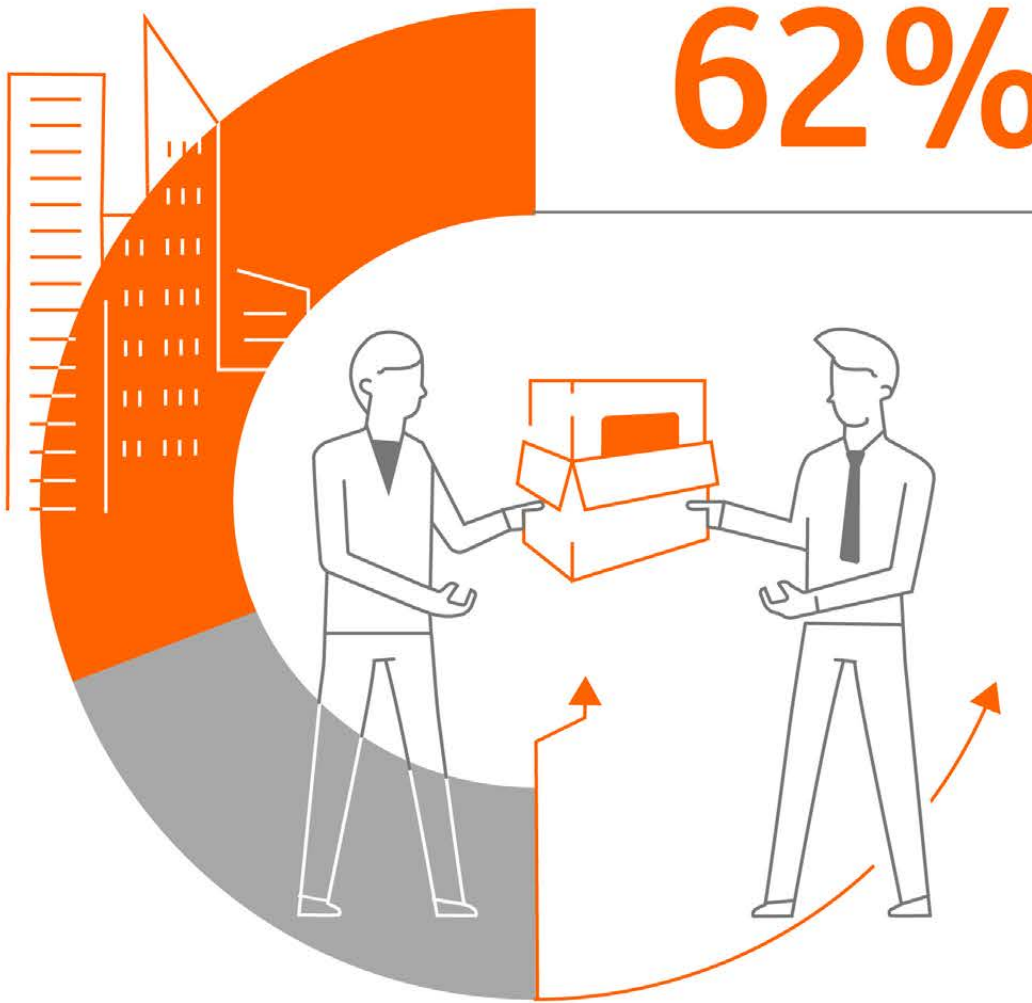
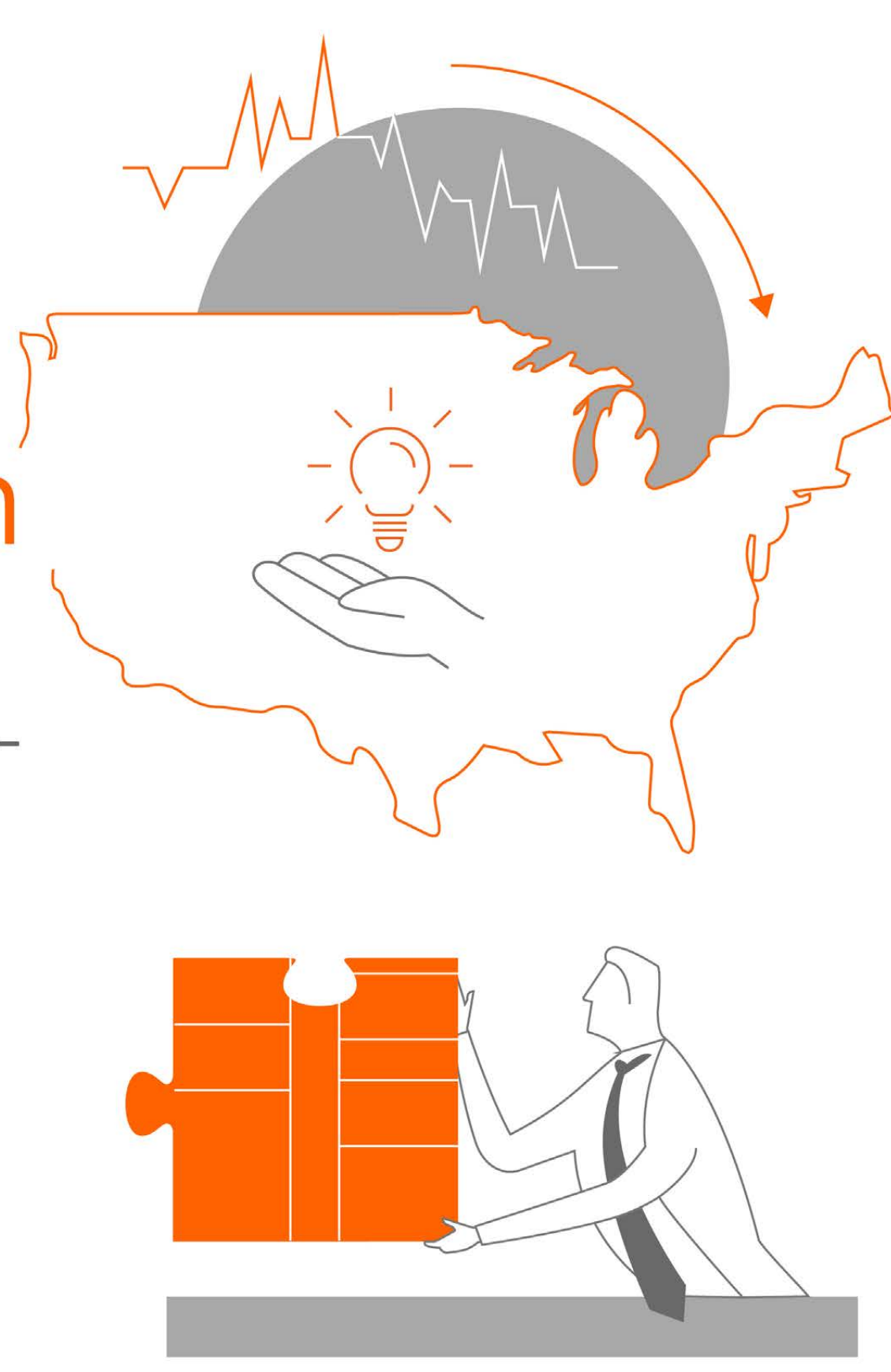


Opportunity and Disruption

Circular Economy Thinking and Products-as-a-Service in the US

Why should businesses continue to accept a 'take', 'make' and 'waste' approach as the norm? What if there was another way? A way that focused not on products but on delivering solutions and sustainability?

Circular economy models are on the agenda for US businesses, as...



cite a strategic intent to adopt these frameworks in future. ¹

The goal of closing material loops and enhancing efficiency is a primary motivation, but there is growing interest in future-oriented product and business models too.

Product-as-a-Service (PaaS) models, where products are used by one or many customers through a lease or pay-for-use arrangement, can increase product longevity and reusability, but they can also drive competitive edge.

¹ US Circular Economy Study 2019, ING

1 Competitive threats are driving PaaS exploration

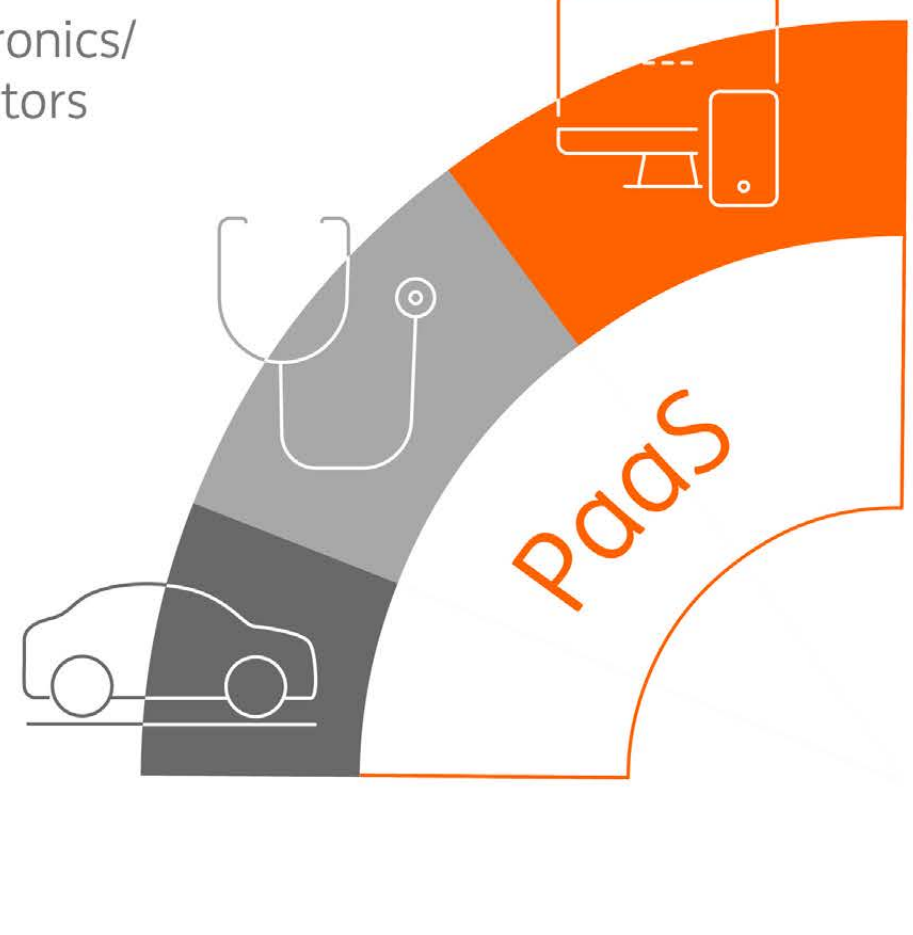
The two biggest drivers of PaaS model adoption among the US companies we surveyed were:



2 US firms are looking to embrace PaaS models

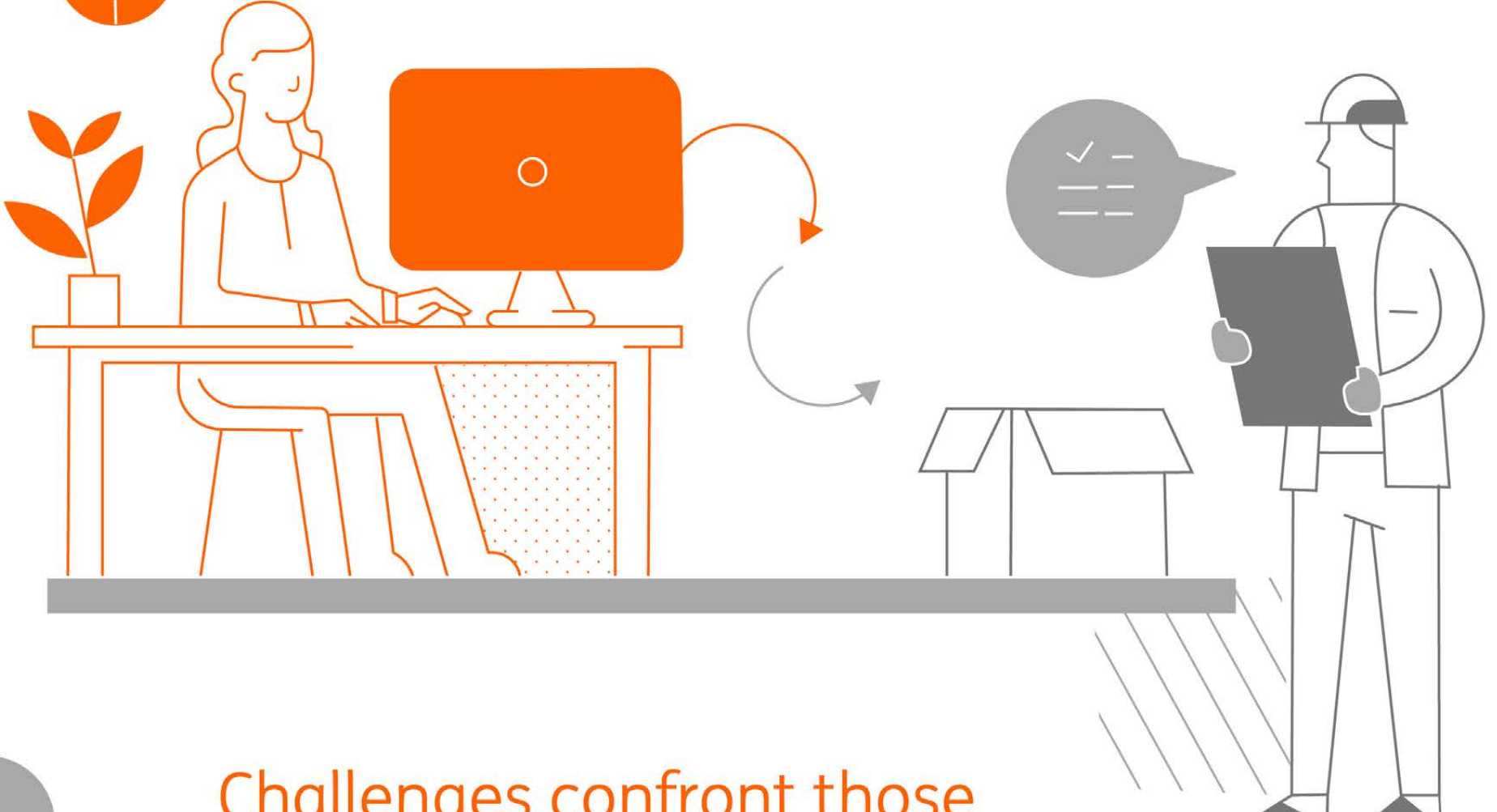
US businesses across the consumer electronics/telecoms, healthcare and automotive sectors are deploying PaaS models.

- ◆ **59%** Consumer Electronics/Telecoms
- ◆ **49%** Healthcare
- ◆ **32%** Automotive



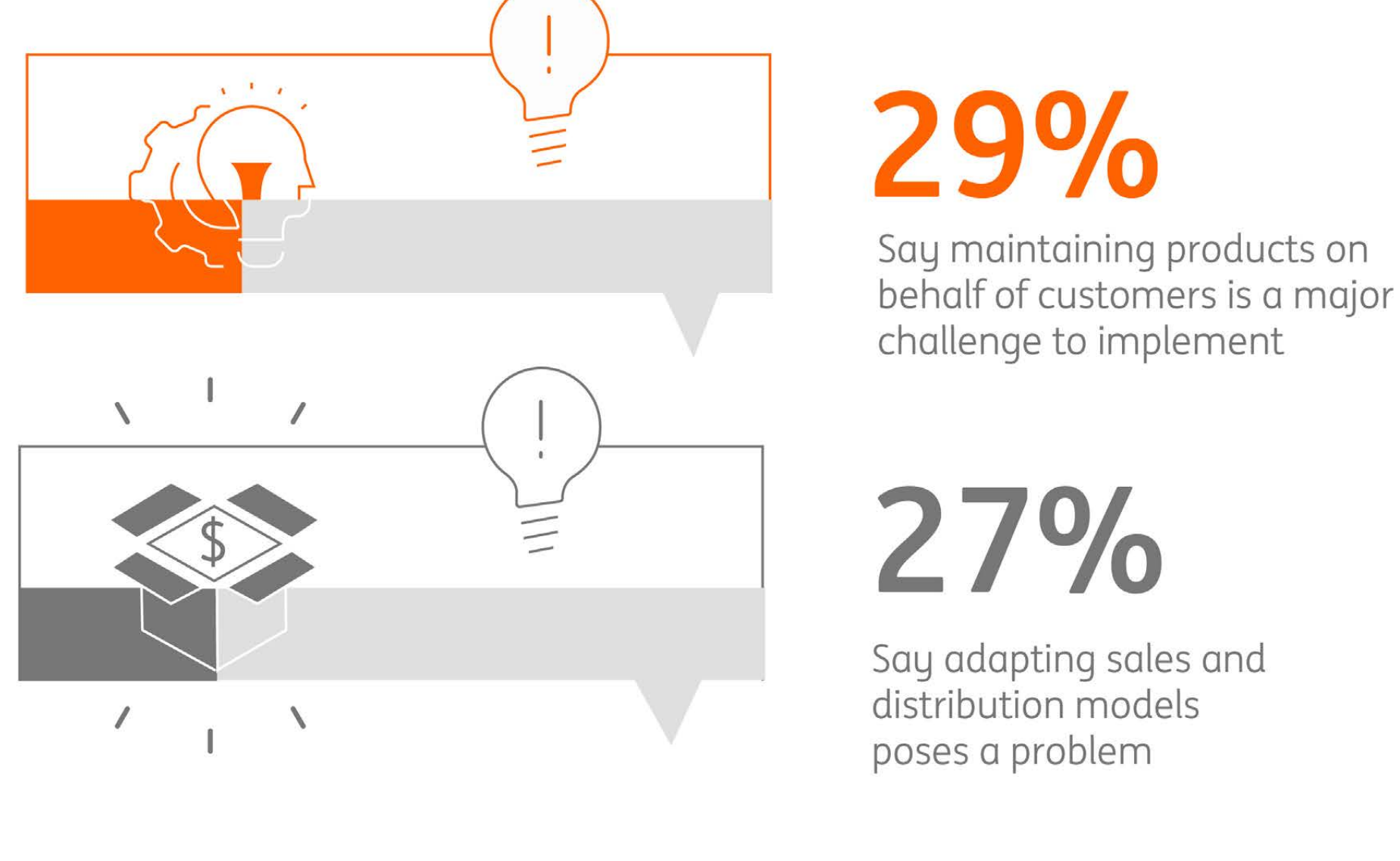
3 PaaS models will help firms keep materials in use

PaaS will flip responsibility for product maintenance from customers onto businesses, helping extend the product lifecycle



4 Challenges confront those pursuing PaaS adoption

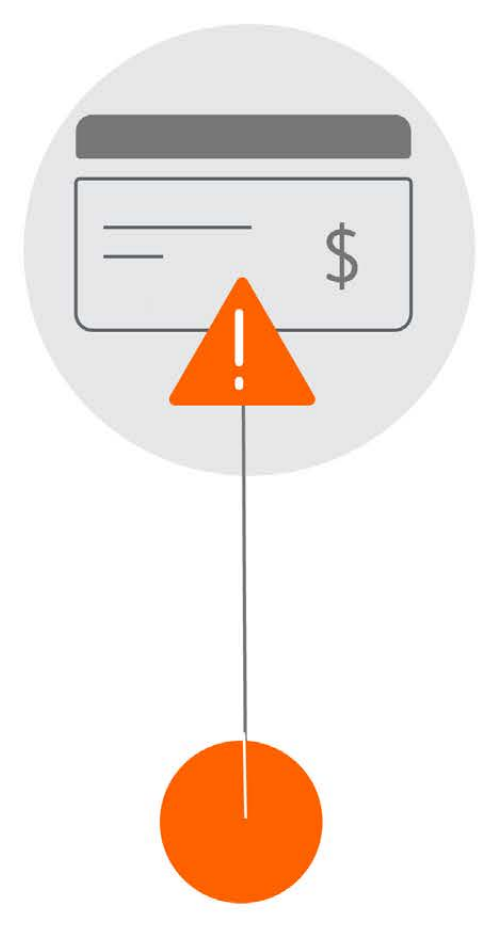
US businesses envisage a series of challenges in implementing PaaS models:



5 Companies must secure the right finance to support the transition

There is a lot to consider for companies introducing PaaS models.

They give rise to issues related to holding more assets on the balance sheet, income streams come over a long period of time, and companies may be more exposed to credit risk.



Of companies think credit risk could make it difficult to raise finance for PaaS models

6 Seizing the circular opportunity

The transition to PaaS is not straightforward but it could play a crucial role in helping companies get ahead of disruption and become champions of sustainability.

Solutions are being created to help accelerate the development of these models:



With the right solutions in place, companies can focus on seizing the benefits on offer from these circular product models:



Creating new markets



Improving profitability



Deepening customer relationships

Find out more

To find out about how ING is supporting Circular Thinking and PaaS Models in the US visit:

www.ingwb.com