



## INTRODUCTION

To develop radically different products and services that support Unilever's Sustainable Living Plan, Forum for the Future and Unilever co-developed a Circular Business Model toolkit, which explores 10 different ways of how businesses can create value by decoupling growth from their environmental footprint.

Thinking beyond the traditional "take-make-waste" business model, the toolkit has been designed to help inspire innovative products which can help Unilever grow through market development and drive a circular system.

This infographic has been designed to give an overview of 10 business model innovations that enable circularity and aims to spark ideas on how Unilever can apply them in the context of their current models.

# BUSINESS MODELS ARCHETYPES FOR A CIRCULAR ECONOMY

## CIRCULAR BUSINESS MODELS

What exactly is a "circular business model"?

In short, a circular business model, or CBM, aims to link up all material flows in an infinite process circle in order to use resources most efficiently and ideally don't create any waste. Through this circular approach, the sustainability of a whole business network can be driven. CBMs are useful for translating products and services designed for reuse into attractive value propositions.

- Redefines how market growth is created by the business and how value is delivered to consumers
- Offers business opportunities in terms of cost benefits, brand value, resource efficiency, strategic opportunities or new revenue streams
- Supports the idea of a circular economy by driving a system level design shift from a linear to a circular system
- Reduces environmental externalities
- Balancing out the value creation for business, society and environment



### 1. closed loop recycling

Using recycled products as raw materials to manufacture new products



### 2. downcycling

Turning materials from one or more used products into a new product with lower quality.



### 3. upcycling

Turning materials from one or more used products into a new product, implying an improvement in quality.



### 4. industrial symbiosis

Sharing services, utilities and by-products among industries to improve resource efficiency.



### 5. collection services

Providing a service to collect old or used products.



### 6. product service system

Offers that put the focuses on offering a solution rather than a product only. This leads to a marketable set of joint products and services that are capable of fulfilling a user's needs together.



### 7. lock-in

An offer that encourages consumers to carry on using a specific product or service on a regular base.



### 8. local loop

As production processes are re-shored back into the countries where the business has its main markets, the local manufacturing loop becomes closer and benefits clustering of industries.



### 9. modularity

A design that divides a product into smaller parts that can then be independently created, used and replaced.



### 10. personalisation

Company creates data management opportunities that enable product personalisation.

## ENABLING BUSINESS MODELS

Of the ten business models we explore, five are classic circular business models, and the other five have the potential to enhance CBMs when combined. These so called 'Enabling Business Models' are not circular in their nature but can boost the circularity of the other models.

