Introduction

Current and potential PSS providers are offered the opportunity to develop PSS models through pilots.

The pilots are part of the Nordic Council of Ministers project *PSS in the Nordics*.

Pilot projects aim to test feasibility on a small scale. In this case, an emphasis is placed on the economic, climate, environmental, social, and legal impacts of piloted PSS, generating information of value for other companies and as the basis for suggestions for policy measures. Therefore, the pilots should give a balanced coverage of such information.

Each company selected for pilots will be supported by consultancy assistance from the Nordic consortium in carrying out the pilot project. The consultancy support will be directly tailored to the company's specific needs and can be performed in English or the company's native language if preferred.

#### Who can get funding?

For a company to be considered for the pilot project, the company must:

1. Already offers a PSS model but wants to improve this or
2. Has a concrete idea of incorporating PSS models into its business strategy.

We also expect the companies to:

* Have a clear vision, overall goal, and activities that the pilot should build upon.
* Be welcoming and willing to cooperate with the project's consultants and invest between 75 and 150 hours of work on the pilot project – according to the financial support granted.

#### How will the pilot work?

A Nordic consultant will support and advise each company in carrying out the project according to the proposal and kick-off meeting and be available for online support to applicants throughout the project. The consultancy support will be directly tailored to the company's specific needs - for every participant. The support might entail, but not be limited to:

* Theoretical and practical guidance on efficient and successful implementation of PSS solutions;
* Tools, guides, and templates relevant to their situation (including the environmental assessment tool);
* Expert sparring on business development;
* Data collection and data analysis based on LCA assumptions and methodology.

An emphasis in the pilots is placed on the economic, environmental, social, and legal impacts of piloted PSS models.

With the pilots, companies can receive consultancy assistance to a value of between **100.000 DKK - 300.000 DKK**. The piloting companies **will not be required to outlay any monetary compensation** for the consultancy – only hours spent on the pilot projects are required.

The calls for Phase 2 pilots will be open in two rounds of evaluation of the applications. The first Phase 2 pilot call will open between June 15th and **September 1st, 2023**. The second Phase 2 pilot call will be open in **September-October 2023**.

The Phase 2 pilots will run for 4-8 months and entail thorough investigations of business model improvements and implementation of new and improved PSS solutions in Nordic countries.

All applications are forwarded to Norion Consult, which will perform the evaluation together with the Steering Group from the Nordic Working Group for Circular Economy (NCE) on selecting pilot projects.

All applications taken into consideration will have to fulfil the following selection criteria:

* Clear descriptions of the organisation of the pilot **A4**
* A description of the pilot goal, results and proposed activities **B1**
* A concrete description of the PSS concept or business model add-on that should be implemented;
* A clear understanding of the potential environmental, economic and social impacts of the implemented PSS concepts;
* The pilot potential of widely applicable lessons learned;
* Clear descriptions of roles and responsibilities for the pilot project.

All applications will be made available to the NCE Steering Group of the *PSS in the Nordics* project. To **get assistance with the pilot application**, information on the project *PSS in the Nordics* or the like, please contact Norion consultant Amalie Børglum Ploug Olsen at **apo@norion.dk**.

If you have any doubts about, e.g., what kind of PSS model your business is or what kind of product group your product services are categorised under, detailed information on these topics can be found in the latest publication *Business models and product groups for Product Service Systems (PSS) in the Nordics*: <https://www.pssinthenordics.com/project-results>

Description of business model

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| **State which kind of PSS model(s) describe the applying business the best:** You may tick off more than one box | | | A1 |
| **Product-oriented PSS models:** Focus on selling products with additional services, e.g., maintenance, repair, take-back schemes, financing, or consultancy. | | *Please explain what kind of product-services provided by the applying company relates to the business models ticked of (Maximum 500 characters with spaces)* | |
|  | Product related |
|  | Advice & consultancy |
| **Use-oriented PSS models:** Focus on the product but do not entail a permanent transfer of product ownership to the customer. | | *Please explain what kind of product-services provided by the applying company relates to the business models ticked of (Maximum 500 characters with spaces)* | |
|  | Product lease |
|  | Product renting |
|  | Product pooling |
| **Result-oriented PSS models:** Providers and clients reach an agreement for the function or result, which is achieved through services and/or products. | | *Please explain what kind of product-services provided by the applying company relates to the business models ticked of (Maximum 500 characters with spaces)* | |
|  | Activity management |
|  | Pay-per-service-unit |
|  | Functional result |

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| **State which kind of product group(s) describe your product-service provided the best:** You may tick of more than one box | | | | A2 |
|  | **Transportation** (E.g., bicycles, cars, scooters, boats, mobility as a service) |  | **Clothing & accessories** (E.g., casual clothing, clothes for special occasions, workwear, accessories & jewelry) | |
|  | **Packaging** (E.g., plastic & single use, e-commerce, freight) |  | **Seasonal & special occasions** (E.g, party & event equipment, sports, camping & hiking gear) | |
|  | **Machinery & tools** (E.g., heavy machinery, tools, processing equipment, chemicals) |  | **Electronic equipment & solutions** (E.g, computers & smartphones, printers, batteries, cloud-based options, streaming service & e-books) | |
|  | **Appliances, furniture & household products** (E.g., white goods & large appliances, kitchen appliances & tableware, heating & electricity, furniture, textiles) |  | **Other:**  (E.g, agriculture, infrastructure, animals, plants, dinner subscriptions & catering) | |
|  | **Products for children** (E.g., children’s clothes, toys, furniture & equipment for children & parents) |  | **Comments:** | |
| **Please describe the specific product-service(s) provided** *The company provides …* (Maximum 500 characters with spaces) | | | | |

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| **Fill in information about your organisation and how you will organise the project**  (Maximum 500 characters with spaces per section)  *(If you need assistance with the organisation model, please reach out to Norion at* [*apo@norion.dk*](mailto:apo@norion.dk)*)* | | A3 |
| **Vision** | *What is the company's vision and/or mission?* | |
| **Leadership & structure** | *On what level will the company leadership be involved in the project?*  *How are the company/team organised?* | |
| **Staff** | *How experienced are the managers and employees with circular economy practices?*  *Which competencies in the company will be represented in the project?* | |
| **Systems** | *Do you or will you rely on new systems to succeed with your PSS solution? (financial, digital, etc.)*   * *What type of systems are most important?* | |
| **Partnerships** | *Do you or will you rely on partnerships with others to succeed with your PSS solution?*   * *Which partnerships are most important?* | |

PILOT Project description

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| **Fill in the project description (based on the LogFrame approach) below to the best of your ability.**  This will constitute a pilot project plan. | | | | B1 |
| **PROJECT ELEMENT** | | | | |
| **Long-term vision of pilot** (e.g., increase environmental gains of PSS solution) | | | | |
| **Pilot goals/outcome of the pilots** (e.g., optimise value chain) | | | | |
| **Results achieved through pilot** (add between 1 and 4 results) | | | | |
| **1. result** (e.g., the full value chain is mapped) | **2. result** (e.g., new partnerships identified) | **3. result** (e.g., internal waste production reduced) | **4. results…** | |
| **Activities conducted during pilot** (add activities to reach each results) | | | | |
| 1.1 (e.g., identify challenges in current value chain)  1.2 (e.g., new partnerships identified)  1.3 … | 2.1 (e.g., identify potential partnerships to overcome challenges)  2.2 (e.g., establish network with new potential partners)  2.3 | 3.1 (e.g., internal waste production reduced)  3.2 (e.g., internal waste production quantified)  3.3 | 4.1 …  4.2 … | |
| **Resources needed for pilot completion** Do you need to acquire anything before the pilot project initiation (e.g., a software programme)? Be aware that **the pilot grant can only be utilised for consultancy services** from the consortium of the project PSS in the Nordics. It is not possible to use the grant for procurement of any kind. | | | | |

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| **Please provide a detailed description of the concrete challenges of the company and how the pilot project can decrease these challenges:** | B2 |
| *What are the major challenges the company are currently facing?  Why and how could the pilot project assist in overcoming these challenges?*  (Maximum 1000 characters with spaces) | |

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| **Describe what kind of efforts and competencies you expect the Nordic consultants to provide your company and how you expect the interaction between the business and consultants will be:**  *What kind of competencies do the company expect the consultants to have?  How do the company expect the collaborations with the consultants will be realised?*  (Maximum 700 characters with spaces) | B3 |
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Anticipated effects of the pilot project

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| **Please briefly describe the expected impacts of the pilot.**  *How will the pilot project improve your business model?*  *What environmental, economic and/or social effects do you expect the pilot project to bring? (e.g., reduced emissions, consumption of material, increased customer reach, and strengthened business process flow) What can be done after the pilot project?* (Minimum 400 and maximum 1500 characters with spaces) | C1 |
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| **How does your PSS model contribute to achieving environmental gains?** Explain how your PSS model achieves one or more of the below themes. | | | | C2 |
| **Avoidance of new production** | **Product life extension** | **Improved use-phase** | **Reduced waste generation** | |
| *E.g. Reduction of raw material consumption by reducing the need for products/new production with e.g. sharing of products*    (Maximum 700 characters with spaces) | *E.g. Improved performance through structured maintenance and upgrades*  *Increasing the lifespan of products and ensuring that the product maintains its function and quality*  (Maximum 700 characters with spaces) | *E.g. Minimised resource consumption in the use phase of the product (e.g. energy use), through product design, and conscious and appropriate handling of the product*    (Maximum 700 characters with spaces) | *E.g. Minimised waste by, e.g. appropriate take-back schemes, reuse, upcycling (and recycling)*    (Maximum 700 characters with spaces) | |

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| **State which kind of barriers you expect the pilot project can help you overcome. Describe to what extent you expect the barriers will be addressed in the pilot:** You may tick more than one box | | | C3 |
| CULTURAL  BARRIERS | 🞎 Culture of Ownership  (Customers are used to owning products and are not willing to consider other ownership models)  🞎 Preconceived notions of PSS (Customers has (bad) expectations to PSS solutions, that are challenging to overcome, e.g. that the product-service is unhygienic, expensive or unsafe)  🞎 Low appeal (There are a lack of awareness of potential environmental and economic gains of PSS solutions, hindering a viable demand)  🞎 Market readiness (The B2B and B2G market actors has limited interest in PSS solution, hindering market expansion) | *Please explain why and how you are experiencing these barriers, if crossed off …* (Maximum 700 characters with spaces) | |
| TECHNICAL  BARRIERS | 🞎 Administrative burden  (Time and resources spend on keeping an overview of stock, solutions in use, monthly payments, due to PSS models)  🞎 High demand for documentation  (More documentation effort on environmental gains of PSS are often required for PSS solutions, compared with linear business models, as the business models are more complex and unexplored)  🞎 Lack of standard solutions/systems  (There are limited access to standard solutions for business logistics, stock overview, payment systems, etc.)  🞎 Lack of technical & IT knowledge (There are not enough technical and IT knowledge internally in the company to e.g. develop sufficient IT programs, collected documentation, facilitate efficient PSS solutions, etc.) | *Please explain why and how you are experiencing these barriers, if crossed off …* (Maximum 700 characters with spaces) | |
| ECONOMIC & MARKET BARRIERS | 🞎 Value chain configurations  (Products are not designed for PSS models. It is costly and challenging to increase product durability, repairability, etc. to accommodate repair and maintenance efforts)  🞎 Reluctance in investments  (Banks and financiers has a general distrust in PSS models ability to generate revenue, hindering access to loans and investments)  🞎 Competition with product-sales (Customers are unsure of what to expect from PSS providers and product-services, favouring traditional product-sales models)  🞎 Lack of capacity & resources  (There are a not enough resources and capacity internally in the company to e.g. expand PSS solution, improve environmental impact, etc.) | *Please explain why and how you are experiencing these barriers, if crossed off …* (Maximum 700 characters with spaces) | |
| REGULATORY  BARRIERS | 🞎 Public procurement lock-ins  (Public procurement actors does not understand, has a limited interest, or are legally able to utilise PSS solutions) 🞎 Existing requirements & restrictions  (The current regulatory system are designed for linear business models. Therefore some existing requirements and restrictions are a barrier to PSS models)  🞎 Lack of supporting regulation  (There are not enough focus on creating regulatory incitements and provider benefits for implementing PSS)  🞎 Lack of legislative & financial guidance  (It is not possible to get the needed guidance on legislative requirements and financial/financing options) | *Please explain why and how you are experiencing these barriers, if crossed off …* (Maximum 700 characters with spaces) | |
| 🞎 I experience other barriers than those mentioned above.  (Please describe the barriers to your current business model) | | *Please explain why and how you are experiencing these barriers, if crossed off …* (Maximum 700 characters with spaces) | |

Managers and employees participating in the pilot

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| **We declare to have at least one employee working on the project between November 1st 2023 and Juli 31st 2024, who can provide between:**  🞎 50-75 hours on the pilot project  🞎 75-120 hours on the pilot project  🞎 120-150 hours on the pilot project | D1 |
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| **Please specify the employees participating from the company and their role in the pilot project:** | | | | D2 |
| **Level & titel** (Management/employee) | **Main responsibility** In the pilot | **Name** Full name of participant | **The proportion of the company's total time spent on the project**  (e.g., 20%) Must add up to 100% for all the people involved | |
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