

# GAME INSTRUCTIONS

## 1. ALLOCATE ROLES IN THE GAME

To ensure smooth gameplay, please designate four team members to play the following roles during the game:



• **The »action card« reader:** This person reads out the relevant action card for each round to the whole team.



• **The »playing card« reader:** This person reads out all the necessary cards for each round to the whole team. Tip for the reader: Please always check whether the card you're reading out has text on the back too.



• **The »time keeper«:** This person keeps track of all the times specified by the facilitator for the team.



• **The »documentation photographer«:** This person uses a smartphone or camera to record the intermediate state in round 4 and the final outcome of the game. **(Optional):** Take a few team photos to create some nice memories.

## 2. GETTING TO KNOW THE CARDS

As a team, review all the cards for the strategy game together so that you have a good understanding of the different card categories before the game starts.

### Action cards

These are located in the upper left quadrant of the game board.

For each round of the game there is an action card which specifies the issues and tasks to be handled.

There are nine action cards in total.



**Round 1** – START HERE

**Round 2** – CIRCULAR FUTURE - Business model pattern

**Round 3** – Business model sub-patterns

**Round 4** – Select and clear away

**Round 5** – Partnerships

**Round 6** – Enablers »product design« und »digital technologies«

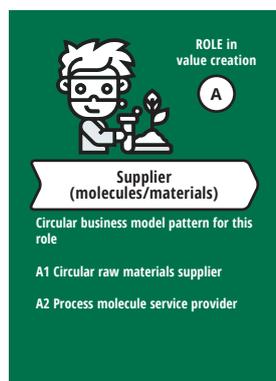
**Round 7** – Barriers

**Round 8** – Implementation

**Round 9** – Transfer into everyday business

## Role cards

These are located in the lower left quadrant of the game board. On each of the total of ten cards is a conventional value creation role.



- Role A** – Supplier (molecules/materials)
- Role B** – Supplier (mechanical engineering)
- Role C** – Producer
- Role D** – Retailer & service points
- Role E** – Repair provider
- Role F** – Prosumer
- Role G** – Logistics provider
- Role H** – Recovery manager
- Role I** – Intermediary
- Role J** – Emerging roles

During your review, you will come across two cards which you may find confusing, one because of the possibly unfamiliar choice of words in the role name (prosumers - role F) and the other because it is not a conventional role (new roles – role J). We would like to offer a brief explanation of these two cards:

### »Prosumers« role card

Implementing a Circular Economy requires citizens who actively support the transformation toward circular value creation, for example by changing their expectations regarding the sustainability and circularity of products and services.

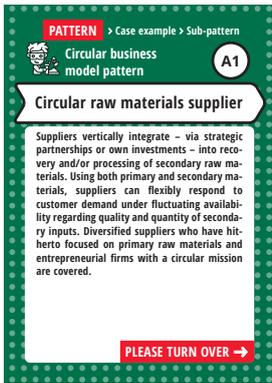
The term prosumers was deliberately chosen over consumers to embed this understanding of the new role of citizens. This is intended to assist you in taking this new role of prosumers into account right from the brainstorming stage and in the development of your personal circular business model.

### »New roles« role card

This role card is intended to provide a label for the expectation that new stakeholders in value creation who support the transformation towards a Circular Economy will develop or are already developing. The specific role of these new stakeholders cannot as yet be described but you may possibly already be able to anticipate it as you develop your new business model.

## Card stacks

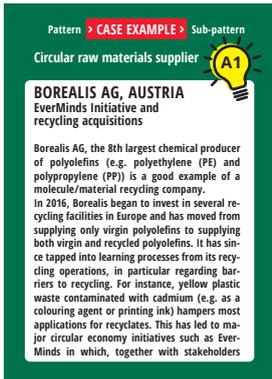
There are 22 card stacks which the facilitator has set out for you around the game board. Each stack is made up of the card categories “business model pattern”, “practical example” and “business model sub-pattern”. Each team member now picks up a stack to familiarise themselves with the cards. Now go through the cards together in order:



Card category »**business model pattern**«

- First card in each stack
- Describes basic circular business model pattern
- Numbering: e.g. A1, A2, B1, B2, C1, C2, etc.
- In total, there are 22 patterns in the game

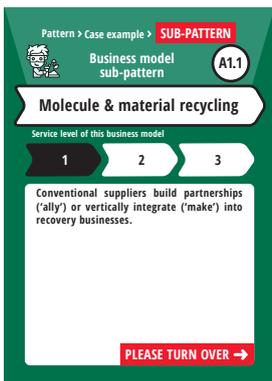
**Identifying feature:** dotted



Card category »**case example**«

- Second card in each stack
- Presents a real-world case example to illustrate the business model pattern more clearly
- Numbering (placed in a yellow light bulb): e.g. A1, A2, B1, B2, C1, C2, etc.
- In total, there are 22 practical examples in the game

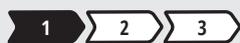
**Identifying feature:** yellow light bulb



Card category »**business model sub-pattern**«

- Located right at the bottom of each stack
- A stack may include up to three cards from this category
- In total, there are 43 business model sub-patterns in the game
- Numbering: e.g. A1.1, B1.1, C2.2, G1.3, etc.

**Identifying feature:** arrows indicating the service level (product-, use-, or results-oriented) of the business model sub-pattern:



Service level 1= product-oriented service level: the primary focus is

**to sell a product/service**

Companies have an incentive to maximise sales volumes.

→ low circularity



Service level 2= use-oriented service level: the primary focus is

**to sell the use of a product/service**

(e.g. leasing and sharing business models).

→ moderate circularity



Service level 3= results-oriented service level: the primary focus is

**to sell the performance of a product/service**

(e.g. pay-per-performance business model).

→ high circularity

### 3. START AND GAMEPLAY

Start the game by reading the action cards out in order, starting with the »START HERE« round 1 action card. Please be certain to read out all the content on the respective action card. There are nine rounds in total.

**Recommendation:** Take a break of 15 minutes after round 6.

**Playing time:** ca. 180 minutes (including break approx. 195 minutes)



### 4. GLOSSARY

**Note:** The explanations in the following list are based on the content of the report of the Circular Business Models working group of the Circular Economy Initiative Deutschland (CEID).

FOCAL ROLES IN THE VALUE CYCLE	
<b>supplier (molecules/materials)</b>	actors providing raw materials and other substances needed for production processes
<b>supplier (mechanical engineering)</b>	actors producing components and machines needed by producers
<b>producer</b>	<p>actors producing proprietary materials, components, and products</p> <p>→ <b>Note</b> on the basis of the report of the Circular Business Models working group:</p> <p>We consider the producer to be responsible for product design, production, and downstream circular service operations, even when the entire production is actually outsourced to a third-party original equipment manufacturer (OEM)</p>
<b>retailer &amp; service points</b>	actors selling products
<b>repair providers</b>	actors offering repair services
<b>prosumer</b>	non-market actors organising Do-It-Yourself (DIY) and other informal activities
<b>logistics provider</b>	actors providing logistics services and spare parts management

<b>recovery manager</b>	actors recovering, managing, and sorting materials
<b>intermediaries</b>	actors operating platforms for coordinating recycling, used products, or sharing activities
<b>emerging roles</b>	this umbrella category contains additional actors in support of the key actors' business models (e.g. financial service providers) and leaves room for entirely new types of actors yet to be identified

<b>CIRCULAR ECONOMY STRATEGIES</b>	
<b>repair, maintenance, and upgrade</b>	Offering prolonged usability and functionality of products through maintenance, repair, and/or control services which reduce the need to buy and switch to new products. Optionally, products are upgraded with new features or advanced performance.
<b>reuse &amp; redistribution</b>	This strategy requires that used products flow (back) to service providers, either directly or via an intermediary. The used products are then directly (re-)sold, perhaps in slightly enhanced form after cleaning, minor repairs, and repackaging, leading to new forms of value capture.
<b>remanufacturing &amp; refurbishment</b>	With remanufacturing, value creation processes change considerably. Used or malfunctioning products are returned to the producer (or third-party provider), completely disassembled and reassembled with all parts, and the resulting product is restored to quality equal to or better than the original product (i.e. quality 'as new'). This may include technological upgrading of selected modules. In the light version of refurbishment, instead of disassembly, only selected repairs and reconditioning activities are carried out.

<p><b>recycling</b></p>	<p>At the level of materials, recycling comes into play. It is less preferred than repair, reuse, and remanufacturing, because a large proportion of the embodied energy and labour is lost. In principle, material recycling is about reusing materials for the same or different purpose (excluding incineration). Today's recycling processes often considerably reduce material utility and quality and can therefore be considered 'downcycling'. New business models and related product design changes aim to retain material quality over multiple cycles and long periods of time so that primary materials can be replaced, i.e. 'upcycling'. From a business model perspective, recycling leads to new value creation (return and processing of products/ materials) and value capture (e.g. potentially cutting costs by using or creating new revenues by selling secondary materials) processes.</p>
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<b>FURTHER TERMS</b>	
<p><b>business model pattern</b></p>	<p>overarching business model pattern with general description of the potential business model</p>
<p><b>business model sub-pattern</b></p>	<p>sub-pattern of the overarching business model pattern, differentiated by the type of product-service systems (PSS)</p>
<p><b>canvas</b></p>	<p>implementation template</p>

<b>LIST OF ABBREVIATIONS</b>	
<p><b>CEID</b></p>	<p>Circular Economy Initiative <i>Deutschland</i></p>
<p><b>KPI</b></p>	<p>Key Performance Indicator</p>
<p><b>OKR</b></p>	<p>Objectives and Key Results</p>
<p><b>ROI</b></p>	<p>Return on Investment</p>

**WE WISH YOU LOTS OF FUN AND INSPIRATION!**

# MAKE IT CIRCULAR!

## A playful gamified introduction to circular business models in a corporate setting

The content of this strategy game **“Make it circular! A playful gamified introduction to circular business models in a corporate setting”** is based on the business model typology in the report of the Circular Business Models working group within the framework of the Circular Economy Initiative Deutschland of acatech - National Academy of Science and Engineering (duration 2019-2021). The original model of the business model typology was developed by the scientific lead of the working group, Prof. Dr. Erik G. Hansen (Institute for Integrated Quality Design (IQD), Johannes Kepler University Linz), together with the task force leads Prof. Dr. Florian Lüdeke-Freund (ESCP Business School Berlin) and Prof. Dr. Klaus Fichter (Borderstep Institute for Innovation and Sustainability/ Carl von Ossietzky University Oldenburg) and refined in working group meetings with other members.

Using funding from Deutsche Bundesstiftung Umwelt (DBU), acatech and WWF Germany, the business model typology has now been developed into a strategy game for (medium-sized) companies (main target group) and any other interested parties (e.g. individuals, consultants or institutions). Having formerly been the scientific lead of the “Circular Business Models” working group, Prof. Dr. Erik G. Hansen assisted with the development of this strategy game in an advisory capacity. During game development, five companies participated in an agile feedback process (design thinking) and tested the beta version of the game before it was finalised. We would like to thank everyone for their contribution to the project.

**Now, before you start playing the strategy game, please allow us to make two important comments:**

By the very nature of any research process, there is a possibility that new findings may make current content outdated tomorrow, in a few months or after some years. We are nevertheless convinced that the logic of the game will still set you effectively on the pathway towards a circular business model.

The use of gender-sensitive language is important and has been implemented in the project as far as possible. One exception is the playing cards (and some of the associated glossary entries) for reasons of space.

**Our aim is for you to gain useful insight, have some stimulating discussions and, ultimately, identify some clear starting points for your own circular business model for your company. We wish you lots of fun!**



<sup>1</sup> acatech - Deutsche Akademie der Technikwissenschaften e.V., Circular Economy Initiative Deutschland & SYSTEMIQ (2021). *Circular Business Models: Overcoming Barriers, Unleashing Potentials*. Final Report of the Working Group on Circular Business Models, Munich, Germany. Online: <https://en.acatech.de/publication/circular-business-models-overcoming-barriers-unleashing-potentials/>.

<sup>2</sup> Hansen, E.G., Lüdeke Freund, F. & Fichter, K. (2020). *Circular Business Model Typology: Actor, Circular Strategy and Service Level (IQD Research Papers: 2020-1)*. Linz, Austria: Institute for Integrated Quality Design (IQD), Johannes Kepler University Linz (JKU). Online: <https://doi.org/10.35011/iqd.2020-01>.

# INSPIRATION: Digital technologies for the Circular Economy

As inspiration for overcoming the barriers, here is a selection of key digital technologies and their potential contribution to a circular economy.\*

## INTERNET OF THINGS (IOT)

### What is it?

The internet of things is 'a paradigm where everyday objects can be equipped with identifying, sensing, networking and processing capabilities that will allow them to communicate with one another and with other devices and services over the Internet to achieve some useful objective'.

### How does it enable a smart Circular Economy?

The internet of things is the infrastructure that enables the creation of connected products and resources. It is the foundation for the monitoring, tracking, and tracing of products and resources in their journey through the different loops of the Circular Economy.

## BIG DATA

### What is it?

Big data are large and complex datasets and more advanced analysis methods are needed for processing such data compared to smaller datasets (smaller datasets can be easily processed using traditional tools). Big data analytics deploys advanced techniques to extract information from data that may be structured in different ways, formats, and sizes.

### How does it enable a smart Circular Economy?

Big data analytics makes it possible to identify patterns and trends about product usage or performance. This information can influence the design of future product generations or the offer of after-sale services, thus extending the useful life of products and resources and enabling preservation of the highest possible value.

## CONTROL & EMBEDDED SYSTEMS

### What is it?

Control and embedded systems, typically found in more complex products, allow these products to control their own performance, through built-in feedback mechanisms.

### How does it enable a smart Circular Economy?

Control and embedded systems allow product and component performance to be adjusted. This means that wear-and-tear can be reduced, and its influence on a product's or component's lifetime managed better.

## ANALYTICS AND RELIABILITY ANALYSIS

### What is it?

Analytics and reliability analysis are at the core of any advanced 'smart' strategy. Together, they are used to assess the likelihood and certainty of an event occurring.

### How does it enable a smart Circular Economy?

With these approaches, predictions can be made with regards to when and where products and resources will become available, as well as what the expected quality levels are. This information can be used when planning matters such as which circular strategies will be used (think of recycling versus cascading for materials, and refurbishment versus remanufacturing for products and components) and where they will be carried out.

## ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

### What is it?

Artificial intelligence (or AI) simulates the cognitive processes of humans, such as reasoning and learning, to turn data into information and insights. To do so, it uses example data sets – or training data – to learn what the desired outcomes are and to apply this knowledge to new cases. Machine learning and deep learning are approaches that enable machines to perform tasks relying on patterns and inference without specific human instructions.

### How does it enable a smart Circular Economy?

Machine learning and the related approach of deep learning allow a machine to perform a specific task without requiring explicit instructions. As a result, machines can autonomously manage a range of factors that improve their longevity. For instance, AI solutions could generate objective and cost-effective analyses to differentiate failures from cosmetic issues. In addition, cameras and sensors could feed information for robots to make autonomous decisions with when recovering recyclables from waste.

## CLOUD COMPUTING

### What is it?

Cloud computing can be seen as an advanced technique for processing, storing, distributing and managing data through the internet. It enables the usage of technology any time and anywhere by separating the applications and the related information from the physical infrastructure typically required for it (e.g. servers, databases, applications). Users have access to a shared pool of computing resources that can be rapidly activated with minimal management effort and interaction with the provider of the resources.

### How does it enable a smart Circular Economy?

Through collecting and analysing more data, new patterns can be found that influence how products and resources are used, thus allowing for interventions that extend the useful life of these products and resources. Cloud computing may offer organisations computing capabilities on-demand. Thus, it may allow organisations to execute data collection and analysis processes more efficiently and without the need for large investments in data centres. Cloud computing is especially attractive to small and medium enterprises that do not have extensive financial resources to make such investments.

## DISTRIBUTED LEDGER TECHNOLOGY & BLOCKCHAIN

### What is it?

Distributed ledger technology (DLT) is essentially a database shared across multiple actors, geographies or organisations. All participants within the network can have an identical copy of this database, and changes are replicated to all copies of the ledger in a matter of minutes or seconds, allowing for decentralised transaction and data management. Blockchain is a type of DLT and is a chain of blocks linked with each other with cryptographic security. Transactions in the blockchain are immutable and make it impossible for an entity to manipulate, replace, or falsify data stored on the ledger.

### How does it enable a smart Circular Economy?

Together, these two technologies allow for changes in location and changes in status of resources – whether ‘health status’, quality, quantity or ownership – to be collected and shared in value chains over time. The trusted nature of these technologies enables decentralised and secure data management. A major application of these technologies for the Circular Economy lies in the potential traceability of products, components and materials along the value chain.

## ONLINE PLATFORMS

### What is it?

Online platforms cover a range of services available on the internet, for instance, search engines, social media, and marketplaces. They can be seen as 'a digital service that facilitates interactions between two or more distinct but interdependent sets of users (whether firms or individuals) who interact through the service via the Internet'.

### How does it enable a smart Circular Economy?

Online platforms may connect manufacturers directly with their customers, providing them with means to better understand customer needs and offer additional services to their customers. In addition, online platforms have the capacity to connect the supply of resources – whether secondary materials, or used components and products – with actors who have a need for them. Finally, online platforms enable new circular business models based on access instead of ownership, such as sharing, renting and leasing.

## DIGITAL PASSPORTS & DIGITAL TWINS

### What is it?

Digital passports are electronic data sets that collect the characteristics of products, components and materials. A digital twin is a virtual counterpart of a product that can be used to carry out simulations of its operations.

### How does it enable a smart Circular Economy?

Digital passports – containing information about formulation, manufacturing technologies, additives and alternations that were made during use – enable suppliers, designers, users, service providers and other value chain actors to retain the highest possible value of the products or resources by allowing for the most adequate treatment for each circular strategy (e.g. repair). Digital twins may use the information stored on digital passports to run simulations and analyse the future performance of the product during the use phase. Digital twins enable predictions to be made about remaining useful life and the best moment to perform maintenance before failure, remanufacturing or any other circular strategy.

\* Note: These digital key technologies are part of the report "Circular Business Models: Overcoming Barriers, Unleashing Potentials" by the Circular Business Models working group of the Circular Economy Initiative Deutschland. The report gives the sources for each key technology. Report citation: Circular Economy Initiative Deutschland (Ed.): Circular Business Models: Overcoming Barriers, Unleashing Potentials, acatech/SYSTEMIQ, Munich/London 2020. DOI: [https://doi.org/10.48669/ceid\\_2021-7](https://doi.org/10.48669/ceid_2021-7)

## INSPIRATION: List of barriers

The following list contains **68 barriers to the Circular Economy**. They were identified and compiled as part of the report by the Circular Business Models Working Group of the Circular Economy Initiative Deutschland.\*

You can use the barriers as inspiration for your task in round 7 if you wish.

### Financial barriers

- High capital or pre-financing demand, e.g. for leasing models
- Difficult access to funds
- High transaction costs
- Uncertain return on investment and profit
- Pricing issues and liquidity risks
- The difficulty, high cost and long duration of obtaining 'secondary material' status versus 'waste' status under the existing environmental permit system
- Possible increase in the cost of capital, as assets remain on the balance sheet, increasing financing needs and reducing the overall liquidity of the company
- Risk of not achieving cost-effective repair, reuse or refurbishment
- High costs associated with the take-back of products and high labour costs associated with product dismantling and separation of material fractions
- Difficulties in internalising legal risks (e.g. from longer warranties) beyond the extension of responsibility beyond the point of sale
- Declining sales of new products due to increased sales of repaired, refurbished and reconditioned products ('perceived' market cannibalisation)
- Lack of supply (or quality) of returned products or resources
- Uncertainties about the residual value of the new products, i.e. repaired, reused, updated or refurbished
- Unpredictability of the volume of returned products can make it difficult to plan and financially forecast
- Risks in product performance, increased liabilities for reprocessed products or materials reprocessed products or materials

## Organisational barriers

- Hesitant corporate culture and predominant linear thinking
- Lack of support from the top management and increasingly from mid management
- Lack of fit of circular business models with existing corporate strategy
- Lack of internal strategic positioning of circular business models (e.g. sales of new vs. used goods)
- Lack of operational incentives for investment decisions, focus on profit maximisation
- Little evidence of financial and environmental benefits
- Technical path dependency (lock-in) through long-term investments
- ROI and similar requirements for new business projects
- Lack of expertise and knowledge within the organisation, e.g. on CE business models
- Lack of willingness to cooperate in the value chain
- Difficulty in establishing cross-functional or cross-organisational cooperation
- Unclear internal responsibilities
- Difficult to organise take-back logistics and lack of take-back processes
- Cannibalisation concerns
- Uncertainty about legislation in this area

## Consumption-related barriers

- Lack of consumer awareness of and interest in circularity and longevity
- Lack of and/or uncertainty about consumer acceptance
- Misunderstandings regarding refurbishment, reuse, servicing, performance sales, etc.
- Linear thinking patterns
- Lack of knowledge about CE
- Rigidity of consumer behaviour and routines
- Lack of consumer information and education
- Lack of willingness to participate in 're'activities
- Expectations for low prices
- Customer perception that sustainability is a trade-off for price/performance
- Prefabricated opinions that reprocessed products are inferior to new products or lack the attraction of the 'new'.
- Mishandling of products by customers
- Customer concerns about data security

## Value chain barriers

- Lack of market incentives (e.g. low raw material prices, high quality materials not competitive in price)
- Lack of acceptance and transparency (e.g. costs and value of repair services)
- Market demand and market development unclear
- Dependencies in the supply chain prevent circularity, OEMs may risk damaging relationships with their dealers by offering repair or refurbishment services
- More risks from dependence on unstable suppliers compared to dependence on traditional global commodity markets for new materials
- Component manufacturers and other non OEMs can only establish circular business models to a limited extent due to their position in the value chain
- Lack of networks and/or supply chains for dismantled products and components and recycled materials (reverse logistics)
- Lack of standardisation and incorrect quality standards (e.g. best before date of food)
- Lack of cooperation along the value chain, takes time to build new partnerships and mutual trust
- Lack of exchange of information
- Low quality of recycled material flows
- Rapid innovation cycles and corresponding consumer expectations (especially regarding repair, maintenance)
- Increasing individualisation
- Lack of a clear system of key figures comparable to the economic annual balance sheet
- High labour costs

## Technical barriers

- Lack of standards and design requirements (materials: non toxic ingredients, material substitution; products: modularity, design for repair/remanufacturing/ recycling)
- Lack of design tools for CE and circular products
- Lack of data availability (material composition, ingredients, product life cycle)
- Lack of digital tools
- Lack of demonstration projects for industrial symbioses
- Lack of treatment and recycling structures in countries (incl. Germany)
- Lack of ability to deliver high quality remanufactured products
- Too few large scale demonstration projects
- Duration between design and diffusion
- Lack of technical assistance and training

\* Note: The barriers listed are part of the report "Circular Business Models: Overcoming Barriers, Unleashing Potentials" by the Circular Business Models working group of the Circular Economy Initiative Deutschland. The report gives the sources for each barrier. Report citation: Circular Economy Initiative Deutschland (Ed.): Circular Business Models: Overcoming Barriers, Unleashing Potentials, acatech/SYSTEMIQ, Munich/London 2020. DOI: [https://doi.org/10.48669/ceid\\_2021-7](https://doi.org/10.48669/ceid_2021-7)

# TRANSFER INTO EVERYDAY BUSINESS

## Step 1

WHAT DO WE WANT TO DO? \_\_\_\_\_

\_\_\_\_\_

WHO DO WE WANT TO INCLUDE (INTERNAL/EXTERNAL)? \_\_\_\_\_

\_\_\_\_\_

TO BE COMPLETED BY WHEN? \_\_\_\_\_

\_\_\_\_\_

## Step 2

WHAT DO WE WANT TO DO? \_\_\_\_\_

\_\_\_\_\_

WHO DO WE WANT TO INCLUDE (INTERNAL/EXTERNAL)? \_\_\_\_\_

\_\_\_\_\_

TO BE COMPLETED BY WHEN? \_\_\_\_\_

\_\_\_\_\_

## Step 3

WHAT DO WE WANT TO DO? \_\_\_\_\_

\_\_\_\_\_

WHO DO WE WANT TO INCLUDE (INTERNAL/EXTERNAL)? \_\_\_\_\_

\_\_\_\_\_

TO BE COMPLETED BY WHEN? \_\_\_\_\_

\_\_\_\_\_