Circular Business Models
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26 circular business models in 4 phases

- **Value Proposition**
  - Value Creation: Design, Supply/Procurement, Manufacturing
  - Value Delivery: Circular design, Production waste reduction, Circular sourcing, Collaborative production, Cradle-to-cradle, Produce on order, Customer vote, Lean
  - Value Recovery: Online or local, Sharing platforms, Performance based contracting, Product-based services, Pay per use, Subscription based rental, Maintenance, Repair, 3D printing of spare parts, Progressive purchase
  - Value Capture: Use, Next life sales, Take back management, Refurbish, Remanufacture & resell, Biomass cascading, Upcycling, Recycling

Advantages of circular business models
- More turnover
- More value
- Less risks
- Cost reduction
- Innovation and competitive advantage
- Customer loyalty and feedback
- Beneficial partnerships throughout the value cycle
- Excellent and motivated employees

Source: Coop ARC/Rabobank, 2017
Innovatie

Graph from: ‘Ondernemen in de circulaire economie’, OPAi and MVO Nederland, 2014

• CE could make 3 million jobs by 2030
• Up to 600 billion Euro could be saved per year in EU
• CE can lead to resource resilience by saving resources and leave them in their natural base
• CE leads to waste reduction and reduced environmental impact

Sources: European Commission, the Ellen MacArthur Foundation (EMF), WRAP and Accenture

Examples Value Creation models

- Circular design
- Production waste reduction
- Circular sourcing
- Collaborative production
- Cradle-to-cradle
- Produce on order
- Customer vote
- Lean

Examples Delivery models:

- Online or local

Opportunities for European Economy

- CE could make 3 million jobs by 2030
- Up to 600 billion Euro could be saved per year in EU
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Sources: European Commission, the Ellen MacArthur Foundation (EMF), WRAP and Accenture
Main barriers to doing circular business

1. Lack of demand pull for circular products and services, especially from public procurement
2. Lack of transparency through the value chain

Examples Use models

- Sharing platforms
- Performance based contracting
- Product based services
- Pay per use
- Subscription based rental
- Maintenance
- Repair
- 3D printing of spare parts
- Progressive purchase

Examples Recovery models

- Next life sales
- Take back management
- Refurbish
- Remanufacture & resell
- Biomass cascading
- Upcycling
- Recycling

Main asks for strong Circular Economy policies

Market pull measures & design requirements needed to drive innovation towards circular products and services:

1. Circular Public Procurement: massive training program
2. Clear price incentives for producers and consumers to foster circularity by Extended Producer Responsibility (EPR), tax shift and VAT
   - including incentives for e.g. the uptake of secondary raw materials and for Best Available Solutions per product group
3. Minimum requirements for circular design of all (end) products in the Ecodesign directive
THANK YOU FOR YOUR ATTENTION

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