How to Draw a Circle: Investigating Relationship Management in Circular Business Companies

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Abstract

Despite the recent surge in circular business model (CBM) research, the discipline is still in its infancy. The field is primarily driven by practitioners and lacks suggestive frameworks, which complicates current CBM trials. As a result of the broader purpose guided by the triple bottom line and more complicated material processing, current frameworks fail to address certain pivotal aspects of CBM operations. Recent research highlights the differences between relationship management for CBMs and linear companies, and given the importance of innovation and ecosystems, relationship-building is a crucial aspect in the research field. The purpose of this paper is to examine CBM relationship management and create a theoretical proposition to address the topic. Using a Constructivist Grounded Theory (CGT) approach, this study integrates a literature review, expert consultations and an empirical case study to create a holistic model that describes a Swedish steel CBM's relationship management. By integrating three data sources in a developing research field, authors also aim to simplify and encourage future studies. The final outcome of the CGT consists of the RFC model, which describes three identified core success factors. Observations also suggested that in order to address all three areas of the RFC model, companies must find a balance between organisational growth and signalling innovative capabilities - by balancing size and story, and leveraging a large network to offset their small size.

Keywords:

Circular Business Models, Sustainability, Relationship Management, Circular Ecosystems, Constructivist Grounded Theory

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Definitions

Circular Economy: An economy which is regenerative by design, with the aim to retain as much value as possible of products, parts and materials (University of Oxford, 2019).

Circular Business Model: A circular business model is how a company creates, captures, and delivers value with the value creation logic designed to improve resource efficiency through contributing to extending useful life of products and parts (e.g., through long-life design, repair and remanufacturing) and closing material loops (Nußholz, 2017).

Circular Ecosystems: A multi-actor entity in which interdependent actors play complementary roles (Pietrulla, 2022).

Linear Business Model: A business model whereby raw materials are extracted, transported to manufacturing sites and processed into a diverse range of products. These products are then shipped to retailers, sold to customers, used, and ultimately discharged and replaced by other products (Garza-Reyes, Kumar, Batista, Cherrafi, & Rocha-Lona, 2019).

Constructivist Grounded Theory: A research method that focuses on generating new theories through inductive analysis of the data gathered from participants rather than from pre-existing theoretical frameworks. In this qualitative research approach, the researcher seeks to understand a social phenomenon and construct theories through participants' experiences, using iterative data collection and analysis. (Charmaz, 2017)

Foreword

In nature, nothing exists alone.

- Rachel Carson, Silent Spring (1962)

As we look to the years ahead, it is becoming increasingly clear that sustainable development is vital for the health, well-being and longevity of us, and our future generations (Umeå University, 2018). Humans are not alone in our ecosystems.

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1. Introduction

1.1 Background

Recent research has underscored the incompatibility between our current economic system and the Sustainable Development Goals (SDGs) that addresses various global challenges (Schoenmaker & Stegeman, 2023). This is alarming, since the increased global economic risk caused by human activity can only be mitigated by managing the SDGs in a timely manner (Cernev & Fenner, 2020). Transitioning towards a circular economy (CE) can alleviate up to 3.6 billion tonnes of annual CO2-emissions, which has been highlighted as a feasible first step towards addressing the SDGs (Material Economics, 2018).

CE is defined as an economic system made up of circular ecosystems, which are networks of independent players working together to generate a circular material flow. These players operate under a circular business model (CBM), which focuses on prolonging product lifespans, reducing waste and reusing post-consumer materials (Pietrulla, 2022). Unlike linear supply chains, a circular ecosystem requires endless flows of inputs, since an output of one actor becomes the input for another (Schulte, 2013).

A CE would reduce the most CO2-emissions in industries that rely on virgin materials, such as paper and steel. In Sweden, the steel industry has been strong throughout history, and current actors are pushing for sustainable innovation in this CO2-intensive field (Karakaya, Nuur, & Assbring, 2018). With a more controlled and consistent material-recycling, a CE has been seen as a relevant approach to address environmental concerns regarding virgin metal, without contracting the industry (Hagedorn et al., 2022). Private sector support for this shift is evident; however, its success is limited by the need for complete integration of circularity by all participants in the ecosystem to decouple from linear partners (Ellen McArthur Foundation, 2013).

The difficulty in integrating circularity into daily operations is due to the incompatibility between CBMs and established management theories. Apart from maintaining circular material flows, CBMs face the challenge of operating under structures constructed for linear businesses. Some problems that limit the success of CBMs are: the integration of reverse infrastructures, a lack of financial business case, different current accounting rules, new management systems and performance indexes that promote material consumption over services (Vermunt, Negro, Verweij, Kuppens, & Hekkert, 2019). Due to the importance of working in ecosystems, scaling a CBM becomes difficult and requires high levels of firm-innovation; there is an adverse lack of actors that have fully integrated circularity with their ecosystem and partners (Hina, Chauhan, Kaur, Kraus, & Dhir, 2022).

1.2 Research Gap

CBMs must address the concerns resulting from their unique business model, while simultaneously securing a network that aligns with their operations and provides scalability. This challenge has fueled a need for more exploratory and inductive research, as current innovation is mainly practitioner-driven (Corvellec, Stowell, & Johansson, 2022). Due to higher constraints on input material flows and a disdain for growth-centred KPIs, research has discovered a general incompatibility of traditional management theories and CBMs in certain areas (Leal Filho, Manolas, & Pace, 2015). Current research in the field is heavily focused on CBM material flows and technical operations, with few papers directly focusing on optimal practices and tools for a CBM to succeed (Aarikka-Stenroos, Chiaroni, Kaipainen, & Urbinati, 2022). There is thus great potential to conduct research that directly impacts current and future generations of businesses in this field (Korhonen et al. 2018).

A recent research project from Gothenburg University has explored the field of CBM relationship management of linear companies going circular (University of Gothenburg, 2023).

Given the importance of managing ecosystems as a CBMs (Sehnem, Queiroz, Pereira, Santos Correia, & Kuzma, 2022), the project is relevant for both practitioners and researchers. However, this paper – and other projects to the authors' knowledge – do not consider companies that are circular from the start. There is thus a research gap in understanding relationship-building practices of established CBMs. This paper aims at addressing that gap.

1.3 Purpose and Research Question

The purpose of this study is to create a holistic view on relationship management in CBMs, which is a key aspect that no established theory addresses (Corvellec, Stowell, & Johansson, 2022). The authors have identified a need to investigate soft operations of CBMs, such as how relationships can be handled as a success factor (Tilburg, 2022). This study integrates current academic understandings with empirical observations, focusing on the relevant steel industry (Broadbent, 2016). To achieve this, authors map out current voices in the field from both academia and the private sector in order to create a holistic theoretical proposition of how to manage relationships as a CBM, with the aim of advancing this research area.

The authors use a Constructivist Grounded Theory (CGT) that combines existing literature with datasets from experts and practitioners (Charmaz, 2017). CGT allows for easier navigation in this comparably new research field, since it supports nuanced findings while acknowledging the value in existing expertise.

The purpose is achieved by answering the following research question:

How does a CBM manage relationships in the Swedish steel industry?

1.4 Scope and Delimitation

The scope of this study implies certain limitations on its applicability. Current research in CBM relationship-building at Gothenburg University focuses primarily on the geographic north and Sweden (Hobson, 2020). To provide similar political, societal and regulatory conditions to previous research and minimise extraneous variables, this study is limited to observations in Sweden.

The scope in terms of industry is mainly focused on the steel industry. Sweden, with numerous material-focused industries (Åhman, Nikoleris, & Nilsson, 2012), particularly excels in steel recycling due to the material's ease of reforming (Broadbent, 2016). The attempts to increase sustainability in this field has resulted in a slight price premium, since players have focused on not compensating with decreased quality. This makes it easier for CBMs to justify a higher price, since the industry is portraying a willingness to pay additional costs for sustainability (Azevedo, Moore, Caroline Van den Heuvel, & Van Hoey, 2022).

2. Methodology

2.1 Research Approach

This is an explorative case study that uses CGT as outlined by Charmaz (Charmaz, 2017). It has three sources of data gathering: a literature study, an expert study and a case study (***Figure 1***).

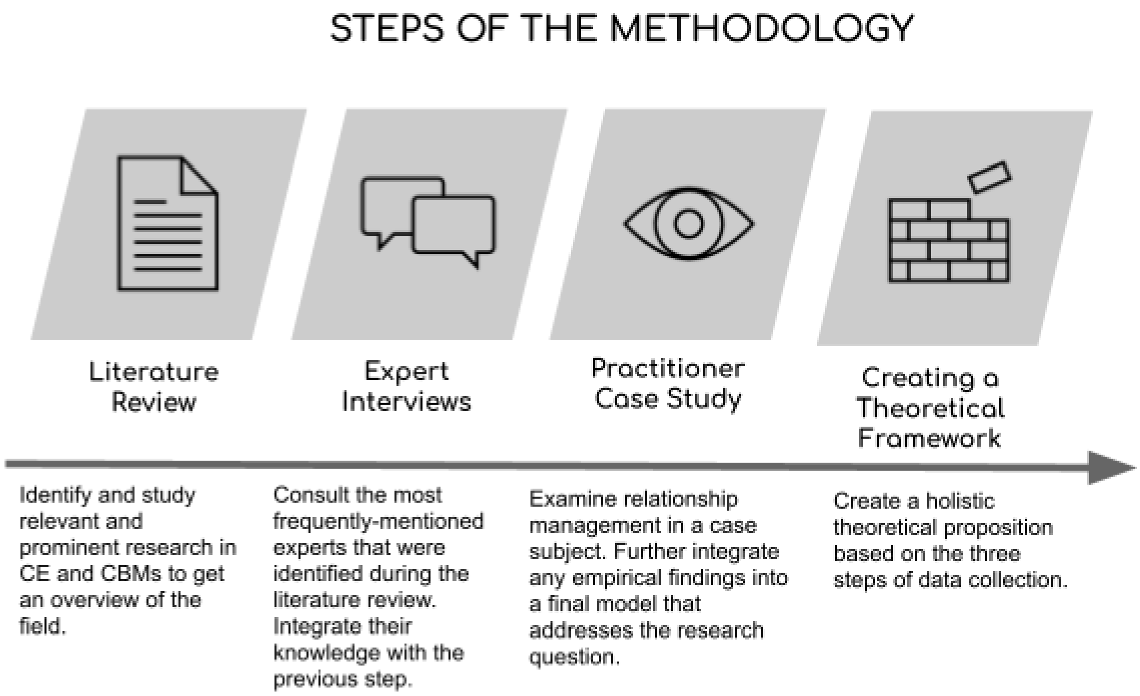

Figure 1- Three integrated data sources provide the pillar for a theoretical framework.

The current field of CE lacks an overarching ontology, primarily due to a lack of definitions and consensus (Sileryte, Wandl and van Timmeren, 2023). To navigate in this developing research niche, focus is placed on exploring synergies between practitioners, experts and researchers, where various data sources are combined and contrasted. This exploratory methodology might therefore also lay the groundwork for future studies, as it could identify frictions and consensus left uncovered by past research.

2.1.1 Constructivist Grounded Theory

CGT methodology emphases the learners' active role in knowledge construction and assumes that interpretations not passively absorbed, implying that (Damyanov, 2023):

- Knowledge is actively constructed through interactions with the environment.
- Learning is a process of actively constructing one's understanding of the world.
- Learners are motivated by their interests.
- Learners use problem-solving and critical thinking to construct knowledge.

When applied in qualitative research, it examines how individuals interpret observations to gain a deeper understanding of a subject. This approach enriches the conclusions about relationship-building since it allows authors to include various stakeholders' experiences.

2.1.1.1 Research Paradigm

Since this study has a CGT overarching methodology, it follows a relativist perspective; and given that CGT is subjectivist, this study becomes epistemologically aligned with subjectivism (Mills, Bonner, & Francis, 2006). Data gathering consisted of semi-structured interviews, to allow for sufficient sensemaking while also considering different interpretations of reality between authors and participants.

2.1.1.2 Abductive approach

In a field with limited assumptions, this study employs an abductive approach (Kovács & Spens, 2005). Conventional theories fail to address the research question, prompting the need to derive new theoretical frameworks. The abductive approach manages to capture the perspectives of current researchers, which allows authors to contrast opinions and simplify for future researchers (Corvellec, Stowell, & Johansson, 2022). In keeping with the abductive method, certain inductive elements were adopted during data gathering to minimise biases; however, the study strategically employs deductive reasoning when establishing theoretical propositions. This approach ensures stability from expert input, while mitigating biases during empirical observation (Riem, 2023).

2.1.1.3 Coding

Qualitative research and its unstructured data is reliant on coding. Coding breaks down and re-labels information in a process occurring alongside data gathering (Charmaz, 2000). In grounded theory, coding emerges through ongoing interpretations of the researchers, which allows for revision and restructuring of labels (Bryman & Bell, 2019). Re-labelling of data consists of two main phases, which were jointly and individually executed by both authors to promote a circulation of data:

- Open coding: This initial phase gathers unstructured data into smaller individual factors, acting as indicators of researched phenomena. Following a thorough analysis, the factors are grouped into first-order constructs.
- Axial coding: Subsequently, individual concepts are categorised to create higher-level abstraction of the first-order constructs.

2.1.1.4 Criticism of Grounded Theory

CGT is beneficial when exploring complex topics, encouraging creativity and allowing participants to sense-make their experiences. However, it also assumes subjective meanings of reality, creating a lack of structure that might not be suitable for all studies. CGT must thus be conducted with high quality data-sourcing and coding processes (Timonen, Foley, & Conlon, 2018).

2.2 Method of Theoretical Data Gathering

2.2.1 Literature Study

The first step involved a literature study about CE and its historical progression to comprehend the strength, relevance and content of active voices in the field. This step started with a broad scope to include non-specific well-cited CE and CBM papers, however, due to the frequent referencing to certain recurring papers, authors were steered into more topic-specific papers that aligned with the chosen scope of the study. Apart from theoretical knowledge, this first stage created a list of noteworthy CE-experts for the next step.

2.2.2 Expert study

Due to the infancy and lack of taken-for-granted frameworks in CBM research, relying only on the literature review as the theoretical base was deemed insufficient. Even if it did reveal logical and prominent papers, more perspectives were needed to reliably proceed with the studied theories. This next stage includes semi-structured interviews with identified experts, to investigate alignment, validation and coherence in the CBM field, with a special focus on findings from the literature review.

The interviews centred around the subjective reality of the participants (Knott, Rao, Summers, & Teeger, 2022). Its questions incentivised a focus on relationship management, but the semi-structured nature also allowed for other topics to emerge. The expert opinion strengthens the literature study and adds a stabilising grounding point.

2.2.2.1 Selecting Candidates

Given that the purpose of the interviews was to get nuances on the literature review, purposive sampling was performed (Nikolopoulou, 2023). The chosen researchers had worked in the field of CBMs and relationship-building (see Appendix 9.3). A greater number of researchers would be preferable, but deemed impossible due to time constraints. To explore contradictions amongst experts, they were anonymised and assigned numbers to increase safety and foster information-sharing (see Appendix 9.3). Some experts gave consent and are used as references.

2.2.2.2 Interview Structure

Interviews were over video, except for one in-person, and responses were transcribed and coded with permission. Experts were asked to share their perspectives on:

- Current status and prominent actors in CBM research.
- Success factors for CBM relationship management.
- Applying conclusions on the Swedish steel industry.

Instead of a pre-decided list of questions, authors used a few standardised questions:

1. What researchers in the field of CE are best aligned with the experience of practitioners?
2. Based on your observations, which are the success factors for a CBMs relationship management? Do they differ from a linear company?
3. What does CBM imply for you?

2.3 Method of Empirical Data Gathering

The third stage is an empirical case study of an appropriate CBM business unit. The aim is to include a practitioner's perspective and explore frictions between theory and practice.

2.3.1 Selecting Candidates

Authors focused on studying a case subject that always operated with a CBM. This ensures that observations are not subjective to whether the business unit was operating circularly or linearly, since practices are dependent on its business model (Seawright & Gerring, 2008).

2.3.1.1 The Business Unit

An appropriate business unit was identified and contacted after the literature review. A main reason for this choice is that they have, according to them and their partners, maintained long-term relationships without deviating from circularity. Their wide array of partners, spanning from start-ups to governments, enables authors to obtain a broad range of observations.

Their business model consists of confiscating firearms in countries affected by gun criminality. A steel component is extracted and processed into a powder for their buyers to use as input, allowing them to rely fully on recycled material. Their relevance was further strengthened by Sweden's history in steel production (Houpt, 2013). The business unit is a flagship project under an international non-government organisation, and their team of 3 active employees operate like a fully independent company within a larger network.

For anonymity reasons, they are referred to as the "business unit" or "the CBM," and their network is referred to as "the NGO." This decision is based on guidelines of scientific qualitative research, which will be further mentioned below (Walford, 2005). Due to the small size of the business unit, ensuring interviewee's anonymity is only possible when the business unit itself remains anonymous.

2.3.2 Interview Structure

A series of 10 interviews was conducted, consisting of three main employees, one past employee and an external partner that added an outside perspective. All 5 participants were assigned letters, a breakdown is found in Appendix 9.7.

Similar to the expert consultations, interviews were semi-structured to allow for additional themes to be uncovered (Adeoye‑Olatunde & Olenik, 2021). A flexible list of questions was used as a base, and questions were posed based on previous answers. Interviews always began with employees describing the business model and conversations were sometimes steered by interviewees to discover their points-of-interest about CBMs. This was followed by a series of topic-specific questions to narrow the scope and investigate highlighted topics. The last round of interviews focused on relationship management and established mutual comprehensions, both between interviewee and interviewer, and between external and internal perspectives.

2.3.3 Ethical Considerations

The choice of having an anonymous business unit has shaped the execution of this study and aims at increasing its reliability and decreasing extraneous variables. As mentioned, ensuring anonymity increases comfort and aligns with recommended guidelines on qualitative research (Rowley, 2012). It encourages interviews to speak freely and not worry about being identified, which increases the likelihood of truthful answers. Consent was given before authors began transcriptions.

2.4 Method Criticism

2.4.1 Limitations

CBM research frequently faces limitations by its vague definitions, lack of consensus and limited general assumptions (Corvellec, Stowell, & Johansson, 2022). Therefore, there may exist less widely known CBM-requirements that fail to classify the business unit as a proper CBM. However, this paper uses a common definition that was stated promptly to mitigate any misconceptions. Additionally, the expert study further approved the relevance of the chosen definition.

Data gathering limitations can also be raised from the non-disclosable information about the CBMs partners. Due to the limited information, the NGO-employee was the closest to an external partner that the authors could find. This study therefore fails to confidently posit the shared narrative of relationship-building between partners in the same relationship. Instead, it focuses on the shared narratives of experts, literature and a practitioner.

This study combines general expertise and literature with a specific practitioner. Learnings are thus slightly limited to Swedish steel actors. As mentioned under heading 1.4, the scope is an extensive field for future CBMs and a deliberate choice to maximise applicability.

The CGT means that authors acknowledge previous research and integrate inductively found data. Despite a wide scope of participants, it should be acknowledged that the datasets used for this study are small and may not fully reflect the complete field of CBM. This problem is mitigated by stating the scope in the research question, though this limitation must still be considered.

2.4.2 Reliability

The qualitative and explorative nature makes it difficult to fully replicate the methodology, which could decrease external reliability (Bryman & Bell, 2019). This is further compounded by the researcher-involved approach of CGT (Charmaz, 2017). In an attempt to increase replicability, the multiple data gathering steps were stated in detail. Both researchers also paid specific attention to reviewing and collaborating when interpreting data to increase internal reliability (Bryman & Bell, 2019). After each round of observations, data was analysed individually before identifying consensus.

3. Literature Review

3.1 How to Succeed as a CBM

A key factor separating a CBM from linear businesses is the focus on non-monetary values, which is addressed in the “triple bottom line”-performance measurement that puts equal importance on economic, environmental and societal indicators (Stål, Bengtsson, & Manzhynski, 2022). Integrating this into a business model requires a firm to address numerous points simultaneously, which calls for strong innovation capabilities (Bocken et al. 2014). The success of a CBM can be addressed to its capacity to innovate a business model that is guided by the triple bottom line, while also aligning with the current economic system and generating profit.

To address this increased emphasis on innovation, the term Circular Business Model Innovation (CBMI) has been coiled, and addressed in a CBMI framework. It categorises lower-level practices into four areas and indicates how CBMs should manage daily operations for innovation, highlighting that they must consider different aspects compared to linear companies (Bocken & Konietzko, 2022). The framework is based on consumer-facing corporations and emphasises the importance of creating a good brand under the Visioning-category, to reach the ultimate goal of a CBM, which is to create impact under the Transforming-category. ***Figure 2*** shows its categories, with more details found under Appendix 1.

CBMI FRAMEWORK

VISIONING	SENSING	SEIZING	TRANSFORMING
Formulate a **compelling vision** and establish goals that are **beyond financial**	Scan the market and **identify stakeholders** that are attracted to the formulated vision.	Mobilise according to the opportunities from sensing. Innovate to **take the additional**	Scale up and include circularity in **daily routines**, to change norms of internal and

performance, to provide collaborators with non-monetary value.	These practices are less structured and leaves room for **innovation**.	**risk** and resources associated with CBMs restrictions.	external stakeholders.

Figure 2 - The tools and practices of a CBM can be classified into four consecutive stages.

Additionally, the study confirms prior research, stating that CBMs serve two purposes:

- Validating the new business model (1).
- Shaping locally adapted circular ecosystems (2).

Elaborating on (2), Bocken and Konetizko state that a goal for CBMs is to “develop locally adapted circular ecosystems through collaboration”(2022). This statement reinforces the focus on relationship management.

3.2 The Importance of Relationships and Innovation

Relationship management becomes a determining factor for CBMI and when addressing the triple bottom line. Additionally, collaborations also help CBMs overcome the constraints associated with scaling up. According to Brandão et al, CBMs are difficult to scale, which Hofmann explains is due to their complex net of relationships resulting from their dependence on external collaboration (Hoffman, Schenck, & Herbst, 2022). This constraint is mitigated once a CBM learns to navigate these complex networks and engages in long-term relationships with the suitable parties. Relationships allow a CBM to align their supply chain, reduce complexity, and grow in a system that is not yet a CE (Roy, Garza-Reyes, Kumar, Kumar, & Agrawal, 2022).

Relationships also provide favourable outcomes on innovation, routines and strategy; a statement that applies for all companies, circular and linear (Levitt and March, 1988). Powell et al. (1996) outlines the importance of collaborating when accessing capabilities outside of the organisation, which facilitates innovation and learning. This holds true both for collaborations in the same industry (Vonortas, 2003) and cross-industry (Freel, 2003). These ideas have been tested with a range of case studies in the past 20 years, with notable examples like Huang and Yu (2011) who found positive effects between relationships and innovation capacities.

3.3 Criticism and Limitation

The intention of the literature review was to discover the most established papers in CE, and given the lack of research in that field, there was no specific focus on relationship-building. This motivated authors to include a few existing theories based on linear companies, to strengthen the connection between innovation and collaboration.

After studying various sources, the strength of Bocken and Koneitzko was noteworthy, given its proximity to the research question and high number of mentions. However, authors were careful to not rule out other options. There were debates about using existing taken-for-granted frameworks based on linear companies to increase stability, such as the one from Huang and Yu. However, this option was rejected by literature and experts who strongly suggest that logics differ between CBMs and non-CBMs. Additionally, relying on literature outside of CBM research fails to achieve the aim of finding consensus between literature, experts and practitioners of circularity.

3.3.1 Criticism and Limitations of the CBMI Framework

Despite its esteemed recognition, the CBMI framework has its constraints. This framework was created based on customer-facing companies, excluding manufacturers and suppliers. This study encompasses a B2B-player, which might operate under different logics compared to a customer-facing company.

Additionally, the CBMI framework has a broad scope, not focusing specifically on relationship management. Even if it highlights the importance of ecosystems and collaborations, its four areas cover all aspects of daily operations and fail to provide a relationship-ankle. This hurdle is managed in the coming sections, when authors modify the framework using expert interviews and empirical observations.

4. Expert Interviews

The aim of this step was to identify and explore potential coherence between literature and prominent actors in the CBM field; and to simplify for both readers and authors, two hypotheses were formulated for this specific stage of data gathering. The intention is to explore if:

> H0. Current CBM literature about relationship-building is **not** fully representative of expert understandings on the same topic.
>
> H1. Current CBM literature about relationship-building is fully representative of expert understandings on the same topic.

4.1 Findings

During interviews, the interviewed experts (see Appendix 9.3) emphasised multiple mutual and common success factors for relationship management in CBMs. Additionally, validation and new perspectives on the CBMI framework from the literature study was also provided, and followingly integrated with previous data.

4.1.2 Prominent Researchers

When analysing transcriptions, authors failed to identify a clear paradigm within CBM research. Some experts described a paradigm of consolidation in search for conclusions, while others cited numerous paradigms in competition. These different paradigms all come with their assumptions, which underscores the importance of mapping out the field before the empirical study. However, as more researchers are currently entering the field, some studies have become considerably more well-cited.

When asked about the most established CE researchers, 6 out of 7 experts named Nancy Bocken and Jan Koneitzko. This strengthened and reinforced the author’s choice of studying the CBMI framework during the literature review, with one expert claiming that the specific study is "considered a stable anchor point" for CBM theory (Hultberg, 2023).

4.1.3 Success Factors

Coding revealed three key success factors for relationship management in a CBM; and for a more detailed breakdown of the coding process and themes, refer to Appendix 9.4.

4.1.3.1 Mission & Vision

Visioning was mentioned by all experts as a key factor when forming relationships. Parties must "share a mission, focus on more than profit and one-off-transactions" (Stål, 2023). Operating under a CBM comes with limitations, having a compelling vision compensates for these additional expenses and complications. The choice to cooperate with CBMs is motivated by how their products have societal and environmental benefits; the vision becomes the added value that collaborators pay a price premium for. "Formulating a suitable story is a crucial first-step for any CBM that wishes to successfully manage its relationships and create long-term partnerships" (Expert 3).

Succeeding in visioning also helps CBMs navigate their more complex networks of stakeholders, since having a mutual vision prevents one-off transactions, which are typically harmful for the brand and complicates their network of partners.

4.1.3.2 Proactivity

Proactivity was another topic mentioned by all interviewees. One expert described it as being a side-effect of the importance of visioning, "they [CBMs] must scan the environment and find niched players that will be attracted by their vision" (Expert 5).

Since the vision creates added value, it is important to attract players that are willing to pay a price premium for it. Being proactive is "crucial and necessary," (Expert 7) requiring market knowledge and research. Good visioning and proactivity would eventually create long-lasting collaborations, and decrease the focus on one-off transactions:

> The importance of keeping these players who are convinced by the stories and unique operations of a CBM is what makes market searching important. By identifying relevant actors, rather than targeting the broader audience of suppliers and buyers, a CBM is able to keep more long-lasting relationships compared to a linear company. - Expert 2

4.1.3.3 Long-termism

Having a long-term perspective was a third factor that 5 out of 7 experts choose to mention. Some claimed that due to the limited number of partners to choose from, all exchanges must incorporate a long-term perspective. A CBM must make sure the circle can be maintained, since "having a reliable partner is much more important than for other companies, finding a replacement is more difficult" (Expert 3). The circle is built by more than one company, and like a puzzle, it is harder to replace one actor with another:

> Because of their strict guidelines it is hard for [CBMs] to grow, since one must rely on a stable and continuous downstream to ensure continued circularity. - Expert 1

4.2 Analysis

The expert study shows that current CBM literature related to relationship-building is **not** fully representative of observed expert opinions on the same topic, thus accepting H0. The interviews show that despite current research being regarded as accurate, there are learnings from the expert interviews that were not found in literature, which are analysed below.

4.2.1 Modified CBMI Framework

The experts unanimously agreed upon three topics that were important in relationship management as a CBM. This contribution proposes that one can integrate the CBMI framework with expert opinions, to create a suggestive framework that fits the relationship-angle of this study. As evident from the expert consultations, the CBMI-framework was written by two notable researchers, but with a scope too broad for this study.

MODIFIED CBMI FRAMEWORK

MISSION & VISION Visioning	PROACTIVITY Sensing	LONG-TERMISM Seizing & Transforming
Most CBMs have reduced flexibility, requiring them to find partners that see added value apart from the triple bottom line. A compelling brand is what communicates this. When entering negotiations, that vision must be clearly stated and adjusted to the partner. This relates to innovation and marketing.	They must target the niche group that would pay a price premium for the *Mission & Vision*, find the suppliers with the right input, and identify buyers that can use the output without modifications. This involves market research.	To keep the partners that pass two previous stages, both parties must enter with a long-term perspective and be ready to transform. This involves taking on the extra resources of long-term relationships, rather than a transaction. A firm needs the ability to rely less on immediate profit.

Figure 3 - The tools and practices to manage CBM relationships can be classified into three main stages.

The main modification of the CMBI framework is that four categories were turned into three, see ***Figure 3***. The expert interviews unveiled the value of *Mission & Vision* and *Proactivity* for successful relationship management, and these two topics can be connected to the two first categories of the CMBI model. Visioning and *Mission & Vision* is a clear connection, since the principles described by experts under heading 4.1.3.1 relates directly to the CBMI framework's Visioning category. Both involve formulating a compelling story that can be translated into the business model to address the triple bottom line. Sensing from the CBMI framework involves acquiring market knowledge, and when focusing on relationship management, this category was re-named to *Proactivity* using the expert suggestions. Both *Proactivity* and Sensing require similar tools and practices, namely the ability to perform market research and identify key players.

Seizing and Transforming categories from the CBMI framework were merged, since expert opinions indicated they have similar implications on relationship management. Mobilising for an identified opportunity requires a CBM to free up resources over a longer term, to not inflict on daily operations. More evidently, Transforming a firm also requires a long-term focus since the goal is to permanently change the mindset of surrounding actors. Authors combined these two categories, renaming it into *Long-termism*. This choice was guided by the third key area highlighted by experts, see heading 4.1.3.2. For a more detailed description of the modified CBMI framework, refer to Appendix 9.5.

5. Case Study

The case study intends to conclude whether or not conclusions from the expert interviews and literature review – as represented by the modified CBMI framework – are coherent with observations of a current practitioner. Any additional learnings are to be integrated through further analysis. Thus, the case study intends to find:

> H0. The experience of relationship-building by practitioners is **not** coherent with the modified CBMI framework. Any learnings are independent of this framework.
>
> H1. The experience of relationship-building by practitioners is coherent with the modified CBMI framework. Any learning can be integrated into this framework.

5.1 Empirical Findings

5.1.1 Success Factors

When asked about how the business unit manages their relationships, five common themes were extracted. All interviewees also connected relationship management to innovation and success without authors asking them specifically about the subject.

5.1.1.1 Complicated Material Processing

As a result of a complex circular operation, some steps are fully dependent on a specific skill of an external party. The input, in the form of weapons, makes customer-adjustments difficult. When a candidate was asked about their business model, it appeared that:

> It [turning steel into a powder] is more difficult than it sounds, it is hard to find people that can do it. The partner can be anything from an individual steel guy or a larger company. Finding the right partner for this is something that only us, with a special business model, has to face. - X

Due to the technical procedures of recycling, the business unit depends on key players to manage their CBM. This increases the importance of relationship management and long-termism, which they claim is enhanced by their vision, or “commitment and an alignment of values” (Y). In order to keep these crucial players, they must ensure that values are aligned, “if sustainability is not part of their plan, then it's not interesting” (Y).

5.1.1.2 Providing Partners with Innovation

Apart from a dependence on collaborations, the complicated processes requires innovation:

> There is a constant need to innovate, both when destroying weapons and making products. We work in countries that are different and we meet technical hurdles. That is when innovation comes in, it is very important. - W

The business unit perceives itself as innovative, distinguishing them from linear companies and providing an edge during collaborations. Innovation attracts partners that are too structured and unable “to make real innovation in terms of product” (X). The business unit has identified a demand that became their selling-point:

> Innovation will be one of the main outcomes when collaborating with us. The product-part is not emphasised, rather, the companies we work with will gain other advantages. I think our partners are passionate about the mission and innovation. - X

Interviewee V mentioned an example: Company A had their first value-driven partnership with the business unit in 2018. It was a relief for Company A’s owner, who wanted to provide societal-value to their customers and increase their innovation capabilities. Today, due to the business unit’s inspiration, Company A is still initiating innovative projects about recycling.

The complicated material processing requires innovation capabilities, resulting in a competitive advantage. A critical aspect in their relationship management is that they help their collaborators signal inspiration and creativity.

5.1.1.3 Negotiating Using a Compelling Story

In negotiations with larger entities, the business unit emphasises its purposeful vision to convey a non-profit focus: “When reaching out to a larger company, it becomes clear that we are non-profit. That is a selling point” (X). And “it becomes apparent to them that we are concerned about our mission and our purpose” (X).

Their CBM means that they negotiate with different methods than traditional linear companies. Rather than selling profit and one-off transactions, they focus on showing trustworthiness and a true non-monetary orientation, a key factor of relationship-building with larger players.

5.1.1.4 Identifying Key Clients

Relating to the compelling story, brand management is a vital aspect when managing relationships, “you need a brand to tell the story, it is not only about price” (V). The business unit must create a strong brand that transfers their unique story, and more importantly, identify people that are attracted to it. Partners must know why “their material is overpriced than the market value” (W).

To keep a trustworthy brand, they only engage with partners that have aligned values. This has forced the business unit to decline partnerships that a non-CBM would find profitable: “We are constantly faced with a trade-off and dilemma. There will always be good collaborations that we have to say no to” (Y). Being selective is thus a significant aspect in how they manage their relationships, they “do not have a systemic list to follow for each partner” (Y). Rather than opting for a checklist of requirements, they rely on connections:

> The connection with the person driving it in the opposite company is determining. The character of that person, their drive. The business plan will not go anywhere, the important aspect is the character of the driving person. - Y

The business unit is not “dealing with a regular material,” they ”treat the material very precisely and want collaborators to do the same” (W). The clients “are paying extra for this [the story], and are aware that what they purchase is different” (W). They must therefore attract those the “key clients” (Y) that will be conveyed. Key clients are the ones driving the collaboration internally in all collaborating companies, so instead of targeting an entire organisation, the business unit deliberately identifies key people to start. Even though this implies additional steps, it is worth the extra effort to localise like-minded people:

> Everything is about people. Once we contact the few people in the companies, the collaboration will happen. It might just take some time.- Y

5.1.1.5 Approaching the Right Organisations

To identify the key clients, they have to be proactive, “it is not as easy to find partners as one would say, we must search” (Y) and “we are non-profit, and must be careful about who we work with, that is why we keep our partnerships niche” (W). This holds especially true for government bodies, since they “assess how likely the government is likely to stay on” (X). In other words, they choose to “approach governments who are going to stay for a longer period, and not approach governments who are about to leave” (X). Establishing relationships involves more time, searching and filtering compared to a linear counterpart.

Due to the importance of a trusted brand, collaborating with the wrong players is harmful and conducting research beforehand is important:

> Brands do not have much knowledge about gun violence. If we put the CBM in the hands of a private company, they can hurt our brand. We do not want to be annoying and say “can you change this, can you change that?” So being proactive and truly knowing the partner is important. - V

5.1.1.6 Long-termism

The last determining success factor that was discovered is the ability to create long-term collaborations. Given that “the supply is received on a project basis” (X) they must set up well-functioning communication systems with key partners for reliable input:

> We have to make sure that our operations are logically and legally possible, so we do not end up out of stock, there needs to be revenues going around and we need volume. Make sure we have long-term collaborations covered. - X

This long-termism is facilitated by the NGO’s vast coverage. They have offices in regions of the CBM’s supply chain, allowing for long-term contracts with regional partners; “We have offices of 4 to 6 people and have to keep it that way. But we work in a really wide partner ecosystem, in the regions we are already active in" (Z). The NGO member explained that "many partnerships are already established and our existing network and scale makes it easier to signal that we are for a good cause" (Z). That being said, they noted that regardless of the time scope of the project, long-term contracts allow for consistent follow-up on "how they communicate in terms of press and brand" (Y), which is a key success factor.

> Being long-term has been super important to keep our business model and find these larger players. But it is also important that we can deliver on this promise. If our partners expect that the CBM can cease to exist in a couple of years or months, they would not collaborate. - X

With customers, long-termism comes into play because "we need our clients for the longer run, they become our ambassadors" (W). The clients are aware that the purchased material is unique, the way they sell it is important:

> A success factor is trust. We are experts in what we do, and brands are experts in their marketing. Once we connect with them, we can succeed in both our areas to create the golden link we want to be kept in the long-run. - V

In other words, since the business unit is proactive and searches for the right clients, they create partnerships where both parties specialise in what they do best. Once this golden balance is created, a success factor is to create a long-term relationship:

> We started speaking with an artist, working with gun violence in schools. We can use this to create something out of it to have a real effect. It is our long-term vision to move the advocacy forward. It will go slowly. - Y

5.1.2 Achieving Success Factors

5.1.2.1 Size and Credibility from the NGO

Certain practices were highlighted as enablers for the six success factors above. One of them includes leveraging the size of the NGO. One employee said they "try to use the privileges from the access to international organisations and conferences," (Y) such as at the UN, which is "a big part of our relationship strategy" (Y). The NGO allows them to signal credibility and show that the focus is not on short-term profit:

> They [the NGO] allows us to be long-term. If we were our own company, we would have to deal with all the costs. But the money we get goes back into the country. That has allowed us to establish relationships with governments in countries that are hurt by profit-driven companies. - Y

The connections to the NGO enables projects in Central America, Southern Asia and Africa. Additionally, it was mentioned that "it definitely helps that there is a larger structure in the background that can help if something goes wrong" (X).

5.1.2.2 Attraction and Passion of Being Small

However, "in the non-profit sector, there is a challenge when balancing long-termism and immediate threats" (Y). While being large can be an advantage, "being innovative is easier when you are small" (Y). Given the importance of innovation, they reported that having a smaller outward-facing operation helps with relationships, a fact backed up by the NGO-employee: "a small, disruptive team of creative people allows us to be prepared for major changes in collaborations" (Z). The case subject not only relies on the ownership of the NGO to signal seriousness, they also "rely on their smaller nature to attract the innovative start-ups that can align with our values" (Y).

5.2 Analysis

The case study strongly indicates that the practitioner's relationship-building is coherent with the modified CBMI framework, and H0 is therefore rejected. The success factors of the business unit are aligned with the three areas of the modified CBMI framework, the combined conclusions from the literature study and expert interviews thus created a suggestive model that accurately describes a practitioner in the Swedish steel industry, as shown in Appendix 9.6. Additionally, the case study also complimented the modified CBMI framework with another dimension that explains how and why the business unit succeeds in its relationship management. All these aspects are analysed in this section.

5.2.1 Approving the Focus on Relationships

Findings indicate that relationships are a crucial aspect in their CBM, which further strengthens the focus of this paper. Due to various aspects, the business unit showed that they are limited in terms of whom they can collaborate with, which conforms with the modified CMBI framework. In line with the two previous data gathering steps, the practitioner relies on innovation and relationships to manage their operations.

5.2.2 Success Factors and the Modified CBMI Framework

The case subject mentioned several necessary aspects when managing relationships. To overcome their Complicated Material Processing (5.1.1.1), they must find partners possessing the right technological capabilities. This requires high levels of proactivity, innovation and brand-management. Providing Partners with Innovation (5.1.1.2) motivates clients to pay a price premium for the material processing and gives non-monetary value, which is a distinctive factor connected to CBMs (Boston Consulting Group, 2018). This implies that the business unit directs effort on Negotiating Using a Compelling Story (5.1.1.3), since engaging in price competition will have them losing against linear counterparts. Identifying Key Clients (5.1.1.4) makes them find employees that are conveyed by their story and willing to pay a price premium, which helps them Approach the Right Organisations (5.1.1.5) to match their brand. Lastly, due to the collaborator's role as brand ambassadors, both parties must share a Long-termism (5.1.1.6) mindset.

These aspects can be clearly connected to the modified CBMI framework:

- 5.1.1.1 Complicated Material Processing = *Mission & Vision* and *Proactivity*
    - They rely on key stakeholders undertaking specialised tasks facilitating recycling, with value alignment serving a pivotal base for these collaborations.

Having a coherent story supports the complicated material processing, and certain levels of proactivity is also required to identify the specific player that can perform the task.

- 5.1.1.2 Providing Partners with Innovation = *Mission & Vision*
    - This aspect relates to the unit's ability to inspire their collaborators, achieved by a strong vision and innovation.
- 5.1.1.4 Identifying Key Clients = *Proactivity*
    - Distinguishing the people recognizing non-monetary value requires the CBM to be in the right room at the right time.
- 5.1.1.5 Approaching the Right Organisations = *Proactivity*
    - Once the key person has been found, the business unit must ensure that their company is coherent with their vision which requires prior research.
- 5.1.1.6 Long-termism = *Long-termism*
    - The CBM must have enough resources to signal credibility and not have to focus on short-term profit.

The business unit addresses these factors by alternately highlighting the NGO's size and their innovative start-up structure.

5.2.3 Being Big and Small

After several interviews, a theme appeared; the case subject achieved all six success factors by leveraging their network to offset their small size. The importance of signalling credibility and size seems contrary to the benefits of having an innovative start-up team. Presenting both traits might be a logical challenge. However, the business unit has managed to overcome this using their unique structure and ownership of the NGO. They are in a large network, enabling them to show long-term commitment to the triple bottom line; meanwhile, they also attract key clients who are compelled by their innovation-capabilities. The CBM has addressed the three success factors of the modified CBMI framework by being agile and signalling different facets.

On a macro level, this indicates a trade-off. Managing relationships requires two opposite structures. To fulfil the modified CBMI framework, a CBM must have access to vast networks without deviating from the original innovative vision. The success of the case subject can hence be explained by its ability to overcome this trade-off.

5.2.3.1 Large for Proactivity and Credibility

The NGO enables the business unit to be present at large conferences, connecting them to players that facilitate their material processing. It is not a necessity for CBMs to have a sizable core team, they can gain exposure through other means. As suggested by literature and experts, CBMs have limited options when it comes to suppliers and clients. To detect players that fit into their operations, both in terms of vision and technical capabilities, a CBM needs access to a larger network.

Being large also allows the business unit to signal trust and show that they are non-profit. Under heading 5.1.1.6, it was explained that size helps them indicate to collaborators that they have enough resources to not go against circular practices.

5.2.3.2 Small for Mission & Vision

The business unit has a small core team, which attracts key clients to their vision of turning guns into peaceful products. The employees agreed that the core team makes them innovative and flexible, which motivates clients to pay a price premium and is a crucial part of their relationship management. This claim is supported by the representative from the NGO, who stated that a small and disruptive team gives them confidence in the CBM’s flexibility and resilience.

5.2.4 The RFC Model

The learnings above suggest that when managing relationships in the current ecosystem, the CBM had to find a balance between size and story. They need to maintain strong connections with their mission, a distinctive selling point, while demonstrating credibility and material reuse. The modified CBMI framework can therefore be complemented with a second dimension: size.

Observations indicate that each of the three success areas for relationship management has an ultimate organisational size. As a CBM grows, its ability to handle one facet of the modified CBMI framework improves, while its capacity to address another area diminishes. The practices required for *Mission & Vision* are associated with companies of a smaller size, aspects such as branding is aided by their smaller team. *Proactivity* requires a company to have exposure and selectively scan the market, which was made possible by a vast network. Lastly, signalling *Long-termism* is more straightforward for companies that have connections and vast resources.

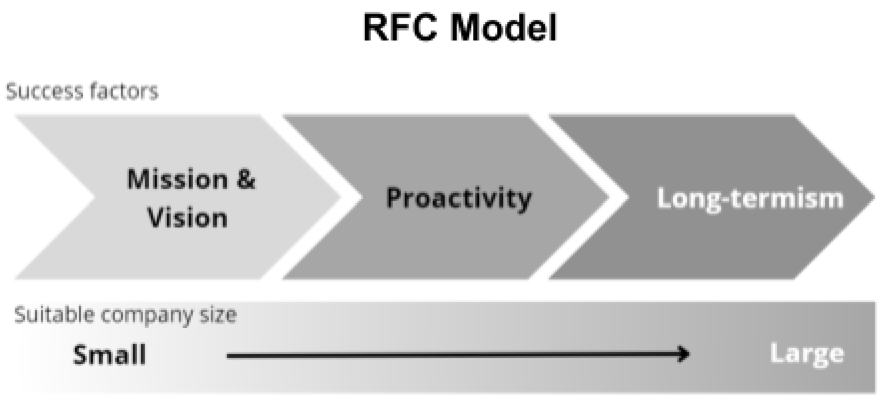

Figure 4 - There is an effect of scale for CBM companies aiming to address the three key success factors for relationship management.

This trade-off is integrated into the modified CBMI framework, to create the final theoretical proposition: the relationship-focused CBMI framework (RFC model). As ***Figure 4*** suggests, the three identified success factors for relationship management require different company sizes.

6. Discussion

6.1 Integration of Three Data Points

The RFC model is the final outcome of the three integrated data sources. The literature review offered a comprehensive understanding of the research field, uncovering prominent researchers whom the authors interviewed. Data from literature and experts were combined into a modified CBMI framework, which was complemented with empirical observations. The ultimate proposition suggests how important it is to successfully manage relationships, and that CBMs should handle relationships by focusing on *Mission & Vision*, *Proactivity* and *Long-termism,* which is made possible by finding a balance between growing and remaining small.

6.1.1 Return to Literature

The literature review found that for CBMs, innovation plays a vital role for success, more so than for linear companies. This requires a new term to address business innovation, which is addressed in the CBMI framework by Koneitzko and Bocken, showing a toolbox which could be used to generate success. The expert interviews and case study further approved the importance of innovation and relationship management, and its themes related strongly to the success areas of the CBMI framework.

6.1.2 Importance of Networks

The trade-off visible in ***Figure 4*** implies that with growth and establishment, the attachment to the core vision about the triple bottom line becomes harder to communicate. A large CBM might be able to sacrifice short-term profit for a while, and survive on a circular operation, but when attracting key clients, the business unit should highlight a smaller core team. An expert pointed out that when larger companies such as IKEA and H&M choose to launch circular business initiatives, customers frequently claim their vision is not aligned with communicated values. As a well-known company with extended supply chains, creating a compelling story based on the triple bottom line becomes difficult (Amir, 2023).

Therefore, it is important for CBMs to have features that are not associated with traditional linear supply chains. They benefit from being small and innovative, to convince the public that they are not concerned about only growth. However, due to the complex technical processes and the limited array of potential partners, it is also crucial for a CBM to be exposed to suitable players and signal credibility, more so than for its linear counterpart.

To overcome this phenomenon – "the trade-off between size and story" – CBMs of similar scope would benefit from operating within a supportive ecosystem or network that gives them credibility, contacts and exposure. This could imply anything from engaging with large NGOs, to entering member organisations with other CBMs. The business unit had an NGO that exposed them to larger international fairs, which allowed them to be proactive and identify partners that are compelled by their vision. To manage relationships, a CBMs should focus on gaining access to a key player that assists in *Proactivity* and *Long-termism*.

6.1.3 Why CBMs Fail

The three success factors of the RFC model function in symbiosis. Only having a strong *Mission & Vision* without the capacity to proactively find suitable partners would not yield benefits. On the contrary, simply holding an immense network and vast resources without a compelling vision will result in customers doubting the circularity. ***Figure 4*** might therefore provide an explanation as to why many CBMs struggle in the business climate that is not yet a CE, few players are able to be on the entire scale at the same time and address all three success factors simultaneously. This is a trade-off that could apply for linear companies as well, however given the strong stipulations that CBMs in an ecosystem have for eachother, this is vital in order to maintain circularity and thus stay in business.

6.2 Limitations

6.2.1 Limitations of Integrating Data Sources

Besides the aforementioned risks of conducting research using CGT, there are some other limitations to consider before applying the conclusions of this study. The risks of integrating three different data sources includes potential omittings of key observations between stages. The process of abstraction and combining sources revolves around finding key patterns – both similarities and differences – which reduces complexity and leaves out themes that were not mentioned by the majority. And since these three observations were made from actors who are previously familiar with the concept of a CE, their ideas could be dependent variables.

7. Conclusion

7.1 Conclusion

All three data sources strongly indicate that relationship management and networks are a pivotal factor for the success of a CBM in an economic system that is not yet a CE. The unique nature of operations implies a higher reliance on relationships, as they provide innovation, scaling-capacities and external services to manage a circular operation. This study investigates how these crucial relationships should be managed, and a trade-off between storytelling and growth was identified. By using grounded theory, authors developed a RFC model that explains this logic for a player in the steel industry, which provides an explanation as to why many circular units fail in the current economic system. The theoretical proposition, and hence the answer to the research question, is that CBMs benefit from being in a large network while remaining small in size.

The case subject is one of few CBMs that have managed to remain circular, and they provide an example on how similar CBMs can find a middle-way in the RFC model. One could conclude that if the case subject was a non-separable part of the NGO, their story would be harder to translate to key clients; and if they were completely independent, they would not signal credibility to attract players that enable their circular operations.

7.2 Contribution

This thesis has two main contributions: an overview of the research field and the theoretical proposition consisting of the RFC model.

7.2.1 Mapping out the Research Field

The CE research field is heterogenous with various paradigms that come with their basic assumptions. Definitions are vague, and the research is practitioner-driven. There is thus high value in exploring agreements between active players and identifying papers with prominence, which was the aim of the literature review and expert consultations. Shared understandings of reality were identified and the CE research field seemed to have more synergies than expected, despite heterogenous ways of explaining concepts. The background, literature review and expert consultations of this study provided updated insights into the still-developing research niche, which made it possible to bridge the gap between researchers and practitioners. This study serves as an integration of perspectives across institutional and practitioner-driven advancement in CBMs, resulting in the creation of the modified CBMI framework. This gives a contextual explanation for current understanding of CBM relationship building, which could in turn aid with future research that can further illuminate patterns and grounding points within the field.

7.2.2 Theoretical Contributions

This study constructed a framework that explains how a CBM should manage relationships with external parties. Apart from mapping out the field, this paper addresses the research gap in relationship management studies of CBMs.

The RFC model explains how an operating circular steel business secures stable relationships that support their recycling-based operations, and understanding their success is highly relevant for advancing the practitioner-driven CE reserach field. This framework attempts to start a discussion about how CBMs differ from linear companies, in which the identified trade-off between size and story highlights the difficulties of circular operations. By integrating these learnings into a digestible framework, this study hopes to spread the learnings of the various sources for future researchers and generate a favourable environment for CBM trials.

7.3 Future Research

7.3.1 Difference Between Circularity and Linearity

This study contributes to a pivotal conversation in CBM research, namely the separations between circular and linear businesses. Based on the literature review and expert interviews, authors found that theories based on traditional companies fail to address certain determining aspects of CBMs, since their core aims often entail more than growth and profit. There is a research gap that can be addressed using similar studies that uncover differences between CBMs and current management theories, especially in specific operational areas such as marketing, human resources or R&D. It would also be interesting to compare the success of projects that are circular from start, with projects that are initiated by companies that are previously well-known linear operations to simplify for future practitioners.

7.3.2 Other Industries

The Swedish steel industry is an important sector for sustainability studies, however, there is value in examining how CBM relationship management differs between industries. As mentioned under heading 6.3.1, the RFC model might be irrelevant in industries without complex material processing and similar future studies should explore if this trade-off applies in other industries.

7.3.3 Other Success Factors

The modified CBMI framework might also differ depending on how the interviews and studies were conducted. It would be of interest to examine if the importance of *Mission & Vision*, *Proactivity* and *Long-termism* are important in other geographies, company sizes and industries, and how the weight of each changes. This would encourage a more detailed and applicable model to take shape, with levels of subcategories and contingencies.

7.3.4 An Important Step

These future research ideas would represent a significant step towards advancing the essential SDGs and alleviate the struggles of transitioning to a CE. This effort would support future CBM-participants within a non-circular ecosystem, to eventually generate favourable conditions for a CE to be established, which can mitigate significant amounts of human-related emissions. The timing is more important than ever. Suggestive frameworks for successful CBM operations can help companies translate their words into action. To only talk the talk is no longer sufficient, all actors must also walk the walk.

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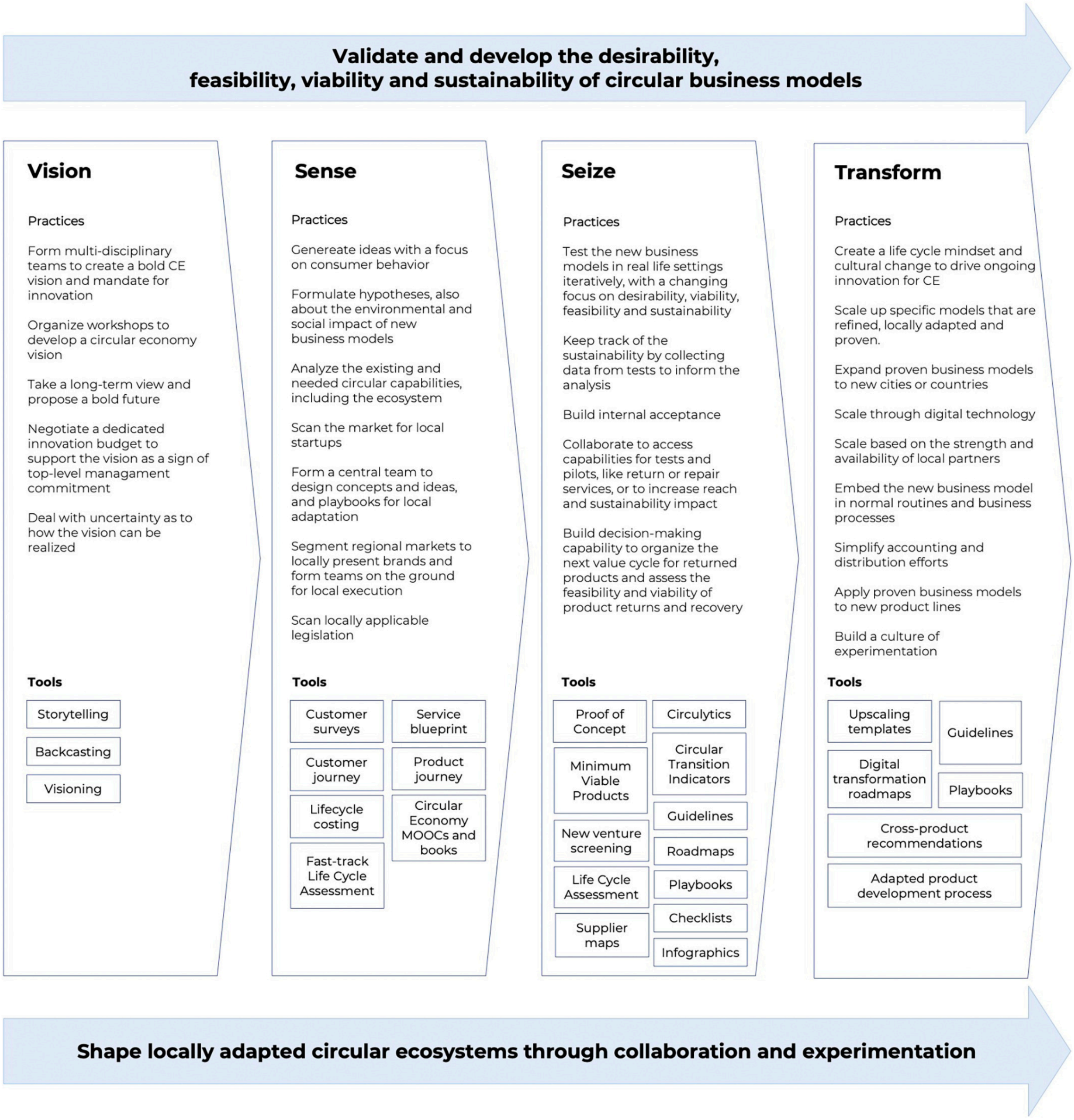
Appendix

Appendix 9.1 - Bocken & Konietzko Circular Business Model Innovation Tools



Appendix 9.2 - Practical Applications of the RFC Model in the case subject

MISSION & VISION	PROACTIVITY	LONG-TERMISM
Aligns with their idea of “compelling story,” see heading 5.1.2; both ideas deal with creating a compelling story and an overall vision that guides both the CBM and their potential future relationships. A key factor for the CBM is that their relationships share a common red thread, sharing the same story. Formulating a mission is important to them; often mentioning the fact that they are turning guns into something beautiful; this is also strengthened by the fact that they have declined profitable partnerships due to a lack of a common vision and mission.	Aligns with their strategy of being present at large conferences and events that will allow them to scan the environment and find the right network of players to attract, see under heading 5.1.5. Also aligns with their described problems of finding the right players who are able to turn the metal into powder. Operating in a circular business model implies that their inputs are slightly limited, which means that they must be proactive and seek the players or individual people who can handle these tasks, as mentioned under the heading 5.1.1.	Aligns with the demonstrated emphasis on being in for the longer run, and giving their smaller partnership the chance to generate income over longer time horizons. The CBM also focuses on longer contracts with players, once a good candidate is chosen for performing a certain task, they are kept.

Appendix 9.3 - Pre-Study Interview Structure

Researcher	Research Area	Length
1	Entrepreneurship and Innovation	35 minutes
2	Organisational Theory in Circular Economics	25 minutes
3	Sustainable and Institutional Entrepreneurship, Business Models, Innovation, Entrepreneurship, Sustainability	35 minutes
4	Sustainability and Organisation Theory	30 minutes
5	Corporate Social Responsibility and Sustainability Management	40 minutes
6	Sustainability, Governance, Motivation, Gender Equality and Gender Issues.	37 minutes
7	Circular Transformation	42 minutes

Appendix 9.4 - Overview of Pre-Study Data

Overarching Themes	Themes	Codes	Code Relationship to CBMI Framework
Circular Economics Research	Complications in Definition	Defining Circularity	Overall support for the use of CBMI framework when considering relationship management in CBMs
		Circular Ecosystems	
	Research Paradigm	Trusted Researchers	
		Trusted Literature	
CBM Operational Requirements	CBM innovation	Measurement of Circularity	Sensing
		Sustainability Success Stories	Visioning
		Circular Value Creation	
	Relationships	Perspective	Seizing and Transforming
		Operational Dependencies	

Appendix 9.5 - Categories of the Modified CBMI Framework

Below is a description of the categories in the modified CBMI framework and their practices:

1. MISSION & VISION (*Visioning* under the CBMI framework)

    Importance: Shaping a brand that helps the organisation spread a vision that adds value connected to the triple bottom line. This is a key aspect in most CBMs since their reduced flexibility requires them to find partners that are concerned with more than profit.

    Required practices: This practice relates strongly to branding and innovation, having a strong branding team and formulating a niched vision early on in operations that steer the strategy of the organisation.

2. PROACTIVITY (*sensing* under the CBMI framework)

    Importance: The reduced flexibility faced by many CBMs implies that they must approach partners with care, and identify partners that fit into the business model. For example, it involves finding suppliers with the right input for the circularity, or identifying buyers that can use the output without larger modifications. Traditional companies can adjust their products more freely depending on customer requirements, and have a wider span of potential partners approaching them. Once players are identified, the CBM can rely on the previous category, MISSION & VISION, to attract the player and build a stable relationship.

    Required practices: This practice requires a CBM to scan the environment, conduct frequent market research, and have the required resources to reach out to new players once identified.

3. LONG-TERM (*seizing and transforming* under the CBMI framework)

    Importance: In order to keep these partners from the two previous categories, both parties must enter the partnership with a long-term perspective. This implies taking on the additional practicalities of entering into long-term relationships, rather than one-time transactions. CBM partnerships are based on a common vision that benefits society or the environment, and these benefits are often realised over the longer term.

Required practices: A CBM must have enough current resources to have a longer pay-back period and survive without profitable short-term transactions. The entire business must have a long-term mindset and accept that profits can come over a longer time period.

Appendix 9.6 - Overview of Empirical Data

Overarching Themes	Themes	Codes
Relationship Management	Mission & Vision	Mission
		Vision
	Proactivity	Hygiene Factors
		Motivation
		Short term motivators
	Longevity	Commitment
		Timing
	Size	Being big
		Being small
		Finding balance
	Activism	Trust
		relatability

Appendix 9.7 - Breakdown of Interviewees

Interviewee	Role	Number of Interviews
V	Founder and Director	3
W	Previous Brand and Partnership Manager	2
X	Upstream and Partner Lead	3
Y	Advocacy and Downstream Activity Lead	4
Z	NGO cross communications manager	3