Toolkit for Implementing Circular Business Models

Wednesday 2 October, Brussels 11:00-12:00

The webinar will start shortly. We are waiting for all participants to join...

www.R2Piproject.eu
Elisa Casazza, CSR Europe

Welcome & Introductory remarks
The European Business Network for Corporate Sustainability and Responsibility

- +40 Corporate Members
- +10,000 Companies Reached
- +41 National Partner Organisations across 31 countries
- 7 Regional Organisations
- COLLABORATIVE PLATFORMS For High-Level Impact
- DIALOGUE with EU Institutions
Our Mission: People, Materials, & Markets

**PEOPLE**

AN ECONOMY WITH AND FOR PEOPLE
We aim for an inclusive economic system and labour market that promote life-long employability

**MATERIALS**

SUSTAINABLE RAW MATERIALS & VALUE CHAINS
We work together towards a carbon neutral, sustainable & circular economy, where sourcing & processing of materials takes place with respect for all human rights

**MARKETS**

SUSTAINABLE MARKETS & FINANCE
We endeavour to make sustainability driven investments through enhanced Total Impact Disclosure the new normal
<table>
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<tr>
<th>TIME</th>
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<th>SPEAKER(s)</th>
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| 11:00-11:10 (10 min) | Welcome & Introductory remarks                      | Elisa Casazza, CSR Europe  
Raymond Slaughter, Senior Advisor, Collaborating Centre on Sustainable Consumption and Production (CSCP) |
| 11:10-11:25 (15 min) | How to innovate a company’s business model and main barriers and enablers | Raymond Slaughter, Senior Advisor, CSCP                                   |
| 11:25-11:45 (20 min) | Overview of tools in R2π Transition Guidelines      | Aleyn Smith-Gillespie, Associate Director, The Carbon Trust                |
| 11:45-11:55 (10 min) | Q&A                                                  | All                                                                        |
| 11:55-12:00 (5 min) | Closing remarks                                      | Elisa Casazza, CSR Europe                                                 |
Welcome & Introductory remarks

Technical information

- During the webinar, you will be on mute to minimize audio noise.
- If you have trouble hearing or have any technical problems, it often helps to refresh the link or to log in again.
- During the presentation, if you experience any problem or you have any questions/feedback, please use the “chat” function and write to “CSR Europe” or email Niosha Memariani at csr14@csreurope.org.

Further information can be found in the webinar log in guide.
Raymond Slaughter
Collaborating Centre on Sustainable Consumption and Production (CSCP)

Introduction to the R²π project
The project supports business leaders and policy makers to innovate and implement sustainable business models and policies that will accelerate the transition to a circular economy.
THE FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION

HORIZON 2020

$R^2 \pi$
The route to circular economy
European Union Strategic Areas

- Plastics
- Food waste
- Biomass / Bio-based
- Critical raw materials
- Construction and building materials
- (Water)
Analysing Current Models & Policies

- Analysing Successful Circular Business Models
- Reviewing Existing Policies
Examples of Circular Business Model Cases

- **End of cycle product take-back**
- **Closed loop material supply chain**

**Rolls-Royce**
- **Product-service system, offering ‘turbines-as-a-service’ model**

**Israel Water Sector**
- **Value chain collaboration to enable water stewardship, efficient use, and regeneration**
- **Value chain collaboration to create recyclable fibres**
- **End-of-cycle product recovery**

**Venlo City Hall**
- **Circular building design**
- **Managed building services and end-of-cycle material recovery**
- **Reducing food waste**
- **Exchange platform and logistics**

**Revertia**
- **Subscription/leasing solution enabling ‘clothing-as-a-service’**
- **Reuse of electronics**
- **Value from discarded products**

**Mud Jeans**

**INDITEX**

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This project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No. 730378
Integrating Stakeholder Views

- Collaboration Events
- Interviews & Surveys
Co-Innovating Circular Models

Circular Economy

Lessons Learned

Innovating New Circular Business Models

Design Thinking

Expertise

This project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No. 730378
Examples of Innovation Cases

- End of cycle product take-back
- Alternative secondary uses of critical material natural rubber
- Demand pull for more circular construction
- Value chain modifying norms
- Food, housekeeping, interiors that enable efficiency, comfort, convenience and circularity
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Project Activities and Outputs

Analysing & Innovating Circular Business Models

Reviewing Existing Policies

Integrating Stakeholder Views

Case Reports

Key Factors

Transition Guidelines

Policy Packages

Learning Modules

October 2019
Raymond Slaughter
Collaborating Centre on Sustainable Consumption and Production (CSCP)

How to innovate a company’s business model and main barriers and enablers
Co-Innovating Circular Models

Circular Economy

Lessons Learned

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Innovating New Circular Business Models

Expertise

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Design thinking to innovate circular business models

Source: Business Model Generation
PREPARE

Idea

SCALE

Validated business model
This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 730378.

Source: Design a Better Business

**Preparation**
- Business context
- As-is business model
- Value proposition

**Scale**
- Product design options
- Value proposition options
- Business model options

Source: Design a Better Business
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Source: Design a Better Business

Diagram:

- **PREPARE**
  - IDEATE
  - UNDERSTAND

- **SCALE**
  - PROTOTYPE
  - Minimum viable products
  - Value propositions
  - Business models

Source: Design a Better Business
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Source: Design a Better Business

- Problem-solution fit
- Product-market fit
- Business model fit

Source: Design a Better Business
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Circular Business Model Innovation Toolkit

1. DESIGN
   1.1 Mandate/Sponsor
   1.2 Establish Team
   1.3 Define Scope

2. UNDERSTAND
   2.1 Current Business Model
   2.2 Current Context
   2.3 Circular Vision
   2.4 Set Design Criteria
   2.5 Self Assessment

3. INNOVATE
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4. VALIDATE
   4.1 Generate Assumptions
   4.2Define Experiments & Tests
   4.3 Iterate Business Model

5. DELIVER
   5.1 Implementation Roadmap
   5.2 Business Case
   5.3 Sponsorship

6. EVALUATE
   6.1 Implementation Readiness
   6.2 Go / No Go

IDEATE

PREPARE

UNDERSTAND

POINT OF VIEW

VALIDATE

SCALE

PROTOTYPE
End of cycle product take-back
Alternative secondary uses of critical material natural rubber
Key Barriers and Enablers

- Company Culture
- Clarity of Ambition
- Investment in Collaboration
- Expertise in Circular Economy
- Experience in Business Model Innovation
Overview of tools in R2π Transition Guidelines

Aleyn Smith-Gillespie, The Carbon Trust

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linkedin.com/in/aleyn
aleyn.smith-gillespie@carbontrust.com
Our mission is to accelerate the move to a sustainable, low carbon economy.
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<td>Who are your customers? List at least your top three segments. Who are most interested in circularity, sustainability aspects?</td>
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Adapted by R2Pi

Strategyzer.com
### BUSINESS MODEL CANVAS

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<td>What is the job you get done for your customers? How do you create gains for them? How do you relieve pains for them? How can this be done in a more circular and sustainable manner?</td>
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- Strategyzer.com

Adapted by R2Pi
BUSINESS MODEL CANVAS

- Key Partners
- Key Activities
- Value Propositions
- Customer Relationships
- Customer Segments
- Key Resources
- Channels
- How do you deliver the value?
- How can this be done in a more circular manner?
- Cost Structure
- Revenue Streams
- Social and environmental

Strategyzer.com

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BUSINESS MODEL CANVAS

Key Partners

Key Activities

Value Propositions

Customer Relationships

Customer Segments

Key Resources

Channels

How do you build and maintain the relationship? How can circularity help?

Key Partners

Customer Segments

Key Activities

Value Propositions

Customer Relationships

Customer Segments

Key Resources

Channels

Cost Structure

Revenue Streams

Social and environmental

Adapted by R2Pi

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What are your top three revenue streams. If you do things for free, add them here too.
What revenue opportunities can circularity provide?
What do you do daily to run your business? How can this be done with more circularity?

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**Key Resources**

What people, money, know-how, do you utilise? How can circularity help?

**Cost Structure**

**Revenue Streams**

**Social and environmental**

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**BUSINESS MODEL CANVAS**

- **Key Partners**: Who are the partners that you can’t do business without? Which ones share your circular ambitions? Who else is needed to support circularity?

- **Key Activities**: [Checkmark]

- **Value Propositions**: [Gift]

- **Customer Relationships**: [Heart]

- **Customer Segments**: [Smiley]

- **Key Resources**: [Factory]

- **Channels**: [Truck]

- **Cost Structure**: [Price Tag]

- **Revenue Streams**: [Dollar]

- **Social and environmental**: [Decrease] [Increase]

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**BUSINESS MODEL CANVAS**

- **Key Partners**
- **Key Activities**
- **Value Propositions**
- **Customer Relationships**
- **Customer Segments**
- **Key Resources**
- **Channels**

**Cost Structure**
- What are your top costs for the key activities and resources?  
- What cost saving opportunities can circularity provide?

**Revenue Streams**

**Social and environmental**

Adapted by R2Pi
What are the key positive impacts that you have on people and planet? How can circularity maximise these?
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### Social and environmental

What are the key negative impacts that you have on people and planet?
How can circularity minimise these?

Strategyzer.com

**Adapted by R2Pi**
VALUE PROPOSITION CANVAS

GAIN CREATORS
What can you offer your customer to help them achieve their gains?

PRODUCTS & SERVICES
What are the products and services you can offer your customer so they can get their job done?

PAIN RELIEVERS
How can you help your customer to relieve their pains? What problems can you eradicate?

GAINS
What would make your customer happy? What would make their life and the job to be done easier?

JOB-TO-BE-DONE
What is the job the customer wants to get done in their work or life?

PAINS
What is annoying or troubling your customer? What is preventing them from getting the job done?
**Performance**: Provides outcome and level of performance corresponding to a customer’s ‘job-to-be-done’ (e.g. equipment uptime; output; etc.). Includes product-service system models.

**Lower (lifetime) cost**: Lower cost of product, or reduced lifetime cost of ownership to an end-user.

**Access**: Convenience of on-demand availability; flexibility; and greater range of choice. Models include: Pay-as-you-go; rental; leasing.

**Sustainability**: Provides a sustainability-related outcome that is valued by the customer (environmental, social, etc.).
Performance: Provides outcome and level of performance corresponding to a customer’s ‘job-to-be-done’ (e.g. equipment uptime; output; etc.). Includes product-service system models.

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Access: Convenience of on-demand availability; flexibility; and greater range of choice. Models include: Pay-as-you-go; rental; leasing.

Sustainability: Provides a sustainability-related outcome that is valued by the customer (environmental, social, etc.).
Key Partners can **supply, enable, or influence** a number elements within your business model.
In order to create system-level circular innovation, organisations need a framework to explore new methods of value exchange
PARTNERSHIP CANVAS

CREATING VALUE
What will be the result of the value transfer between partners?

TRANSFER ACTIVITY
How will the partners' value be connected and made mutually accessible?

DESIRED ASSETS
What asset do we seek in a partner? What is our partner willing to offer us?

VALUE OFFER
What value do we offer our partner? What does our partner value in us?

Adapted from the original: Value Chain Generation
This can be used **explore and collaboratively design** new opportunities for value exchange with a potential partner…
…or multiple partners, to create a circular value network
Circular Business Model Innovation Toolkit

STAGES

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6. EVALUATE
   6.1 Implementation Readiness
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TOOLS

- Conditions for success
- Business Model Canvas
- Business Model Diagnostic
- Value Proposition Designer
- Innovation Wall
- Summary of potential CEBM elements
- Roadmap
- Transition Readiness Self-Assessment

- Get to know your team
- Business Model Canvas
- Business Model Diagnostic
- Value Network
- Innovation Wall
- Test Card
- Cost Benefit Analysis

- Team Charter Canvas
- Material Flow
- Context Map
- Value Network
- Summary of potential CEBM elements
- Learning Card

- The Bigger Picture
- SWOT Analysis
- Context Map
- SWOT Analysis
- CEBM Patterns
- Business Model Canvas

- Significance Assumptions
- Design Criteria
- Business Model Circularity
- Partnership Canvas
- Design Criteria

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What does a practical process look like?
Example process for a workshop

1. Examine current business model / strengths & weaknesses

Establish a foundation of common language and understanding...
Example process for a workshop

1. Establish a foundation of common language and understanding...

2. Examine current business model / strengths & weaknesses

3. Examine key trends, external risks and opportunities
Example process for a workshop

1. Examine current business model / strengths & weaknesses

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3. Define common vision & challenge

Establish a foundation of common language and understanding...
Example process for a workshop

Establish a foundation of common language and understanding...

1. Examine current business model / strengths & weaknesses
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4. Decide on ‘design criteria’ for future business models
Example process for a workshop

1. Establish a foundation of common language and understanding...

2. Examine current business model / strengths & weaknesses

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4. Define common vision & challenge

5. Draw inspiration from circularity principles and case studies

6. Decide on ‘design criteria’ for future business models

…to effectively innovate and explore new ideas
Example process for a workshop

1. Examine current business model / strengths & weaknesses
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4. Decide on ‘design criteria’ for future business models
5. Draw inspiration from circularity principles and case studies
6. Innovate new business models and / or value chains

Establish a foundation of common language and understanding...

...to effectively innovate and explore new ideas
Example process for a workshop

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5. Draw inspiration from circularity principles and case studies
6. Innovate new business models and / or value chains
7. Assess new business model options vs. design criteria

Establish a foundation of common language and understanding…

…to effectively innovate and explore new ideas
Example process for a workshop

Establish a foundation of common language and understanding...

1. Examine current business model / strengths & weaknesses
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5. Draw inspiration from circularity principles and case studies
6. Innovate new business models and / or value chains
7. Assess new business model options vs. design criteria
8. Develop a roadmap and plan for next steps

...to effectively innovate and explore new ideas
A visual and highly collaborative process
Your turn to speak!

Q&A Session
Q&A Session

**Important note:**

To ask a question, you can:

- Use the ‘raise hand function’ and take the floor – **In this case, you will be called out and unmuted**

- Write your question using the “chat” function addressing to CSR Europe

- Email Niosha Memariani – csr14@csreurope.org
## Agenda

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Next steps and Upcoming events
The Consortium is inviting you to the final event of the R2Pi project:

- “Transitioning to Circular Business Models” Conference, 24th October, Brussels
- To register, click here
Connect with R2π

Thank you for listening!

- www.r2piproject.eu
- facebook.com/R2Piproject
- https://twitter.com/R2PiProject
- info@r2piproject.eu

Elisa Casazza,
ec@csreurope.org