

# PRODUCT SERVICE SYSTEMS IN THE NORDICS

Paving the way for Circular Business  
and Sustainable Consumption

## ABOUT THE PROJECT

The Nordic countries share a vision of being the most sustainable region in the world. In light hereof, the Nordic Council of Ministers has commissioned this project to explore whether, when and how PSS models can be resource efficient, economically viable and aligned with the Nordic sustainability vision. The project will identify, demonstrate, and promote PSS and the framework conditions that enable them.

The project runs over three years from October 2021 until December 2024.



## WHAT IS A PRODUCT AS SERVICE SYSTEM?

In product-as-a-service-system (PSS), the supplier does not sell the product, but rather the service that the product delivers. It can be done by switching the ownership from the consumer to the supplier. PSS also includes business models where consumers keep the ownership, but where the supplier delivers a service such as repair or maintenance, or takes back the product after end of use. PSS encompasses intangible goods such as streaming services.

## WHY PRODUCT AS A SERVICE SYSTEM?

A circular economy requires a radical transformation of how we produce, use, and dispose products and materials. The PSS solutions pave the way for circular production and consumption by giving the supplier a strong incentive to manufacture durable goods, maximise the use of them, and take the responsibility for their disposal. Ideally, by closing the loop. PSS thus offers a potential to lower the environmental impact while creating viable business models based on close customer relations.

Get more information and follow the project at:

<https://planmiljoe.wixsite.com/pssinthenordics>

## BEHIND THE PROJECT

The project team consists of circular economy experts across the Nordic countries and European countries including:

**PlanMiljø**

**RISE** Research  
Institutes  
of Sweden

**NORSUS**  
Norwegian Institute for  
Sustainability Research

**VTT**

**environice**

**iiiee**  
THE INTERNATIONAL INSTITUTE FOR  
INDUSTRIAL ENVIRONMENTAL ECONOMICS

**vito**  
vision on technology

# HOW WILL THE PROJECT IDENTIFY, DEMONSTRATE AND PROMOTE PSS?

## STEP 1: OVERVIEW OF EXISTING PSS MODELS IN THE NORDIC COUNTRIES

PSS models will be identified through an extensive desk study, screening of existing programmes supporting businesses engaged in circular business development, and through interviews with experts and stakeholders across industries. The identified PSS models will be categorised in line with a typology developed through research literature and the project's initial empirical findings.



Various legislations, regulations and softer policies impact the development of PSS. Some of these framework conditions are given by the EU, some by national governments, and some of the softer policies may be initiated locally. Policies that impact PSS capture everything from waste legislation over contract law to financial support of circular business development.

## STEP 2: KEY PRODUCT GROUPS SUITABLE FOR PSS

The suitability and importance of various product groups in relation to PSS will be assessed, and stakeholders will be consulted to qualify the assessment.

Whether a product group is suitable for being provisioned as a service depends (among others) on the price, lifespan and depreciation rate of the product, logistics of return, ease of processing the product, and consumers' willingness to accept 'non-ownership'. The selection of key product groups depends on market size and the potential environmental and socioeconomic impact.

## STEP 3: ANALYSIS OF ENABLERS AND BARRIERS FOR PSS IN THE NORDICS

Cultural, market related, technological and policy related barriers and enablers will be identified through a desk study and through focus groups consultations with key stakeholders.



## STEP 4: PILOT IMPLEMENTATION OF PSS

PSS pilots will be developed and implemented in ten companies operating in markets for relevant product groups suitable for PSS, and with a potential significant economic, environmental, and social impact.

## STEP 5: EVALUATION OF PILOT PSS

Throughout the pilot implementation of PSS, data will be collected to demonstrate the impact of PSS and to gather learnings that inform future PSS models as well as policy making. The evaluation will result in practical and implementable recommendations targeting businesses and policy makers to lower environmental impacts by promoting PSS.

