

# Professional Services

Transforming professional service industry  
towards circular service



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# The linear economy...

....is ending

linearity appears to be unsustainable

mainly focusing on shareholder value

by not serving the real economy

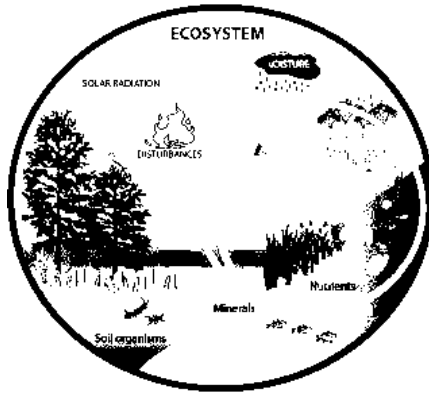
by not creating true value



Because of new IT development such as social media and communities, corporations realise increasingly that the voice and instant feedback of customers needs to be taken seriously.

*Humanity is in need of a system change...*

*...to save our children*



the world around us is circular,

..and when industries become circular, as they are forced to change because of ecological, social and economical crises...



...the financial service industry must also take its responsibility to change and create true value to the 'eco'nomy.

*... holds the future*

## principles

limit the use of resources

thinking in terms of  
(eco)systems is key

waste does not exist

protecting the rights of  
people

## but also..

pricing must tell the  
truth

thinking in value  
creation is key

## underlying values

well being vs. wealth

reciprocal relations

connection with our environment

blended value

learning environment

# The opportunities are enormous.....

**The Ellen MacArthur Foundation** was formed in 2010 to inspire a generation to rethink, redesign and build a positive future. The Foundation believes that the circular economy offers us an opportunity to harness innovation and creativity to enable a **positive, restorative economy**.

## An economic opportunity worth billions

McKinsey & Company estimates the circular economy could save the European Union \$340 to \$630 billion per year in materials costs, about 3 per cent of the EU's GDP.

A new generation of customers seems prepared to prefer **access over ownership**.

The **Chinese government** takes the development of a circular economy as an important strategy for national economic and social development. During the period of "the Twelfth Five-Year "Plan, China will continue the principle of "reduce, reuse and recycle ", and insist "reduce" is the higher priority.

*"In the interest of the financial services industry itself, a reallocation of their investments, which now are mainly concentrated in the old linear world, should take place in favor of investments in the transition to a circular economy. Moreover it is their **social role** to be instrumental in this shift"* **Herman Wijffels**

**"Rental or **pay-as-you-go** contracts are now an option for customers in sectors and activities where a few years ago they barely existed "**  
CHATHAM HOUSE  
Independent thinking on international affairs

## ...and all around us

*"More and more we are painfully confronted with the **ecological boundaries of the current economic model**. The knowledge that a sustainable economy is the only future proof economy, should be present everywhere. Certainly in the financial sector which plays a crucial role in the use of available means"* **Sustainable Finance Lab**

## 2012, United Nations year of Cooperatives *"Cooperatives build a better World"*

"A banker who takes its social responsibility and finances sustainability, practices

### **THE NEW BANKING "**

*Peter Blom  
Triodos Bank*

### **2009 Advies Commissie**

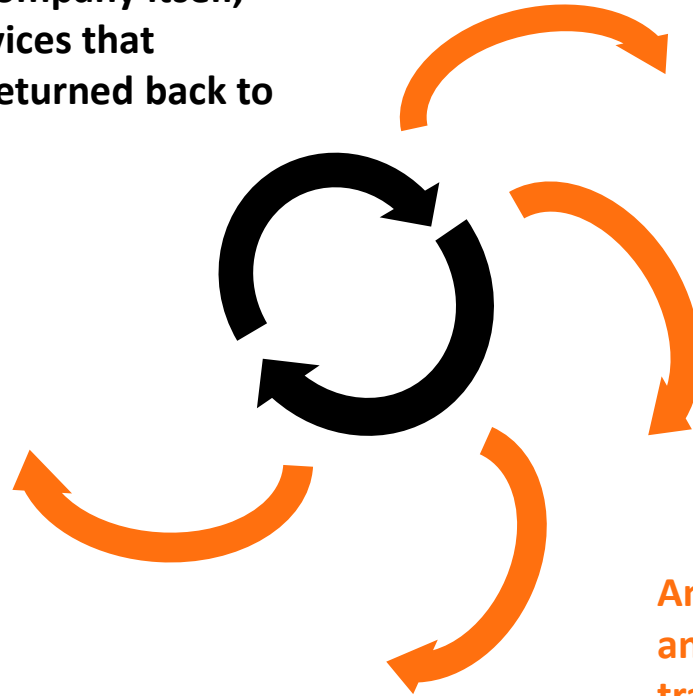
**Banken:** *"An executive board of a bank and its members should make **a balanced trade off** between the interests of savers, customers, shareholders, employees and the society in which the bank operates"*



# *Professional service companies play an important role...*

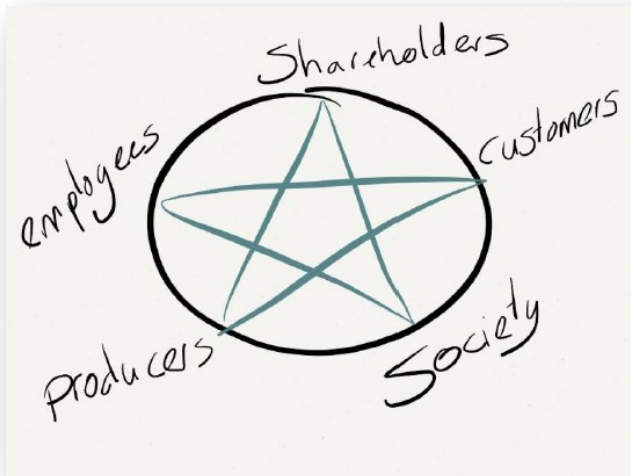
*... to unlock and to accelerate it*

By being a circular company itself,  
as such offering services that  
earnings are being returned back to  
all stakeholders



And by being a (financial) supporter  
and provider of the circular  
transformation that is going to take  
place

*By being a circular company in itself....*



*... contributing to all stakeholders*

- **Employees** receive a fair share and are treated from a reciprocal relationship based on trust,
- **Customers** receive actual value and share in the system's profits,
- **Shareholders** are involved and stimulated to act in the long-term interest of all stakeholders,
- **Suppliers** are involved in chain responsibility and become partners,
- **Society** is the main focus of all activity and the strategic course of the company, and costs that are made at the expense of society are internalized.

*... in a cooperative way*

*By being the financial supporter of the circular change...*

*... they value the deepest wish of their customers*

- In adopting **new circular business models and different ownership models**, producers are faced with a gap between upfront production costs and future cash flow streams.
- Bankers have an **important role in realizing and facilitating the turnaround**. They are important suppliers of capital to make the necessary investments in a sustainable economy possible. Bankers are the financers of the change. Current examples are discussions on 'grondbank', 'grondstofbank', lease facilities for solar energy and 'renovatiefonds' (ASN).
- Banks and insurance companies have to support an economy where **ownership is not key anymore** but where making use of and paying for performance is the new standard.
- The spread and mainstream adoption of circular business models will have several implications for the financial services sector- and could also lead to **new opportunities for financial institutions**.



*And develop new business models...*

*... that support the circle economy*

- **Business models** based on new concepts like crowd sourcing, crowd funding, peer-to-peer lending, collective insurance, micro-finance and micro insurance, indicate that the first provisionally steps are taken.
- The banking industry focuses more and more on start-ups and ventures that specifically have an **impact first** mission and banks even want to develop this 'SE NL' domain as a whole.
- **Member service** models such as the 'Wegenwacht' with 4,2 million members and an extensive amount of related services to support the member are inspiring and must also be applied to the financial service industry.

# Examples

Professional Services Companies  
acting more and more  
as circular companies  
by giving back earnings to all stakeholders

# Young Drivers Academy



- Driving lessons at the best driving schools of the Netherlands
- Keeping up and improving driving skills by attaining 8 extra training sessions in 5 days
- New, environmentally friendly, completely insured car

inshared 

*"We zijn teruggedaan naar de basisprincipes van verzekeren. Geld dat overblijft na een jaar, gaat terug naar klanten die niks geclaimd hebben. Zo deden ze het vroeger al!"*

Felix Tenniglo



## Circular Economy

- Society: safer traffic, less accidents, cleaner environment
- Customers: receive money back at the end of the year when less damage has been paid for
- Young Drivers: safer on the road
- Inshared: less damages; less to pay; more to reinvest in the company itself



## Choose Bewuzt

- Low insurance premium
- No expensive supplementary packages
- 3 affordable extra options:  
Bewuzt Fysio, Teeth and Abroad
- Extra options not used? Or not making use of the payments from the extra options? Then we give you a premium discount of these options in the following year. Year after year, climbing up to 40%. What a profit!



*Coöperatie VGZ is een zorgverzekeraar zonder winstoogmerk. Ons belangrijkste doel is het organiseren van goede en betaalbare zorg voor onze klanten, niet het verdienen van geld. We streven wel naar een bescheiden winst om de continuïteit van de organisatie te garanderen. Die winst keren we echter niet uit, maar investeren we in zo laag mogelijke premies en in betere zorg.*

## Circular Economy

- Society: VGZ, together with customers and suppliers of care, wants to organize care in a smarter way.
- Customers: have to pay less the next years when they make less use of the insurance
- VGZ: less damages; less to pay; more to reinvest in the company itself and its customers

# Canadian Banking Cooperative

*We are not a bank. Here's proof:*

The Desjardins caisse	The bank
Is a financial services cooperative that belongs to its <u>members</u> .	Is a private establishment, profiting shareholders.
Works for the <u>economic and social betterment</u> of its members and the economic development of the community.	Works to enrich shareholders.
Is owned by all its members, and is managed locally by <u>elected officials and members</u> .	Is owned by a select group of shareholders. Centralized management.
Seeks to offer the best possible services to members.	Seeks to provide the best possible returns for shareholders.
Invites members to participate in their caisse's <u>Annual General Meeting</u> and run for the position of elected officer. One member = One vote	Invites shareholders to attend the bank's Annual General Meeting. One share = One vote
Gives back a portion of its surplus earnings to its members and community through individual <u>member dividends</u> .	Gives a portion of its profits to a group of shareholders through dividends.



## Desjardins

Cooperating in building the future

### *Why choose Desjardins?*

*We use the strength of cooperation to provide our members with a wide range of financial services, and to contribute to the economic and social development of their communities.*

### Circular Economy

- Society: Desjardins invests in economic and social betterment of the community.
- Customers: gives back a portion of its earnings to its members and community through individual member dividends.
- Desjardins: contributes to all stakeholders and invests earnings in the cooperative environment.
- Employees: local managers are elected by members.

# Examples

Professional Services Companies  
being (financial) supporters and  
providers of the circular change



# Turntoo



*®turntoo: forget possessions,  
what counts is performance*

***"The thought that products are owned by consumers is old fashioned. As a consumer I am only interested in the performance of a product not in owning it. Sufficient lightning, comfortable seating, nice sound and vision, that's what counts. From now on we are going to consume on the base of the performance of products." — Thomas Rau.***

***Users are no longer owner of a product but are paying only for the performance of it. Producers remain owners of the products. The raw materials remain preserved for future generations.***

An example: For € 10 per month for the period of 5 years employers can offer their employees work at home-comfort with a cradle2cradle design chair that everyone can work on ergonomically. This chair has a replacement value of € 900,-and conservation are raw material value for the future.

®turntoo partners are a selection of carefully chosen companies that meet the demands of sustainability and have 'the closed loop' thinking in their company genes.



Invests in companies that add value to social, cultural & environmental areas



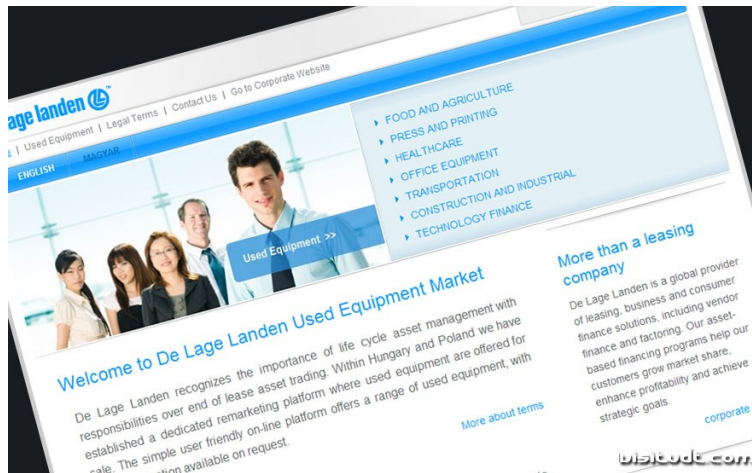
*DOEN Foundation supports initiatives of (starting) sustainable entrepreneurs and organizations that change the economic structures. Turntoo is a good example of a company that responds to this new economy. Nina Tellegen, Director DOEN: 'DOEN supports Turntoo with a contribution from the National Postal Code Lottery, because they show us in an innovative manner the new cycle economy and an alternative to our current 'linear' economic system. These scarce raw materials remain preserved (product) and reduce the large quantities of waste, because we 'consume' services instead of products. This contributes to the mission of DOEN as well: 'a liveable world wherein everyone of us can participate.'*



# Life Cycle Asset Management

De Lage Landen has recognized the importance of life cycle asset management with responsibilities over end of lease asset trading.

Within Hungary and Poland we have established a dedicated re-marketing platform where used equipments are offered for sale. The simple user friendly on-line platform offers a range of used equipment, with more information available on request.



*Creating value through our Life Cycle Asset Management philosophy. This includes the management of the asset during its entire life from lease origination to lease termination.*

**For the 2nd time De Lage Landen  
elected as 'Green Lessor of the Year'**

## 'Access Over Ownership'



www.SnappCar.nl is an online marketplace where members can rent their cars. SnappCar brings supply and demand together and takes all worries for its customers, including amongst others a risk insurance, thorough customer profile checks and handling of parking and traffic fines. Participating is free. SnappCar has partners ANWB, Centraal Beheer Achmea, Rabobank and Athlon Car Lease.



**Rabobank**



Athlon Car Lease offers leasing drivers the opportunity to lease their cars to other individuals via SnappCar. They are also developing a method to respond to the customer demand through better and more effective use of the fleet; other employees must also have the possibility to use the cars. Hans Blink, CEO of Athlon Car Lease International: "As a mobility provider, we look beyond the lease and we look at the overall mobility of our customers (companies), their lease drivers and other employees. Furthermore, we take our responsibility in the area of sustainability. Car sharing is part of the sustainable mobility plan wherewith we offer affordable and efficient alternatives in mobility. Cooperation with SnappCar fits perfectly with our vision. "

*'My money does well'*



Triodos Bank



Triodos Bank gives their savers and investors insight in what happens with their money.

They show which local companies are financed by Triodos Bank and how they contribute to sustainability or environmental objectives.

# We are helping (recent initiative)



You will receive credits for helping another.  
Each hour assistance is 6 credits.

Credits can be used for the following:

- You can use credits if you need help. With the accumulated credits you then 'pay' the help.
- Credits to someone else. You can also pass it on to other people.
- Donate your credits to the Fund. The WeHelpen Fund is specifically for people who themselves cannot offer little help, but do need help. If you don't need the credits yourself, you can still make someone else happy.
- Redeem your credits. Credits are redeemable for various offers in the future, such as swimming pool, gym, museum, etc. The offer of cash opportunities will grow over time.



**WeHelpen.nl** is set up by the above partners as a marketplace with smart features for finding and connect, organize, and share of aid, supplemented with targeted information to aid workers and beneficiaries.

The help is rewarded with credits, which you can donate to others or to the WeHelpen Fund, can use for help from others or can exchange for local cashing.

**WeHelpen.nl** offers an alternative to the growing expenses of health care in the Netherlands.



# Een nieuwe oude dag



In the report 'The new old age', all insights came together. Included are the vision of the future as it is developed and the map of the new old age. Because a valuable future is a journey that we make together mapping and developing the landscape.



espria



Twynstra Gudde  
ADVISEURS EN MANAGERS

What happens if you ask the visionaries and entrepreneurs from the network of PGGM, Espria, Uvit, Twijnstra Gudde and Great Place to Live after the future?

From October 2009 to April 2010, approximately 150 free thinkers and enterprising doers have bundled their forces and thoughts. Old and young. From inside and outside the "elderly industry". Still using as a starting point: a valuable old day.

With a different approach: visionary views, examples of renewal or new business models.

Possible thought of solutions:

- self-managing private collectives;
- pension payments in services;
- non-monetary exchange system care florins.