



This project is co-funded by the European Union and the Republic of Turkey

**Technical Assistance for Assessment of Türkiye's Potential on
Transition to Circular Economy
EuropeAid/140562/IH/SER/TR**

Circular Business Models to Incentives Companies to Engage with Circularity

Pieter van Os, Program Manager, CIRCO International

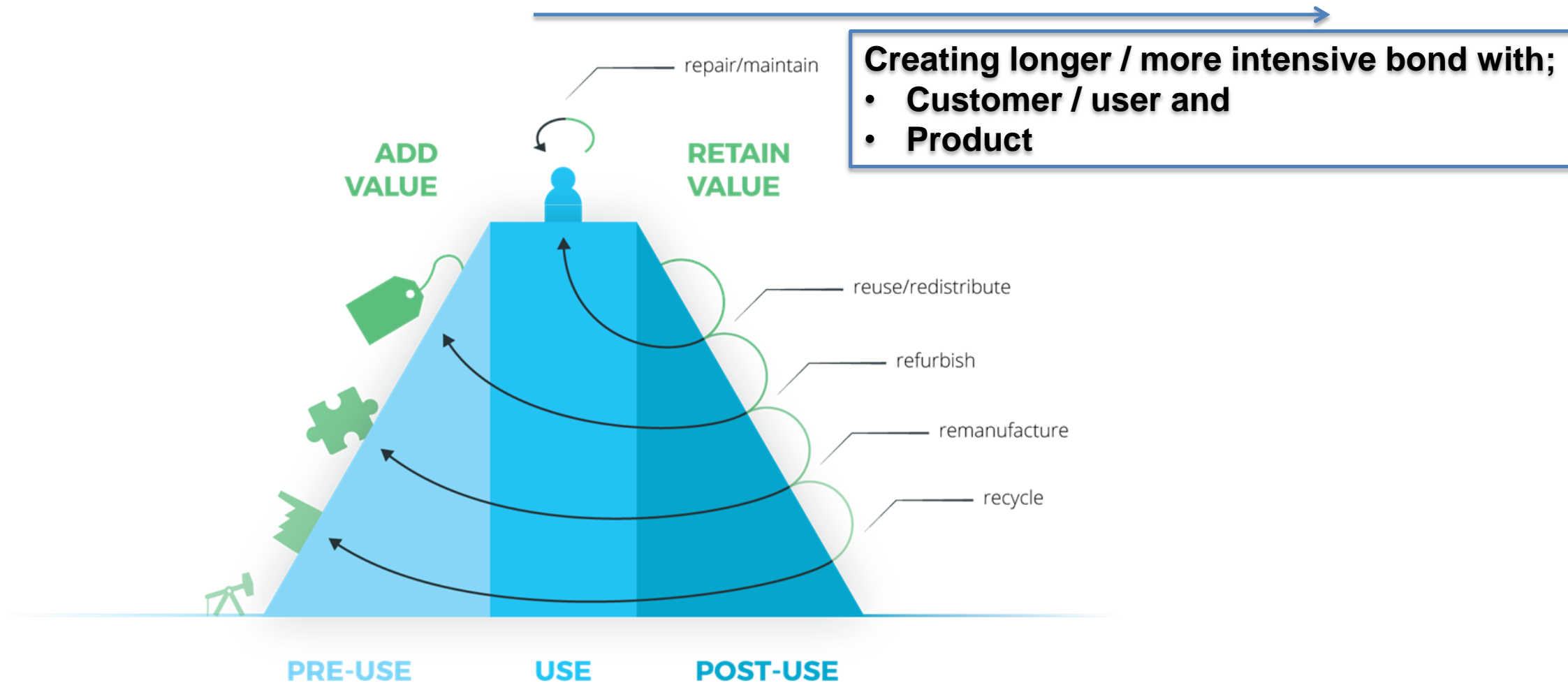
Circular Economy Workshop
3rd October 2022, Ankara, Türkiye

RELEVANCE CE; FOR COMPANIES

Broad variety of relevant reasons why companies explore circular business

- Save the planet, resource efficiency
- Mitigate risk
 - Resource scarcity or price volatility
 - Government regulation (home or export market)
 - Licence to operate / Public pressure
- Create business opportunities
 - Switch to service driven business models
 - Customer retention – extended relationships
 - End throat cutting cost price competition
 - Advantage in (government) procurement / tender process
 - Cost savings

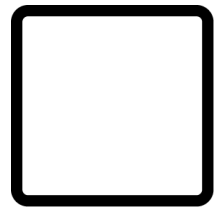
OPPORTUNITIES BY RETAINING VALUE



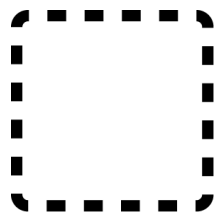
MASTER CIRCULAR BUSINESS WITH THE VALUE HILL

Elisa Achterberg (Circle Economy & Sustainable Finance Lab), Jeroen Hinfelaar (CIRCO), Nancy Brocken (TU Delft)

CIRCULAR BUSINESS MODELS



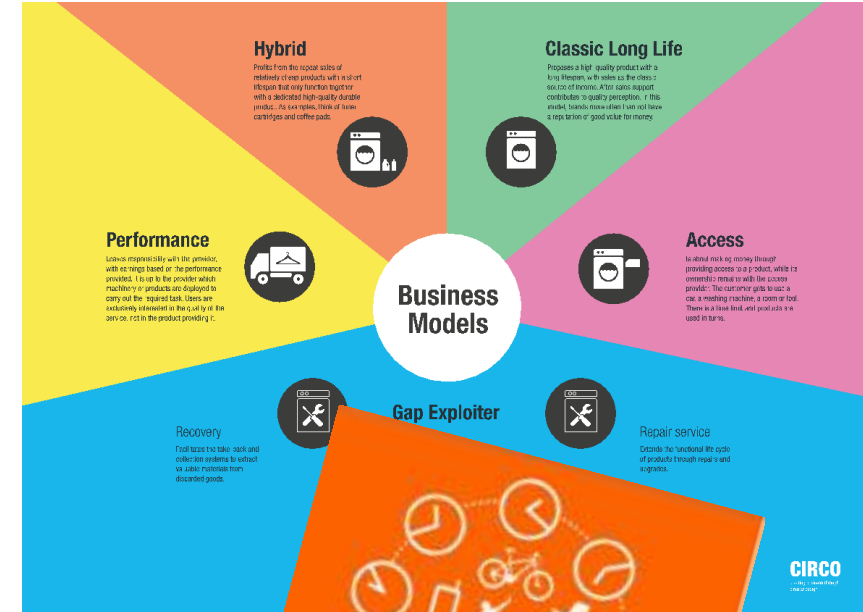
Product



Service

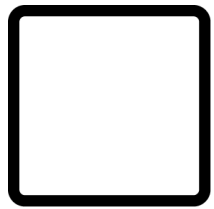
Linear model: *Sell more, sell faster*

1. **Classic Long Life Model**
2. Hybrid Model
3. Gap Exploiter Model
4. Access Model
5. Performance Model

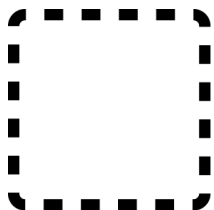


CIRCULAR BUSINESS MODELS

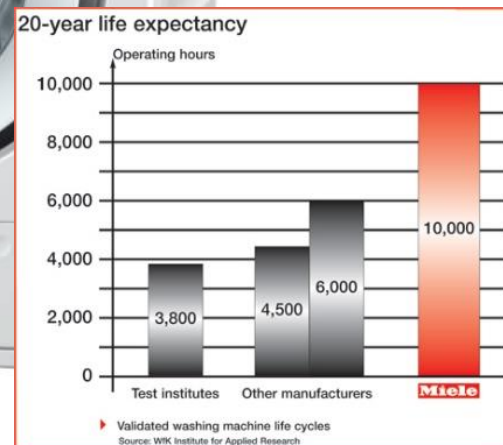
1. Classic Long Life



Product



Service



When relevant?

- Product with a long technical lifetime

Revenue model?

- Transaction moment with a higher profit margin

Sustainable/circular?

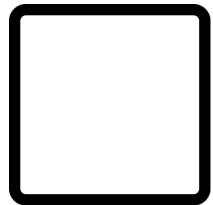
- Long-term use of material and energy

Note:

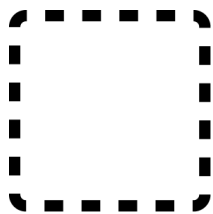
- Premature disposal by user

CIRCULAR BUSINESS MODELS

3. Gap Exploiter: 2nd Hand trader



Product



Service



LELY Taurus refurbished milking robots

When relevant?

- Technical life span continues after first use

Revenue model?

- Income from repair in 2nd hand market, contact in primary market

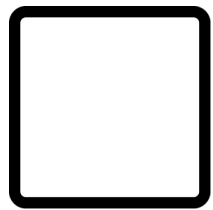
Sustainable/circular?

- Prolonged product lifetime

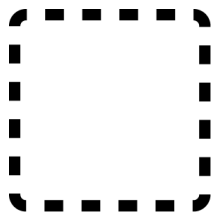
Note:

- Take back and sales in volatile 2nd market demands new skills and capital

CIRCULAR BUSINESS MODELS



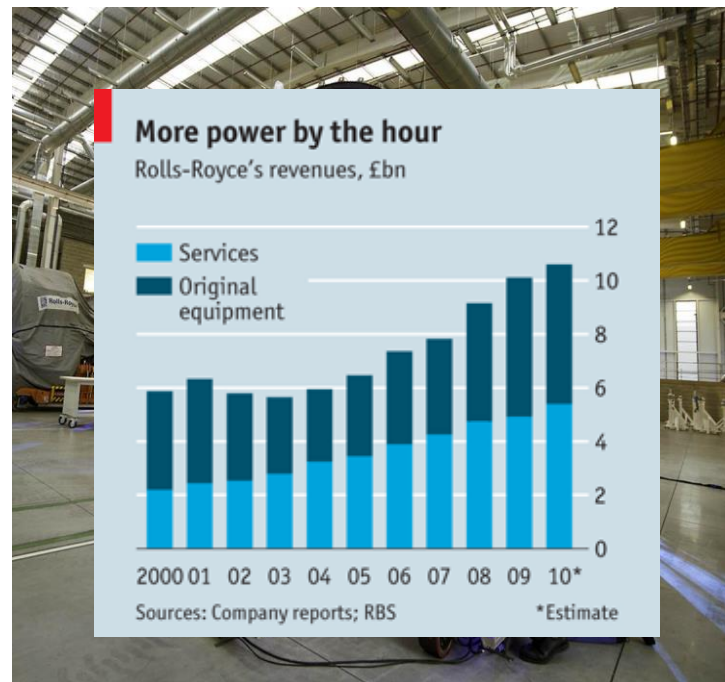
Product



Service



5. Performance model



Rolls-Royce leasing aircraft engines by force/hour

When relevant?

- Sub-optimal product-use during life cycle

Revenue model?

- Income from service and long-term relationship

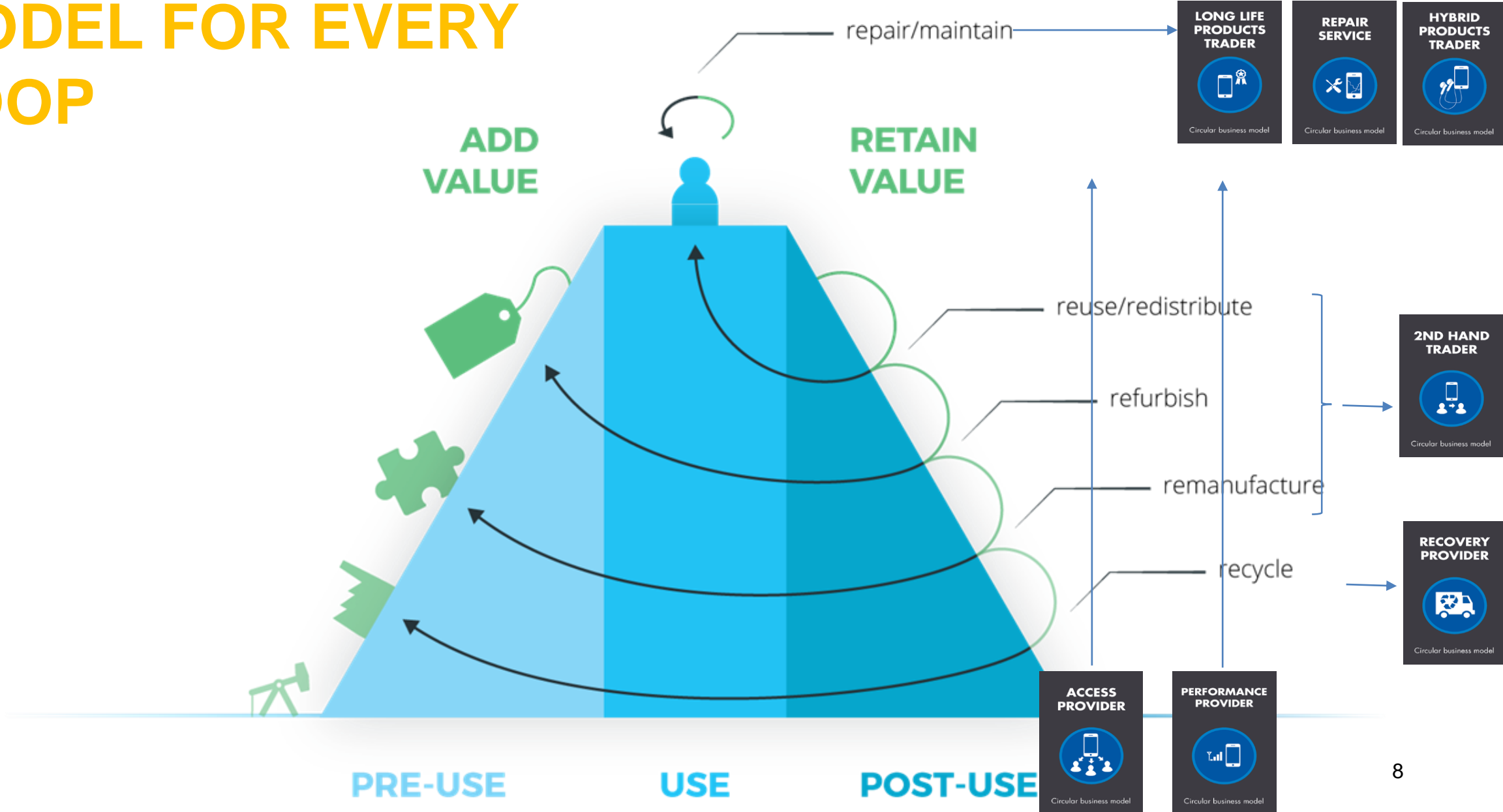
Sustainable/circular?

- More efficient product-use as enabler or no need for product

Note:

- Changes entire business and far-reaching design consequences

CIRCULAR BUSINESS MODEL FOR EVERY LOOP





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Thanks for your attention.



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