

Procurement Processes as Drivers for Sustainable Product-Service Solutions – What a Procurer can do?

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Current patterns of production and consumption need to change and they need to do so radically. For this shift sustainability-oriented product-services are highly potential contributors. Product-services has been described as a market proposition that extends the functionality of a product beyond the traditional view by inclusion of additional services into the system. From a producer perspective this opens up for a differentiation from competitors and thereby for strategic market opportunities. For the customer this means the possibility to be released from responsibilities linked to asset ownership, more differentiated options and increased function availability. For society at large it means the possibility to gain sustainability achievements.

However, the market adoption of product-services or functional products brings with it significant challenges. The demand side is still hesitant to ownerless consumption and the supply side faces economical and company culture-related challenges. The challenges also include customer-related challenges and the development of product-services will require joint efforts of a number of actors along the value chain, actors that traditionally have been outside the buyer-seller relationship. Product-services need to be developed on a case-by-case basis and involve the users perspective from initial need phase until end-of-life in a collaborative process that is not practice today.

This paper explores the strategic position of a procurer in this development. It aims at provide guidelines for procurement processes on how to successively and systematically utilize its potential as drivers for sustainability-oriented product-service solutions. Three procurement cases are studied for which a movement from a traditional product-oriented process to a functional-oriented process was the selection criteria. These cases were used to gain a deepened understanding of drivers and barriers for function-oriented procurement processes.

A template for sustainable product development is used as a base for the development of the guide *What a procurer can do?* The result from the cases is used to adapt the guide to current procurement processes and to meet the procurers where they are today.