



The Blue Connection

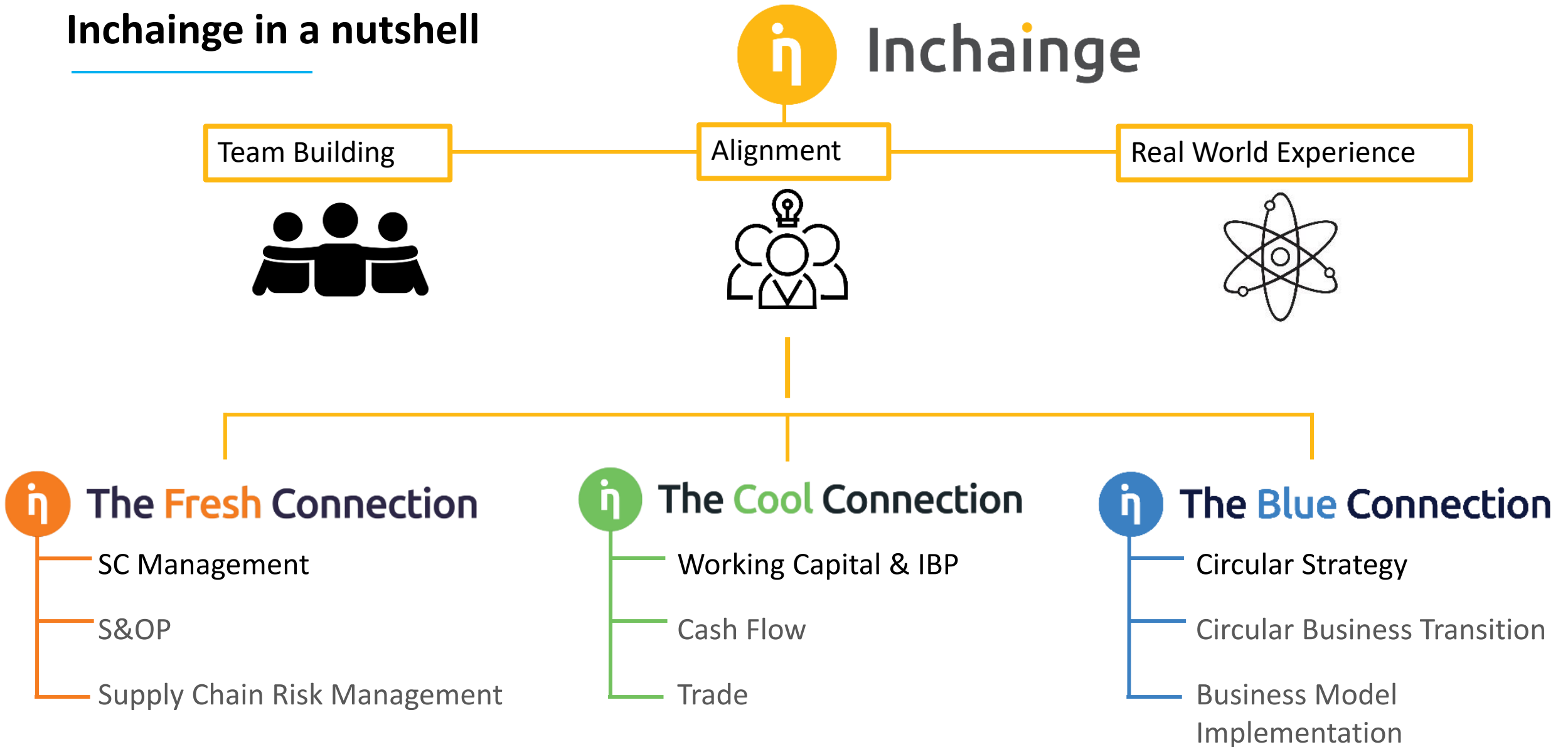
Experience a circular future

BVL Student Competition, 2022

CBS
INTERNATIONAL
BUSINESS SCHOOL

BVL⁷

Inchainge in a nutshell



Join our growing community *of* Value Chain Leaders

YEARS
in business

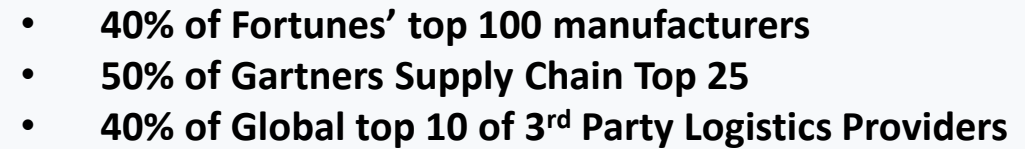
COUNTRIES and counting

UNIVERSITIES
active customers

STUDENTS
per year

PROFESSIONALS
per year

PARTNERS
in our global network





The Blue Connection

Introduction to The Blue Connection

CBS
INTERNATIONAL
BUSINESS SCHOOL

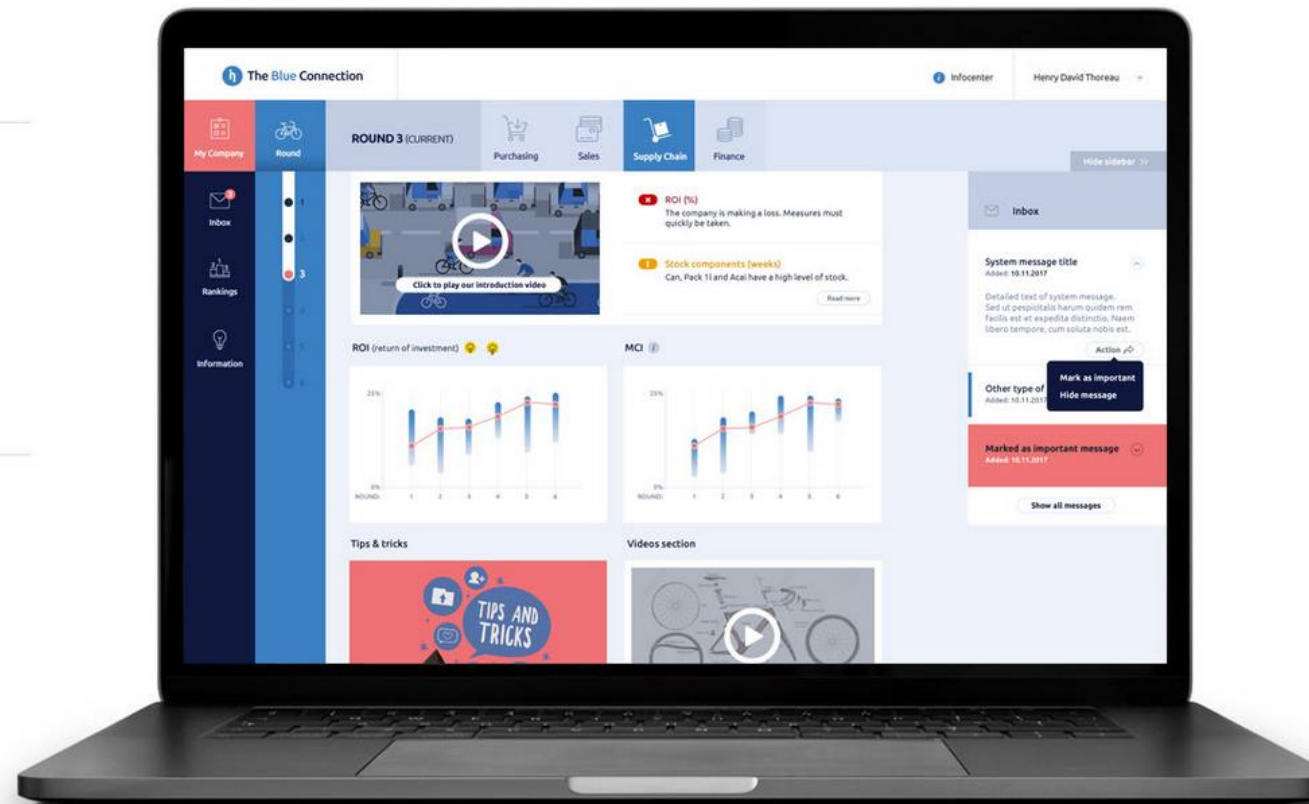
BVL⁷

What is The Blue Connection?

The Blue Connection is a circular business learning experience built around a cross functional business simulation game

Online business
simulation game
(Cloud based)

Teams of four
virtually or face-to-face



Four available
VP roles

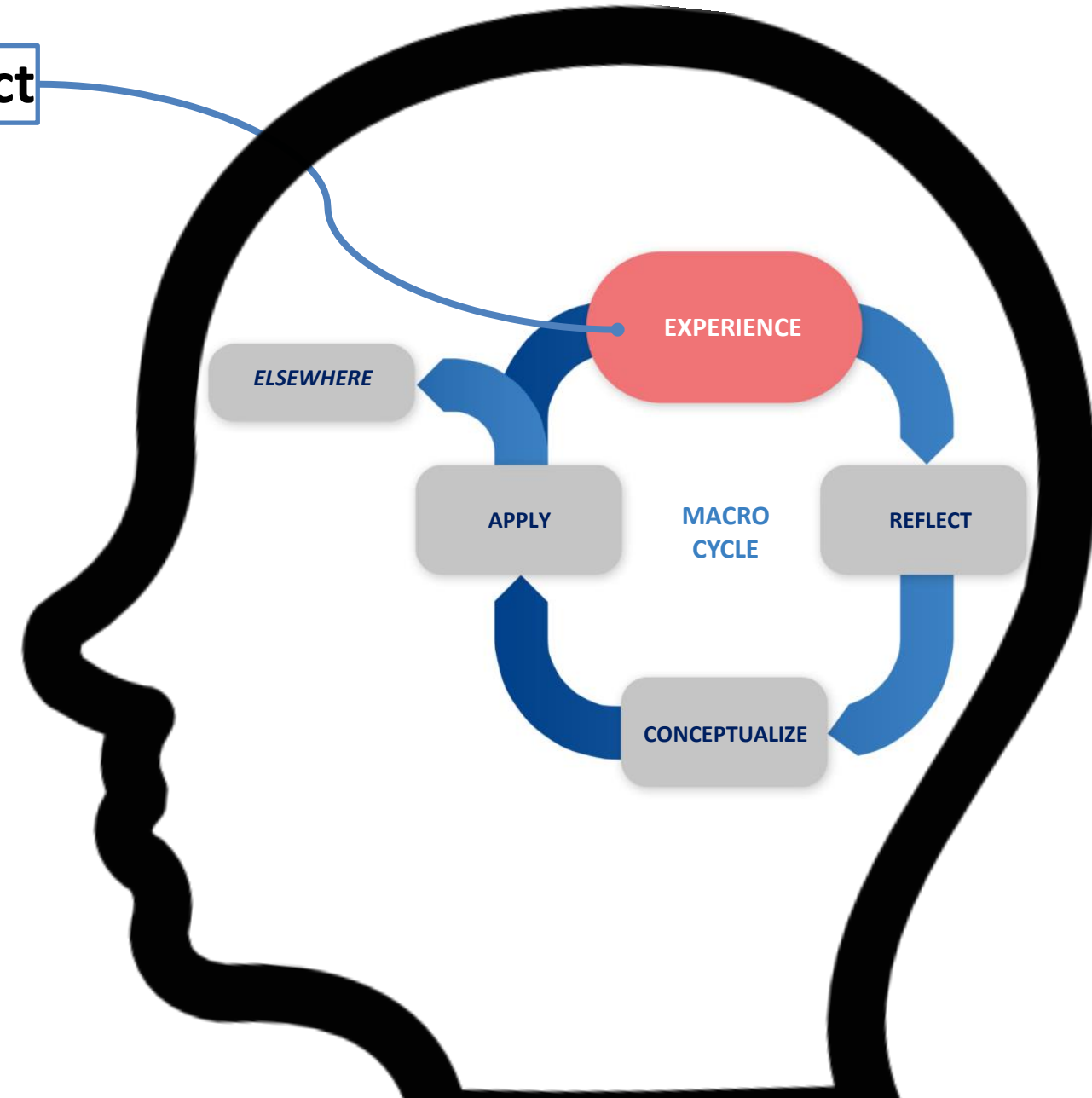
Learning objectives: Long-lasting impact

Hard skills:

- Profitable circular strategies - more than recycling!
- Strategy into action
- Most important instruments
- Measure circularity
- Manage the trade offs

Soft skills:

- Create internal and external alignment
- Quick decision making, teamwork, helicopter view



Why circular?



Increasing global population and urbanization



Wealth has increased globally, creating a larger middle class, which uses far more **raw materials**.

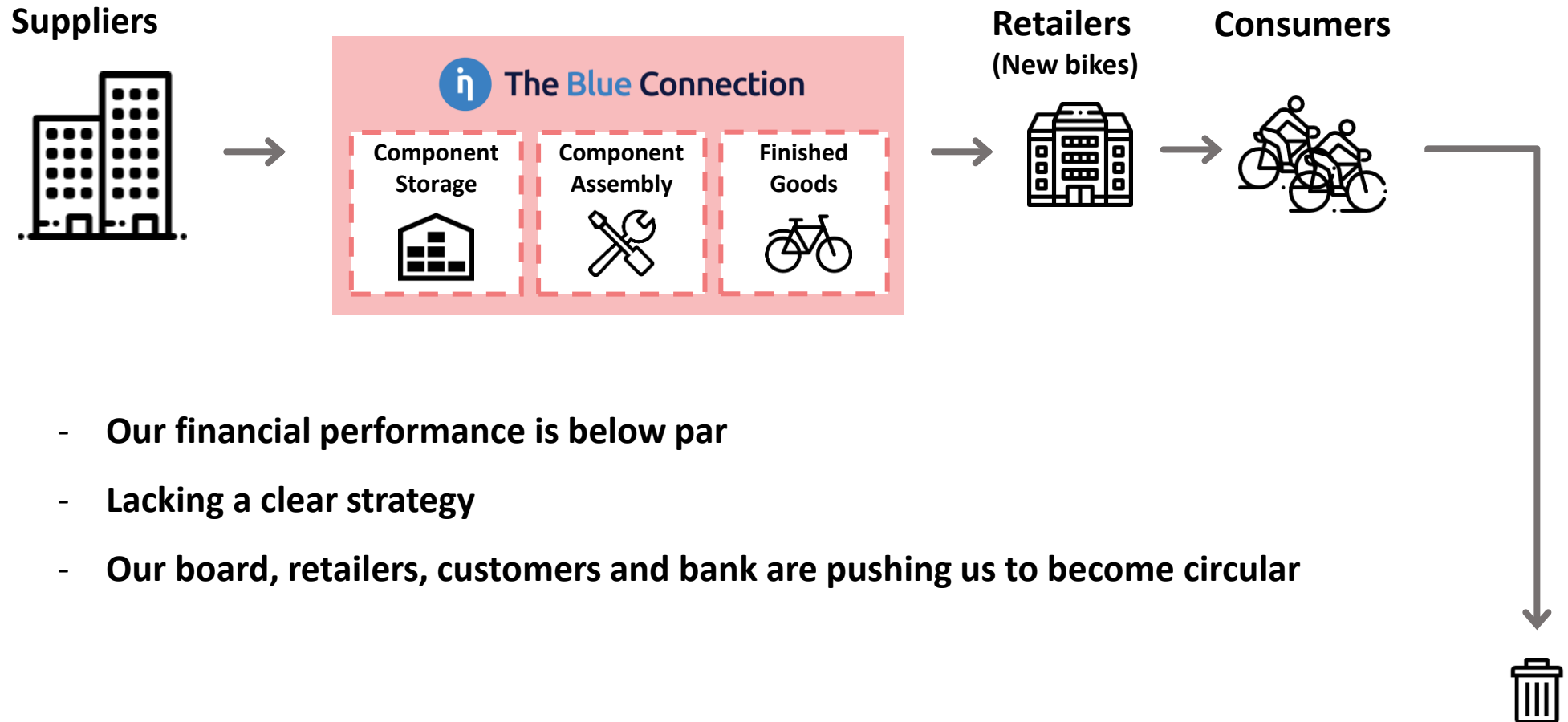


Increasing **CO2** footprint and **waste** production. Consumption **beyond the earth's regenerative capacity**.

*Replace the linear “Take – Make – Dispose” system with a **restorative model** in which **waste** does not exist as such but **is only food for the next cycle***

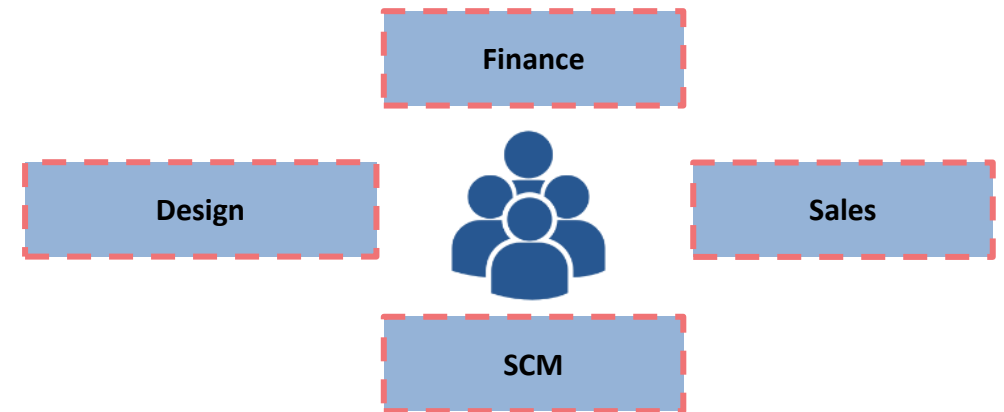
Ellen MacArthur Foundation

Starting point of the storyline



The Challenge

- **We need a new visionary management team**
 - To transform the business from linear to circular
 - In a profitable, controlled and aligned way
 - By making strategic and tactical decisions



The 4 positions in the management team

Teams will experience the impact of every decision they make, not just in their own functional ‘silo’ but across their business, and the entire value chain!



The VP Sales

Negotiate on sales contracts with your retailers regarding circularity, warranty and the maintenance service of your product. Decide on a regular sales channel or a product as a service program with your retailers.



VP Supply Chain

Collaborate with the right Recycling Service Providers and oversee the cost and process of disassembling, reusing, refurbishing and recycling. Manage labor capacities for refurbishing and maintaining your product.



VP Purchasing

Manage the design of your product. Selecting appropriate suppliers to source from and deciding on the quality and recyclability of product components to buy.



VP Finance

Determine a buy back price to create a reverse flow of products. Manage the financial arrangement with the bank and the potential lease agreements.

Introduction to The Blue Connection

The Blue Connection in a nutshell

CIRCULAR TRANSITION INDICATORS

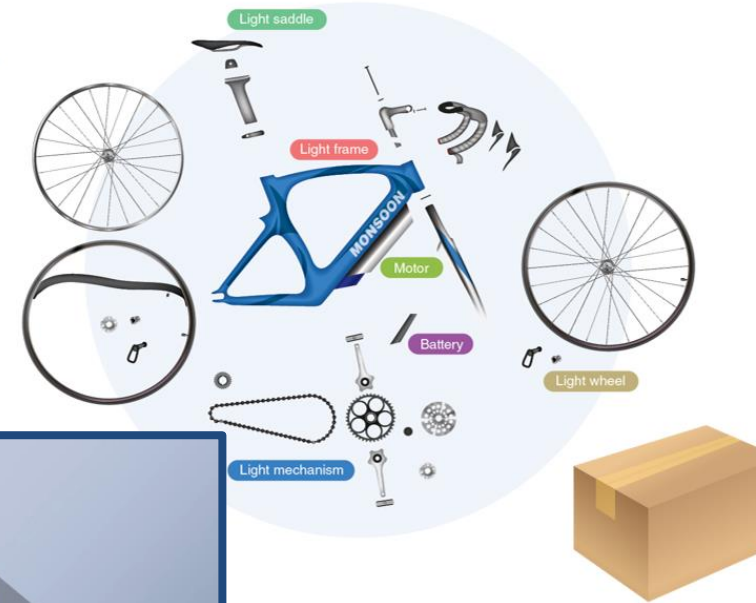


Metrics for business, by business

Finance
Manage your return
flow and PaaS model
financially

Measuring Circularity

Purchasing
How do I design my
product?



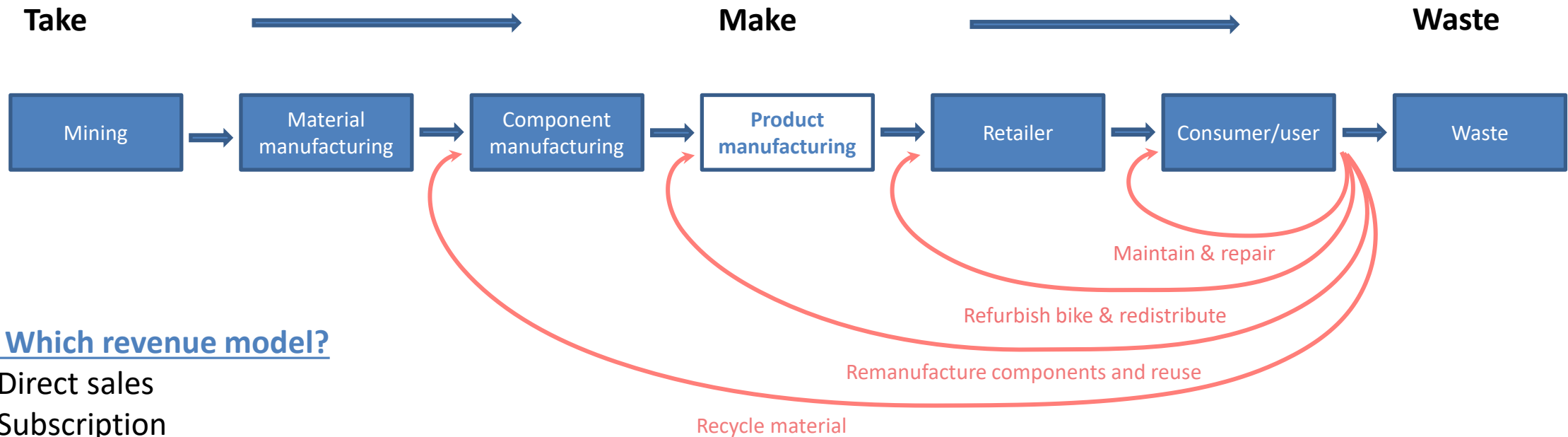
Retailers
How to market your
product towards
different retailers?

Value Chain
Who to work with?
How to set up your value chain?



From linear to circular business: “circular is more than recycling”

1. Circular strategies: From slowing to closing the loop



2. Which revenue model?

- Direct sales
- Subscription
- Lease

3. Which business model / overall strategy?

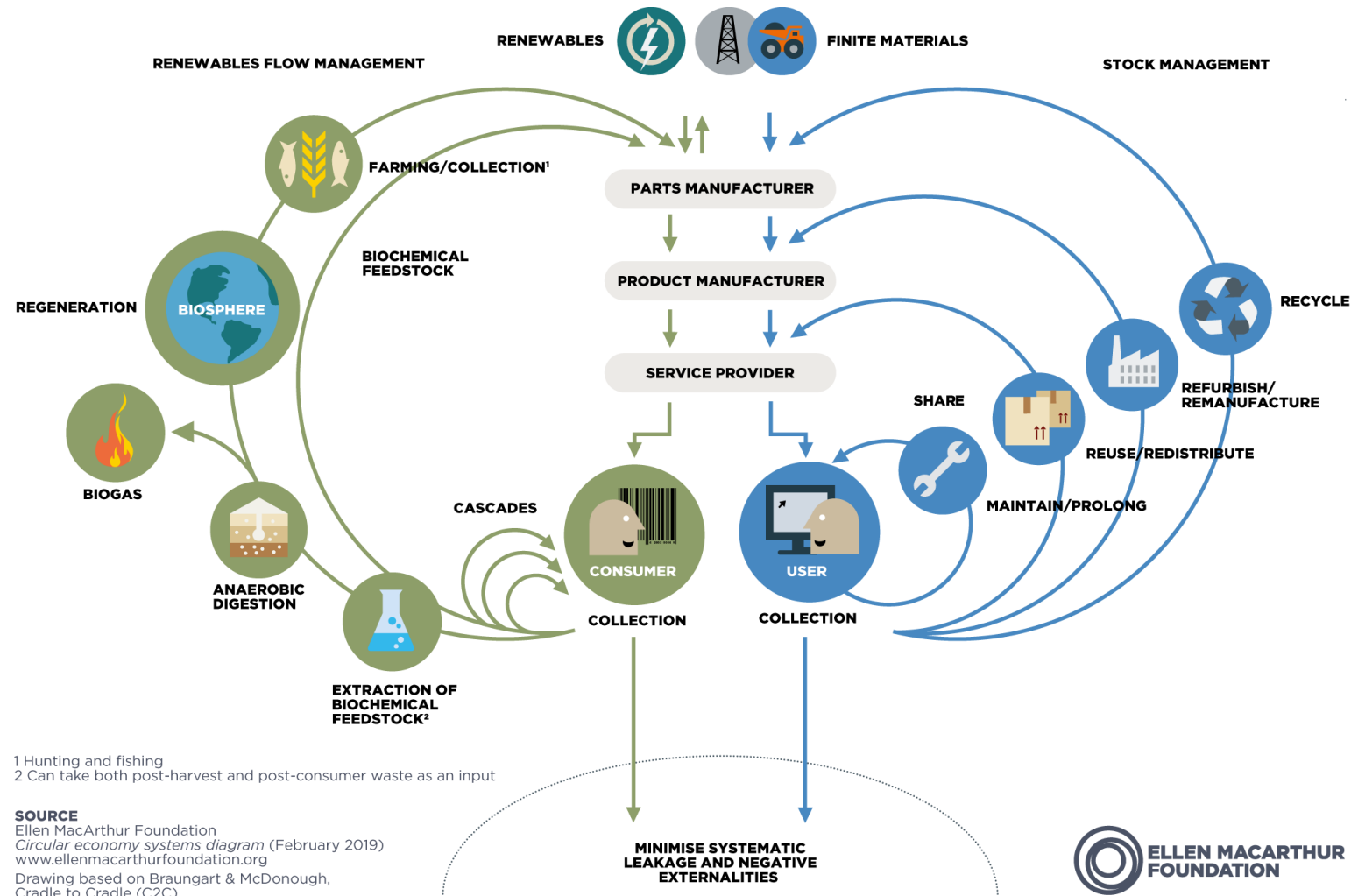
Which side of the circular butterfly model?

Focus on finite material side

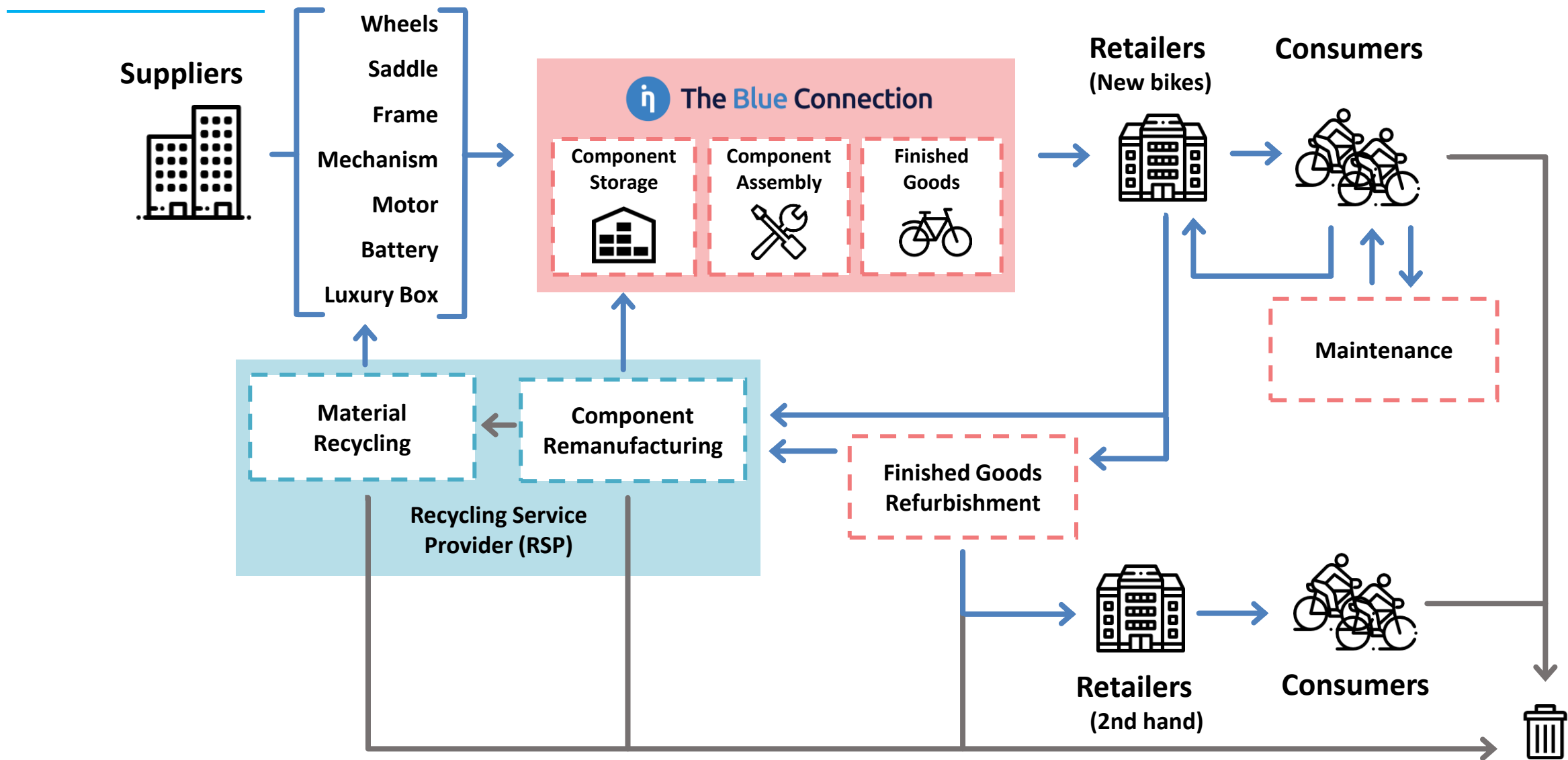
- Technical cycles

But also elements of the renewable side

- Biological cycles
(e.g. tires of the e-bike)



The circular value chain of The Blue Connection



Measuring Circularity: CTI framework

CTI = Circular Transition Indicators by



Close the Loop

$$\% \text{ circularity} = \frac{\% \text{ circular inflow} + \text{circular outflow}}{2}$$

Value the Loop

Circular Material Productivity =

$$\frac{\text{revenue}}{\text{kg virgin material}}$$

Return on Material =

$$\frac{\text{Profit}}{\text{kg virgin material}}$$

Our retailers and their customer's preferences

Cheetah

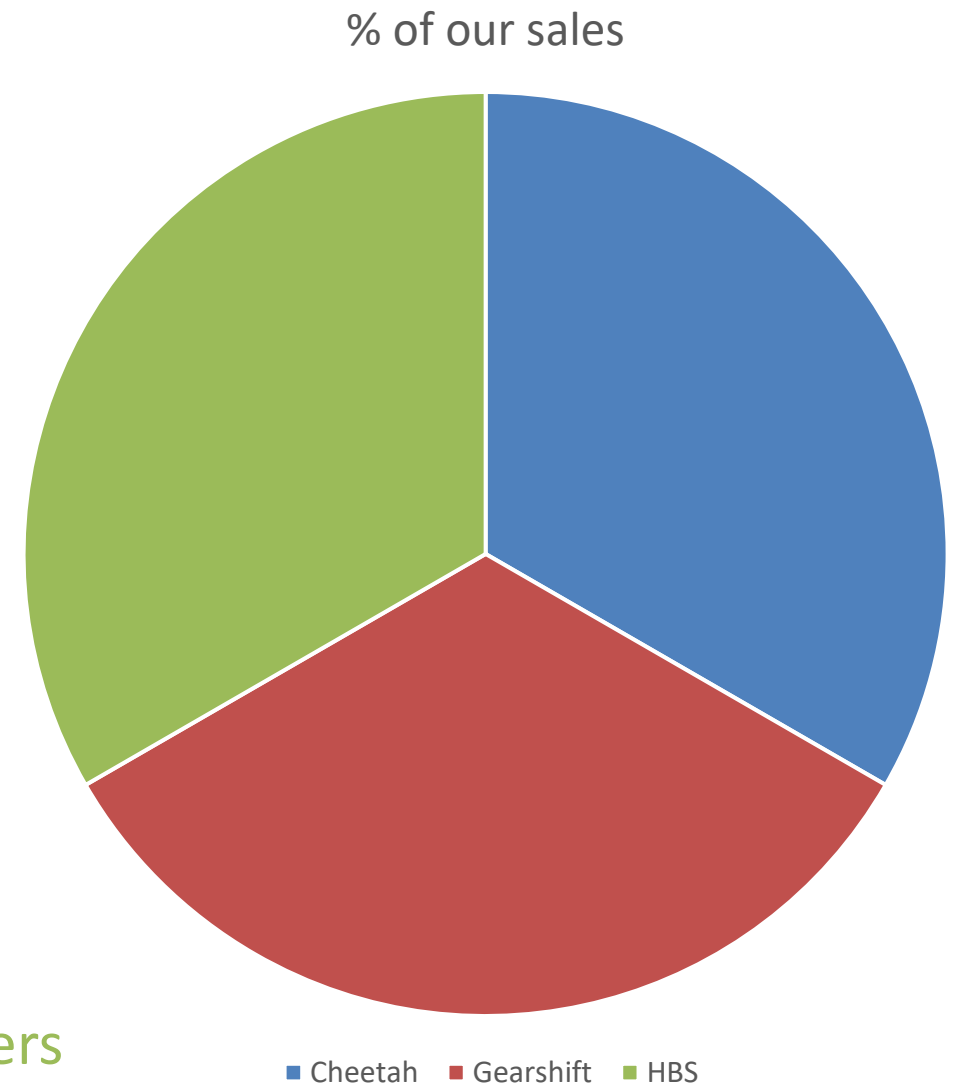
- High quality and durability
- Private equity, credit rating low

Gearshift

- Convenience
- Excellent credit rating

HBS

- Niche player, environmentally sensitive customers

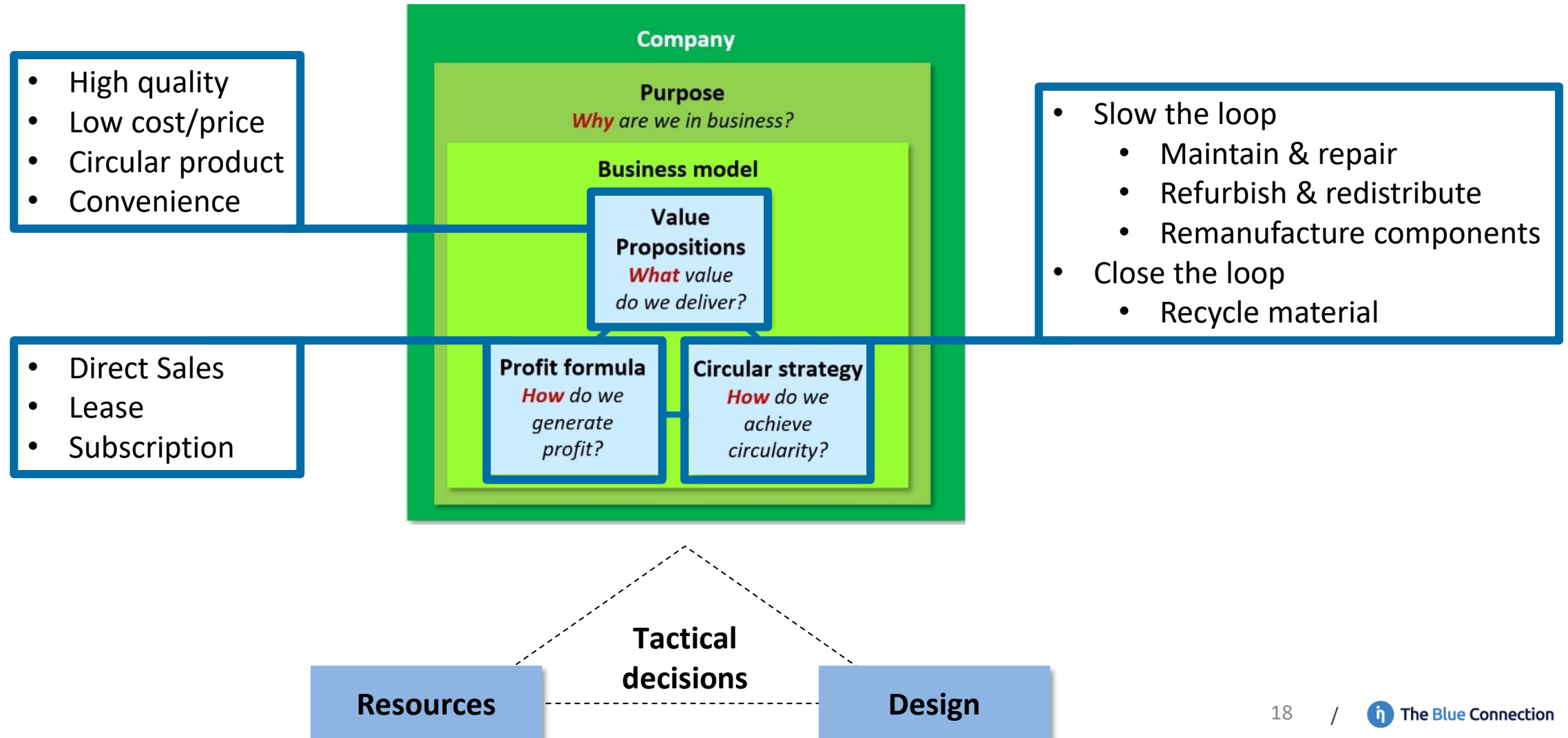


Let's discuss strategy

- To integrate the roles and align the team
- Have a guideline to manage the trade-offs
- Avoid being stuck in the middle



The business model: consistency is a key success factor



The interface

