

# Globechain Links Networks



**Company:** Globechain

**Innovative business model type:** Re-use

**Sector:** Multi-sectors

**Company size:** SME

**Service:** Peer to peer online re-use platform for redundant commercial items

## Key Facts

- Based in the UK, Globechain is a start-up business which works with over 1,000 companies, charities, public sector organisations and SMEs.
- Globechain encourages organisations to re-use unwanted items from the retail, commercial and construction sectors.
- It uses a digital, online system to facilitate re-use and create a robust social impact system.
- REBus helped Globechain to monitor the supply chain of goods through the system along with commercial and legislative support.
- The system has already built a network of 10,000 charity network members, 1,000 registered members, over 700 stores and 14 hospitals paying to use the service, reusing 5,000kg of equipment.

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## Introduction

Globechain is an online re-use platform, a 'Freecycle for corporates', which allows businesses, charities, public sector organisations and SMEs to claim unwanted items from the retail, commercial and construction sectors.

Working with over 1,000 organisations globally, it helps businesses to reduce waste management costs and cut the tonnage sent to landfill. Through its unique digital platform, it also creates a robust social impact waste audit.

## Resource Efficient Business Model Vision

Globechain's vision is to create a local and global supply chain to help organisations re-use unwanted items and to be more environmentally and socially conscious.

Globechain was a start-up venture with a goal of reaching critical mass in the UK. It has generated membership from large global companies and has a team of staff based in the UK, United States and Latin America.

Through the REBus project, Globechain's founder, May Al-Karooni, worked with WRAP to monitor the supply chain of goods through the system.

## REBus involvement

The REBus project brought a greater understanding of how to bring together innovation and legislation under one framework. It also helped the company to make the most of the environmental, financial and business opportunities afforded by circularity.

"WRAP offered expert insight into legislative issues and proved extremely knowledgeable in making the business more efficient through structured strategic data.

"WRAP's financial and cashflow work was brilliant. Knowledge and expertise on the financial side was exceptional. Being featured as a case study at Horizon 2020 was very helpful for promoting the business, as was the presentation of then CEO of WRAP – Liz Goodwin – at the Resource Event."

*May Al-Karooni, Founder and Managing Director, Globechain*

Specific assistance included advice on:

- Establishing an efficient, resilient and profitable business model;
- Pricing and allocating costs;
- Dynamic costing. This helped inform the need for business development support and marketing at different levels of growth, which in turn informed the level of investment needed; and
- Prioritising between organic growth or a financial injection from investors.

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## Project development

Initially, the digital platform was well equipped to deal with the needs of the client base. However, as the project grew, systems came under greater pressure.

The solution was to overhaul the functionality of the website with an extensive upgrade. As a result, user experience changed and data reporting improved. For example, while data was previously not easily transferrable to the system, it is now entirely automated.

Globechain has been able to boost its service to a higher level, allowing international companies to work globally, rather than working with subsidiaries. The range of items accepted has also expanded.

Key areas that were improved include:

- Decisions on how revenue streams should be set up for projections;
- Finding the right organisation to accept broken electrical equipment;
- Deciding which revenue streams to focus on;
- Long term conversion on payment from large companies; and
- Lack of UK investor appetite for seed funding for circular business models, due to the company operating in a relatively unknown sector with a new business model.

## Challenges

- New business model which doesn't fit traditional criteria.
- Pricing the value of the service.
- Social impact standardisation.
- FTSE long lead time to contract.
- NHS policy, which restricts the ability to re-use certain medical items in the UK.

## Drivers to success

- Understanding supply and demand need from different members.
- User experience of platform.
- Strong relationships and close working with original members gave a deeper understanding of data requirements and how the system should operate.
- Effective branding.
- R&D tax relief that is preparing the business for future corporation tax benefit.

Data is also being collected on:

- Turnover
- Profit
- Weight of material saved (and, where applicable, separately diverted from landfill)
- CO<sub>2</sub> savings
- Full Time Employees
- External investment raised
- Water saved

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## Results

Following the pilot, Globechain has already succeeded in building:

1. A network of 1,000 registered members
2. 10,000 charity network members, over 700 stores, and 14 hospitals paying to use the service.
3. A new website (based on feedback from REBus).

In addition, the company has completed a construction and housing association pilot, and is working towards a partnership with charity organisations, councils and membership organisations.



*Store fittings donated, saving the retailer on skip rental, equating to a saving of approximately £1,000 per year for just one store.*

## Next steps

The plan for the next 12 months includes gaining further traction into the UK through PR and marketing, with operations scaled towards the Americas and Europe in the next 18 months.

## Lessons learned

Although Globechain is confident that even with the benefit of hindsight, it would manage the start-up in the same way, it did learn some lessons.

For example, it has become more cautious around the stability of its partners, and says that it would take more consideration of start-up partnerships.

Similarly, some goodwill was lost by putting too much faith in certain charities which failed to collect.

However, after a year of trials, the primary lesson learned has been the power of data.

## Advice to other businesses

*"Research the demand well and don't leave the job until traction. Double the amount of time allowed to generate payment, keep overheads low and, above all, remain strong mentally!"*

*May Al-Karooni, Founder and Managing Director, Globechain*

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KTN  
the Knowledge Transfer Network



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Case studies were generated as a result of pilots carried out for REBus by WRAP or RWS and the named organisations from 2013 to 2016.

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