

## Lease or Buy

### What? Summary and purpose of the tool

Explore how to strategically balance 'ownership' and 'access' business models, such as leasing, in a circular economy with an interactive board game! In the game, players work together in teams of two with one player taking on the role of 'manufacturer' and the other player the role of 'consumer'. There are four product types in the game: furniture, bathroom utilities, kitchen appliances and electronics. The aim is for the customer to possess three working sets from each of these product groups. The first team to achieve this goal wins the game. The game can be played with four to eight players and takes about one hour to play, plus additional time for discussion afterwards.

### Why? Reasons to use the game

The game can be used to help manufacturers and customers explore two main differences between 'ownership' and 'access' business models, namely the differences in revenue streams and the risks associated with each model. Players learn that both types of revenue streams can be valuable to a company. In a leasing model, the manufacturer makes an upfront investment and earns money over a longer period of time, instead of earning everything at the moment of sale. However, when products break down there are different consequences, dependent on ownership or a leasing model, for who bears the financial risks. In an ownership model, the customer may not object to paying for ownership because the risk of product failure seems small at first. However, there can be considerable disadvantages down the road. In a leasing model, manufacturers that take care of the risk may find it harder to cover their costs while staying competitive. But there is also the opportunity for reselling used products, which can create new revenue streams.

### When? Situations for which the tool would be useful

The game is particularly useful in professional training contexts such as workshops, lectures, and conferences on circular economy. Playing the game can give hands-on experience of the dynamics involved in leasing and ownership business models, and assists in explaining the economics and concepts behind designing for a circular economy. Due to the game design, it is especially useful for people who have little knowledge of the circular economy.

