



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)

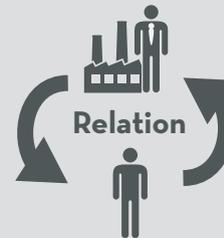
- Uncertainty about saving potentials because of unknown TCO of conventional sale products
- Potential higher transaction costs due to more complex contracts

## 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

