



PT. 3
IDENTIFY YOUR
CORE ASSETS

WORKSHOP OBJECTIVES



- Detail the delivery of the Product-as-a-Service offering
- Decide which capabilities your organization needs
- Understand how to secure access to the capabilities needed and develop an asset strategy

FACILITATOR'S GUIDE TO THE WORKSHOP

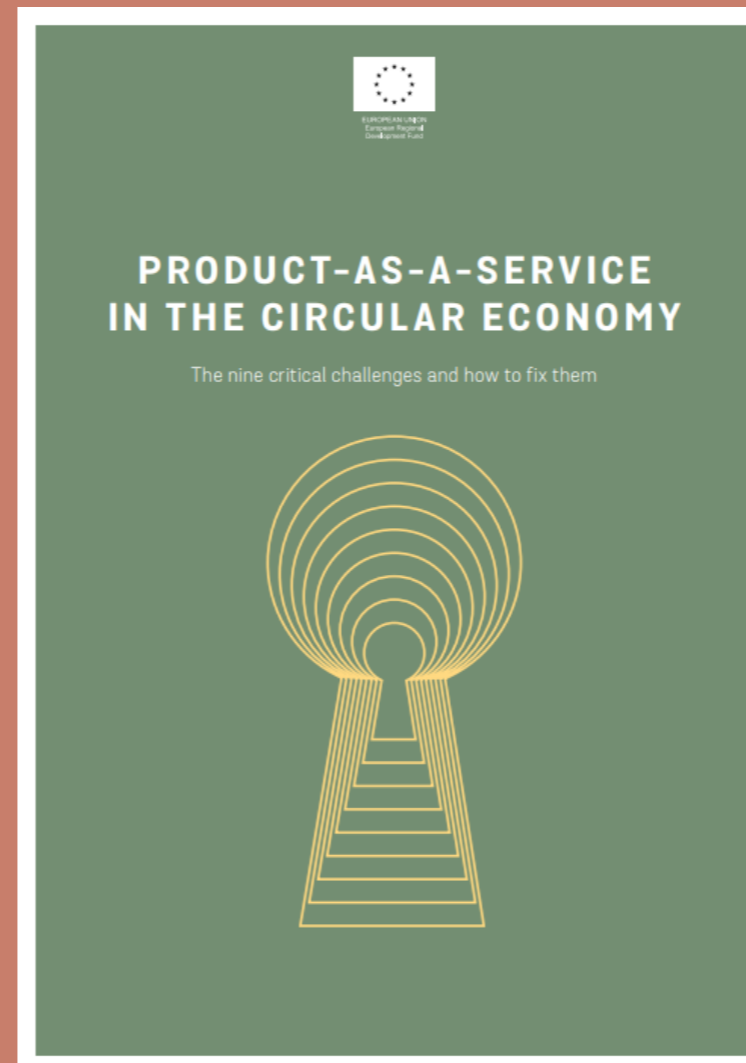
Download our facilitator's guide to access information that will help you facilitate a successful workshop



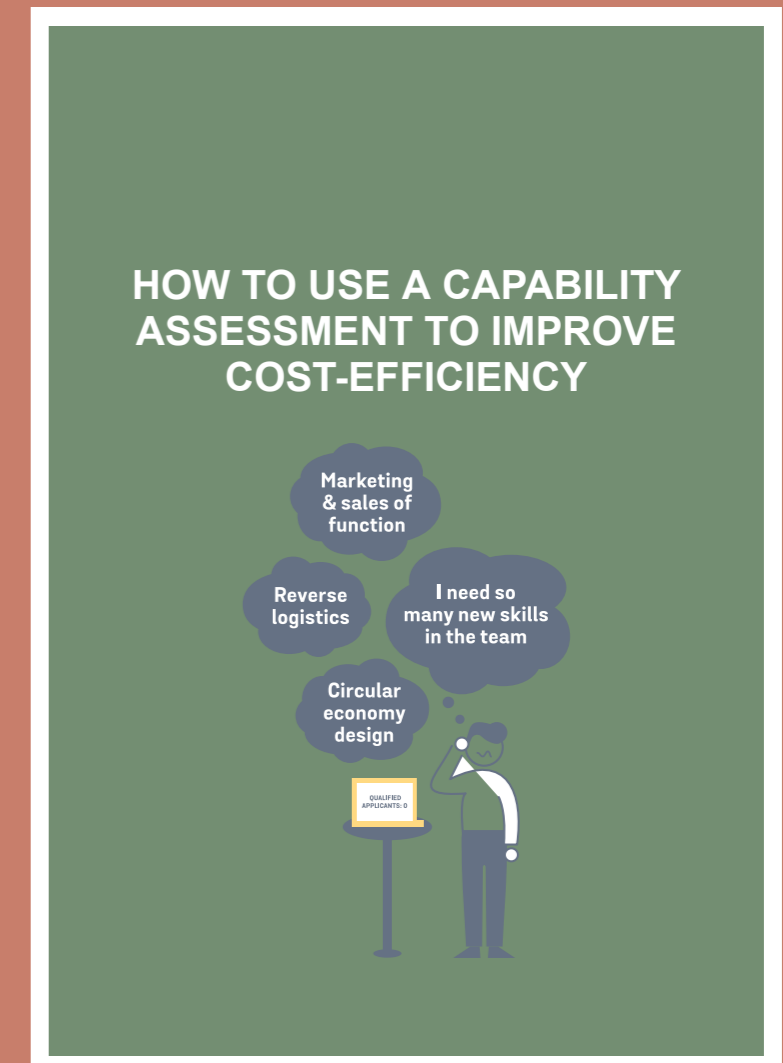
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FACILITATOR'S GUIDE

LEARN MORE ABOUT PRODUCT-AS-A-SERVICE



<https://www.stenarecycling.se/en/circular-consulting/inspiration--insights/product-as-a-service/download-paas/>



<https://www.linkedin.com/pulse/how-use-capability-assessment-improve-cost-efficiency->

PARKING LOT FOR QUESTIONS AND POINTS RAISED



Park sticky notes here

Use this space to collect points raised or questions asked that do not relate directly to the exercise

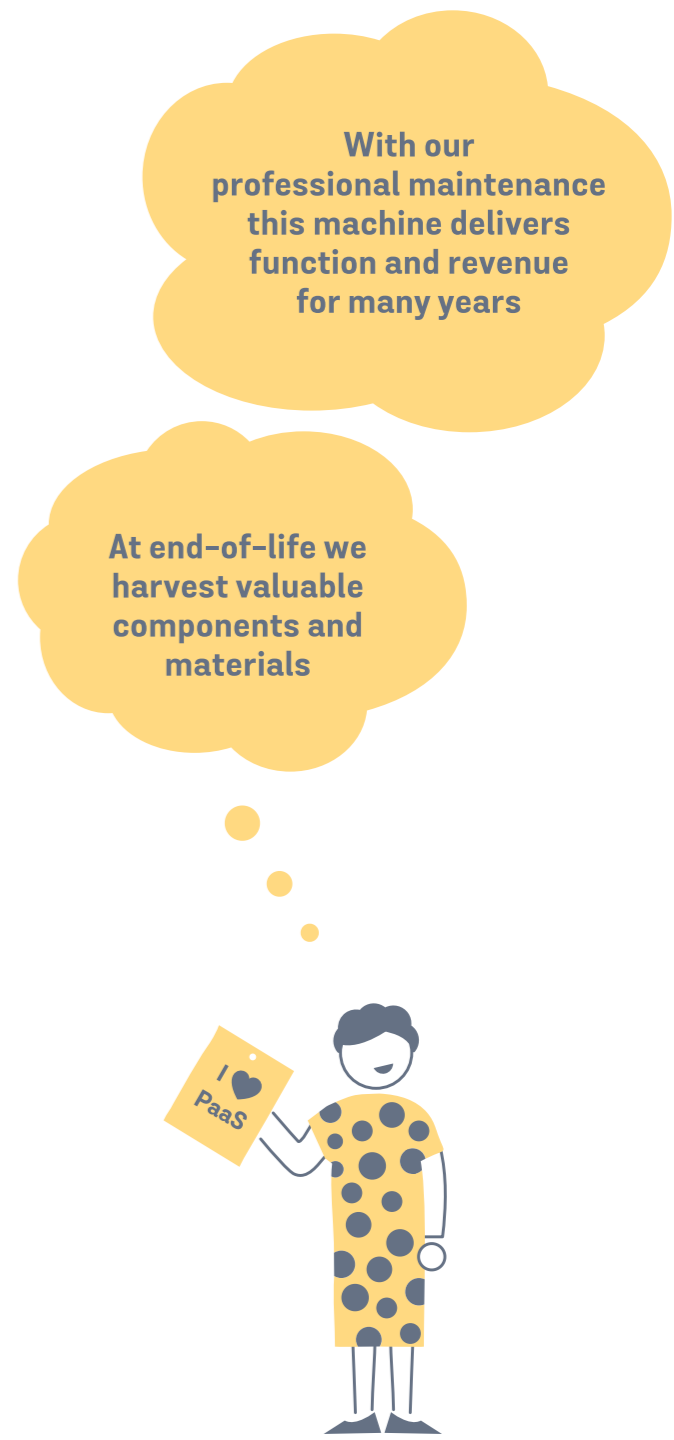
EU TAXONOMY CHECKLIST - CIRCULAR ECONOMY



Assess your alignment with the circular economy definition of the EU Taxonomy

The transition to a circular economy is one of six environmental objectives in the EU taxonomy regulation. The EU taxonomy definition of the circular economy means an economic system whereby :

- The value of products, materials and other resources in the economy is maintained for as long as possible, ...
- ... enhancing products, materials and other resources efficient use in production and consumption, thereby reducing the environmental impact of their use, ...
- Minimising waste, and ...
- ... minimising the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy



EU TAXONOMY CHECKLIST - PRODUCT-AS-A-SERVICE



Assess your alignment with the Product-as-a-Service criteria of the EU Taxonomy

The contractual terms and conditions ensure that all the following sub-criteria are met:

- The provider of the service is obliged to take back the used product at the end of the contractual agreement
- The customer is obliged to give back the used product at the end of the contractual agreement
- The provider of the service remains owner of the product
- The customer pays for access to and use of the product, or the result of access to and use of this product.

The product offered through Product-as-a-Service complies with a minimum of one of the following criteria:

- The product lifespan is at least twice the European Union average for the product category under the condition of average use intensity
- The use intensity is at least twice the European Union average for the product category under the condition of an average lifespan
- A combination of the above, where the lifespan times the use intensity is at least twice the European Union average

INSTRUCTIONS

Instructions:

Now it's time to shift focus from your customer to your organization. In this exercise, you will develop a service blueprint* describing how the Product-as-a-Service offering is delivered to the customer. The output of this exercise is a first draft of the design of your operations.

Task A: Frontstage mapping

Start by transferring the customer journey to the blueprint, i.e. describe your customer's actions in the different phases of the PaaS offering.

Next, add the organizational actions visible to your customer.

Task B: Backstage mapping

Continue by mapping the backstage organizational actions needed to deliver the Product-as-a-Service offering. What backstage routines and activities do you need to support the customer journey?

Divide organizational actions into different swimlanes. Change the categorisation of swimlanes if necessary.

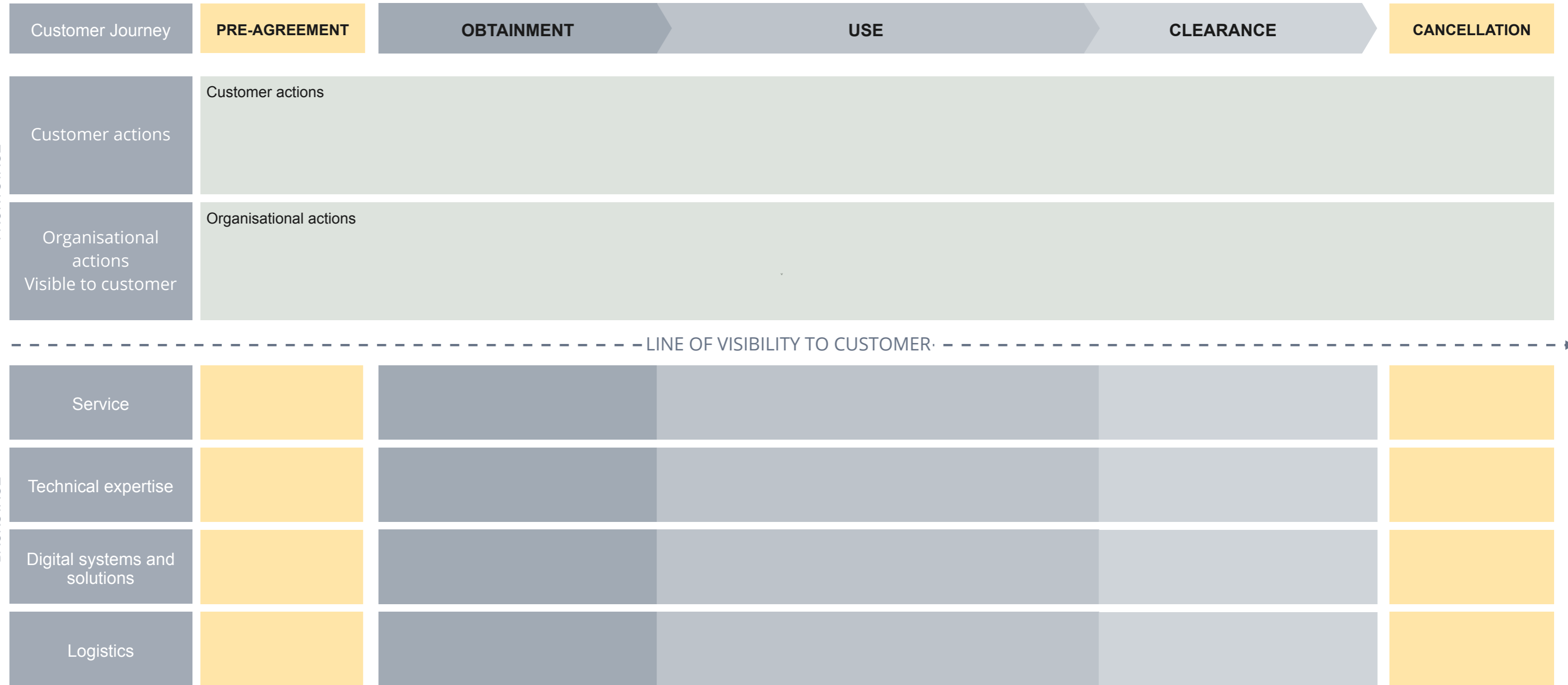
***What is a service blueprint?**

A service blueprint is an operational tool that visualizes the components of a service in enough detail to analyze, implement, and improve it. Blueprints visualize the people, processes, and technology needed to realize the Product-as-a-Service offering - both frontstage (what customers see) and backstage (what is behind the scenes).

CREATE YOUR SERVICE BLUEPRINT

1

How will you deliver your Product-as-a-Service offering?



INSTRUCTIONS

Instructions:

Based on the customer journey and service blueprint, you will now list the **capabilities** needed to deliver on the desired PaaS customer journey. Capabilities may include resources, skills, expertise, processes and functions.

Use the capability toolbox in 2b as trigger material to make sure you do not miss any critical capabilities that your organization may need.

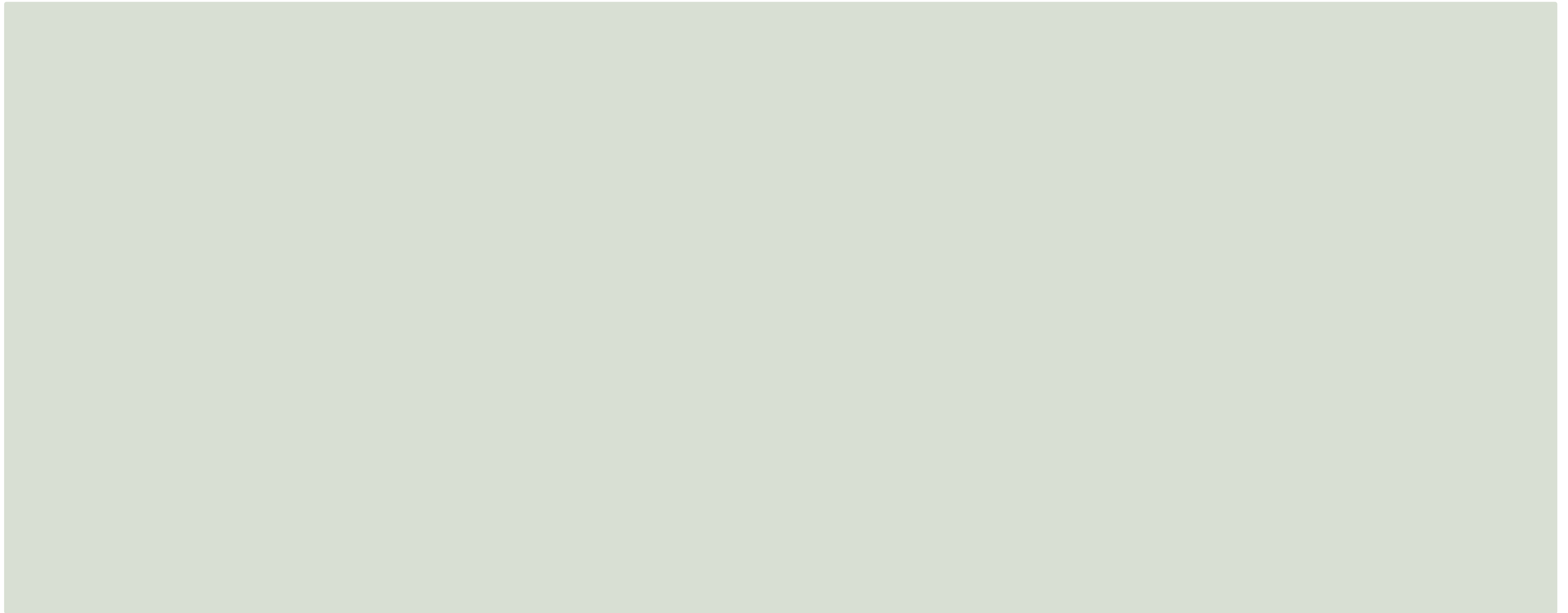
Try to be specific! For example, if you need logistical services, can you elaborate on what type of logistical services you need (e.g. bike delivery, local pick-up points)?

LIST YOUR CAPABILITIES

2a

What capabilities do you need to deliver the Product-as-a-Service offering?

We need the following capabilities to deliver our Product-as-a-Service offering:



CAPABILITY TOOLBOX

2b

Examples of common Product-as-a-Service capabilities

TRIGGER MATERIAL

DESIGN & INNOVATION	Design for circular economy <i>The capability to design products for recycling, refurbishment, durability, upgrade, disassembly & recirculation</i>
	Innovate customer-centred service offerings <i>The capability to innovate service offerings</i>
PRODUCTION & MANUFACTURING	Production and manufacturing <i>The capability to produce and manufacture products for a PaaS business model</i>
	Procurement of production and manufacturing capacity <i>The capability to procure production and manufacture capacity for a PaaS business model</i>
SALES & MARKETING	Sell functionality and outcomes <i>The capability to sell functionality and outcomes rather than products to satisfy customer needs</i>
	Market PaaS service offerings <i>The capability to market PaaS service offerings, rather than tangible products</i>
OPERATIONS	Offer close customer service technologies <i>The capability to offer close customer support & engagement, and deploy relevant technologies and data for delivering added value to customers</i>

OPERATIONS	Maintain and keep products in good shape <i>The capability to clean, maintain, repair, and refurbish products as a part of a service offering</i>
	Avoid interim storage and ensure maximum product utilisation <i>The capability to maximise utilisation of products to avoid costs associated with storage and transport</i>
	Leverage data and digital technologies in operations <i>The capability to use data and digital technologies to e.g., track products, plan for maintenance, and anticipate wear and tear</i>
STRUCTURE & STRATEGY	Employ change management <i>The capability to employ change management to accommodate a circular economy business transformation and governance structure</i>
	Engage externally and orchestrate partnerships for development <i>The capability to identify and manage external partnerships to bridge internal competence gaps and missing capabilities</i>
LOGISTICS	Plan logistical flows <i>The capability of planning logistical flows for recirculating materials and products (e.g., reverse logistics)</i>
	Execute logistics <i>The capability to execute the logistics needed for recirculating materials and products (e.g., reverse logistics)</i>

INSTRUCTIONS

Instructions:

Now it is time to evaluate your capabilities from Step 2 and decide how to access them.

The exercise will help you decide which capabilities are core and should be kept in-house, and which capabilities provide you with little added strategic value, and risk contributing to a heavy balance sheet, and can thus be outsourced to external partners.

Task A:

Start by ranking all capabilities from Step 2 according to their strategic importance and ease of implementation (see definition below), and place them accordingly in the matrix provided in template 3.

Task B:

Discuss the results with your team. Do you agree with the guidance in the matrix? Does something need to change place?

Once your team is aligned, summarize your conclusion of how to develop or access all the needed capabilities.

Definitions

Ease of implementation is based on the weighted assessment of two factors:

Current level of maturity = Level of existing resources and expertise

Complexity to implement = Level of required system, process, or cultural change, and investments

Strategic importance is based on the weighted assessment of two factors:

Strategic value to your customers = The extent by which the capability delivers value that is highly important to and/or prioritised by your customer

Strategic value to your company = The extent by which the capability contributes to your long-term goals or is an opportunity for competitive differentiation

EVALUATE YOUR CAPABILITIES

PT. 4
BUILD YOUR
PRODUCT AS A
SERVICE BUSINESS
CASE

Once you're done, make sure to bring the results with you to part 4 of the Product-as-a-Service toolbox. In part 4, you will build your Product-as-a-service business case

3

How do you best access the capabilities needed?

SUMMARY

