



MISTRA
Resource-Efficient and
Effective Solutions

Henrik Nehler – the financial implications of circular business models are important to understand



Henrik Nehler is a senior lecturer at Linköping University and program manager for the Master of Business Administration program, as well as the International Master of Business Administration program. Within Mistra REES, he is involved in research that focuses on the environmental and financial consequences of the transition to more resource-efficient and circular business models.

An important part of Mistra REES is investigating the environmental and financial implications of a transition to more circular and resource-efficient business models. Investigating the financial implications is new for phase two, and Henrik Nehler leads that work. Understanding the financial implications, both from a customer and a supplier perspective, is central to getting companies and customers to change their business models, says Mattias Lindahl, program manager for Mistra REES. Just showing that they are beneficial from an environmental perspective is not enough.

Henrik describes “circular” as a difficult-to-define concept that almost serves as a collective name for a number of different phenomena, all of which can be more or less discussed if they are circular. Clarifying this and in relation to the concept of business model is, therefore, an important part of the project.

Sweden and Swedish companies have fallen shorter than many believe in the transition to a more circular economy. A trend that Henrik points out is that many manufacturing companies fail to take the step fully in terms of, for example, functional sales with elements of “remanufacturing”. Either it is still at the model stage, you implement a limited part that has circular elements, also start selling services in combination with the product, and start renting out products, or you survive with the linear offer in parallel with the new business model (often the same product is rented out or traditionally sold).

Within the project, Henrik and his colleagues are trying to find why many Swedish companies do not take the step fully and clearly invest in more circular and resource-efficient business models based on remanufacturing and reuse, for example. A challenge in this work is measuring and evaluating the financial effects of the more complex circular and resource-efficient business models in comparison with traditional product sales. Henrik believes that this is why many decision-makers have not yet made the decision to switch to these new business models.

Mistra REES’ goal is to provide companies with methods and models that they can use to create more resource-efficient and circular business models. With access to these, Henrik believes that more companies will switch to more resource-efficient and circular business models. This means that companies can increase their profitability and, at the same time, reduce their impact on the environment. In this way, we get more efficient companies that, in the long run, also benefit the country’s environmental and economic goals.