

# Johannes wants to help Swedish companies become winners in the circular economy



*Johannes Matschewsky is a senior researcher at Mistra REES and is located at Linköping University. His research focus is primarily on how functional sales can contribute to the circular shift.*

“Circular business models will be vital for small and medium-sized companies that want to be able to compete,” according to Johannes. Slightly simplified, his research is about how companies can adopt new innovative business models in order to become more circular and resource efficient, primarily through so-called functional sales.

Through a parable, Johannes gives a description of what functional sales means in practice. He usually makes the parable with a smartphone. Without apps, the phone is just an empty shell with no content. The same applies to large technology companies that, in the future, will need to supplement their offer with ancillary services and individualized solutions to meet customers’ increased demands for flexibility. According to Johannes, this transformation will be absolutely central for companies to survive in an increasingly globalized and competitive economy.

A concrete example of how this process of change is expressed in practice is that few logistics companies today are interested in buying trucks themselves and owning trucks in their operations. Instead, they want to find a service provider that can offer exactly the number of trucks needed at any given time. Customers will also demand overall responsibility for service and maintenance for the machines used.

Functional sales are a step towards a more circular economy. According to Johannes, a circular economy is basically on integrating products and services in a way that provides benefits to all parties involved – sellers, buyers and our common environment.

With his research, Johannes strives to increase the understanding of how industrial companies design, offer and integrate functional sales (offers consisting of products and services) in order to be able to provide greater benefit to customers, suppliers and the environment.

According to Johannes, the circular economy is an absolute necessity in order to be able to maintain a viable business life without depleting our natural resources. Everyone is familiar with car sharing services, but the fact is that other types of companies are also starting to reshape their business in the same direction. In the long run, he hopes that all parties involved in a business transaction do the same – something that everyone will benefit from – that is, sellers, buyers and the environment.