



Tool 4.3 Circular Business Model Canvas

Tool 4.3 – Circular Business Model Canvas

Phase 4 – Circular Value Proposition Design

Circular Business Model Canvas				
Designed for:		Designed by:		Date:
				Version:
KEY PARTNERSHIPS <i>Which partners are essential to deliver, scale, and stabilise circular flows and value creation?</i> ☐ Repair partners / refurbishers / recyclers? ☐ Logistics & recovery actors? ☐ Digital / DPP providers? ☐ Secondary market platforms? ☐ Municipal / EPR stakeholders?	KEY ACTIVITIES <i>Which activities are critical to operate and sustain the circular model (repair, refurbishment, reverse logistics, data management)?</i> ☐ Repair / refurbishment / remanufacturing? ☐ Reverse logistics / take-back? ☐ Condition assessment / grading? ☐ Data management / traceability? ☐ Customer education?	VALUE PROPOSITION <i>What circular value do we offer, and how does it improve customer outcomes compared to linear alternatives?</i> ☐ Durability ☐ Repairability ☐ Upgradeability ☐ Reuse / resale ☐ Returnability / take-back ☐ Transparency (e.g., DPP) <i>What problems are solved across the lifecycle?</i>	CUSTOMER RELATIONSHIPS <i>What type of relationship sustains engagement over time (transactional, service-based, subscription, community)?</i> ☐ One-off purchase vs subscription/service model? ☐ Long-term maintenance / upgrades? ☐ Community, loyalty, take-back incentives?	CUSTOMER SEGMENTS <i>Who are the primary and secondary users benefiting from the circular model across the product lifecycle?</i> ☐ Who uses, maintains, returns, refurbishes, resells? ☐ Are there secondary or multi-life customers? ☐ B2C, B2B, institutional, refurbishment markets?
	KEY RESOURCES <i>Which physical, intellectual, and data resources enable circular value creation and recovery?</i> ☐ Durable materials / modular components? ☐ Refurbishable product architecture? ☐ Data infrastructure (tracking, DPP)? ☐ Recovery & sorting capabilities?	CIRCULAR STRATEGIES <i>Which circular strategies define the business model?</i> ☐ Longevity ☐ Repair ☐ Upgrade ☐ Reuse / resale ☐ Refurbish / remanufacture ☐ Recycle ☐ Product-as-a-Service	CHANNELS <i>Through which channels do we deliver value and enable circular flows (delivery, return, repair, reuse)?</i> ☐ Sales, leasing, digital platforms? ☐ Return, repair, refurbishment channels? ☐ Who manages reverse logistics?	
COST STRUCTURE <i>What cost shifts emerge from circularity, and how are they balanced by long-term value creation or savings?</i> ☐ Higher upfront design/material costs? ☐ Reverse logistics / sorting / refurbishment costs? ☐ Service & maintenance operations? ☐ Data / digital infrastructure? ☐ Savings from extended lifecycle / recovery?			REVENUE STREAMS <i>How does the business capture value from circular offerings across multiple lifecycle phases?</i> ☐ Product sales ☐ leasing ☐ subscription ☐ Repair & maintenance services ☐ Refurbishment / remanufacturing revenue ☐ Residual value / resale	



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Objective of the Tool

The Circular Business Model Canvas supports organisations in designing and structuring business models that integrate circular economy principles across the entire product lifecycle. The tool helps companies understand how value is created, delivered, and captured when products are designed for durability, reuse, repair, refurbishment, and material recovery. It enables organisations to align circular strategies with operational activities, ecosystem partners, and revenue mechanisms.

What the Tool Is

The Circular Business Model Canvas is a strategic design canvas used to structure how circular business models operate. It adapts the traditional Business Model Canvas to integrate circular strategies such as longevity, repair, reuse, refurbishment, product-as-a-service, and material recovery. It helps organisations visualise how circular value is created for customers, how products circulate across multiple lifecycle phases, and how economic value can be captured across these cycles.

When to Use the Tool

The Circular Business Model Canvas is particularly useful when organisations are developing or transforming business models to integrate circular economy principles. It can be used when companies are:

- Designing new circular products or services
- Transitioning from linear to circular business models

How to Use the Tool

Step 1 – Define the Circular Value Proposition: Identify how the offering delivers circular value through durability, repairability, reuse, or transparency.

Step 2 – Identify Customer Segments: Determine the different users or beneficiaries across the product lifecycle, including potential secondary markets.

Step 3 – Map Channels: Identify the channels used to deliver products and services as well as those enabling returns, repair, or refurbishment.

Step 4 – Define Customer Relationships: Clarify how relationships with customers evolve over time, particularly in service-based or long-term circular models.

Step 5 – Identify Revenue Streams: Determine how economic value is captured across multiple lifecycle phases.

Step 6 – Identify Key Resources: Map the physical, digital, and intellectual resources required to support circular operations.

Step 7 – Define Key Activities: Identify the operational activities required to operate the circular business model.

Step 8 – Identify Key Partnerships: Determine the ecosystem partners required to deliver and scale the circular model.

Step 9 – Analyse the Cost Structure: Identify how costs shift when circular strategies are implemented.

Step 10 – Define Circular Strategies: Identify the circular strategies that structure the business model.

Expected Output

The exercise produces a Circular Business Model Map describing:

- The circular value proposition delivered to customers
- Customer segments across multiple lifecycle phases
- Channels enabling delivery, return, repair, and reuse
- Customer relationships supporting long-term engagement
- Revenue streams generated across product lifecycles
- Key resources and activities enabling circular operations
- Ecosystem partners supporting circular flows
- Cost structure implications of circular strategies
- The circular strategies structuring the business model

This output helps organisations design business models capable of capturing value from extended product lifecycles and circular flows.

Key Dimensions of the Circular Business Model Canvas

1. Value Proposition

Defines the circular value delivered to customers and how it improves outcomes compared to linear alternatives. Typical circular features include durability, repairability, upgradeability, reuse, returnability, and transparency through tools such as Digital Product Passports.

Guiding question:

What circular value do we offer and how does it improve customer outcomes?

2. Customer Segments

Identifies the primary and secondary users benefiting from the circular model across the product lifecycle. This may include first users, refurbishment markets, secondary users, or institutional clients.

Guiding question:

Who benefits from the circular business model across multiple lifecycle stages?

3. Channels

Defines the channels through which value is delivered and circular flows are enabled. This includes sales channels, leasing platforms, repair services, take-back systems, and refurbishment or resale channels.

Guiding question:

Through which channels do we deliver circular value and enable product circulation?

4. Customer Relationships

Explains how organisations maintain relationships with customers over time. Circular models often involve longer-term relationships through maintenance, upgrades, subscriptions, or take-back programmes.

Guiding question:

What type of relationship sustains engagement with customers over time?

5. Revenue Streams

Defines how the company captures economic value across multiple lifecycle phases. Examples include product sales, leasing models, subscription services, repair services,

refurbishment revenue, and residual value recovery.

Guiding question:

How does the business capture value from circular offerings?

6. Key Resources

Identifies the physical, intellectual, and digital resources required to operate the circular model. This may include durable product design, modular components, digital product passports, and data systems enabling traceability.

Guiding question:

Which resources enable circular value creation and recovery?

7. Key Activities

Defines the operational activities necessary to sustain circular flows. Typical activities include repair, refurbishment, remanufacturing, reverse logistics, condition assessment, and customer education.

Guiding question:

Which activities are critical to operate the circular business model?

8. Key Partnerships

Identifies the ecosystem partners required to deliver circular value and manage product flows. These may include logistics providers, refurbishers, recyclers, digital infrastructure providers, and secondary market platforms.

Guiding question:

Which partners enable circular flows and value recovery?

9. Cost Structure

Examines the cost implications of circular strategies. Costs may include design for durability, reverse logistics operations, refurbishment activities, and digital infrastructure.

Guiding question:

What cost changes emerge from circularity and how are they balanced by long-term value?

10. Circular Strategies

Defines the circular strategies structuring the business model. Examples include longevity, repair, upgrade, reuse, refurbishment, recycling...

Guiding question:

Which circular strategies define the business model?



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