# Good morning!

We are Marketta and Inka, teachers of the morning session today!

**TURKU AMK**
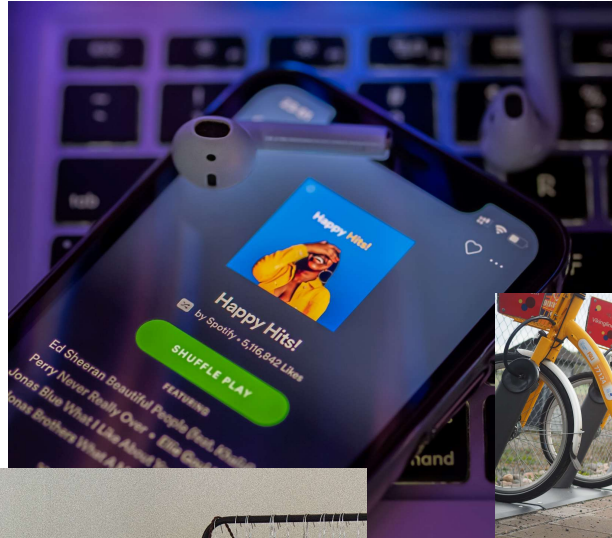
**Kiertotalous 2.0**

# Product as a Service

Summer school 2022

# Product as a service

- Product as a service is a way to implement circularity in business models

- Substituting products by services and incorporating service elements such as logistics or maintenance enables lengthening the lifecycle of products and more efficient resource use

- The product is made as material- and cost-efficient as possible while creating environmentally and socially sustainable service offerings

- The model enables closing of the material loop, as the products do not stay in the possession of customers after usage → the customers are not owners but users

- Typically leasing, hiring, or renting a product, often through a digital platform

# Company's role

- The company owns the products → materials remain under the control of the company → they can maintain, reuse and recycle the materials
- Company can receive important feedback from customers

# Customer's role

- The customer does not own the product but uses it
- When the customer no longer want to use the product, they return it to the company

# Environmental viewpoints

- PaaS is often assumed an environmentally friendly way to provide goods
- Before any sustainability claims, the potential environmental impacts of the system should be studied

✓ Sharing reduces the number of products in the market → if this leads to less demand on raw materials and manufacturing, natural resources are possibly saved and emissions avoided, also less wastes are generated

✓ The product likely gets more uses during its lifetime than a single owner would do

✓ The provider is able to control the product's use phase, track faults, guide users for careful handling and set up a proper maintenance system

❑ The pick-up and return of the product, storage and packaging, travel of the maintenance staff and other logistics cause a lot of environmental risks and emissions → The optimal service place would be where the customers are likely to pass anyway, so there is no need for extra travels

❑ If the service attracts new customers that otherwise would not use the product it may not reduce material consumption → the service should be designed for real needs rather than creating new ones
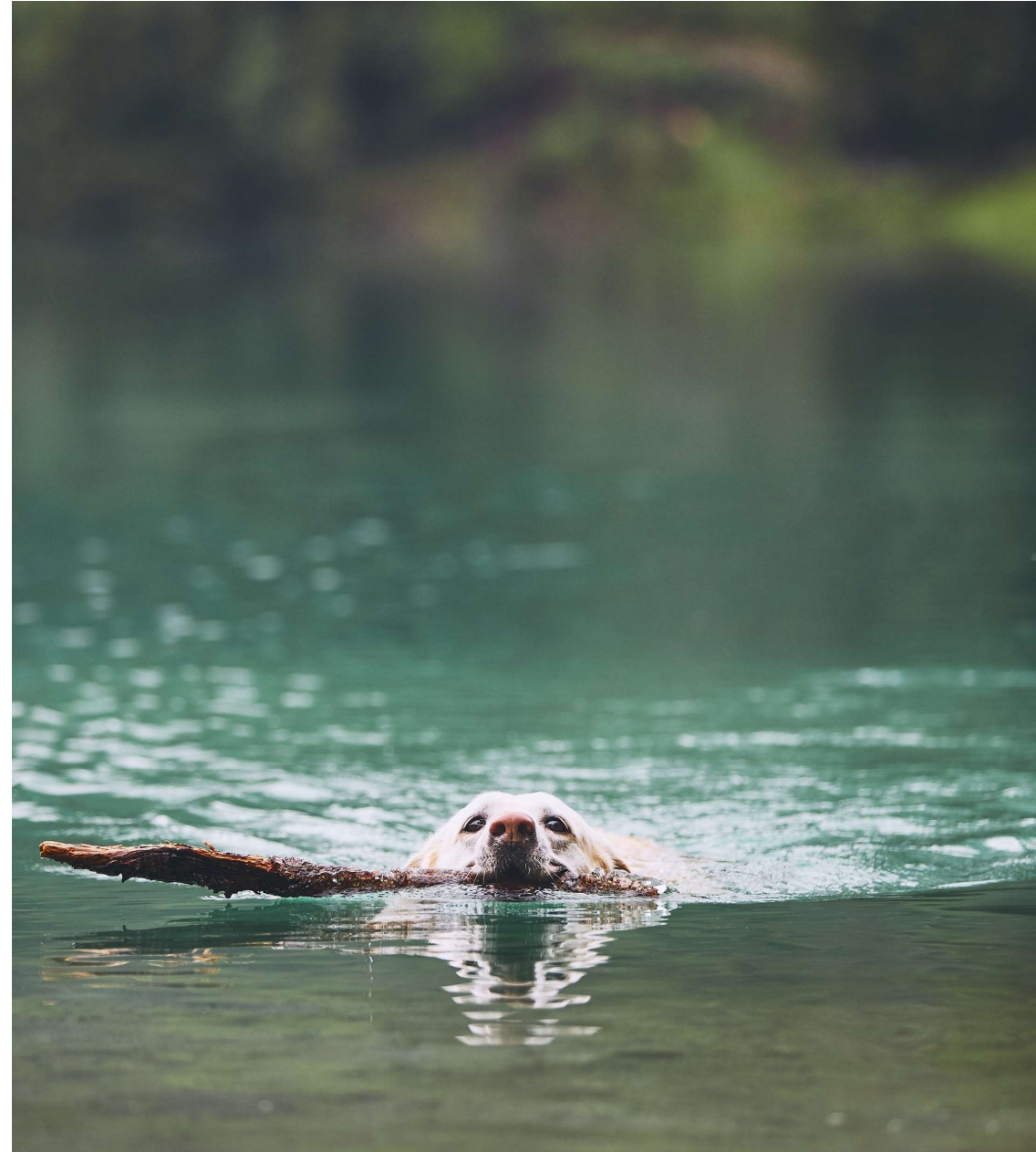
# PaaS Pilots project

GUIDE FOR
DEVELOPING PRODUCT
AS A SERVICE BUSINESS

EERIKA HEINONEN, HELENA KALLIOMÄKI, PÄIVI PETÄNEN, MITJA HOKKANEN,
JOUKO HEIKKILÄ, INKA MÄKIÖ, MARIA ANTIKAINEN, PIIA NURMI & MARKETTA VIRTA

- Two pilot cases: workwear as a service (Image Wear) and casual wear as a service (Pure Waste Textiles)

- Image Wear wanted to update and develop their current rental concept

- Pure Waste wanted to develop the idea of a rental service into a business model
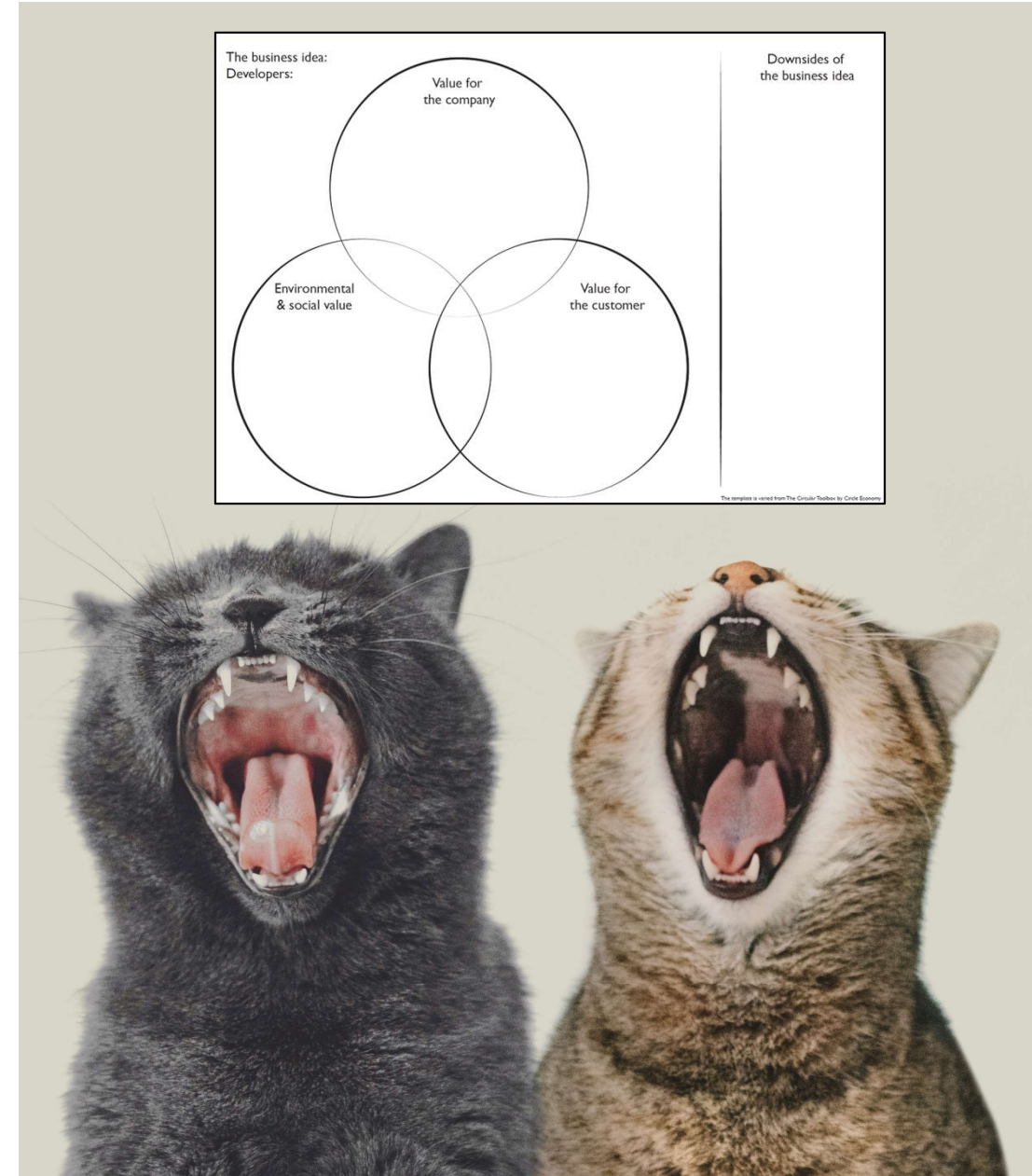
- A guide will be published in autumn

# Task 1 (individual)

- Find examples of different product as a service cases (from your home country or international)

- 30 min

# Task 2 (in pairs)

- Choose one example and think about the value of the chosen example

- Use the given framework to divide your thoughts

- Think also the downsides of the business idea

- 45 min

# Is ownership a history?

- What did you learn?
- Was there something new?

# And next..

- Lunch approx 30 minutes.
- Then group work until 14.
- 14:15 meet Eerika outside EduCity to bicycle for afternoons activity
- Afternoon: Eco Local Market in Forum Turku.

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