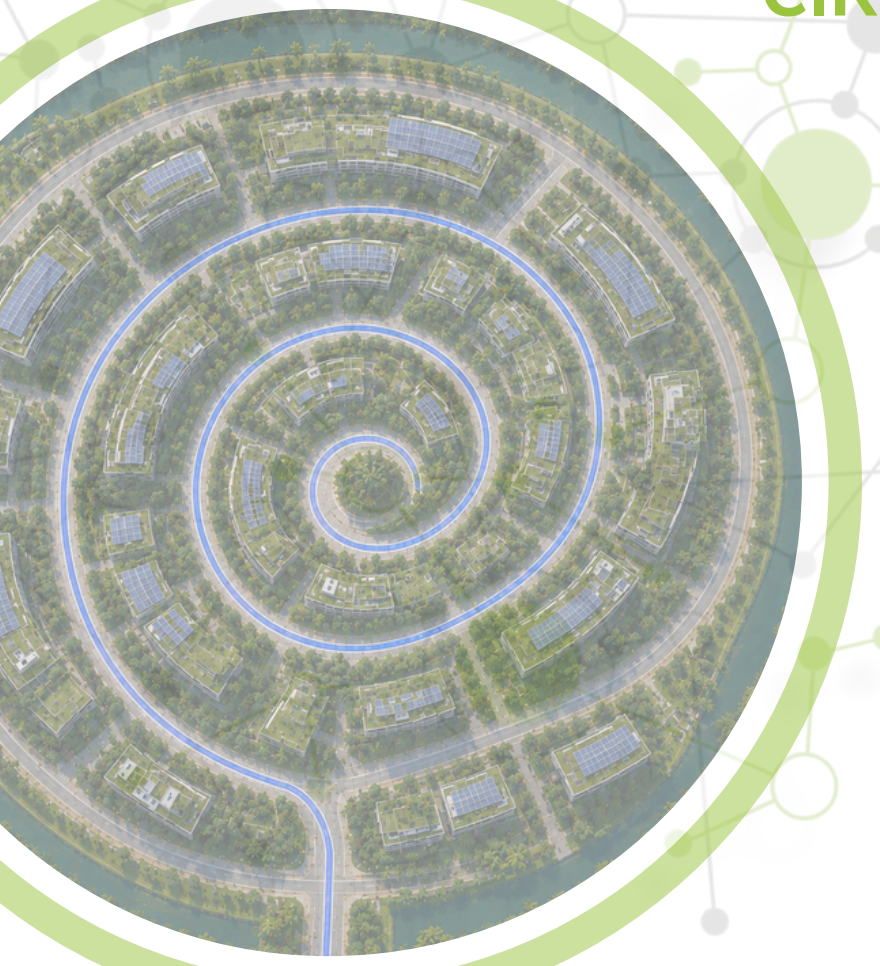
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SOLUTION-METHODOLOGY KIT ANNEX

PRACTICAL TOOLS AND TEMPLATES FOR THE DEVELOPMENT OF AN ECONOMICALLY SUCCESSFUL CIRCULAR PRODUCT



ANNEX DELIVERABLE 2.4.2

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1. Circular business model templates from 4 manufacturing sectors

1.1. Circular business model template: Mechanics & Mechatronics

The mechanics and mechatronics sector works with durable, high-value machines that can stay in use for many years. Because of this, companies in the sector have strong potential to shift from a linear "make-sell-discard" model to a circular one where products are kept in use longer, returned after use, digitally monitored and eventually recovered for materials or components. The circular model helps companies reduce costs, improve resilience, strengthen customer relationships and meet new EU sustainability rules.

Five dominant circular patterns appear repeatedly throughout the sector. They provide the essential framework for the circular business model template.

- **Product life extension & refurbishment**

  Companies restore used machines, devices or components so they can be used again. This includes repairing, upgrading, cleaning, testing and grading them into quality **levels**. It works well because machines in this sector are naturally durable and repairable.

- **Product-as-a-service and rental models**

  Instead of selling equipment once, companies offer it as a service through rental, subscription or pay-per-use. Customers pay for performance, while the manufacturer **keeps** ownership and can refurbish the product after each use cycle.

- **Reverse logistics & take-back systems**

  Circularity only works when products come back. Companies create **structured** return systems such as buy-back programs, deposits or take-back agreements so that used machines and components reliably return for refurbishment or reuse.

- **Digital intelligence for circularity**

  Digital tools such as sensors, IoT, digital product passports and predictive maintenance help companies understand how products are used, when they need repair and how materials flow through the system. This data makes circularity manageable and measurable.

- **Resource recovery & secondary component markets**

  At the end of a product's life, valuable materials and components are recovered, tested and reused. This reduces dependency on global supply chains and creates new revenue streams from parts that would otherwise become waste.

1.2. Circular Business Model Template: Packaging

The packaging sector is under strong pressure to reduce waste, replace fossil-based materials, and comply with new EU rules on recyclability and reuse. Companies must rethink how packaging is designed, produced, collected and reused. The circular business model template shows how packaging companies can shift from single-use, linear systems to circular loops where materials stay in circulation longer, environmental impact is reduced and new value is created.

Across the sector five recurring circular patterns appear. These patterns form the foundation for circular transformation in packaging

- **Circular materials & packaging substitution**
  Companies replace traditional single-use plastics with better, lighter and more recyclable materials. This is the fastest way to reduce environmental impact without changing the whole business model. They switch to mono-materials, reduce plastic content or use biodegradable options so packaging becomes easier to recycle and uses fewer resources.

- **Process automation & resource efficiency**

  Companies improve circularity by automating packaging steps and reducing waste in production. Automation helps them use fewer materials, avoid over-packaging, cut energy use and make packaging more consistent. It lowers costs and makes circular packaging easier to implement.

- **Circular supply chains & logistics optimization**

  Companies redesign logistics to reduce emissions and waste using reusable transport packaging or shifting to cleaner transport modes. This includes replacing single-use stretch film with reusable crates, improving transport routes or using rail to cut CO_2. Cleaner logistics make packaging loops more efficient and sustainable.

- **Product as a service & lifecycle management**

  Packaging becomes a service, not a disposable product. Companies keep ownership of reusable packaging, manage cleaning, repair and returns, and charge customers for access instead of selling packaging once. This ensures packaging stays in controlled loops and is reused many times.

- **Data-Driven circularity & customer feedback loops**

  Companies use data, tracking and customer feedback to improve packaging design and performance. They collect information on how packaging is used, how often it is reused, where it breaks and what customers prefer. This helps them refine materials, formats and logistics to make circular solutions work better over time.

1.3. Circular Business Model Template: Plastics

The plastics sector works with material-intensive products, often made from polymers that can be recycled, reprocessed or redesigned for better circularity. Because plastics are used in high volumes and generate predictable waste streams, companies have strong potential to shift from a linear "produce-use-discard" model to a circular one where materials are simplified, recovered, reused and digitally tracked. Circular models help companies reduce costs, stabilise supply, meet EU rules and respond to customer demand for more sustainable plastics.

Four circular patterns consistently emerge across the sector. These patterns serve as the core structure of the circular business model template.

- **Circular materials & product innovation**

  Companies redesign plastics at the material level by increasing recycled content, simplifying polymer mixes and developing new formulations that are easier to process and recycle. They innovate with mono-materials, cleaner additives and improved compounding to ensure stable quality even when using recyclates. This pattern appears because plastics often fail to be recycled due to unnecessary complexity, and material innovation is the fastest way to unlock circularity.

- **Design for circularity & performance compliance**

  Companies redesign products so they remain recyclable while still meeting strict performance requirements such as fire safety, hygiene, food contact or mechanical strength. They adjust geometry, wall thickness, additives and joining methods to balance circularity with regulatory compliance. This pattern appears because many plastic products operate in regulated environments, and circularity only works when products remain safe, functional and certifiable.

- **Resource recovery & closed lLoop systems**

  Companies build systems to recover clean, predictable plastic waste streams from production or customers and turn them back into high-quality feedstock. They collect offcuts, regrind materials, reprocess films or pipes and create closed loops with partners. This pattern appears because plastics manufacturing generates valuable mono-material waste, and recovering it reduces dependency on volatile global supply chains while lowering material costs.

- **Digital intelligence & circular solution partnerships**

  Companies use digital tools such as material traceability, digital product passports, CO_2 tracking, QR codes and data-sharing platforms to manage circularity across the value chain. They collaborate with customers, recyclers and technology partners to exchange data on material composition, usage and recycling performance. This pattern appears because circularity in plastics depends on reliable information, and digital intelligence makes material flows transparent and verifiable.

1.4. Circular Business Model Template: Building & Construction

The building and construction sector works with heavy, long-life materials such as insulation, panels, concrete elements and structural components. Because these materials are durable, high-impact and often difficult to recycle, companies have strong potential to shift from a linear "extract-build-demolish" model to a circular one where materials are recovered, components are designed for reuse, renovation is digitally planned and services replace one-off product sales. Circular models help companies reduce waste, lower costs, meet EU rules and improve the sustainability of buildings across their full lifecycle.

The sector shows a clear repetition of four circular patterns. They act as the central pillars of the circular business model template.

- **Resource recovery & secondary raw material products**

  Companies recover valuable materials from production waste or demolition streams and turn them into new products. They stabilise quality through testing, certification and controlled processing so recovered materials can replace virgin inputs. This pattern appears because construction generates large, predictable waste streams, and recovering them reduces disposal costs, lowers environmental impact and creates new revenue opportunities.

- **Circular design & high-performance building components**

  Companies redesign building materials so they meet strict performance requirements such as fire safety, moisture control or thermal insulation while still being recyclable or reusable at end-of-life. They simplify material layers, improve modularity and ensure components can be disassembled without damage. This pattern appears because construction products must meet demanding standards, and circularity only works when performance and compliance remain guaranteed.

- **Digital twins & precision-driven circular renovation**

  Companies use digital tools such as LiDAR scanning, BIM models and lifecycle data to plan renovation with high accuracy. Digital twins help identify which materials can be reused, reduce unnecessary demolition and avoid errors during construction. This pattern appears because renovation projects are complex, and digital precision makes circular renovation faster, cheaper and more predictable while supporting future Digital Product Passport requirements.

- **Circular Service & Platform Models**

  Companies shift from selling building materials once to offering services such as digital renovation audits, reuse planning, lifecycle assessments or subscription-based digital platforms. They package circularity into ongoing services that help clients reduce waste, plan renovations and choose circular materials. This pattern appears because services scale faster than physical products, create recurring revenue and strengthen long-term customer relationships.

2. Practical recommendations for companies based on business model templates

A circular transformation in the 4 sectors becomes much more manageable when companies break it down into simple, practical steps. The following recommendations show how SMEs and small midcaps can start small, build capabilities gradually and apply each circular pattern in a realistic, hands-on way that fits their daily operations.

2.1. Mechanics & Mechatronics

Product life extension & refurbishment

Start with one flagship product that is already durable and repairable. Define a clear refurbishment checklist (mechanical, electrical, software), set simple quality grades ("like new", "functional"), and offer refurbished units at a lower price with a warranty. Build a small stock of returned products, track them in a basic registry, and use refurbishment to shorten delivery times and reduce dependence on new components.

Product as a service & rental models

Choose one "rental ready" product where customers value uptime more than ownership. Create a simple monthly or pay per use contract that includes maintenance, repairs and upgrades. Keep ownership of the equipment, install monitoring (hours of use, key alarms), and use these contracts to build long term customer relationships and a predictable revenue stream.

Reverse logistics & take-back systems

Start with voluntary take-back for a limited set of products. Offer a clear incentive (discount on a new product, deposit, buy-back price) and define simple rules for what you accept. Label products with basic lifecycle information, register each returned unit, and gradually build a structured flow of used machines and components that can feed refurbishment and parts harvesting.

Digital intelligence for circularity

Pick one key metric such as energy use, uptime, or number of operating hours and start collecting data with sensors, PLC logs or QR-based service records. Store this data in a digital system and use it to plan maintenance, improve design and support service contracts. Over time, expand to digital product passports and more advanced analytics to make circular performance visible and measurable.

Resource Recovery & Secondary Component Markets

Map your material and component flows to identify where valuable parts or substances become waste. Select one high-value stream (e.g. electronic boards, metal parts, chemicals) and set up a controlled process for testing, recertifying and reusing or selling these resources. Partner with specialised recyclers or marketplaces, and use the recovered materials to reduce procurement costs and create new product or service offers.

2.2. Packaging

Circular materials & packaging substitution

Start by identifying one product line where material reduction or substitution is easiest. Test a simpler mono material or a lighter version of the current packaging, and run a small pilot with selected customers. Collect feedback on performance, adjust the design and gradually expand the new material to more products once quality and cost are stable.

Process automation & resource efficiency

Begin by mapping where waste, errors or over packaging occur in the current process. Introduce small automation steps such as automated sealing, cutting or dosing to reduce material use and improve consistency. Track simple KPIs like material waste per unit or energy use, and use these insights to guide further upgrades.

Circular supply chains & logistics optimization

Choose one logistics flow where reusable transport packaging or route optimisation can make an immediate difference. Replace single use stretch film or pallets with reusable alternatives and test them with one customer or route. Measure CO_2 savings, cost changes and handling performance, then scale the solution to more routes once the loop is stable.

Product as a service & lifecycle management

Select a reusable packaging asset such as crates, boxes or pallets that can circulate in a closed loop. Offer it as a service instead of selling it, including cleaning, repair and return logistics. Track each asset with QR, IoT or RFID to monitor cycles and losses. Use the data to optimise return rates and improve lifecycle performance.

Data driven circularity & customer feedback loops

Start by gathering simple data on how packaging performs in real use breakage rates, return rates, customer complaints or CO_2 savings. Use QR codes or short surveys to collect feedback from customers. Analyse the results to refine material choices, improve design and adjust logistics. Over time, integrate this data into continuous improvement and compliance reporting.

2.3. Plastics

Circular materials & product innovation

Start by selecting one product where material simplification or recycled content is easiest to introduce. Test a mono material version or a formulation with a small share of recycled plastics. Run a controlled pilot to check processing stability, mechanical performance and customer acceptance. Adjust additives or geometry as needed, then gradually expand the improved material to more product lines once quality and cost are stable.

Design for circularity & performance compliance

Begin by reviewing where your current products fail recyclability too many layers, incompatible polymers, unnecessary additives or difficult to separate parts. Redesign one component to be simpler, modular or easier to disassemble while still meeting required performance standards. Validate compliance (fire safety, hygiene, mechanical strength) early in the process. Use the learning from this pilot to update design rules for future products.

Resource recovery & closed loop systems

Map your production waste streams to identify clean, mono material fractions that can be reprocessed. Start with one stream such as offcuts, sprues or rejected parts and set up a controlled loop to collect, grind and reuse the material. If customer waste is available, create a small closed loop with one partner to take back used plastics. Measure material savings and quality stability, then expand the loop once the process is reliable.

Digital intelligence & circular solution partnerships

Begin by tracking one simple data point material composition, recycled content, CO_2 footprint or batch traceability. Use QR codes, batch IDs or basic digital logs to store this information. Share data with one partner (supplier, recycler or customer) to improve transparency and build trust. Over time, expand to digital product passports, material flow tracking or shared platforms that support compliance and circular collaboration.

2.4. Building & Construction

Resource recovery & secondary raw material products

Start by identifying one material stream such as insulation offcuts, concrete fragments, timber, or panel waste that is clean and easy to collect. Set up a simple sorting and storage process to keep this material separate from mixed waste. Test whether it can be reused directly, processed into a secondary raw material, or supplied to a recycling partner. Once quality and logistics are stable, expand the recovery system to additional materials and integrate testing or certification where needed.

Circular design & high performance building components

Begin with one product or component that can be redesigned to be simpler, modular or easier to disassemble. Reduce unnecessary layers, adhesives or mixed materials that block recycling. Check early whether the redesigned component still meets required performance standards such as fire resistance, moisture control or structural strength. Use the results to create internal design rules that guide future circular product development.

From laboratory verification to BIM - enabled Bi

Start with a small renovation project and create a basic digital model using simple tools such as 3D scans, BIM elements or digital inventories. Use the model to identify which materials can be reused, which components can be kept in place and where demolition can be avoided. Track quantities, conditions and potential reuse options. As skills grow, expand to full digital twins that support planning, cost estimation and future Digital Product Passport requirements.

First, find a certified laboratory and engage experts to optimize the mixture. In parallel, set up a simple digital notebook using everyday software like Excel to plan and test different recipes for the new material (combining recycled waste, binders, and plastic fibers). Utilize localized digital databases and specialized software to run preliminary Life Cycle Assessments (LCA) and cost estimations. This ensures early on that the new mixture actually reduces carbon footprints, avoids future toxic 'rebound effects' (like inseparable wood-polymer composites), and gathers data required for future EU Digital Product Passport (DPP) alignment. After your first laboratory product is verified, find a small renovation project to apply your product where it is needed. Involve experts that can create a digital model to analise how the new material works in a whole building, allowing the project to simulate construction timelines and monitor real-time building energy use or maintenance.

Circular service & platform models

Choose one service that supports circular renovation or material reuse such as digital building audits, reuse planning, lifecycle assessments or a small materials exchange platform. Offer it to a pilot customer to test demand and refine the service. Document results, create simple templates and gradually expand the service to more clients. Over time, combine multiple services into a platform that supports long term customer relationships and recurring revenue.

3. Business Case Input Form

The Business Case Input Form was developed by the CURIOST consortium as a tool to support the preparation and documentation of one-to-one workshops with companies throughout the CURIOST methodology. It is used during Phase 1 – Preparation and Phase 2 – Assessment, as well as for recording follow-up adjustments workshop held in Phase 3 – Co-creation, which serves to validate product ideas.

The form captures key information about the company, the challenges it faces, and the proposed solution (MVP). It also helps identify specific circular components, assess the expected impact on the business model, and highlight potential implementation challenges. During Phase 3 – Co-creation, the form additionally serves as a tool for documenting stakeholder feedback, recommendations, and any modifications made to the business case concept as a result of the validation process.



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Business case input form



1. Company info (basic): *Please provide a short description of the company in this field (max. 200 characters). Ensure the information is clear and directly relevant.*

2. Problem: *Please describe the business problem the company aims to address (maximum 500 characters).*



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3. Idea for solution (MVP) *Please briefly describe proposed solution for MVP (maximum 500 characters)*

4. Concrete components/elements/actions needed for future circular transformation *Please list the key components, elements, or actions of the circular/sustainable transformation that were implemented or identified (maximum 500 characters).*

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5. Expected impact on the business model (assumed difference between existing and new business model) *Please briefly describe the expected impact on the business model, highlighting the assumed differences between the current and proposed model (maximum 500 characters).*

6. Timeline and implementation challenges (e.g. barriers for implementation, risks, missing competencies...) *Please briefly describe timeline and potential implementation challenges, such as barriers, risks or missing competencies (maximum 500 characters).*



Internal CURIOST Library

4. Design Thinking methods and business canvas

The creative Methodology Kit is an integral part of the CURIOST methodology, providing SMEs and small midcaps with a structured set of tools that support problem framing, ideation, prototyping, and circular business model development by the help of Design Thinking.

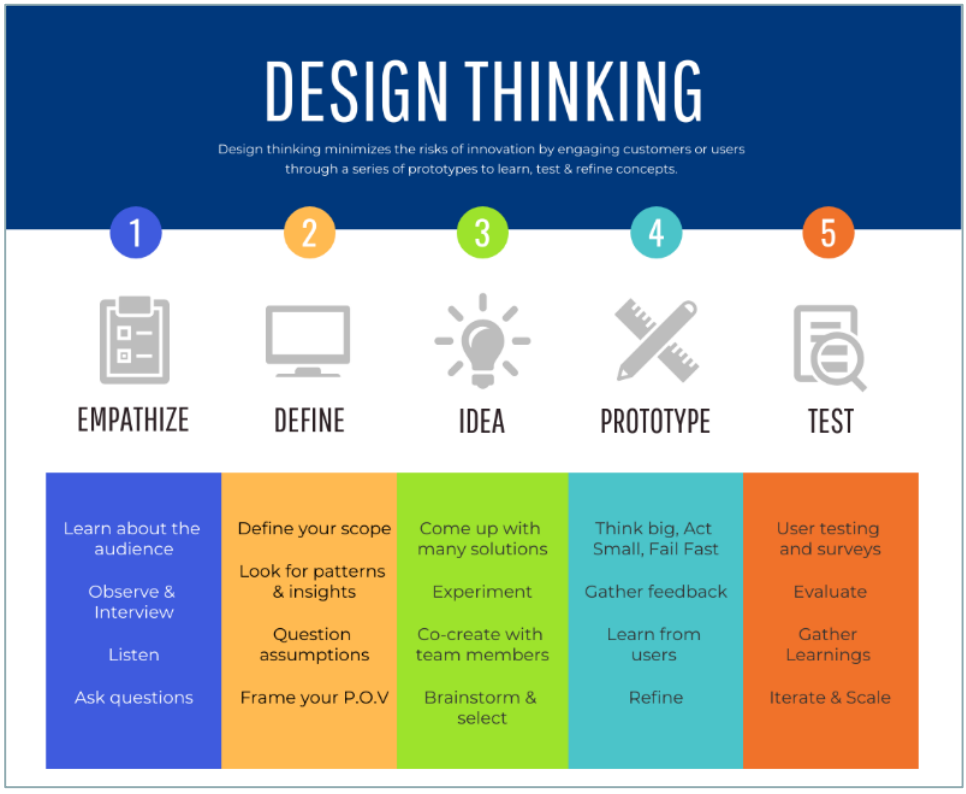
What is Design Thinking?

Design Thinking is a solution-focused, problem-solving methodology that helps companies to get a desired outcome on an inner problem, or to work forward on a future plan. Design Thinking allows the user of the system to have a more structured plan for understanding innovation and to grow more as a company.

What are the 5 stages of Design Thinking?

The 5-stage model was originally proposed by the Hasso-Plattner Institute of Design at Stanford, and it is continually used by firms to better innovate themselves. The 5-stage model structures are as follows:

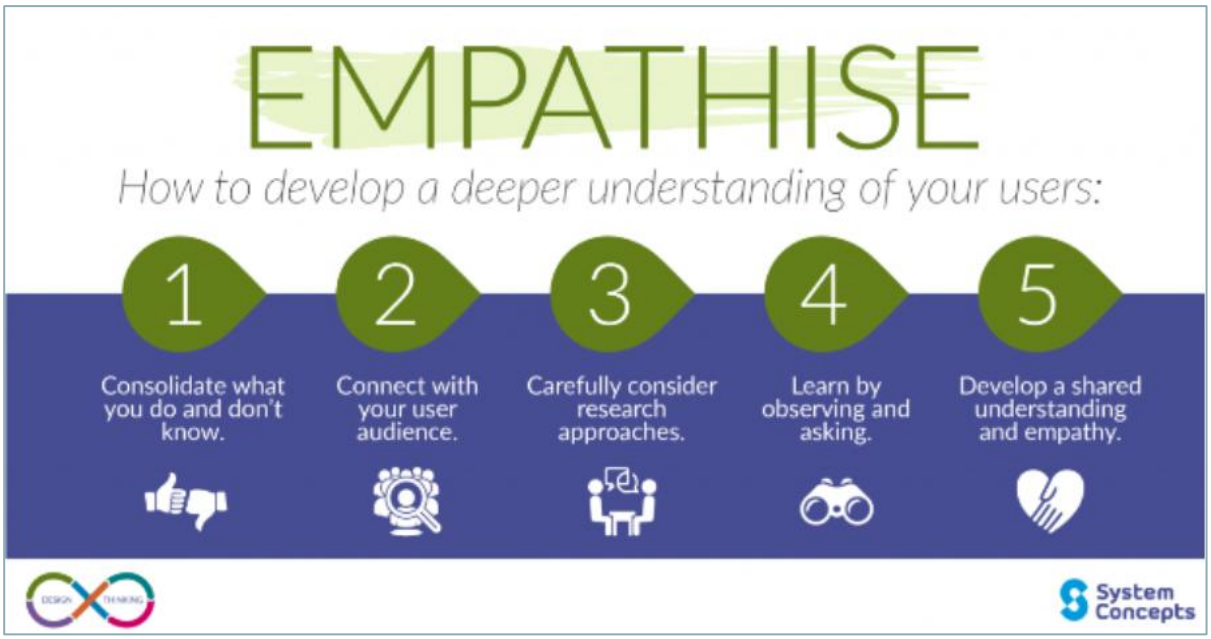
- Empathize (learn about the audience for whom you are designing),
- Define (construct a point of view that is based on user needs and insights),
- Ideate (brainstorm and come up with creative solutions),
- Prototype (build a representation of one or more of your ideas to show to others), and
- Test (return to your original user group and testing your ideas for feedback).



https://venngage.com/blog/design-thinking/

Empathise

The first stage of Design Thinking is called Empathise. This stage is meant to get a better understanding of the problem that you wish to conquer. This includes: Consulting experts of the matter, engaging farther into the issue to better understand the problem at hand, as well as working on the issue though as a group to have a deeper comprehension of everything that is involved with the problem.



Sourced from System Concepts, a UK-based UX research and human-factors consultancy.

The Empathy stage allows for Design Thinkers to gain insight into the needs regarding the issue along with setting aside their personal assumptions regarding it. A substantial amount of information is gathered during the Empathize stage and is carried on to the next few stages to help define the problem and understand how to deal with it.

Define

The second stage of Design Thinking is called Define. During this stage in the Design Thinking process you are putting together all the information you gained during the Empathize step. Essentially, you will analyze your data and put them in order to better concrete the problems that your team has defined to this point.

The Define stage will help your team gather great ideas and be able to understand how to use them effectively. From here, you and your team will start to progress into the third stage of Design thinking, Ideate.

Ideate

The third stage of Design Thinking is called Ideate. During this stage, Design thinkers start to use the information from the previous stages to generate logical ideas. From here, your team will start to make ideas that may be “out of the box” or perhaps just ideas that may normally skipped over when not all of information is presented. This stage allows for an alternative way to solve normalized problems.

By the end of this phase, your team should have a few ideas to solve the problem. It’s important during this phase that your team should generate a lot of ideas just so you have many to choose from when starting the next phase in the Design Thinking process, Prototype.

Test

The fifth and final stage of Design Thinking is called Test. During this stage Design Thinkers test their prototypes made in stage four. They test their prototypes to see how well they solve/handle the problem that they initially analyzed in stages one and two. Even during this step, the team can and will make alterations and refinements in order to make the product more polished for their needs.

With this process, it allows for your team to go back to previous stages and revise their information to get the best outcomes for their end product. Essentially, the team can continue to do this until they are either solve their problem, or until they are satisfied with their product.

Design Thinking is a flexible process that is solution-focused to help solve problems that companies have issues with.

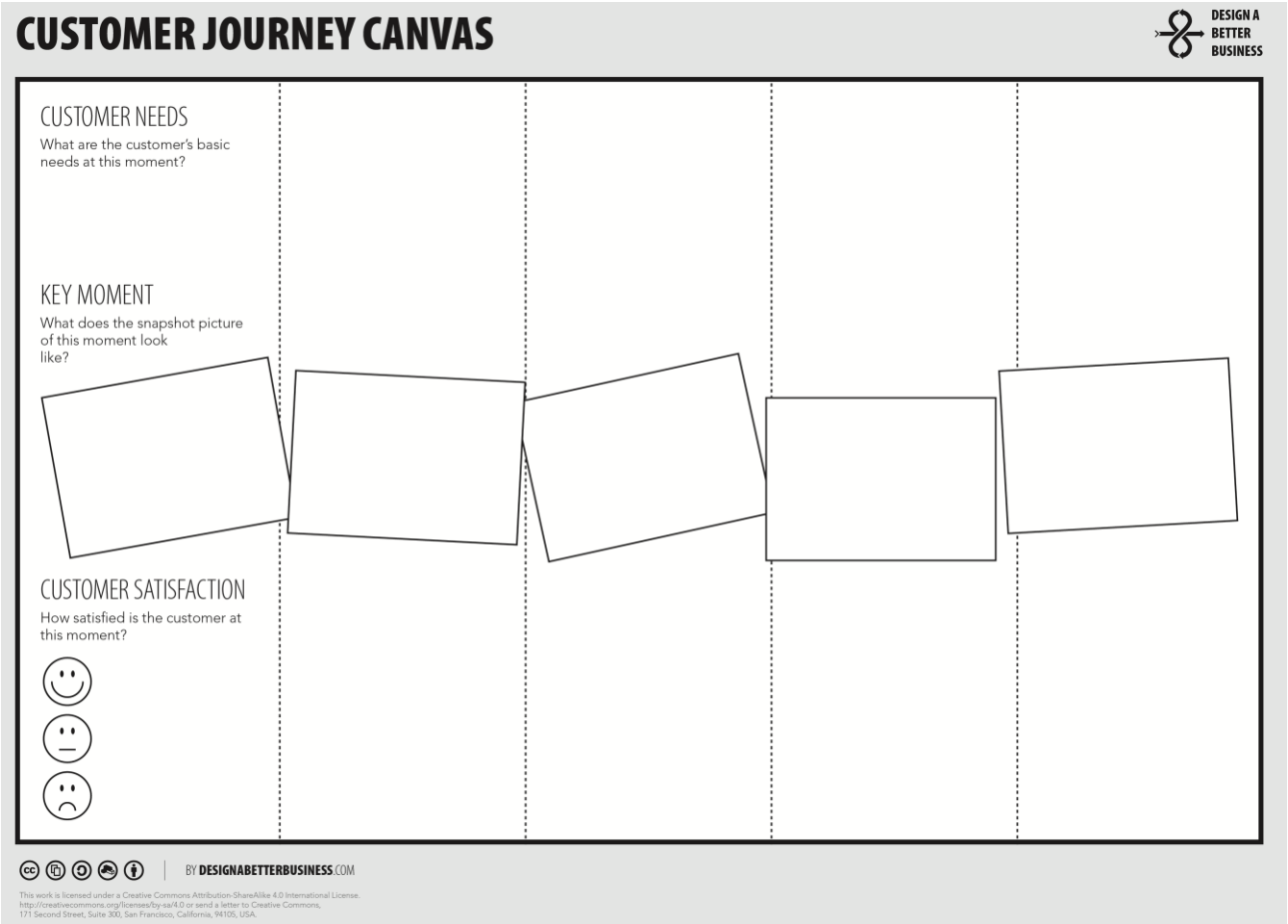
4.1. Customer Journey Canvas

A **Customer Journey Canvas** is a simple visual tool that helps you tell the story of how a customer experiences a product or service from beginning to end. It breaks the experience into clear stages and shows what the customer is doing, thinking, and feeling at each moment. Instead of looking at your service from the company's perspective, the canvas forces you to see everything through the customer's eyes.

It usually starts with a persona - a short description of the type of customer you are focusing on. Then it maps out the journey step by step: how the customer first becomes aware of a problem, how they search for solutions, how they compare options, how they make a decision, and how they use the product or service afterwards. For each stage, the canvas captures the customer's actions, emotions, questions, frustrations, and expectations.

The value of the canvas is that it makes invisible things visible. It shows where customers get confused, where they feel frustrated, and where they are delighted. It highlights gaps in communication, unclear processes, or moments where support is missing. At the same time, it reveals opportunities to improve the experience, simplify steps, or create new services.

In short, a Customer Journey Canvas is a practical way to understand the customer's real experience, identify pain points, and design better solutions. It helps teams align around the same picture and make decisions based on what the customer needs, not what the company assumes.



Sourced from System Concepts, a UK-based UX research and human-factors consultancy.

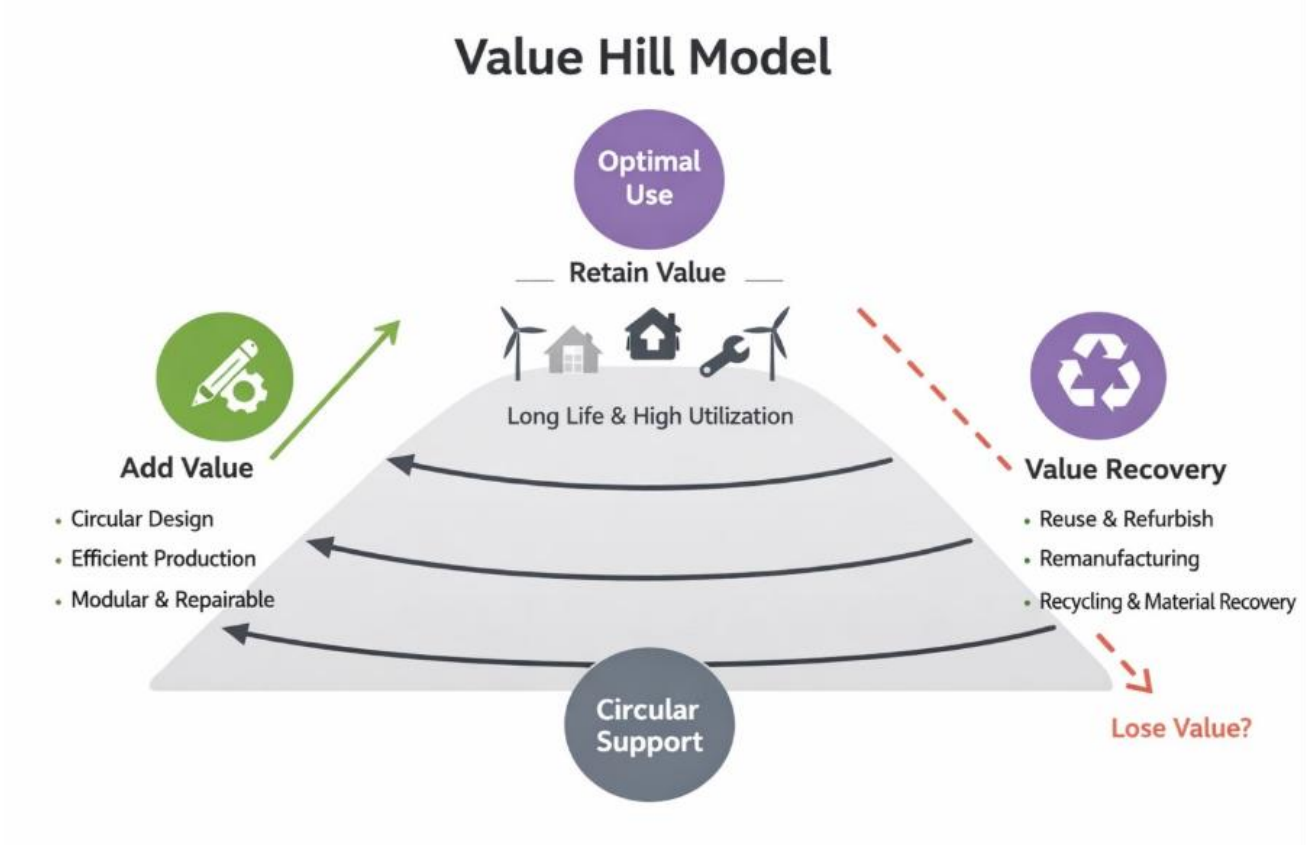
4.2. Value Hill Model

The Value Hill Model was used to understand how value is created, kept and recovered over the product life cycle. The model helped participants see where value increases during design and production, how it can be kept during use, and how it can be recovered after use.

The model divides the life cycle into three main phases: adding value (for example through circular design), retaining value (through optimal use, maintenance and repair), and recovering value (through reuse, refurbishing, remanufacturing or recycling). This made it easier to discuss which circular strategies are most effective at each stage.

By using the Value Hill Model, participants were encouraged to focus on keeping products, components and materials at their highest value for as long as possible, and to link these strategies directly to the circular business model developed in the workshop.

Used in the "Design" phase as the main structuring tool to develop and prototype a circular business model. Circular strategies and life cycle thinking were integrated into all canvas elements.



Sourced from Circle Economy "The Value Hill: A Circular Economy Guide for Business".

Description of "How to Use Value Hill Model"

The model is used to understand where and how value is created, kept and recovered over a product's life cycle. It helps teams decide which circular strategies make sense at each stage.

Step 1: Look at the "Add Value" phase

Start with the design and production phase. ask:

- How can we design the product to last longer?
- How can we reduce material and energy use?
- Can the product be modular, repairable or upgradable?

This phase focuses on circular design and smart material choices.

Step 2: Focus on "Retain Value"

Next, look at the use phase, where most value can be preserved. ask:

- How can we extend the product's use?
- What services (maintenance, repair, upgrades) help keep value high?
- Can sharing, renting or product as a service models be applied?

The goal is to keep the product at its highest value for as long as possible.

Step 3: Plan for "Recover Value"

Finally, examine the end of use phase. Ask:

- Can the product be reused, refurbished or remanufactured?
- Which parts or materials can be recycled?
- How does take back or reverse logistics work?

This phase focuses on bringing value back into the loop instead of losing it.

Step 4: Use it to guide decisions

The Value Hill Model is then used as a discussion and decision tool:

- Compare different circular options
- Avoid strategies that destroy value too early (e.g. premature recycling)
- Link technical solutions to the circular business model

This helps ensure that circular measures support both sustainability and business value.

The Value Hill Model was used as a supporting conceptual model for understanding value creation, retention, and recovery.

4.3. Business Model Canvas

Understanding the business model canvas (BMC)

- The business model canvas is a strategic framework that captures nine essential components of a company's value creation on a single page.
- This visual roadmap helps teams identify connections between customer segments, revenue streams, and key resources to improve strategic clarity.
- It fosters collaborative innovation by providing a shared language for different departments to contribute to their expertise.
- Test the assumptions on your canvas through customer feedback and market research to refine your strategy as you gather new data.

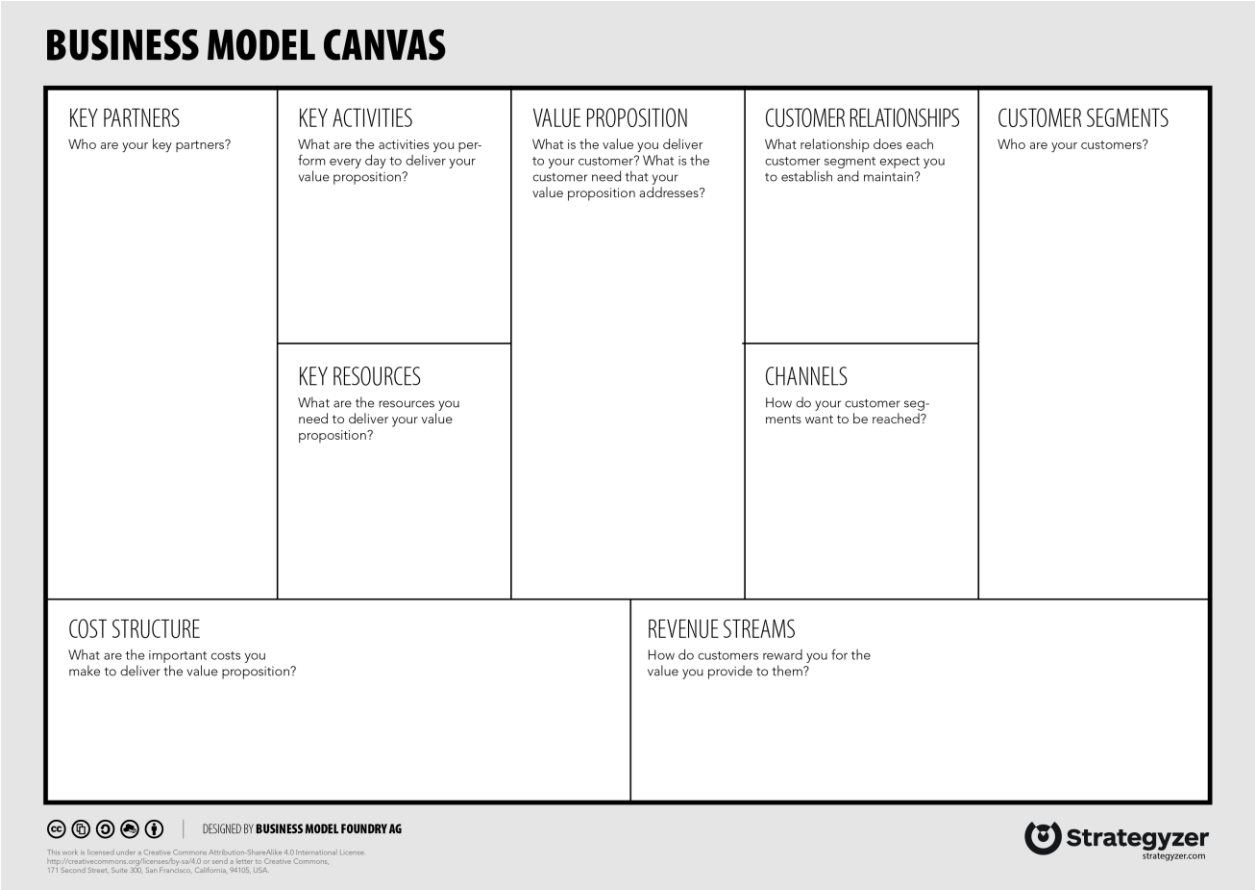
The business model canvas (BMC) revolutionizes how organizations plan, communicate, and execute their vision. This powerful framework transforms complex business concepts into a visual roadmap that guides you through critical project management phases while ensuring everyone understands how your organization creates value.

What is the business model canvas (BMC)?

The business model canvas (BMC) is a strategic tool that captures your entire business model on a single page. This visual framework helps you map out nine essential components:

1. Customer segments
2. Value propositions
3. Channels
4. Customer relationships
5. Revenue streams
6. Key resources
7. Key activities
8. Key partnership
9. Cost structure

The BMC is a roadmap for successful project management, clarifying how your business creates, delivers, and captures value. It can also help you quickly identify connections between different areas of your operation and spot potential improvements or inconsistencies.



https://www.strategyzer.com/

What makes this canvas powerful is its ability to transform complex business models into an accessible format that promotes knowledge sharing across your organization. It allows everyone to see the same big picture, fostering alignment and collaborative innovation.

Benefits of using a business model canvas

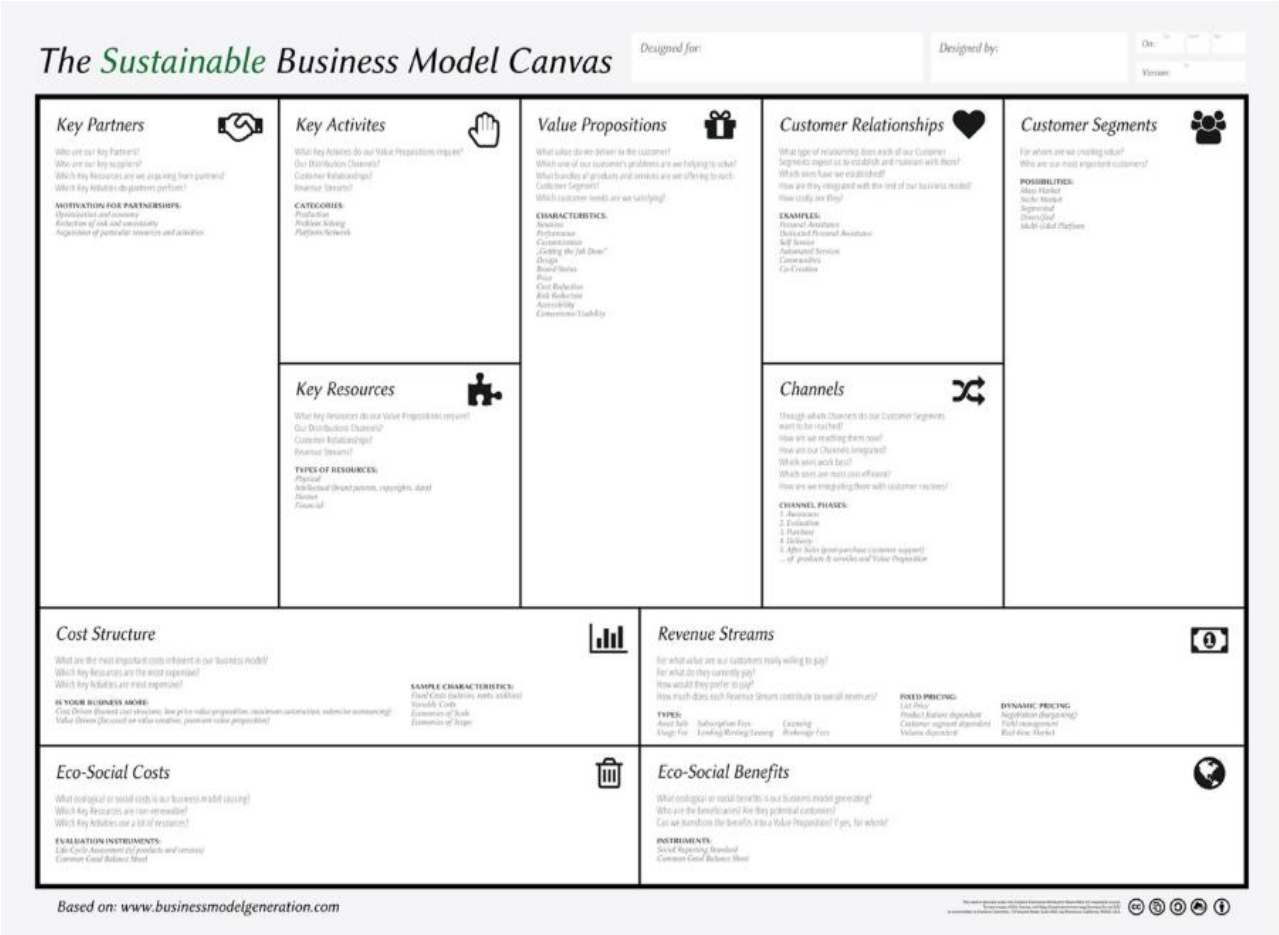
The business model canvas delivers tremendous value for organizations seeking strategic clarity. Your team gains a shared visual language that cuts through complexity and aligns everyone around core business elements.

This powerful tool accelerates decision making by revealing interdependencies between business components. When considering new initiatives, you immediately see how changes affect your operation. Additionally, project collaboration thrives with BMC implementation. Teams from different departments can contribute their expertise, create richer insights and breaking down silos that typically hinder innovation.

The canvas also functions as an exceptional innovation catalyst. It allows you to rapidly sketch alternative business models, test assumptions, and pivot when market conditions shift. This adaptability proves invaluable, especially in volatile environments.

4.4. Sustainable Business Model Canvas

The **Sustainable Business Model Canvas** is more than just a modified version of the traditional canvas (Business Model Canvas). It integrates environmental, social, and economic factors to help businesses create positive change. Rather than just reducing negative impacts, this framework helps organizations completely rethink how they create value. It enables companies to build profitable business models that actively benefit people and the planet.



https://www.strategyzer.com/

Why use a sustainable business model canvas?

This canvas helps you make sustainability core to your operations. By visually mapping out how your activities connect and impact both society and the environment, you can spot new opportunities. For instance, you might discover ways to work with eco-friendly suppliers or identify areas where you can reduce waste. The canvas also helps ensure your business decisions benefit both your bottom line and your community.

Key components of the sustainable business model canvas

The canvas adds several important elements to address sustainability alongside the traditional nine building blocks:

- **Key environmental impacts:** Maps out your company's effects on nature - from resource use and emissions to waste and biodiversity impacts
- **Key social impacts:** Examines how your business affects people through labor practices, community involvement, product safety, and data protection
- **Value proposition for sustainability:** Shows how your offerings specifically help the environment and society, such as lower emissions or ethically sourced materials
- **Sustainable cost structure:** Analyzes both the investments needed for sustainable practices and potential savings from efficiency improvements

Since the early 2010s, more companies have adopted this approach as environmental and social issues have become priorities. Research from 2018 identified **45 proven patterns** for sustainable business models that are now part of various planning tools, including this canvas.

From canvas to action: implementing your sustainable strategy

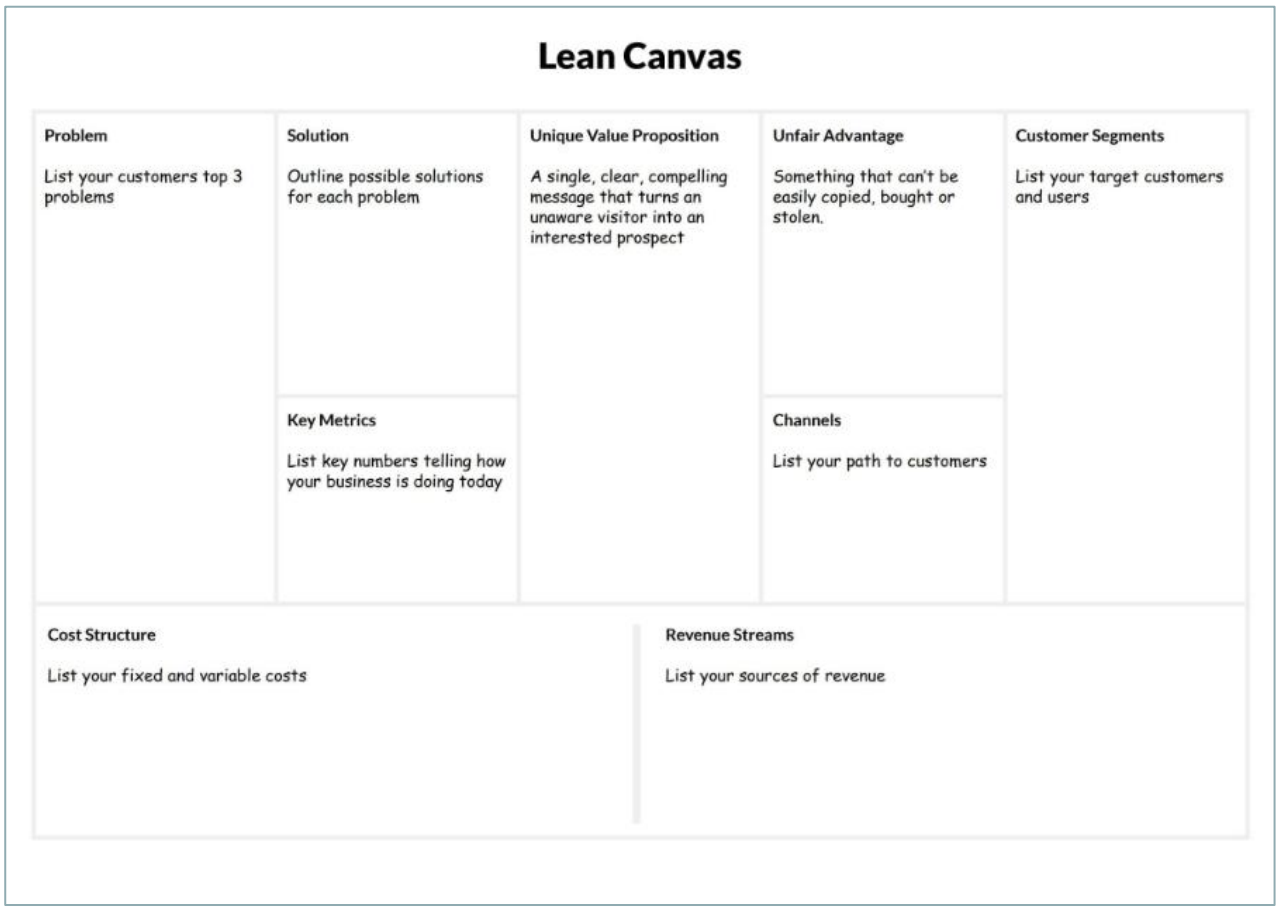
This canvas is meant to drive real change, not just theory. Using it effectively means setting specific goals for each area, assigning clear responsibilities, and tracking progress regularly. This practical approach ensures sustainability becomes part of your daily operations and long-term planning, rather than just a nice idea.

4.5. Lean Canvas

What is a Lean Canvas?

A Lean Canvas is a **strategic management and entrepreneurial tool** that helps businesses quickly visualize, develop, and communicate their business model. Think of it as a one-page business plan outlining the most important elements of your business in a concise and easy-to-understand format.

The Lean Canvas was developed by Ash Mauryana as a simplified version of Alexander Osterwalders Business Model Canvas. The Lean Canvas focuses on identifying the unique value proposition of a business and its target customers, as well as key elements of the business, like revenue streams, cost, and customer acquisition channels.



www.leanstack.com

Your Lean Canvas should be a living document that can be updated and refined as your business grows and evolves. It is often used by startups and entrepreneurs who are seeking to develop and refine their business model but can be used by any business looking to clarify and communicate its strategy in a simple and visual way.

What is the purpose of a Lean Canvas?

The purpose of Lean Canvas is to provide a simple and effective way for entrepreneurs and businesses to develop and communicate their business models. It serves several important functions, including:

- **Clarity**: The Lean Canvas helps business owners clarify their ideas and focus on the most important aspects of their business. By distilling a complex business model into a simple one-page document, it provides a clear and concise summary of the business and its value proposition.
- **Communication**: The Lean Canvas provides a common language for all stakeholders, including investors, employees, and customers. It communicates the key aspects of the business in a way that everyone can understand.
- **Iteration**: The Lean Canvas is a living document, updated and refined as the business evolves. Entrepreneurs iterate quickly and make changes to their business model based on feedback and new information.
- **Validation**: Entrepreneurs validate their business model by identifying potential problems and opportunities. By testing assumptions and gathering feedback, entrepreneurs refine their business models and increase their chances of success.

The Lean Canvas is a tool for any entrepreneur or business owner who is looking to develop, refine, and communicate their business model in a clear and effective way.

4.6. Nightmare Competitor Approach

The Nightmare Competitor Approach is a strategic thinking technique that involves designing an imaginary, ideal competitor who, with unlimited resources and no constraints, could completely dominate your market and drive your company bankruptcy and designing a strategy that will allow the company to outperform them.

Workshops based on this method help companies break through thinking patterns and create innovations that truly transform the market.

This strategic method is used in management, innovation, and business planning.

Why the "Nightmare" approach?

The "Nightmare Competitor" workshop uses an innovative approach to developing radical business models by imagining a hypothetical company that would cause the greatest disruption to an organization. Participants consider these disruptive competitors and their potential business models, allowing the company to strategically prepare and innovate to disrupt the market before someone else does by:

Accepting disruption:

By creating a worst-case scenario, a company can learn to adapt and innovate in response to future market changes, rather than waiting for disruption.

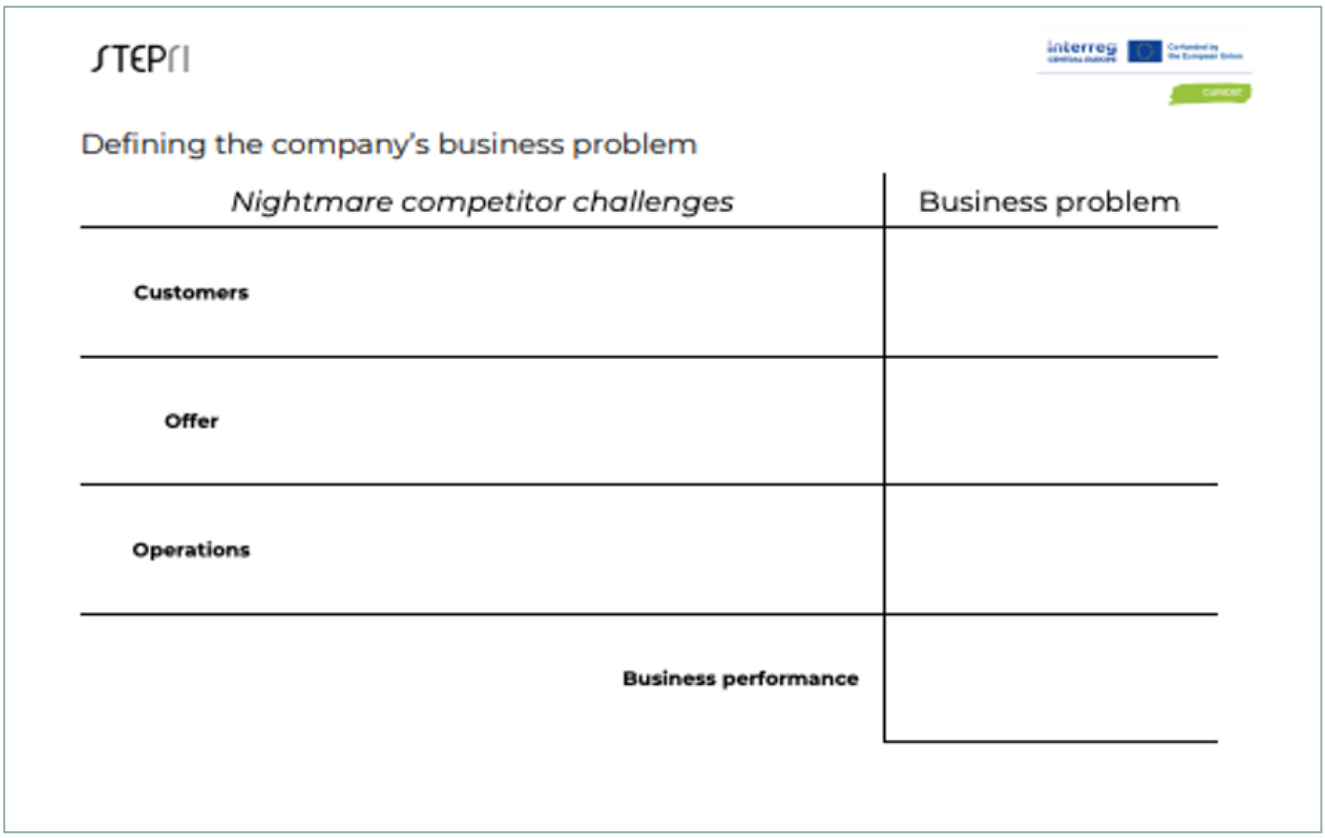
Encouraging radical ideas:

The "nightmare" concept allows for outside-the-box thinking and exploration of the unthinkable, leading to truly innovative ideas and new business models.

Gaining new perspectives: Involving external participants provides objective and unbiased insight into potential threats and innovative solutions.

Business model transformation:

This method helps companies challenge existing business models and customer satisfaction, transforming them into customer-centric and innovative concepts that can transform the industry.



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This approach differs from traditional methods (e.g., Business Model Canvas) by motivating action through threat rather than through seeking opportunity. This allows teams to move beyond established patterns more quickly.

Its main premise is to imagine the most terrifying, ideal competitor that could threaten one's company - a competitor who:

- has unlimited resources
- knows our offerings and weaknesses
- offers customers something significantly better, cheaper, faster, or simpler
- completely changes the rules of the market.

With this method, a company can:

- identify its own weaknesses and threats before real competition does
- stay ahead of the market, instead of just reacting to changes
- strengthen innovation and strategic courage by taking actions that can "outdistance" the competition

Key question: **"If you wanted to destroy your own company, how would you do it?"**

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