



Tool 4.1 Circular Value Proposition Canvas

Tool 4.1 – Circular Value Proposition Canvas

Phase 4 – Circular Value Proposition Design

Circular Value Proposition Canvas

Designed for:

Designed by:

Date:

Version:

PRODUCTS & SERVICES What offering delivers value? Is value embedded in product, service, platform, or hybrid solution? Does it include repair, refurbishment, take-back, upgrade, resale?	GAIN CREATORS How does circularity create additional benefits? ☐ Economic gains (lower lifecycle cost, residual value) ☐ Functional gains (longer use, adaptability, reliability) ☐ Emotional gains (responsible consumption, reduced guilt) ☐ Social gains (status, brand alignment, ESG credibility)	CUSTOMER GAINS What outcomes or improvements are valued? ☐ What defines convenience, trust, status, savings, performance? ☐ Are sustainability or circularity perceived as gains?	CUSTOMER JOBS What functional jobs is the customer trying to accomplish? What emotional or social jobs are relevant? Are there circular-related jobs (e.g., reduce waste, consume responsibly, comply with ESG goals)?
CIRCULAR VALUE MECHANISMS Which mechanism differentiates us? ☐ Which mechanism reduces lifecycle costs? ☐ Which mechanism improves customer trust?	PAIN RELIEVERS How does circularity reduces pain points? ☐ Does durability reduce replacement frequency? ☐ Does reparability reduce failure anxiety? ☐ Does returnability remove disposal burden? ☐ Does modularity reduce upgrade costs? ☐ Does transparency reduce trust barriers?	CUSTOMER PAINS What frustrates customers in acquisition, use, maintenance, disposal? ☐ What risks or costs are perceived (financial, time, performance, uncertainty)? ☐ Are there pains linked to durability, repair, returns, or end-of-life complexity?	VALUE CAPTURE LOGIC How does the firm monetise circular value? ☐ Premium pricing ☐ Subscription / Product-as-a-Service ☐ Maintenance contracts ☐ Residual value recovery ☐ Deposit-return mechanisms
TRADE-OFFS & BARRIERS ☐ Does circularity increase upfront price ☐ Does it introduce behavioural friction? ☐ Are customers sceptical about refurbished/reused products? ☐ Are operational constraints visible to customers (delays, deposits, contracts)?		PROOF & CREDIBILITY How is circular value validated? ☐ Certifications ☐ Environmental indicators (EPD, CO₂ footprint) ☐ Digital Product Passport ☐ Warranty extensions ☐ Performance guarantees	

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Objective of the Tool

The Circular Value Proposition Canvas helps companies design value propositions that create customer value while embedding circular economy principles such as durability, repairability, reuse, refurbishment, and resource efficiency. It supports organisations in translating circular strategies into concrete customer benefits and aligning sustainability objectives with market expectations.

What the Tool Is

The Circular Value Proposition Canvas is a strategic design tool used to structure how circular products and services create value for customers while enabling environmental and economic benefits across the product lifecycle. It adapts the traditional value proposition logic to circular business models by integrating mechanisms such as extended product lifetimes, service-based offerings, take-back systems, and resource recovery.

When to Use the Tool

The Circular Value Proposition Canvas is particularly useful when companies are designing or redesigning products and services to integrate circular principles. It can be used when organisations are:

- Designing circular products or services
- Developing refurbishment or repair offerings
- Introducing product-as-a-service models
- Creating take-back or resale programmes
- Integrating circular features such as modularity or durability
- Aligning sustainability strategy with customer value

How to Use the Tool

Step 1 – Identify Customer Jobs: Define the functional, emotional, and social goals (we call them “jobs”) customers are trying to accomplish.

Step 2 – Analyse Customer Pains: Identify frustrations, risks, or barriers customers experience during product acquisition, use, maintenance, or disposal.

Step 3 – Identify Customer Gains: Define the outcomes customers value, such as convenience, reliability, savings, or sustainability benefits.

Step 4 – Define Products and Services: Clarify the product, service, or hybrid offering that delivers the circular value proposition.

Step 5 – Design Pain Relievers: Identify how circular features reduce customer pains.

Step 6 – Define Gain Creators: Identify how circular solutions create additional benefits.

Step 7 – Identify Circular Value Mechanisms: Determine which circular mechanisms differentiate the offering.

Step 8 – Assess Trade-offs and Barriers: Evaluate potential barriers to adoption.

Step 9 – Define Value Capture Logic: Clarify how the organisation monetises circular value.

Step 10 – Establish Proof and Credibility: Identify how the circular value proposition will be validated and communicated.

Expected Output

The exercise produces a structured Circular Value Proposition Map describing:

- Customer jobs, pains, and gains
- Circular products and service offerings
- Pain relievers and gain creators enabled by circular design
- Circular value mechanisms and differentiation logic
- Potential barriers to customer adoption
- Revenue and value capture mechanisms
- Evidence supporting the credibility of circular claims

This output helps organisations design circular offerings that create both market value and environmental impact.

Key Dimensions of the Circular Value Proposition Canvas

1. Customer Jobs

Defines what customers are trying to accomplish.

Jobs may include functional, emotional, or social goals, such as using a product efficiently, demonstrating responsible consumption, or complying with sustainability expectations.

Guiding question:

What functional, emotional, or social jobs are customers trying to accomplish?

2. Customer Pains

Identifies frustrations, risks, and obstacles customers experience during acquisition, use, maintenance, or disposal of products.

Guiding question:

What problems or risks do customers want to avoid?

3. Customer Gains

Defines the benefits customers expect or desire, including convenience, performance, economic savings, reliability, or sustainability benefits.

Guiding question:

What outcomes or improvements are valued by customers?

4. Products and Services

Describes the offering that delivers value. This may include physical products, services, platforms, or hybrid solutions integrating repair, refurbishment, take-back, upgrade, or resale services.

Guiding question:

What offering delivers the circular value proposition?

5. Pain Relievers

Explains how circular design reduces customer pains. For example, durability reduces replacement frequency, repairability reduces failure anxiety, and take-back systems simplify product disposal.

Guiding question:

How does circularity reduce customer frustrations or risks?

6. Gain Creators

Identifies how circular solutions generate additional benefits such as economic savings, longer product lifetime, adaptability, responsible consumption, or enhanced brand trust.

Guiding question:

How does circularity create new benefits for customers?

7. Circular Value Mechanisms

Defines the circular features that differentiate the value proposition.

These may include modular design, product-as-a-service models, refurbishment programmes, lifecycle cost optimisation, or material recovery systems.

Guiding question:

Which circular mechanisms create competitive advantage?

8. Trade-offs and Barriers

Examines potential barriers to adoption, such as higher upfront prices, behavioural friction, concerns about refurbished products, or operational constraints.

Guiding question:

What barriers could prevent customers from adopting the circular solution?

9. Value Capture Logic

Defines how the organisation monetises circular value.

This may include premium pricing, subscriptions, leasing models, maintenance contracts, residual value recovery, or deposit-return mechanisms.

Guiding question:

How does the company capture economic value from the circular offering?

10. Proof and Credibility

Identifies how circular claims are validated and communicated to customers.

This may include certifications, environmental indicators, digital product passports, extended warranties, or performance guarantees.

Guiding question:

How can customers trust the circular value proposition?



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