



**26**<sup>th</sup> annual **INCOSE**  
international symposium

Edinburgh, UK  
July 18 - 21, 2016

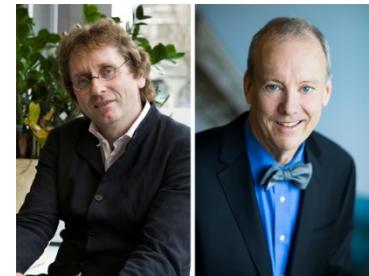
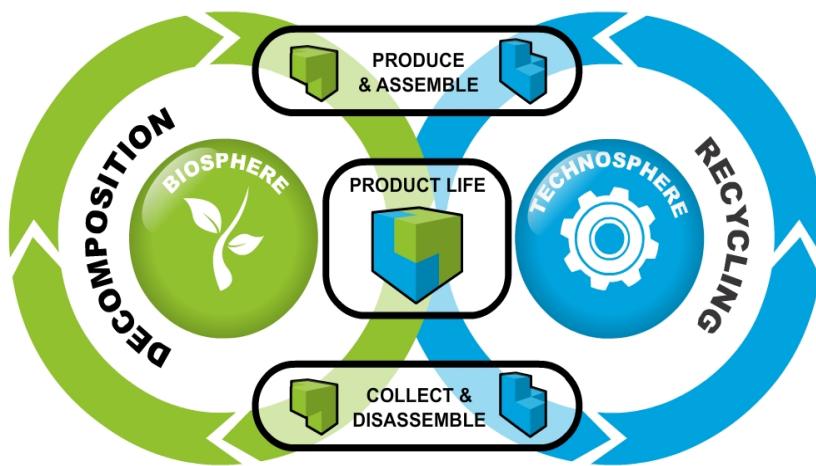
# Systems Engineering for a Circular Economy



# CIRCULAR ECONOMY

# Background/History

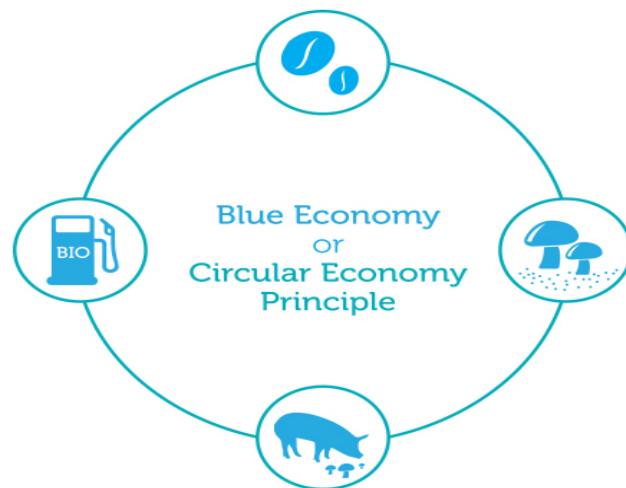
*"We are accustomed of thinking of industry and the environment as being odds with each other"*



Cradle-to-cradle concept  
Michael Braungart  
William McDonough, 2002

# Background/History

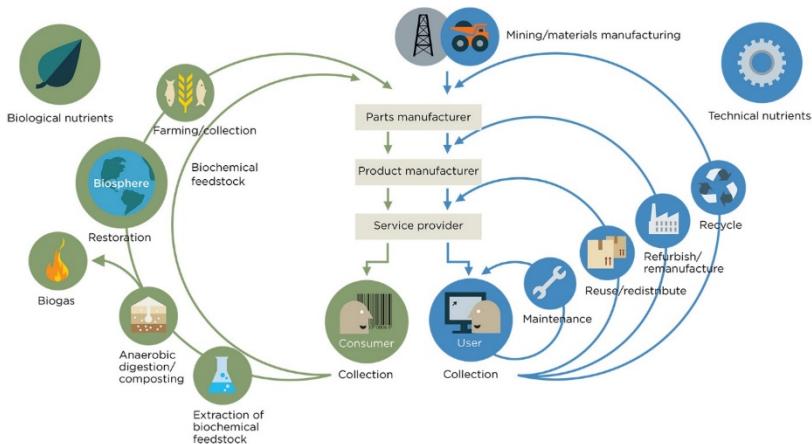
*"Thinking in systems and cycles,  
we become metabolists"*



Blue Economy concept  
Gunter Pauli, 2004

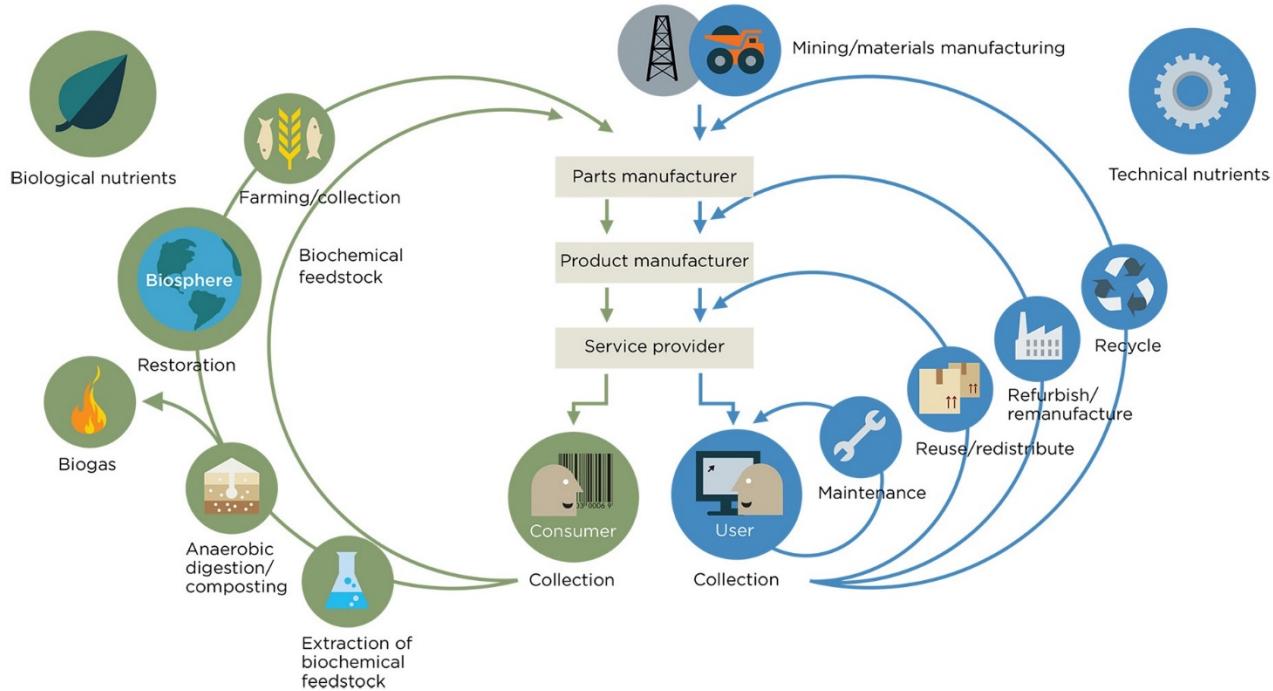
# Background/History

*"Imagine the economy as circular, a place where 'roundput' not 'throughput' dominates"*



Circular Economy concept  
Ellen MacArthur, 2010

# The Circular Economy

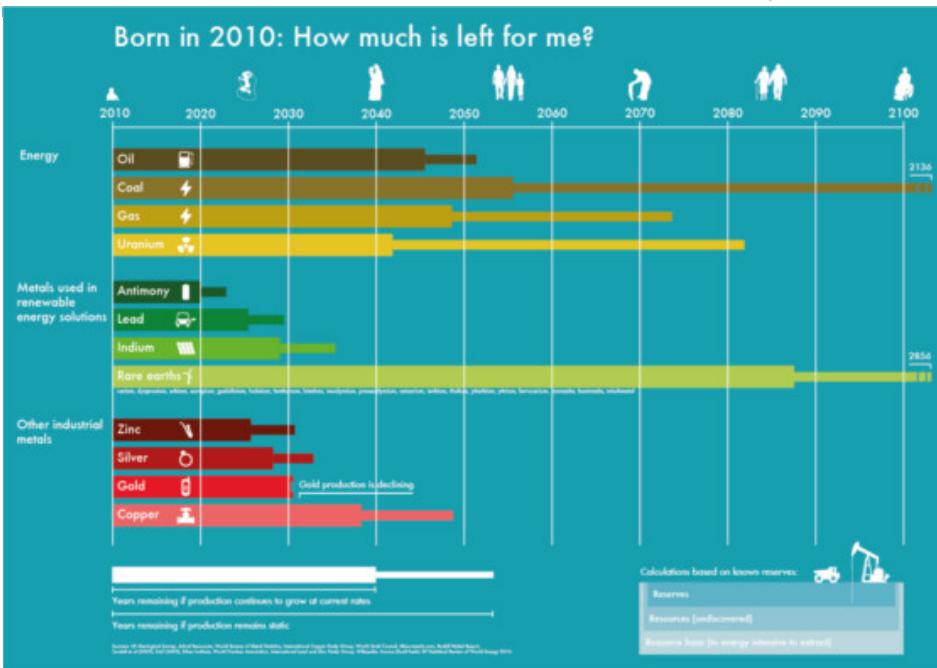
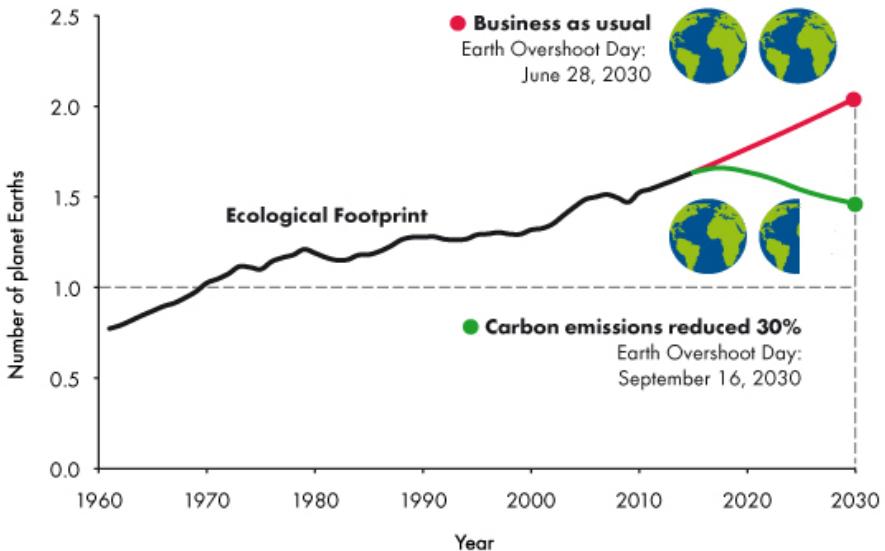


# CHANGED PRECONDITIONS

# Changed preconditions

- The Planet – Scarce resources

How many Earths does it take to support humanity?



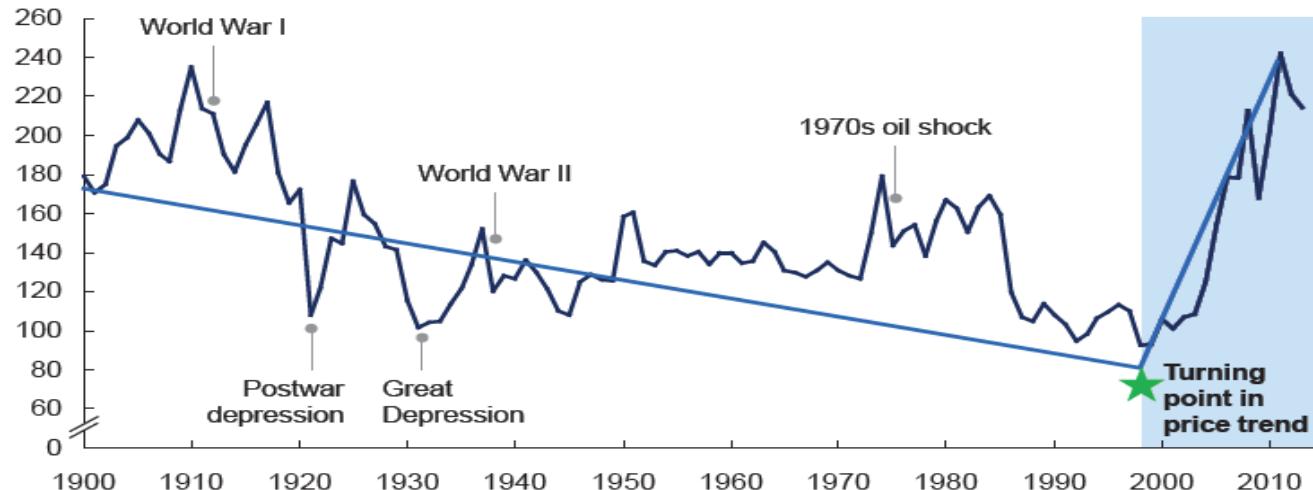
# Changed preconditions

- The Planet – Price volatility

## Exhibit 1

**Resource prices have increased significantly since the turn of the century**

McKinsey Commodity Price Index<sup>1</sup>  
Real price index: 100 = years 1999–2001<sup>2</sup>



# Changed preconditions

- The Market – Changed behavior



1966



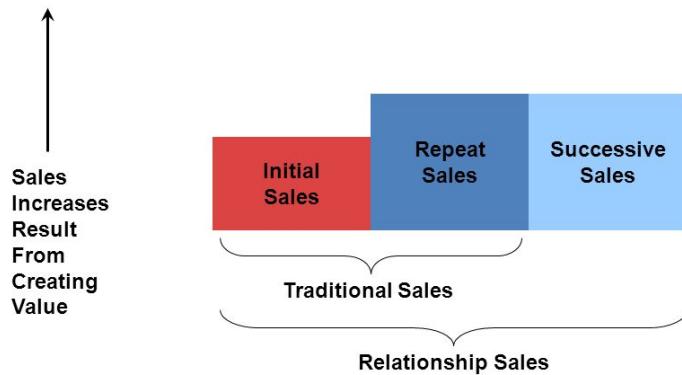
2016

# BUSINESS MODEL

# Different Business Models

- Traditional Sales and Marketing

## Relationship Selling vs. Traditional Selling

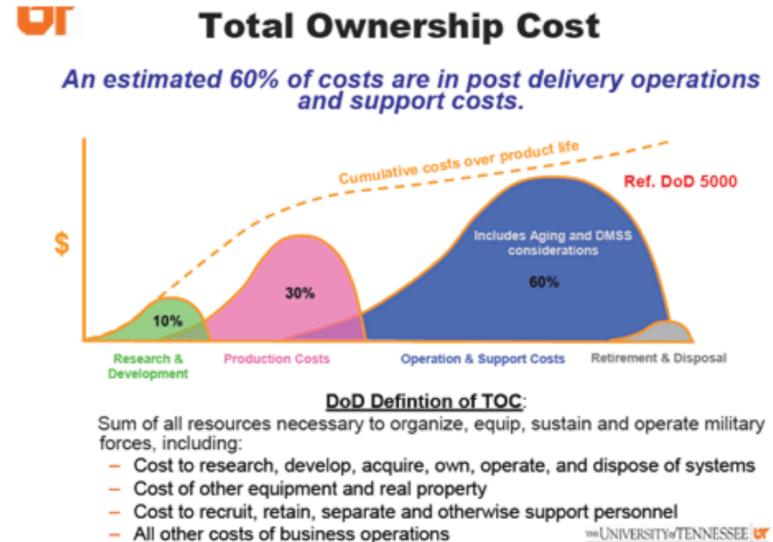


# Different Business Models

- Maintenance and Support



Source: *Rolls Royce*



# Different Business Models



- **Leasing and Renting**



## ***Check out our **HUGE** rental fleet***

# Different Business Models

- Functional Sales

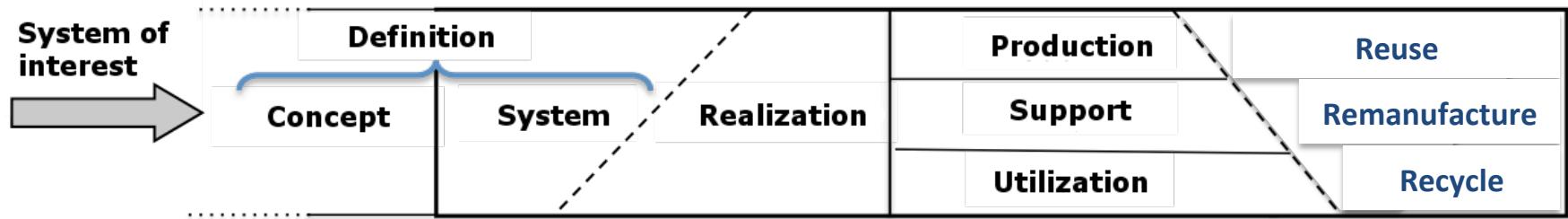


*Source: Volvo Construction Equipment*

What does this  
mean to the  
Systems  
Engineering  
discipline?

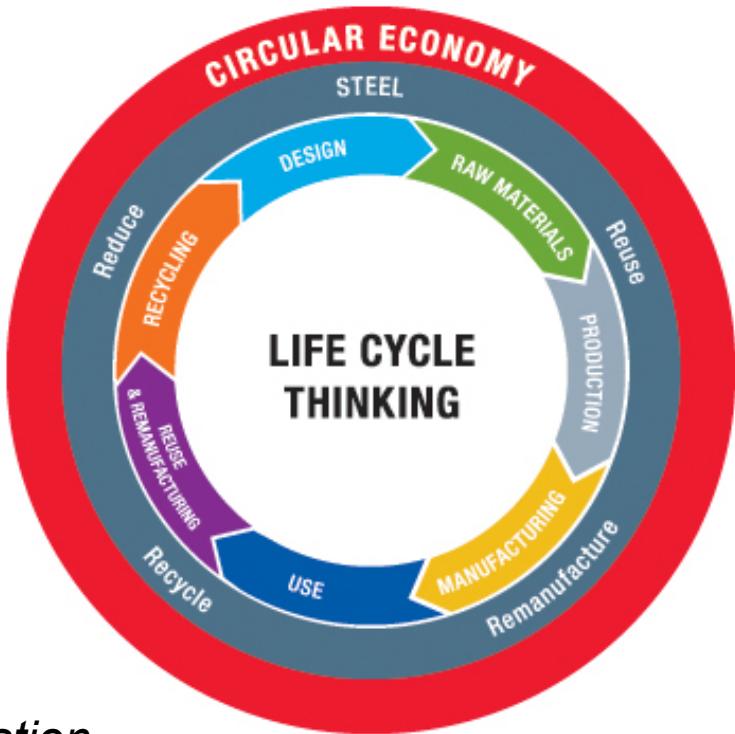


# Lifecycle Model



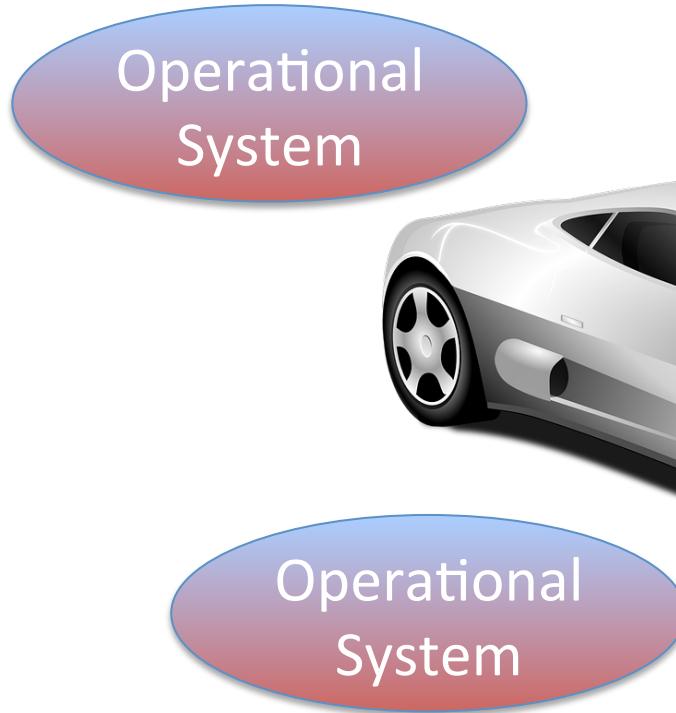
Source: *SEBOKWIKI.ORG*

# Lifecycle Model



Source: Worldsteel Association

# System-of-Interest



# System-of-Interest



# System-of-Interest



# Product Properties



- reliability
- maintainability
- modularity

# Re-

- manufacturability
- usability

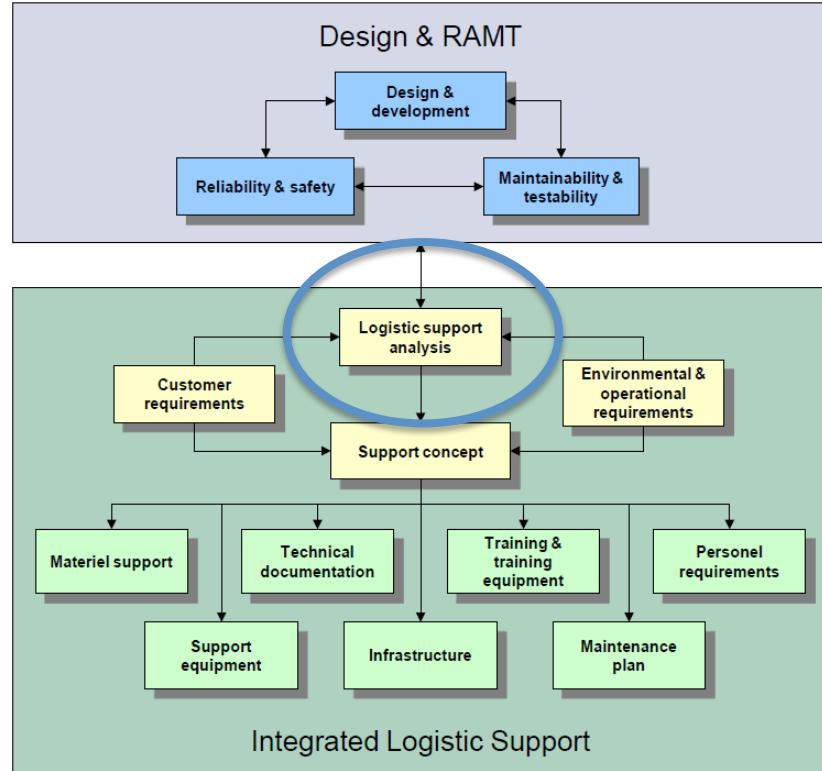
# Increased Solution Space



# Trade Offs

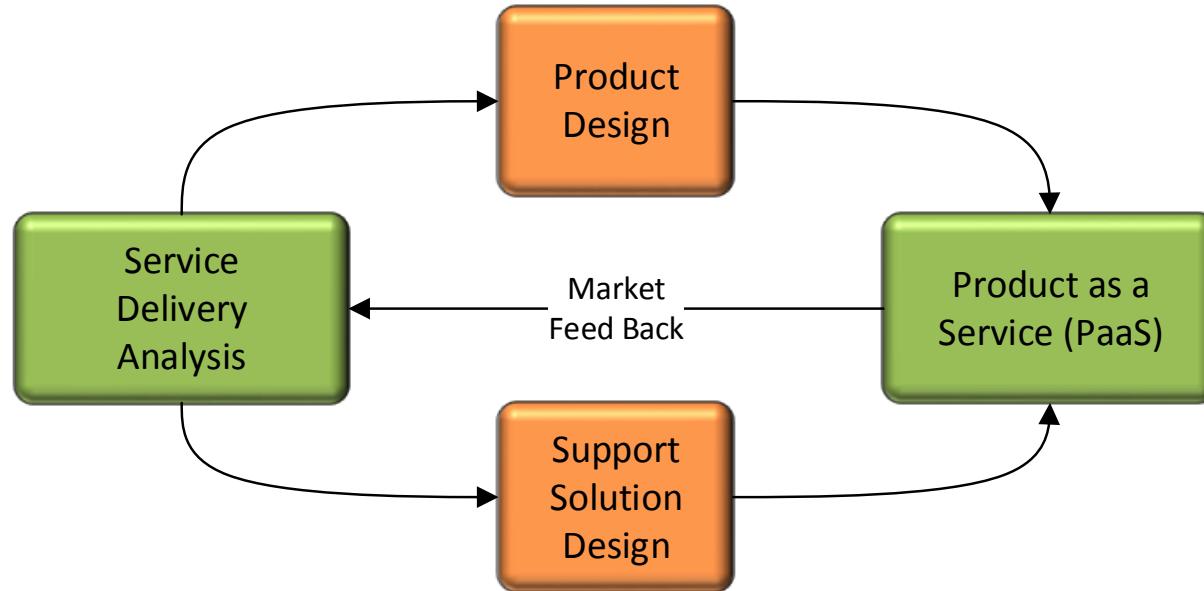


# Integrated Logistics Support



Source: S3000L

# Service Delivery Analysis



# Conclusion



# Conclusion

