

Circular Business Models for Sustainable Development: From Theory to Practice

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ABSTRACT

In line with the AOM 2024 theme, "Innovating for the Future," and the ONE Division's commitment to guiding organizations toward sustainability, this PDW tackles the pressing issue of aligning Circular Business Models (CBM) with Sustainable Development (SD). Tailored for scholars specializing in sustainable business practices, CBMs and sustainable entrepreneurship, our interactive PDW fosters an exchange among experts to discuss and develop novel sustainability-oriented research ideas. Going beyond theory, we want to explore the relation between CBM and SD, guided by three key objectives: (1) create scientific knowledge on CBM alignment with SD, (2) derive practical pathways through methodological insights, and (3) build an international community of CBM researcher to exchange knowledge, conduct joint research and support paper development. The PDW unfolds in two phases, commencing with a panel led by leading scholars in the fields and moderated by PhDs from about 10 different countries. Distinguished speakers discuss sustainable CBM solutions on inter- and intra-organizational levels, with a particular focus on real-world application. Themes include a conceptual discussion of the circular economy and SD, CBM sustainability strategies and innovation, circular supply chains, sustainable ecosystems, and suitable research frameworks. In the following topic-specific roundtables, hosted by the panellists, attendees can discuss in more depth their key interests, research and topics, exchange insights and empower each other.

RELEVANCE FOR ONE DIVISION AND AOM

The ONE Division has made consistent progress over the last years in building a community of scholars, committed to advancing research that guides organizations towards sustainability. Our proposed PDW directly supports this mission, addressing the urgent challenge of *aligning Circular Business Models (CBM) with Sustainable Development (SD)* (Bocken, Pinkse, Darnall & Ritala, 2023). By exploring conceptualizations, strategies, and practical implications of CBMs for SD, the PDW reinforces the division's commitment to tackling grand challenges and showcasing sustainability-oriented research pathways (Ferraro et al., 2015), embracing the responsibility to collectively foster research that improves organizations, and their impact on society and the natural environment (Hideg et al., 2020). In line with the AOM 2024 theme, "Innovating for the Future," the PDW empowers scholars to cultivate novel sustainability-oriented research ideas and drive positive change in organizations and society. To ensure a high quality PDW for all participants, we have designed it with three overarching objectives:

1. Foster scientific knowledge on business alignment with sustainable development.

We want to offer an overview of conceptual links between CBM and SD, delve into cutting-edge circular economy research at both inter and intra-organizational levels, provide insights on state-of-the-art methods, and support researchers in developing research ideas.

2. Derive practical pathways through insights in action research and other methods.

We want to put a strong emphasis on practical application, and equip scholars with tools for creating high-quality research, as well as support the transition from theory to practice.

3. Build an international community of CBM researchers & support paper development:

Through an interactive PDW format, we want to foster an exchange between leading scholars in the field and attendees, to facilitate the development of purpose-driven, practical, collaborative research. In the roundtable section, participants can discuss their key interests and further the development of ideas to significantly advance sustainability-oriented research.

PDW FORMAT

PDW Design. We propose a dynamic and interactive format of *panel discussions and interactive roundtables* led by distinguished scholars and moderated by PhDs from about 10 different countries. We target an audience of scholars, both junior and senior, specializing in sustainable business practices, CBMs, and organizational transformation for SD. This PDW highlights the synergies between the ONE and ENT Divisions, uniting sustainability and entrepreneurship research to collaboratively explore (practical) solutions. It is tailored for participants with pre-existing knowledge, aiming to gain a deeper understanding of the topic.

Panel Discussion. Led by esteemed scholars, the panel revolves around insights, research findings, and practical examples along a conceptual thread of pre-selected topics. A 10-minute introduction sets the stage for a detailed exploration across four key themes: 1) a conceptual discussion of the circular economy and SD (25min), 2) sustainable CBMs (20min), 3) circular supply chains and ecosystems (25min), and 4) research frameworks and methods (20min). Each segment is facilitated by a PhD whose expertise and specific research focus are aligned with the respective theme. They will also be followed by a moderated 20-min Q&A section.

Participant Engagement. The PDW aims to create an inclusive and participatory environment, that encourages active involvement and an exchange of diverse perspectives. Potential participants, will be invited in advance to pre-register, by completing a survey indicating their main interests, research field, a brief description of their current research and key issues in aligning CBMs with SD. To ensure high outreach, this survey will be distributed through the social-media channels of the organizers and panellists. These responses will inform the panel discussion, aid in pre-allocating groups and strategizing the discussion for the topic-specific roundtables. It will also help the hosting panellists and/or organizers to effectively moderate the exchange between participants. Walk-ins are much welcomed and supported by the organizers in finding suiting roundtables and being involved in the discussion.

PDW OVERVIEW

The circular economy (CE) is gaining momentum as academics, practitioners and policymakers drive its transition to address sustainability challenges like pollution, resource scarcity and climate change (Kirchherr et al., 2023). Despite the surge in interest among businesses adopting circular business models (CBMs) to contribute to sustainable development (SD), their environmental impact in practice is often restricted or even negative. Notably, only 15% of Sustainable Development Goals (SDGs) are on track for 2030 targets (UN, 2023). Moreover, the limited recycling of products and materials, increased plastic use despite claims and attempts at circularity, and lack of significant reductions in material footprints challenge the efficacy of CE transitions (Bocken et al., 2023; Ottelin et al., 2020; Bianchi & Cordella, 2023). As the anticipated benefits do not materialize as expected the contribution of CE and CBMs in achieving sustainability goals is being questioned. This PDW aims to actively discuss the alignment of CBMs with SD, tracing a conceptual thread, from theoretical conceptualization to applicable research methods, fostering genuinely sustainable practices.

Topic 1: Circular Economy and Sustainable Development: Concepts and conceptualization.

Moderated by **PhD student Jozef Cossey**, this section aims to explore the various dimensions of the extensive debate on the relation between CE and SD. With opening statements by **Julian Kirchherr** and **Kris Hartley**, we explore the academic discourse around the conceptualization of CE, addressing evolving perceptions and definitions and uncovering insights into enabling factors for a sustainable CE transition (Kirchherr et al., 2017; Kirchherr et al., 2023). **Frank Figge** and **Andrea Thorpe** then shed light on the complexities in aligning economic progress with environmental sustainability, highlighting the need for a nuanced understanding of their interplay. They discuss how sufficiency strategies affect the CE approaches to resource reduction, and share insights on eco-efficiency in circular systems (Figge & Thorpe, 2023; Figge, Thorpe, & Good, 2021; Figge, Thorpe, & Manzhynski, 2021).

Topic 2: CBMs and Sustainability Strategy: An organizational perspective.

The most prevalent unit of analysis for research on sustainability strategies at the organizational level is the business model. Moderated by **PhD student Simona Grande**, this section investigates how circular business model innovation can reshape how businesses operate and generate value. The section starts with an opening statement by **Martin Geissdoerfer** giving a short overview of the CBM and CBM innovation concepts (Geissdoerfer et al. 2018, 2020, 2023) and how prototyping, experimentation, and piloting can facilitate the process (Geissdoerfer et al. 2022). **Rodrigo Lozano** will then hone in on how CBM can be employed to implement specific sustainability dimensions within an organization (Lozano, 2022; Lozano, 2023; Barreiro-Gen & Lozano, 2020), and provide guidance on how to maneuver decision-making for sustainable CBMs (Lozano & Lozano, 2023; Witjes & Lozano, 2016).

Topic 3: Circular Supply Chains & Circular Ecosystems: An inter-organizational perspective.

Collaborative efforts among diverse stakeholders are crucial for addressing technical and technological barriers in CBMs (Galvão et al., 2022) and can result in benefits such as access to knowledge, enriched creativity and facilitate process optimization (Witjes & Lozano, 2016). Facilitated by **PhD student Francesco Antonio Perotti**, this section starts with **Wisdom Kanda's** opening statement, on the importance of a collective approach for activities related to narrowing, slowing, and closing strategies. Rethinking traditional supply chains underscores the pivotal role of strategic collaboration and the significance of extended networks encompassing partners, suppliers, service providers, public institutions, or customers (Geissdoerfer et al., 2020; Kanda et al., 2021; Gualandris et al., 2023). Business models are redefined as multiple actors interact dynamically to create and deliver economic, social, and environmental value (Kanda et al., 2022). In this vein, **Paavo Ritala** will shed light on circular ecosystems and platforms (Aarikka-Stenroos, Ritala, & Thomas, 2021) followed by **Magnus Klofsten's** insights on intricacies of entrepreneurial ecosystems and their contribution to SD

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(Volkman, Fichter, Klofsten, & Audretsch, 2021). Stakeholders in circular ecosystems are interconnected, fostering collective action for sustainability (Kanda et al., 2021; Konietzko et al., 2020). This adaptability and collaboration empower stakeholders to actively contribute to implementation of CE principles.

Topic 4: Methods and Practical Application: Moving from theory to practice.

Before embarking on the study of the CE, researchers must contemplate which methodologies can advance knowledge in this field. In this section moderated by **PhD student Anja Grill**, we extend the view of traditional qualitative approaches (Geissdoerfer et al., 2018), and quantitative approaches to new perspectives for a deeper understanding of strategies, processes, and practices grounded in the circular paradigm. **Domenico Dentoni** will highlight action research, a valuable methodology complementing traditional qualitative methods. It emphasizes participatory action-oriented inquiry into questions that matter for the development of solutions and is with its iterative cycle of planning, action, observation, and reflection, uniquely suited for developing and testing new CE strategies in practical contexts. **Alberto Bertello** and **Canio Forliano** will add insights on another complementary approach - systems thinking. Applied to CE, systems thinking introduces a holistic perspective, fostering an understanding of how diverse elements, and is instrumental in recognizing systemic impacts (Dentoni et al., 2022). Action research and systems thinking are not meant to be understood in isolation; instead, they can be combined, supporting activities like system mapping (Király et al., 2016).

Logistical Notes. The PDW requires a room with a podium, equipped with a projector, chairs, and a round table setup. The anticipated overall duration for the session is 2,5 hours. Additionally, to accommodate participants facing challenges in joining live sessions, the plenary could be recorded, providing playback opportunities for a more inclusive experience. The PDW organizers have received statements from all participants that they agree that they are not in violation of the *Rule of Three + Three*.

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