

# Realising the Bio-economy in the Baltic Sea Region Workshop III, Warsaw, Poland

4-5 March 2015

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**CHORA**  
CONNECTION



transladed area population 8m



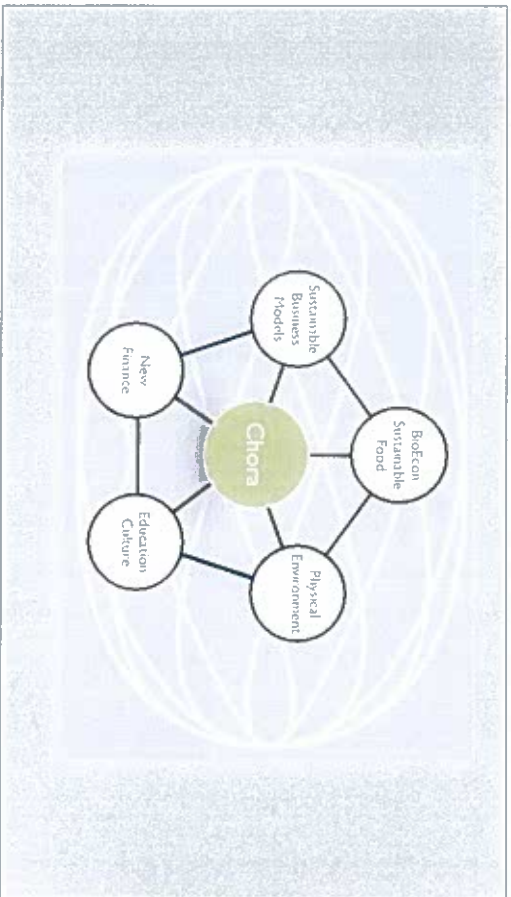
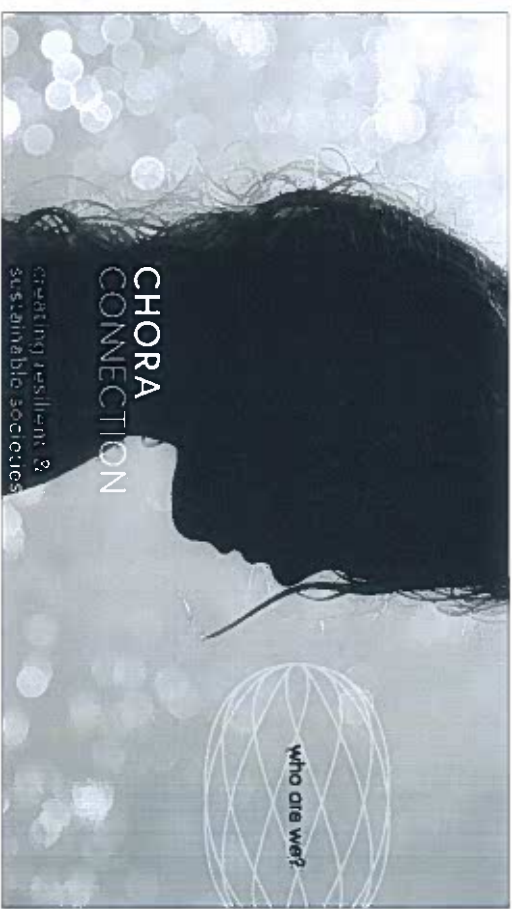
transladed area population 8m



produces oxygen  
creates habitat  
stores carbon  
fixes nitrogen  
distills water  
builds healthy soil  
uses the suns energy to make food  
creates cooling through evaporation  
changes with the seasons  
self replicates

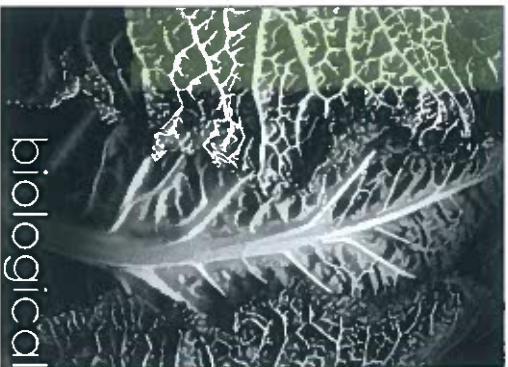
@Wm McDonough + Partners

cradle to cradle

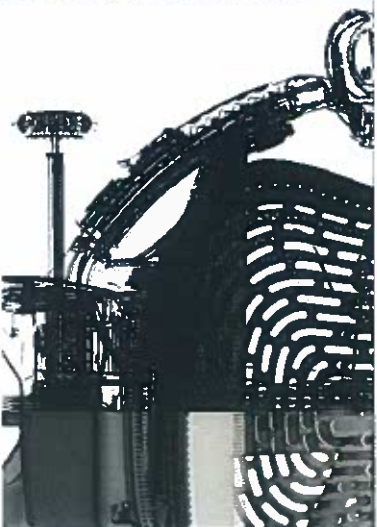


circular economy





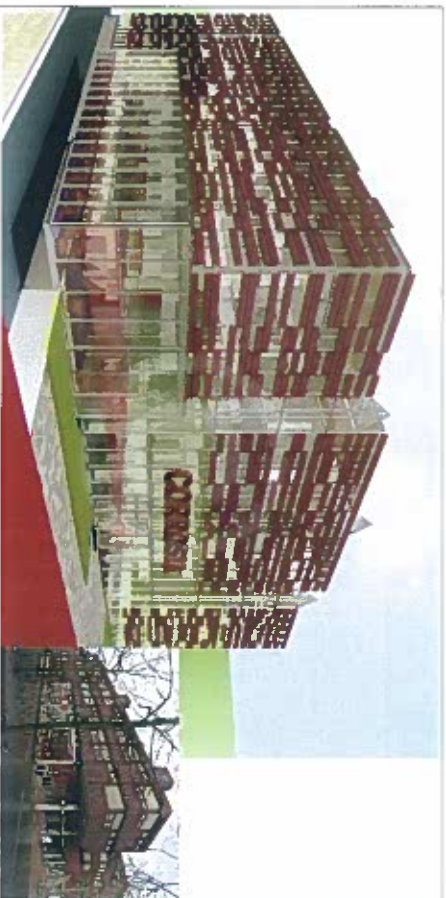
biological



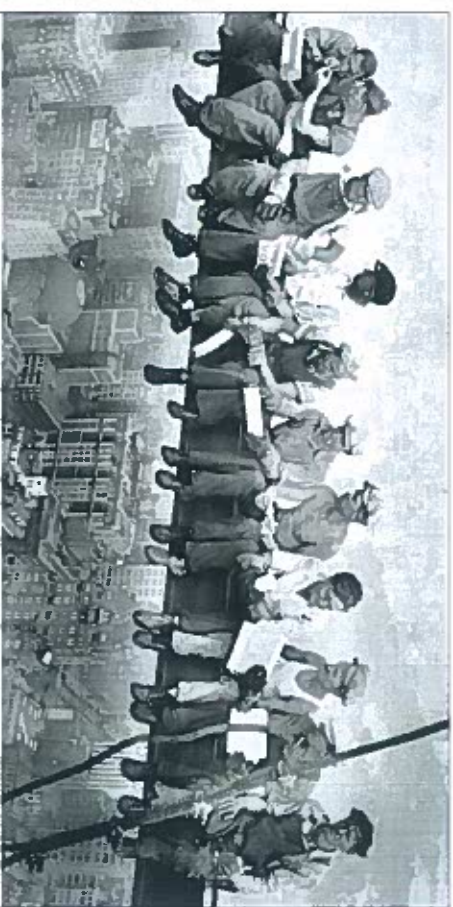
technical nutrient



design for disassembly



flexible building methods



circularity in buildings



Consider the goods of today,  
as the resources of tomorrow,  
with the resource prices of yesterday.

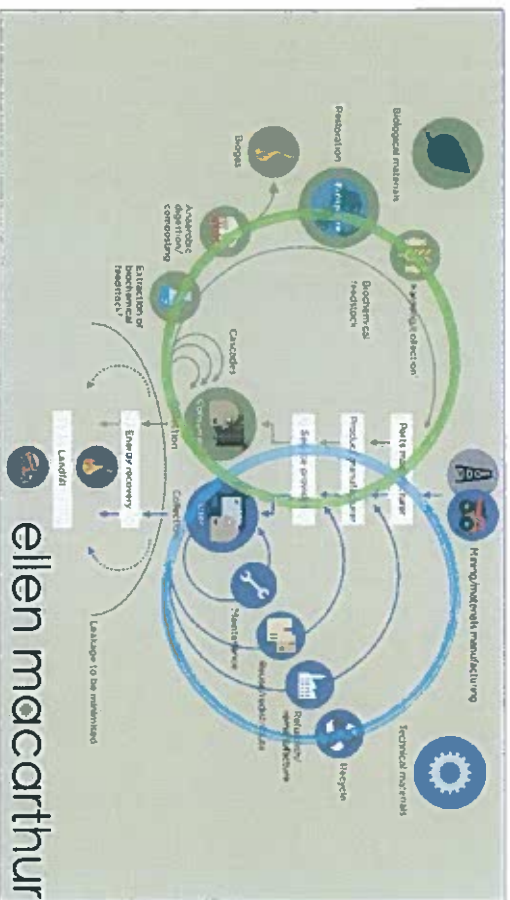
Walter Stahel 1982

value chain changes

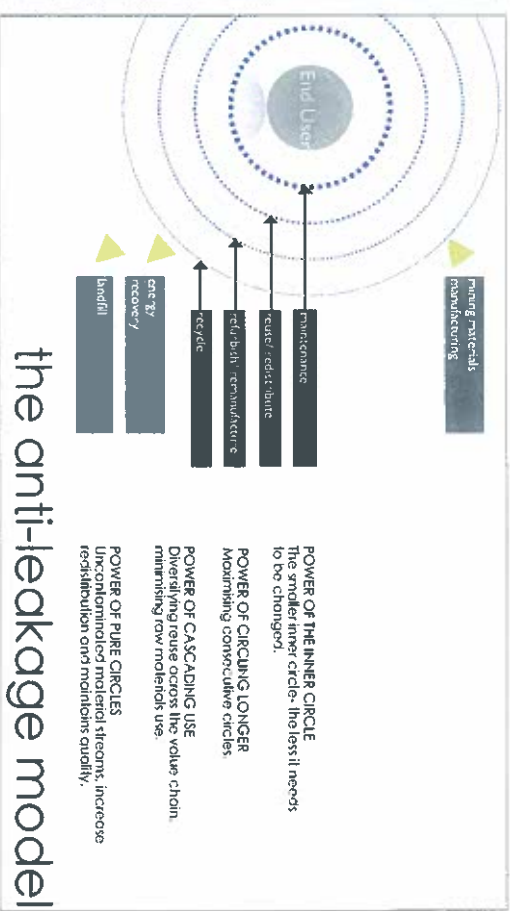
material ratings systems

epd's + ceo's

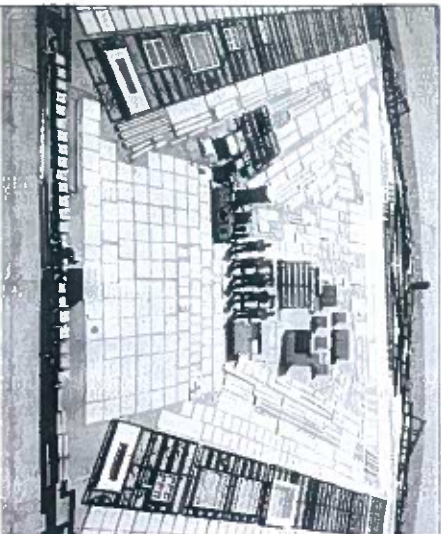




- Create products and services that are TRULY CIRCULAR.
- Maximizes re-use at minimum cost
  - Reduces resource and energy expenditures
  - Reduces exposure to volatile materials prices
  - Minimizes waste
  - Creates local jobs
- manufacturers



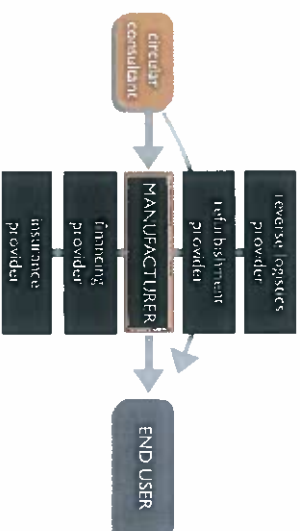
- Establish a new data base of END USERS that are no longer interested in ownership- only PERFORMANCE.
- With the END USER of the product, establish a menu of performance based solutions to meet a specific set of needs.
  - END USER receives a PPS-product service system solution that fully meets the performance requirements along with the best possible financial terms and conditions.
  - Monitor the performance and make timely recommendations to the MANUFACTURER when adjustment to the product/service are required.
- end users



Everything is a NUTRIENT for something else  
Material reverse logistics  
A building is a materials bank



## materials passport



- Identify the circular economy potential
- Design the best possible solution
- Identify and recruit the required partners
- Build on independent and credible reuse material databases
- Provide credibility to the solution

## performance-based design

**MANUFACTURER**  
Phase 1.0 Inventory product line  
Phase 2.0 Feasibility- CIRCULAR v BASE case  
Product readiness  
Supply chain complexity  
Material's value  
Business case  
Industry readiness  
Phase 3.0 Implementation  
Product re-design  
Reverse logistics options  
Refurbishment options  
Finance strategies  
Insurance implication

**END USERS**  
Phase 1.1 Market target of both MANUFACTURER/ and consultant's sources  
Phase 2.1 User feasibility  
Budget  
Redefining values from ownership model to performance based design model  
Phase 3.1  
Road map Circular + Linear  
Financial offering(s) with incentives for renewal  
Monitor performance for MANUFACTURER

## parallel services

MANUFACTURERS	#	product readiness	supply chain complexity	materials value	business case	Industry readiness
construction companies	2					
construction material	7					
installations	1					
consumer durables	2					
LED lighting	3					
parking facilities	4					
furniture	5					
flooring	6					
interior walls	1					
very positive						
positive						
neutral						
negative						
very negative						

## cases





design for dis-assembly



bricks for dis-assembly



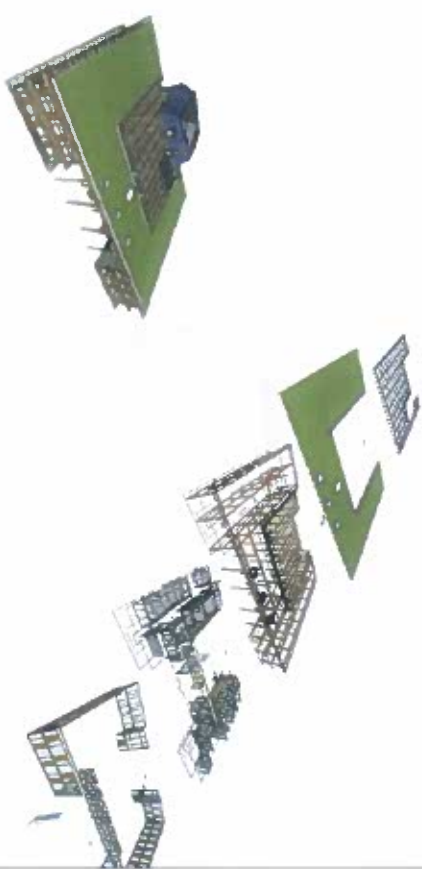
greenroof for dis-assembly



upcycle house



100% design for dis-assembly



bim technology



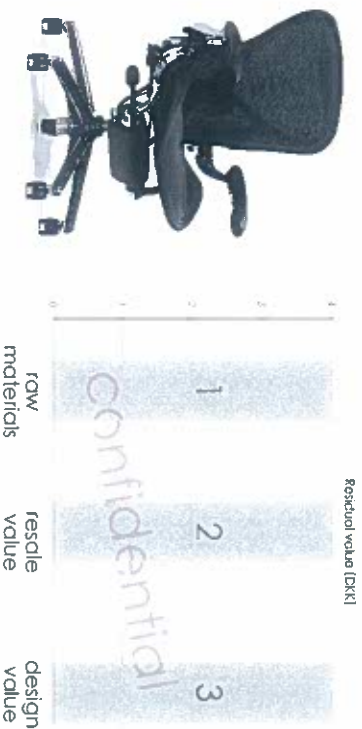
phillips pay per lux



- Contract duration
- Product technical lifecycle
- Product second life possibilities
- Residual product value
- Refurbishment cost
- Interest
- Installation cost
- Reverse logistics cost

key ingredients





## levels of residual value

			
Technical lifecycle	High value chair	Medium value chair	Low Value chair
Second life possibilities	20 years	10 years	5 years
Residual value	High	Medium	Low
Refurbishment cost	High	Medium	None
	Low	Medium	N/a

1st life			
2nd life	5 yrs @ customer	5 yrs @ customer	5 yrs @ customer
3rd life	5 yrs @ customer	5 yrs @ customer	Scrap materials
4th life	5 yrs @ customer	Components / scrap	
5th life	Components		
	Scrap materials		

## second life determines value

P	1000	1000
W	1	1
R	20%	90%
L	5 yrs	10 yrs
M	160	10

93,75% material savings

$$M = P * W * (1-R) / L$$

P = quantity of end product

W = weight per product

R = reuse / recycle rate

L = lifecycle duration

M = raw materials used

society benefits

### lifecycle 1

Normal profit margin on product  
Financing covered by interest  
Risks covered by additional margin  
Better market penetration (high end)

### lifecycle 2

28% profit margin on second life  
Financing covered by interest  
Risks covered by additional margin  
Access to new market (lower end)

Returning cash-flows instead of one-off  
Continued, steady customer relationship  
Safeguarded future access to resources  
Sustainable image

## manufacturer benefits



Windows become  
**VIEW**



changing perspectives



Lamps become  
**LIGHT**



changing perspectives



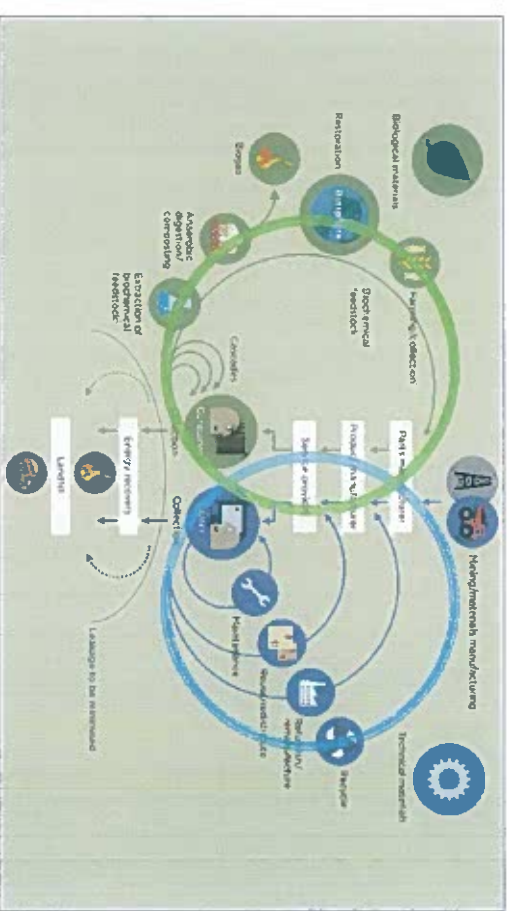
Cars become  
**MOBILITY**

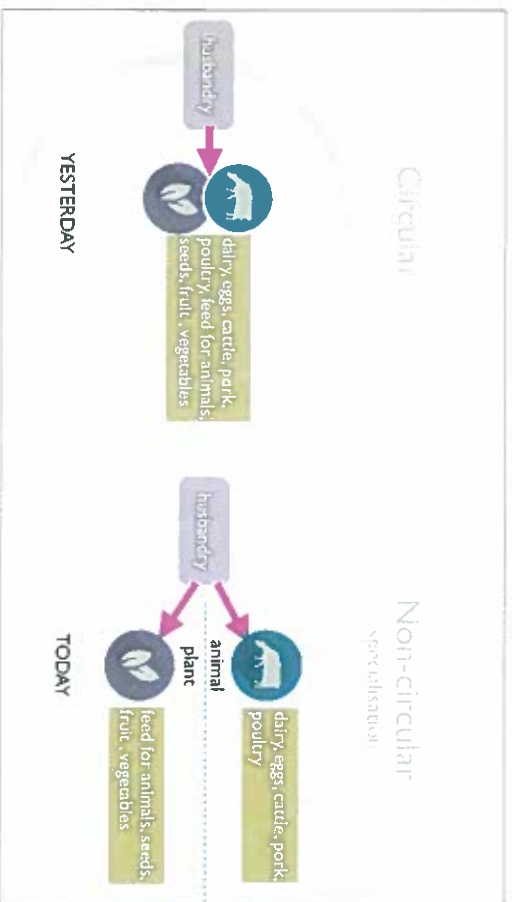


changing perspectives



# bio-economy



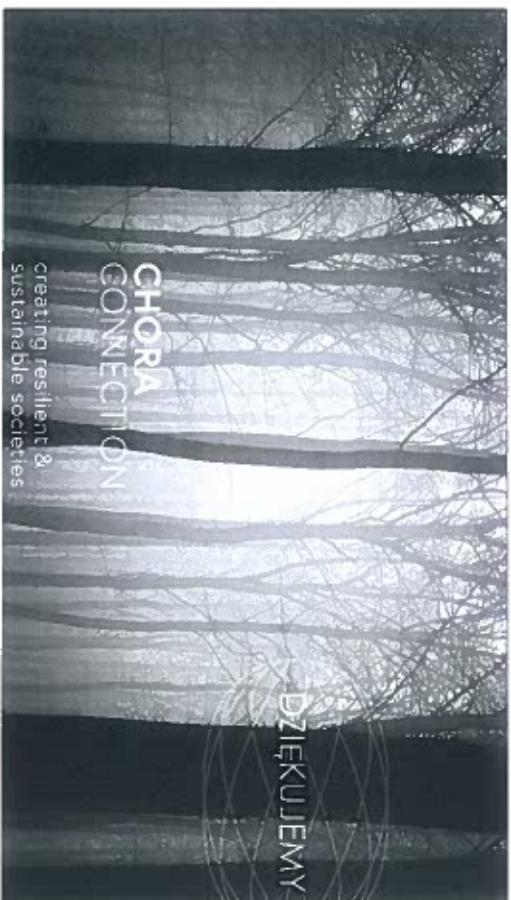






- Providing the most sustainable solution
- Building a continued customer relationship
- Reaping a continued cash flow
- Securing precious raw materials for the future
- Accessing new market potential

who benefits?



# CHORA CONNECTION

creating resilient &  
sustainable societies

