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Current and Emerging Business Models in EU Industries

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Why Business Models Are Changing From Linear Growth to Circular Value Creation

- Traditional model: take – make – sell – dispose
- Growing pressure to reduce waste and resource consumption
- EU industries are moving toward circular business models
- Value is increasingly created through access, performance, repair, reuse and lifecycle services

New Circular business models respond to challenges by keeping products and materials in use for longer and by reducing dependence on virgin resources.

Circular Business Models: Core Principles

- Extend product lifespans
- Reduce waste and material loss
- Maintain product and material value over time
- Enable reuse, repair, refurbishment, remanufacturing and recycling
- Shift from one-time sales to long-term customer relationships

This means designing durable and repairable products, recovering materials and often developing services around the product lifecycle.

Servitization as a Key Enabler

From Selling Products to Delivering Solutions

Servitization = transformation from product-based to service-based value creation

- Companies provide services linked to product use and lifecycle management:
- Leasing
- Maintenance
- Repair
- Product-as-a-Service
- Take-back and reverse logistics

Servitization incentivises the design of better, longer-lasting and easier-to-maintain products, and **allows companies to remain connected to the product after sale.**

Product-as-a-Service

Access Instead of Ownership

- Customers pay for access, use or performance
- Manufacturer often retains product ownership
- Revenue is linked to long-term performance
- Durability
- Maintenance
- Upgradability
- Recovery at the end-of-use

As the producer may retain ownership, it has a direct interest in making the product durable, repairable and recoverable.

Main Green Service Strategies

How Services Support Circularity

- **Repair and maintenance**: extend product life
- **Refurbishment and remanufacturing**: restore products for new use cycles
- **Recycling and resource recovery**: close material loops
- **Sharing and leasing**: increase utilisation rates
- **Upgrade services**: adapt products without full replacement

Together, these approaches and strategies support both environmental and economic value.

Cross-Sector Examples in EU Industries

Different Industries, Different Circular Models

Sector	Emerging circular/servitized models
Automotive	Leasing, car sharing, flexible access
Packaging	Return, refill and reusable containers
Textiles & fashion	Rental, repair, resale
Electronics	Modularity, repair, software updates
Furniture	Furniture-as-a-Service, repair, resale, refurbishment

Focus on the Furniture Sector

Why Furniture Matters

- Furniture has high potential for circularity
- Products can often be repaired, refurbished, reused or resold
- Environmental impact is linked to materials, production, logistics and disposal
- Servitization can transform furniture companies from manufacturers into lifecycle solution providers

Through servitization, furniture companies can move beyond manufacturing and become providers of complete lifecycle solutions.

Circular Business Model in the Furniture Sector

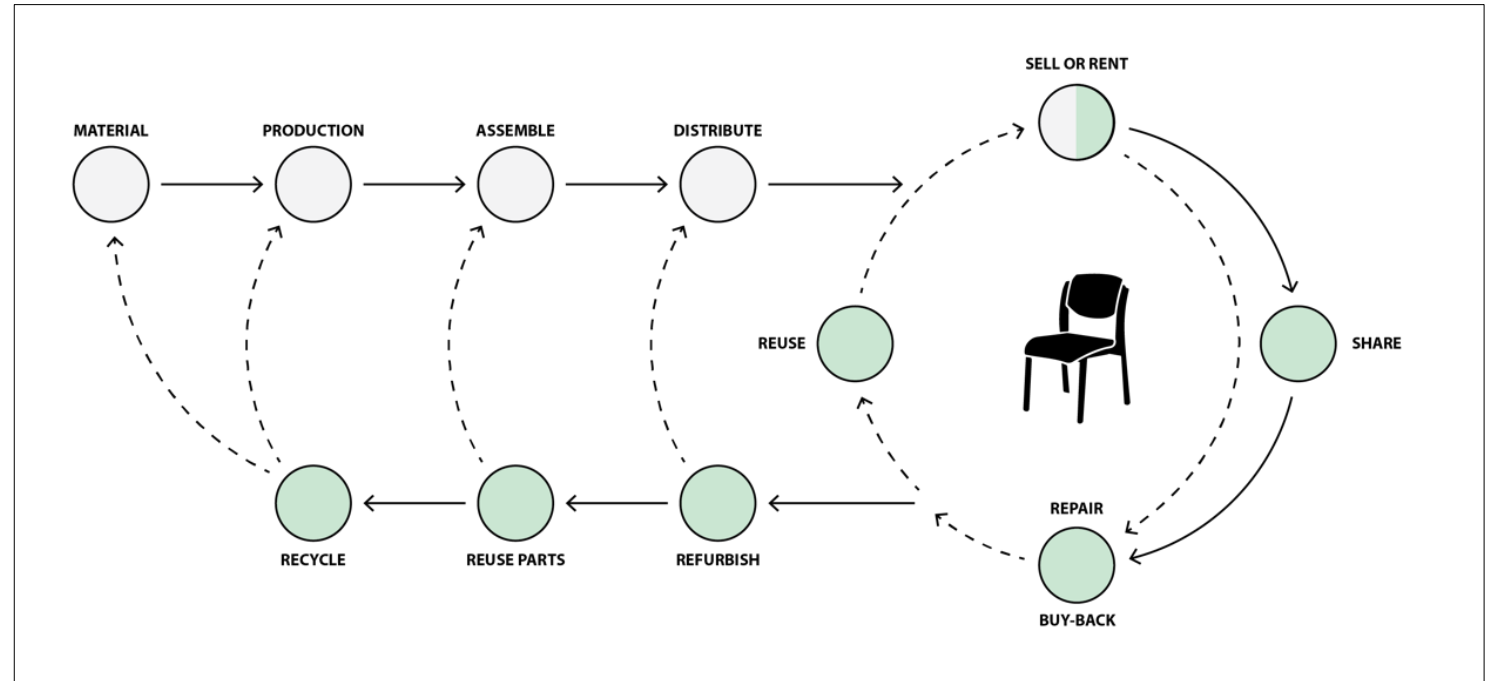
From Linear Flow to Circular Loops

- Traditional model: material → production → assembly → distribution → consumer

- Circular model adds loops:

Repair
Buy-back
Sharing
Refurbishment
Reuse parts
Recycling

- Services connect the different loops



Emerging Servitization Trends in Furniture

New Service-Based Models

- **Buy-back models:** recovering products and materials
- **Configuration services:** personalization and longer emotional attachment
- **Repair services:** extending product life
- **Sharing services:** temporary access instead of ownership
- **Event-specific renting:** short-term furniture use
- **Mediated C2C marketplaces:** resale with company support

These trends are already reshaping the furniture sector.

Strategic Take-Aways for Furniture Companies

What Can Furniture Learn from Other Sectors?

- Provide circular design consulting
- Develop managed platforms for resale, rental and restyling
- Design modular products with direct spare-part supply
- Offer digital spare-part libraries for self-repair
- Create circular hubs or repair workshops
- Expand Furniture-as-a-Service models

Furniture companies can learn from other industries and sectors.

Opportunities and Challenges

Benefits and Barriers of Servitized Circular Models

Opportunities

- New revenue streams
- Stronger customer relationships
- Reduced material dependency
- Longer product lifecycles
- Brand differentiation

Challenges

- Logistics and reverse flows
- Product tracking and data management
- Higher service complexity
- Customer acceptance
- Need for new capabilities and partnerships

Customer acceptance is crucial, especially when moving from ownership to access-based models

Toward Circular Industrial Ecosystems

- EU industries are moving from product sales to lifecycle value
- Servitization supports circularity by connecting design, use, recovery and reuse
- Furniture has strong potential for circular service innovation
- The future business model is not only about selling less, but about creating value differently

The challenge is not simply to sell fewer products, but to create economic, environmental and relational value in new ways.

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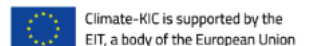
A shift from "buy and own" approach to a "product-as-a-service" model

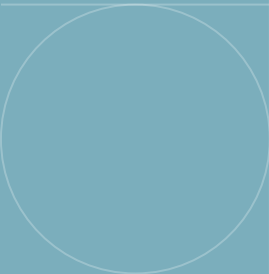
- Tenants could rent high-quality furniture and appliances directly from producers as part of their housing service, covering installation, maintenance, and end-of-life recycling
- At the end of a contract, items are recovered, refurbished, or recycled to prevent waste
- Designed to integrate circular economy principles into everyday life, products are rented rather than bought
- Test a scalable, less carbon-intensive business model that reduces consumption waste and lowers upfront moving costs for tenants



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Il progetto ideato e realizzato con il supporto di Redo Sgr, EIT Climate-KIC, Erion, Politecnico di Milano e Poliedra diventato realtà grazie ai partner operativi del progetto.





Thank you for your attention