

“In 20 years time maybe we won't be selling anything anymore.”

Matt Sexton, Director of Social Responsibility



from December 2010 speech 'The Challenge and Opportunities for a Leading Retailer with the Ambition of Closing the Loop'

Beyond Resource Efficiency

**Product Service Systems
Closing the Loop, the Low Carbon Business Model**

Mark Hodgson



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Carole Bead
An environmental scientist, sustainability practitioner and marketing professional Carole has spent the last 20 years working with businesses on environment and sustainable development issues, including seven years with the Government's Enterprise programme. She holds a BSc in Responsibility and Business Practice from the University of Bath for her work on language and gender of responsibility. Carole is the Director of Carbon Data Resources.

Simon Forsyth
Simon stumbled into environmental management in 1989 by offering to look after a paper recycling bin. After that, things ran out of control! He set up Green Teams at Heaford Parkland in Bristol, became a local environmental specialist and ISO14001 auditor, ran a small consultancy, helped deliver the Southwest-wide Emission programme, established a number of Resource Efficiency Clubs, and now runs his own company Three CCCs.

Mark Hodgson
Mark Hodgson MBA AEMA FRGS FCM is highly experienced at working with business in the low carbon green business agenda, having worked with over 100 businesses on many areas from resource efficiency to bringing low carbon innovative products to market. He helped develop and run the Exeter 09 environmental business support programme which covered over 1000 businesses. Mark is a Partner of Zero 2050.

three CCCs

Making sense of our low carbon future

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zero2050
Making sense of our low carbon future

- West of England Carbon Initiative
- Somerset Low Carbon Economy
- Dorset Low carbon business study
- BDP Green Knowledge Economy
- Derby Low Carbon Superfast ICT
- Devon Sustainable supply chain
- Exeter Low Carbon Business Club
- SW Climate Change Action Plan
- International development

Mark Hodgson
MBA MIEMA FRGS FCM

Projects worked with 1000+ businesses saved over 300,000tCO2 & £12m

Somerset Local Economic Assessment
Low Carbon Economy briefing paper

Prepared for:
Melanie Roberts
Economic Development,
Somerset County Council

By:
Mark Hodgson
MBA MIEMA FRGS FCM
mark@zero2050.org
23 August 2010

**Bournemouth, Dorset & Poole
Green Knowledge Economy
Economic Strategy**

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**35-90%
CO₂
reduction**

**60-80%
fewer
resources**

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“Our enormously productive economy . . . demands that we make consumption our way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfaction, our ego satisfaction, in consumption . . . we need things consumed, burned up, replaced and discarded at an ever-accelerating rate.”

Victor Lebow

After World War 2, retailing analyst stated the solution to ramping up the US economy.

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“Instilling in the buyer the desire to own something a little newer, a little better, a little sooner than is necessary.”

“the planned obsolescence of desirability.”

Brooks Stevens, a U.S. industrial designer termed 'planned obsolescence' 1954

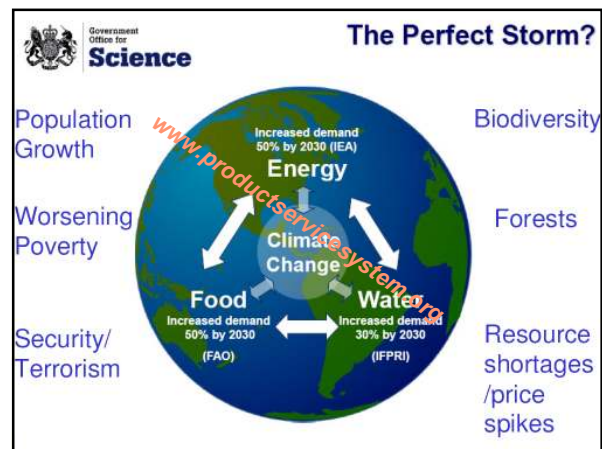
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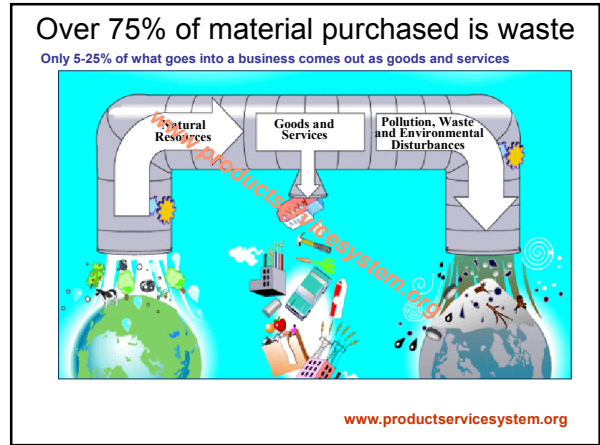
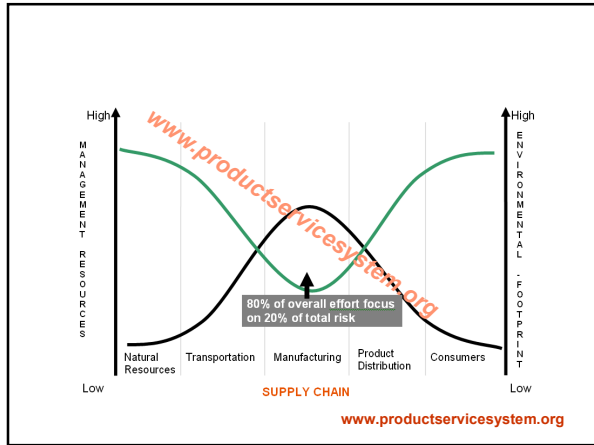
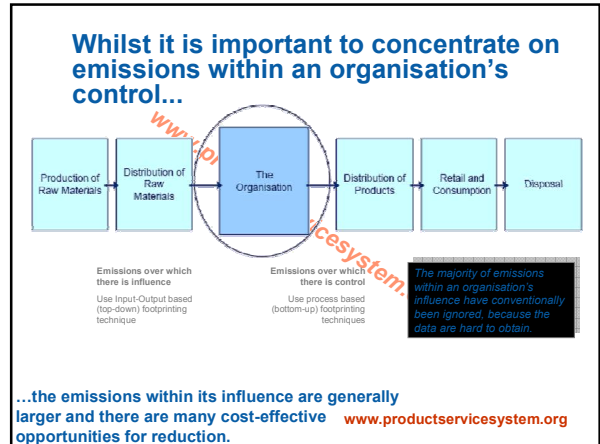
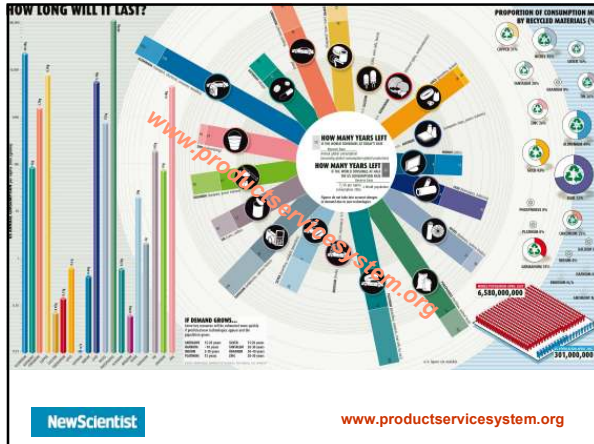
The context for business

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Peak Oil
9 billion consumers
Climate Change
Changing economics

YOUR M&S





- The key UK targets**
- 2020 – 34% reduction of CO2 emissions
 - 2020 – 15-20% energy from RE
 - 2050 – 80% reduction of CO2 emissions
 - Every unit of economic output will be produced using 1/10th of CO2 emitted today!
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UK implications (Innovos / E&Y)

UK has to **rebuild its economic model around investment and innovation**

From public, defence, finance and retail to export manufacturing, technology and expert services

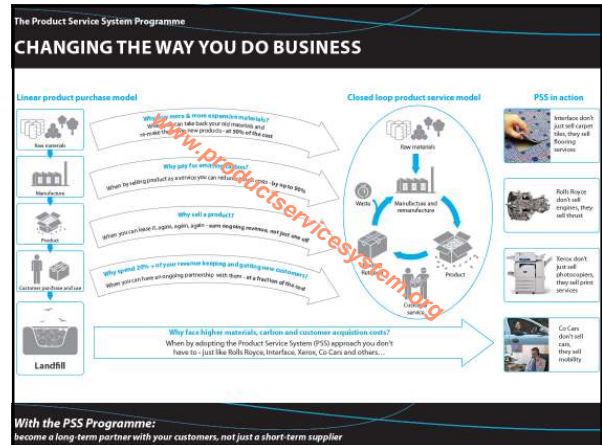
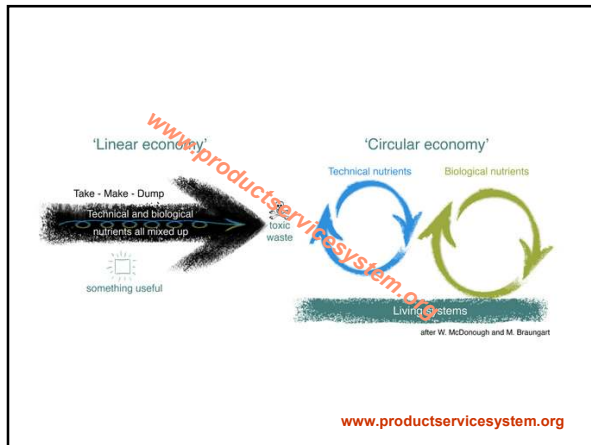
In the context of: Carbon tax, less cheap debt financing; Recession; less direct public spending; Growing LCEGS global market £3tn

The Circular Economy

“Good rather than less bad”

Braungart

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Why buy more & more expensive materials?

- when you can take back your old materials and re-make into new products - at 50% of the cost

Interface don't just sell carpet tiles, they sell flooring services

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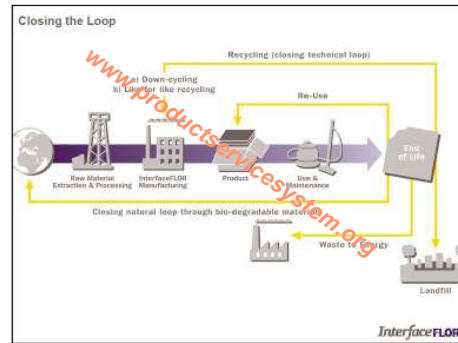
'waste equals food.'

"We are reducing use of raw materials and working to get the most value out of the materials that we employ. The aim is to 'close the loop' and use precious materials over and over in a cyclical fashion, rather than sending them to landfills or 'down cycling' them into lower-value forms."

CEO Ray Anderson, Interface

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Interface and PSS



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Why pay for emitting carbon?

- when by selling product as a service you can reduce carbon costs - by up to 90%



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Why sell a product?

- when you can lease it, again and again and again... and earn ongoing revenue, not just one off



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Wheels when you need them...

A smarter way to drive
No Petrol or Repair Costs
No Car Parking Costs, K & B charges
CO-CARS
Tauntton Car Club
www.taunttoncarclub.co.uk

Car now based at Deane House car park

- Ideal hire for short periods, with a minimum of 30 minutes.
- Car available to book online 24/7 with individual login.
- Book cars on-line for immediate use or for months ahead.
- On line invoicing showing departments and cost centres.
- Just £3.95/hour and 23p per mile with first 10 miles free.
- Fuel card, full breakdown cover and insurance.
- To join fill in an employee form from the links below

co-cars: pay as you go cars

For information or to book a car visit www.taunttoncarclub.co.uk or look up Car Club on the Travel Blue app (not available on all devices)

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Why spend 20%+ of your revenue keeping and getting new customers?

- when you can have an ongoing partnership with them - at a fraction of the cost



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Why face higher materials, carbon and customer acquisition costs?

- when by adopting the **Product Service System (PSS)** approach you don't have to - just like *Rolls Royce, Interface, Xerox, Co Cars and others*

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Making the journey

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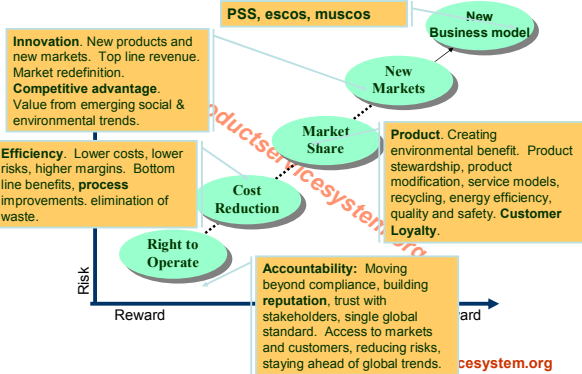
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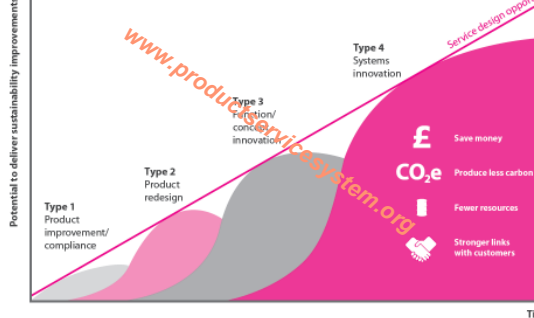
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Intervening with businesses – the value chain



Systems Innovation

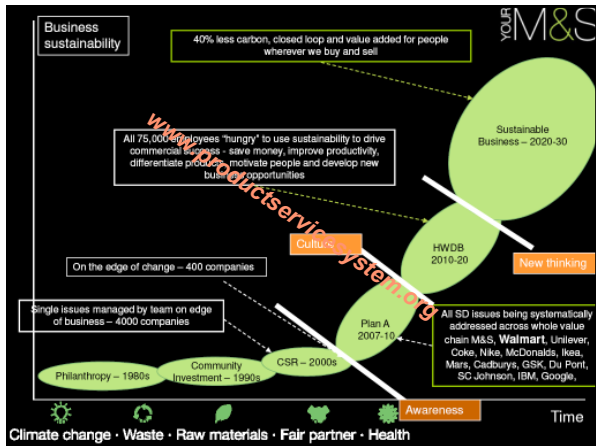
This diagram shows progression through Brezet's four-step hierarchy of eco-innovation leading to more secure long-term survival and competitiveness.



Plan A your M&S

Because there is no Plan B

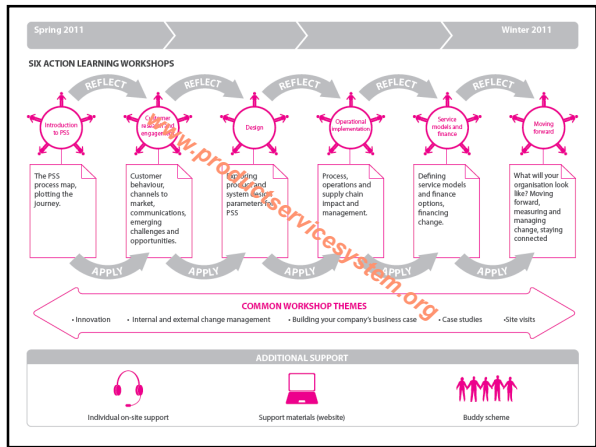
Climate change • Waste • Raw materials • Fair partner • Health



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The PSS programme pathway

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Upto 50% funding from
SWMAS

Or
Business Link IYRE

0795 106 1353
mark@zero2050.org

mas
 south west
 The manufacturing advisory service

Costs

Up to 25 employees	£2,500 plus VAT
26 - 250 employees	£3,250 plus VAT
More than 250 employees	£3,750 plus VAT

This is the maximum cost per company for the participation of up to two members of staff in the programme. We strongly recommend that two members of staff participate, so that both the operational and commercial aspects of the company are represented.
 Some companies may be eligible for up to 50% programme fee subsidy through MAS-SW. More information on these opportunities is available on request.

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