

# Circular economy business models



## Product life extension

- ✓ When a product is used as long as possible, the need to buy new products is reduced.
- ✓ This decreases the need to produce new products. Natural resources are conserved and the negative environmental impact of manufacturing is reduced.
- ✓ Products must be designed to be easy to service, repair, upgrade or remanufacture.



## Product as a service

- ✓ Customers don't need to own all the products they need to use. A company can sell a product as a service.
- ✓ The product can be provided under a leasing or rental agreement, for example. The customer can also pay for a service, such as a certain function or outcome.
- ✓ When the customer no longer needs the product, the company can offer it to another customer.
- ✓ The company achieves a competitive advantage and earns revenue from having products that are long-lived, repairable and upgradable.



## Resource efficiency and recycling

- ✓ The product, its manufacture and the entire value chain are planned with an emphasis on the efficient use of materials and energy.
- ✓ Waste, surplus materials and used products can be turned into new raw materials and products.
- ✓ It is important to ensure that products and materials are recovered and recycled.
- ✓ A company's business idea can also be a service that helps customers operate in a resource-efficient manner.



## Sharing platforms

- ✓ Sharing platforms enable consumers and companies to conveniently borrow, rent, sell or otherwise share their resources, such as products, premises and skills.
- ✓ The platform provider earns commissions and/or advertising revenue.



## Renewability

- ✓ Renewable, recyclable and biodegradable materials should be selected starting right from the product design phase.
- ✓ A company can manufacture and sell renewable raw materials and related expertise to other companies.
- ✓ Use renewable energy instead of fossil energy.
- ✓ At the same time, it is necessary to ensure that renewable natural resources are used sustainably. For example, replacing plastic by wood-based materials should not lead to the irresponsible harvesting of forests.

Sources: Finnish Innovation Fund Sitra, Accenture (2015), Deloitte (2015), Ellen MacArthur Foundation (2015), Forum for the Future (2016), Finnish Environment Institute SYKE (2016)



60 SEC.  
3 min.

# Pitch Checklist

Prepare a presentation that is 60 seconds or three minutes long depending on the Game Master's instructions. Don't forget to rehearse! Rehearsing the pitch makes your presentation more convincing. It also helps you make sure that the duration of the pitch is just right.

## 60-second pitch

- Company name and team member introductions
- What problem does the company solve?
- Briefly describe the company: what, why, for whom, how?
- How does the company use resources in accordance with the principles of the circular economy?
- Why will customers choose you?
- Conclusion – company slogan

## Three-minute pitch

- Company name and team member introductions
- What problem does the company solve?
- What is the company's solution (brief description of the product/service)?
- What is the company's business model?
  - Who are the company's customers? What is the benefit to the customer?
  - What resources does the company use?
  - How will the company make money? What is the price of the product/service?
  - What makes your company an example of the circular economy? What circular economy business model, or models, do you implement?
  - What makes you unique? Why will customers choose you?
- What is your approach to marketing?
- Who are your competitors?
- What kinds of key competencies does the team have?
- Conclusion – company slogan

