

Philips: Turning Trade-Ins Into Revenue

Key Learnings

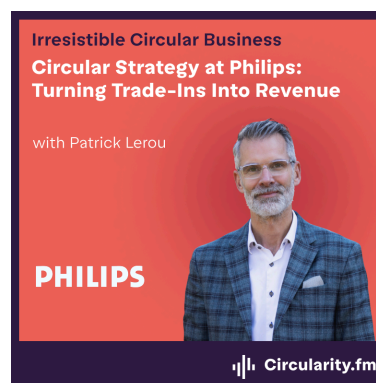
Two Critical Factors for Circularity to Succeed

For circularity programs to take hold within an organization, two elements appear essential. First, executive sponsorship from the top, making it a priority driven from leadership.

Second, translating circularity goals into measurable KPIs

that can be tracked and audited. **Without top down**

commitment and clear metrics, circular programs may struggle to **gain traction and sustain momentum over the years it takes to transform**.



Explore Positioning Reverse Logistics as a Customer Service

Take back programs are often seen as operational burdens. However, framing trade in as a service that removes disposal challenges from the customer can shift how it is perceived.

Offering to handle the old equipment when selling the new one may become a reason customers choose you over competitors. **Packaging reverse logistics as a one stop shop** might turn **what feels like a cost center into something that wins business**.

When Selling Refurbished, Showing May Work Better Than Telling

Customers often assume secondhand means lower quality. Telling them a refurbished product is as good as new may not be enough. What seems to work is inviting buyers, particularly procurement directors, to see the refurbishment process firsthand. Seeing is believing. **Opening the factory floor to skeptical buyers** can help **convert doubts into acceptance, especially when paired with significant price advantages**.

Parts Harvesting as a Way to Reduce Supply Chain Vulnerability

Events like the Suez Canal blockage showed how dependent companies are on global logistics. One way to reduce this exposure is harvesting parts from returned equipment rather than relying solely on external suppliers. When disruptions happen, having your own source of components can mean the difference between serving customers and waiting.

Building internal parts streams through circular take back may offer a **degree of resilience that purely linear models cannot**.

Design for Circularity Means Designing to Keep Value

In a linear economy, enormous value is lost. Products roll down the value hill, becoming liabilities instead of assets. Globally, only around 7-9 % of materials actually get reused.

Designing for circularity is fundamentally about preserving that value. This means going beyond technical recyclability and asking whether someone will actually want to repair, refurbish, or recycle the product.

Listen to the full episode here:

<https://circularity.fm/circular-strategy-at-philips-turning-trade-ins-into-revenue/>