



Producer/Supplier

DRIVERS



Consumer



Producer/Supplier

BARRIERS



Consumer

Remaining owner of materials in product :

- Material is not lost and residual material value can be retrieved

Life cycle costs may drop:

- Products with longer life times and easier to repair
- Possibility to upgrade and access to latest technology
- Less unexpected costs (replacement of disfunctional product)

Improved competitive position:

- Increase competition and declining margins in traditional markets
- Maintain and gain new market shares, customers and profits

Green image



Economic



Higher set up costs:

- Investments into new infrastructure, personell,...
- Product needs to be adapted for a new business model

Unknown total costs of ownership (TCO)

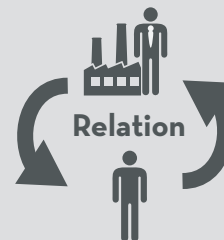
- Uncertainty about saving potentials because of unknown TCO of conventional sale products
- Potential higher transaction costs due to more complex contracts

Lack of public demand

Immaterial values of owning a product, such as status

Discontinuation of ownership, responsibility & risk

Long term contracts could improve supplier-customer relationship



Less control:

- Dependency from other business model partners
- Fear of loss of control over product
- Some level of trust needed on both sides

New potential risks:

- Long-term relationship as a risk
- risk of underperformance

Innovative Public Procurement Guidelines

Regulations that favour PSS



Government

Traditional Public Procurement Guidelines

Regulations that hinder PSS

Internet:

- Internet of things allows to monitor products in service contracts
- Webplatforms make it easy for consumers to share
- Webplatforms make it easy for consumers to interact with product-service providers

Other

Lack of awareness and priority towards resource-efficiency

Not all products are appropriate:

- Cheap products
- Products with a long, unpredictable lifecycle (eg. building materials)

Inertia towards change:

- Uncertainties and internal resistance to change
- Traditional mind-set of (conventional) business models
- Lack of awareness and understanding of new business models

