libraryofthings.co.uk/why> [May 2022]

Library of Things., 2022b. Putting our mission first: how we're reinventing business governance. Available: <https://www.libraryofthings.co.uk/blog/putting-our-mission-first-how-were-reinventing-business-governance> [May 2022]

Library of Things., 2022c. Purpose before profit. Available:
<https://www.libraryofthings.co.uk/blog/purposebeforeprofit> [May 2022]

Library of Things., 2022d. How Borrowing Works. Available:
<https://www.libraryofthings.co.uk/how-borrowing-works> [May 2022]

Mitchell. S., 2016. Key Studies: Why Independent Matters. Available:
<https://ilsr.org/keystudies-why-local-matters/> [May 2022]

Noakes, D., 2021. Reduce, reuse, recycle; The circular economy of a greener future. Available: <https://www.uk-cpi.com/blog/reduce-reuse-recycle> [May 2022]

OECD., 2015. Local Economic Leadership. Available:
<https://www.oecd.org/cfe/leed/OECDLEED-Local-Economic-Leadership.pdf> [May 2022]

Partington. M., 2022. Can business really be a force for good? A new wave of steward-owned companies think so. Available: <https://sifted.eu/articles/steward-owned-businesses-startups> [May 2022]

Purpose., 2022. We're rethinking ownership to transform the economy. Available: <https://purpose-economy.org/> [May 2022]

Transition Town., 2022. What is transition? Available: <https://www.transitiontowntotnes.org/about/what-is-transition/> [May 2022]

UN Women., 2022. Five ways to build gender equality and sustainability. Available: <https://www.unwomen.org/en/news-stories/feature-story/2022/02/five-ways-to-build-gender-equality-and-sustainability> [May 2022]

United Nations., 2022. Achieve gender equality and empower all women and girls. Available: <https://sdgs.un.org/goals/goal5> [May 2022]