

BM.15

Evaluate the benefits

Requires dialogue

The aim of this activity is to capture (and quantify) the benefits of each of the business model concepts in a systematic manner using the Life Cycle Thinking template.



INPUTS

- Complete business model concepts, from the activity *BM.4 Generate business model concepts at the big picture level*.
- Data from In-Depth Assessment, from the activities *BM.2 Gather additional data on the business model*, and *BM.3 Gather additional data on operational performance*.

OUTPUTS

- An assessment of the business benefits of the business model concepts, used in the activity *BM.18 Integrate all the evaluations and make the final selection*.

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The potential benefits of each business model option should be captured using a simplified version of the *Life Cycle Thinking template*. Within this template, the benefits in terms of the six sustainability metrics can be detailed for each phase of the life cycle. The objective is to assess the benefits in each cell of the matrix, providing some quantification of these benefits where possible.

HOW TO GO ABOUT IT

1. Take one of the business model concept you have generated and remind yourself of the sustainability hotspots or strategic threats and opportunities the concept helps to address.
2. List the benefits relative to the current business model in the relevant cell of the simplified *Life Cycle Thinking template*. It can be easier to work through one life cycle phase at a time starting with the 'Raw materials' phase.
3. Once you have listed the benefits for the first business model concept, repeat the process for the remaining business model concepts.

→ Further information in the Agri-food, Chemicals and Metals Supplements

Template of Life Cycle Business Benefits

	Environmental impacts	Social Impacts	Economic impacts
Materials			
Production			
Transportation			
Use			
End of life			

Life cycle business benefits

Project _____

Date _____

Version _____

	Environmental impacts	Social Impacts	Economic impacts
Materials			
Production			
Transportation			
Use			
End of life			

Used during activities

BM.15

Life cycle thinking

Project _____

Date _____

Version _____

					Environmental impacts		Social Impacts			Economic impacts
Phase	Activity	Inputs	Product outputs	Emissions	Resource use	Ecosystem quality	On workers	On consumers	On stakeholders	Profitability

Used during activities

PR.4, ST.6, BM.3 and BM.15

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LEARNING CASE STUDY OF LIFE CYCLE BUSINESS BENEFITS

	Environmental impacts	Social Impacts	Economic impacts
Materials	<ul style="list-style-type: none"> Fishermen have incentive to transition to sustainable fishing methods as they will directly benefit through higher prices for their finished product. 	<ul style="list-style-type: none"> Fishermen's cooperative can be utilized to improve working conditions on boats. More secure and well-paid jobs for fishermen by distributing profits more evenly. 	<ul style="list-style-type: none"> Profits isolated to some extent from fluctuations in wholesale cost of tuna.
Production	<ul style="list-style-type: none"> Member network fees can be used to invest in energy and cost saving measures. 	<ul style="list-style-type: none"> Recurring revenues and higher profit margins will improve job security for our staff. 	<ul style="list-style-type: none"> Recurring revenue of €50,000 if 100 fishermen join member network at €500/year. Gross profit of €160,000 per year (based on 500 tonnes of tuna sold).
Transportation			
Use			<ul style="list-style-type: none"> Expect to achieve 10% price premium for sustainably sourced fish by targeting responsible retailers.
End of life			

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LEARNING CASE STUDY

For the new cooperative business model of the Mango Pulp Company, some benefits include:

- Long-term partnership with farmers will help secure a stable flow of high quality raw materials
- Diversification to products from other raw materials will help with the cash flow problems during off season when mangoes are not available
- Reduced costs through better usage of waste materials
- Increased revenue from markets for sustainable fruit and vegetable products
- Elimination of chemicals toxic to human health will improve the quality of life of farmers and factory staff as well as reduce the risk of contaminated products reaching the consumer



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LEARNING CASE STUDY

For the case of the TipTop Textiles Co., some benefits of the new “Fibre Leasing” business model include:

- Long-term contracts with customers providing long-term stability
- Increased revenue by 10% through value-added services
- Reduction of end-of-life polyester textiles by 90%
- Elimination of chemicals toxic to human health and the environment contained on the ZDHC Restricted Chemicals List.



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LEARNING CASE STUDY OF LIFE CYCLE BUSINESS BENEFITS

	Environmental impacts	Social Impacts	Economic impacts
Materials			
Production	<ul style="list-style-type: none"> • Reuse of parts leads to reduced metal waste generation across the product lifecycle 		<ul style="list-style-type: none"> • Goal of more sustainable bikes can be achieved
Transportation			
Use		<ul style="list-style-type: none"> • Personal direct communication with customers and retail partners: face-to-face, telephone, internet • Benefits for customers through discount scheme 	<ul style="list-style-type: none"> • Economic benefits through reuse of parts • Increased revenue • Stable customer base and higher customer loyalty
End of life	<ul style="list-style-type: none"> • Maintenance and repair services lead to reduced raw material consumption • Recycling and reuse of end-of-life bikes • Less waste disposal 		