FROM PILOTS TO FUTURE-FIT BUSINESS MODELS

Scaling Business Models That Deliver Commercial, Environmental, and Social Value

BSR

FORUM FOR THE FUTURE

FOREWORD

We know that businesses have a critical role to play in creating a more sustainable future. Across industries, there is no shortage of promising ideas, pilots and innovations demonstrating that it is possible to create value for business, people and planet simultaneously – the challenge is what happens next.

Too often, promising initiatives remain at the edge. They prove what is possible, but struggle to become commercially viable, influence the core business model, or reach the scale needed to deliver meaningful impact. At a time when environmental and social pressures are intensifying, moving from experimentation to implementation is becoming increasingly urgent.

From our different vantage points, we have both seen that scaling sustainable business models is rarely about finding a single breakthrough idea. It is about creating the conditions that allow good ideas to take root and grow – connecting sustainability to the business imperative, designing for real customer and stakeholder needs, building the right internal capabilities and partnerships, changing how success is measured, and giving people permission to test, learn and adapt. That is why this report matters.

From Pilots to Future-Fit Business Models brings together practical lessons from businesses working through this challenge today. Rather than offering a single blueprint, it identifies ten unlocks that can help leaders understand where progress is getting stuck and what they can do differently. Together, they show that scaling is not simply the final stage of innovation. It needs to be designed from the start.

For us, one of the most important messages is that sustainability cannot remain the responsibility of sustainability teams alone. Bringing future-fit business models into the mainstream requires people across strategy, innovation, finance, marketing, operations and leadership to see both their role and the value they can create.

We hope this report encourages leaders to look again at the promising ideas already within their organizations. Which are ready to move beyond the pilot? What is standing in their way? And what would become possible if we deliberately cultivated the conditions for them to succeed?

The opportunity now is not simply to generate more good ideas. It is to help the best of them become how business gets done.

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INTRODUCTION

In 2024, BSR and Forum for the Future decided to join forces to explore how businesses can reconcile economic value creation with planetary boundaries and the need for a just transition. This report builds on that collaboration and reflects a shared view: that the next phase of corporate sustainability can be powered by business model innovation that advances environmental and social goals while strengthening business resilience. By rethinking what is produced, how it is used, who benefits, and how value is created and distributed, businesses can respond to today's volatility while becoming better equipped to thrive over the long term.

The report draws on insights gathered through Forum for the Future and BSR's long-track record of successful collaborations with businesses in circularity and regeneration. It also showcases learnings from interviews with nine diverse businesses conducted in the period April-July 2026, alongside BSR and Forum for the Future's wider work on business transformation, future-fit business models, climate transition planning, consumption, and regenerative approaches. The sectors captured include retail, fashion, beauty, consumer goods, sports goods, built environment, household goods, and forestry. Contributors were large businesses with significant representation across the UK, Europe, and the Americas.

It is designed primarily for sustainability leaders and teams seeking to use business model innovation as a lever for business transformation, as well as the strategy, innovation, finance, commercial and operational teams they work alongside. It shares practical insights from businesses already testing or scaling future-fit models and identifies the internal and external conditions that can help promising pilots become viable business models. Sustainability teams have an important role to play in catalyzing this innovation, but they do not need to own it. They can help identify where existing business models are creating tensions with climate, nature and social ambitions and help the wider business see the opportunity, connect the right capabilities and embed sustainability into how value is created.

WHY BUSINESS MODEL INNOVATION MATTERS NOW

Many businesses are reaching the limits of 'sustainability as usual.' In the past few years, they have set climate, nature, and social goals while continuing to operate business models that were designed for linear growth, high resource throughput, and short-term financial optimization. Early movers are increasingly acknowledging the tension between growth and sustainability in their current models, and despite meaningful progress, even many purpose-oriented and ambitious businesses are struggling to operate within safe planetary boundaries while delivering on financial expectations. The persistent disconnect between sustainability ambitions and business value creation can make those ambitions vulnerable when commercial pressures intensify, contributing to the retreat from some corporate targets. Business model innovation can help businesses close this gap, helping reduce risk amid volatility, and capture new economic opportunities.

Business action is critical to achieving global climate, nature, and societal goals. Circular, repair, resale, product-as-a-service, regenerative, sufficiency-oriented, and other future-fit models can support decarbonization, reduce resource pressures, create new revenue streams, strengthen resilience and supply chains, and improve access and affordability. However, these models do not scale simply because they have sustainability benefits. They scale when they solve user needs, make commercial sense, are operationally designed for scale, and are supported by the right internal and external conditions. These models are not only about waste reduction or product innovation - at their best - they represent business transformation: changing how businesses create value, generate revenue, manage resources, serve customers, and build resilience.

WHAT DO WE MEAN BY FUTURE-FIT BUSINESS MODELS?

A business model describes how an organization creates, delivers, and captures value. A future-fit business model does this in ways that are economically viable while helping the business maximize resilience by operating within environmental constraints set by planetary boundaries and advance just, resilient, and regenerative outcomes.

This report uses 'business model innovation' to refer to changes in the way value is created, delivered, and captured — not simply a new product, campaign, or standalone sustainability initiative. A recurring lesson from the interviews conducted is that businesses often blur product innovation, sustainability initiatives, and business model transformation. A new product, pilot, or sustainability program may contribute to business model change, but should not be defined as a new business model.

> 'A business model is how your organization operates and makes money. Innovation can help evolve it, but the two should not be confused.'

Business model innovation becomes meaningful when it changes the value proposition, revenue model, cost structure, customer relationship, supply chain, ownership model, or the way value is shared across stakeholders.

REPAIR AND MAINTAIN Extending product life through maintenance, repair, upgrades, and spare parts	**PEER-TO-PEER** Enabling shared use or resale between users, often through platforms or marketplaces	**PRODUCT AS A SERVICE** Shifting from one-off product sales to ongoing access, performance, or service models
MADE TO ORDER Reducing overproduction by aligning production more closely with demand	**DEMATERIALIZATION THROUGH DIGITALIZATION** Replacing or reducing physical products, processes, or transactions through digital alternatives	**PORTFOLIO REFOCUSING** Reducing or exiting products, activities, or markets that are misaligned with sustainability goals
SUFFICIENCY Helping customers meet needs with less material and energy throughput	**CIRCULARITY** Keeping products, components, and materials in use through reuse, resale, refurbishment, remanufacturing, and recycling	**REGENERATION** Creating positive outcomes for ecosystems and communities through the business model itself

10 UNLOCKS FOR FUTURE-FIT BUSINESS MODELS

'There is no single blueprint for business model innovation.'

The following ten unlocks capture the patterns that emerged across interviews. Despite spanning different industries and regions, the businesses interviewed arrived at remarkably similar conclusions. What stood out was not the technologies they were investing in, but the ways they were changing how they innovate, make decisions, measure success and work with others.

The ten unlocks are not generic innovation advice; they are hard-earned lessons from businesses trying to move beyond promising pilots and embed future-fit business models at the heart of their business.

1. Solve tomorrow's business problem, not today's sustainability problem
2. Leverage pilots to de-risk scale
3. Design for customer behavior, not customer intentions
4. Create an ecosystem of complementary business models
5. Change the scorecard before asking people to play differently
6. Build a culture where future-fit business models can thrive in
7. Make transformation part of how the business is governed and rewarded
8. Earn permission to scale
9. Policy creates markets - advocacy shapes them
10. Co-create the business model across the value chain

1. SOLVE TOMORROW'S BUSINESS PROBLEM, NOT TODAY'S SUSTAINABILITY PROBLEM

The organizations making the most progress are not trying to convince their executives to invest in sustainability. They are redesigning their business models to solve the challenges that will define competitiveness over the next decade: constrained resources, changing customer expectations, affordability, resilience, supply security and new sources of value. This is a subtle but fundamental shift. Sustainability is no longer the objective that needs a business case. Instead, it becomes the mechanism through which the business addresses its future commercial challenges. Across the interviews, the initiatives that gained traction internally were those positioned as solutions to business problems first—with sustainability as the consequence rather than a justification. In other words, the question is no longer 'How do we make sustainability commercially attractive?' It is 'How do we benefit from initiatives that bring business value, which also happen to be environmentally and/or socially sustainable?'

'You must have a business why. The virtuous why won't get you there.'

'Innovation is core to our competitiveness'

Target's Car Seat Trade-In program illuminates this evolution. It began in 2016 to help families get rid of and recycle unwanted or expired car seats while receiving savings on select new baby products. Initially, third-party organizations coordinated the reuse of car seat components in secondary markets. Today, recycled car seat materials are finding another purpose within Target's owned brand assortment, including Brightroom and Room Essentials products.

Start with the strategic challenge your company needs to solve—whether that's affordability, resilience, resource security, customer loyalty or new growth. The strongest business models make sustainability inseparable from business success, so that scaling them is no longer a sustainability decision, but a commercial one.

2. LEVERAGE PILOTS TO DE-RISK SCALE

‘We don't want to be an organization of perpetual pilots.’

The businesses making the greatest progress are not trying to eliminate risk before innovating. They recognize that uncertainty is unavoidable when developing future-fit business models. Instead of waiting until all the answers are known, they use pilots to systematically reduce uncertainty—about customers, operations, economics and scalability.

Across the interviews, successful pilots were designed as learning mechanisms rather than demonstrations of technology. They helped businesses understand customer demand, operational requirements, commercial viability, organizational readiness and the conditions required for scaling. The objective was not simply to prove an idea, but to build enough confidence to make the next investment decision.

***Mercer International** illustrates this particularly well. Its one-ton-per-day lignin plant was never intended as a commercial enterprise. It was built to understand customer applications, production costs, operating performance and whether the value proposition justified investment in a facility thirty thousand times larger.*

***Target** is taking a test-and-learn approach with its Textile Drop Spot™ program, testing collection programs that engage guests and generate materials for own-brand products. Building on learnings from its initial California pilot, Target expanded Textile Drop Spot™ to more than 300 stores statewide.*

***Decathlon** stressed the importance of shortening the learning cycle. The objective was to move rapidly from Proof of Concept through Minimum Viable Product to scalable business model, avoiding the trap of remaining in experimentation for too long.*

A pilot works when it provides useful evidence to invest in scale.

3. DESIGN FOR CUSTOMER BEHAVIOR, NOT CUSTOMER INTENTIONS

‘Customers aren't buying it because it's sustainable. They seek multiple benefits but mostly convenience.’

Many sustainable business models fail because they assume customers will change their behavior simply because a product is more sustainable. Our learnings suggest the opposite - businesses that are successfully scaling new business models are reducing the effort required from customers by embedding sustainability into products and experiences that are already desirable. Rather than asking customers to make greener choices, they are redesigning the value proposition around convenience, affordability, aesthetics, reliability or peace of mind. Sustainability becomes almost invisible; it is delivered through better customer experience rather than requiring customers to consciously choose it. This shifts the question from ‘How do we convince customers to behave differently?’ to ‘How do we make sustainable behavior the easiest or most valuable option?’. To scale effectively, business leaders must be ready and willing to re-evaluate the desirability, viability, and feasibility continually. Do we have the right solutions to solve the end problem? Are we clear about the economics?

Electrolux's *fixed-price repair model illustrates this well. The innovation is not the repair service itself but better clarity for the customer. Customers know the repair cost upfront, making repair a simpler and less risky alternative to replacement.*

3M’s *adhesives support Right to Repair by providing a strong bond during use but can still be de-bonded, allowing customers to choose both performance and repairability.*

A global personal care brand *also found that a refillable product gained traction by delivering benefits beyond sustainability. Its premium design, attractive look and portability made it desirable, while the refill format added convenience and functionality for customers.*

Don't ask customers to care more. Design your products and services, so they don't have to. The most scalable innovations reduce friction rather than relying on behavior change campaigns or stronger sustainability messaging.

4. CREATE AN ECOSYSTEM OF COMPLEMENTARY BUSINESS MODELS

The businesses making the greatest progress are not scaling individual business models. They are building portfolios of complementary business models that reinforce one another and create more resilient systems of value creation.

'Business models don't scale in isolation, they reinforce one another.'

Through the interviews, businesses repeatedly described business models working together rather than competing for resources. Repair enables resale. Product-as-a-service enables refurbishment. Take-back enables remanufacturing. Digital services enable maintenance. The business model becomes an interconnected system rather than a standalone innovation.

Decathlon *provides a good illustration: A bicycle may first be leased through a subscription model, then repaired, refurbished, resold through Second Life and eventually recycled. Each business model strengthens the next, extending product life, while creating multiple sources of customer value and revenue.*

Signify *follows a similar logic: Light-as-a-Service enables remanufacturing because the company retains ownership of lighting assets, allowing products to be upgraded, refurbished and redeployed across multiple customer sites.*

Connect complementary business models into systems that create multiple forms of value while making each individual model stronger.

5. CHANGE THE SCORECARD BEFORE ASKING PEOPLE TO PLAY DIFFERENTLY

'If a business case is only creating a financial return, then my fear is that it is buttressing the status quo.'

The businesses making the greatest progress recognize that future-fit business models cannot succeed if they continue to be evaluated using yesterday's metrics. Traditional financial measures remain essential, but on their own they fail to capture many of the sources of value these business models create; including resilience, resource productivity, avoided risk, customer loyalty, carbon reduction and positive impacts on nature and society. Across the interviews, businesses described expanding, not replacing, their definition of value. Rather than abandoning financial discipline, they are building decision-making frameworks that combine commercial performance with environmental and social outcomes. This allows future-fit business models to compete on a more complete picture of value.

Natura *uses [Integrated Profit & Loss (IP&L)] to guide capital investment and innovation decisions by measuring performance across four capitals. Crucially, the framework does not allow positive performance in one area to compensate for harm in another, reinforcing the company's ambition to become regenerative rather than simply less harmful.*

L'Oréal *has put eco-friendly design at the heart of its business model to ensure every new product iteration performs better across multiple environmental dimensions before reaching the market.*

Electrolux *uses green financing to reinforce accountability for its sustainability commitments. With around a quarter of its capital raised through green financing, its lenders link access to finance to the delivery of specific sustainability outcomes, creating an additional financial incentive to meet its targets.*

Don't ask future-fit business models to compete using yesterday's scorecard.

6. BUILD A CULTURE WHERE FUTURE-FIT BUSINESS MODELS CAN THRIVE IN

'Culture is what people do when nobody is looking.'

New business models become scalable only when they are reinforced by the organization's culture, when they influence everyday decisions, shape priorities across functions and become part of how the business operates. Across the interviews, culture consistently emerged as the operating system that determines how people respond when trade-offs arise. It influences whether teams redesign products for repairability, collaborate across silos, prioritize long-term value over short-term optimization and continue supporting transformation even before the commercial case is fully proven. Leadership emerged as the catalyst for this transformation. Executive sponsorship gives teams permission to experiment, mobilizes resources and protects long-term innovation from short-term commercial pressures.

***3M** is investing in future-focused innovation and ventures across high-growth areas such as passive cooling films, energy-saving optical technologies, EV (electric vehicle) battery materials, green hydrogen, and grid technologies, while using venture partnerships and internal pilots to help emerging solutions advance toward commercial scale.*

***Decathlon** described circularity as part of its DNA, helping repair, resale, and subscription models move beyond dedicated circularity teams and become embedded across stores, logistics, finance, and product functions.*

***Natura**'s ambition to become regenerative is part of the company's identity rather than a separate sustainability program, giving legitimacy to new business models and decision-making tools such as their IP&L.*

Culture cannot be created through a sustainability strategy alone. Companies should consider whether their purpose, leadership behaviors, talent, internal narratives and ways of working reinforce or undermine the business model transformation they are seeking.

7. MAKE TRANSFORMATION PART OF HOW THE BUSINESS IS GOVERNED AND REWARDED

Culture creates the conditions for transformation, but governance makes it durable. For future-fit business models to scale, they cannot depend on a handful of committed individuals. They need to be hardwired into how the company sets priorities, allocates capital, measures performance and rewards leaders. Executive sponsorship can create the initial mandate and protect experimentation, but governance turns that mandate into sustained action—by establishing clear accountability, integrating new business models into strategic and financial decision-making, and ensuring progress is regularly reviewed at the highest levels of the organization.

> 'Transformation needs to move from individual champions into the systems that govern how the business operates.'

Signify *integrates sustainability into its commercial strategy, reviews progress quarterly at Board level and holds business leaders accountable for delivery.*

Decathlon *connects circularity directly to the Executive Committee while embedding ownership across stores, logistics, finance and product teams.*

Electrolux *links long-term incentives for around 800 leaders to both carbon dioxide (*CO_2*) reduction and financial performance.*

If governance, incentives and everyday decision-making remain unchanged, the organization will eventually pull innovation back towards the status quo.

8. EARN PERMISSION TO SCALE

'You have to have a sponsor and enrollment.'

Scaling future-fit business models is not a single investment decision. It is a process of continuously earning organizational confidence. The businesses making the greatest progress recognized that every pilot, every customer and every operational milestone build the evidence needed to unlock the next stage of investment.

Across interviews, businesses repeatedly described building internal credibility through measurable progress. They demonstrated customer demand before expanding, proved operational feasibility before investing further, strengthened financial models as uncertainty declined and deliberately stopped projects that failed to build confidence. Scaling therefore became a sequence of evidence-based decisions rather than a leap of faith: earn permission to scale by proving what matters to the business and let go of what does not.

Mercer International *used successive pilot investments to build confidence before committing to major capital expenditure.*

One leading consumer products company *strengthened the financial and commercial case for a take-back program as it moved from pilot to rollout, reframing the opportunity to align with evolving leadership priorities and business needs.*

Future-fit business models earn the right to scale by progressively demonstrating customer value, commercial viability and operational readiness.

9. POLICY CREATES MARKETS - ADVOCACY SHAPES THEM

> 'Entity-level transformation is important because it shows what is possible. But it will not create the change we need on its own.'

Policies do not simply regulate markets; they help create them. Across interviews, businesses consistently argue that advocacy is not separate from business model innovation; it is part of the work of creating the market conditions in which future-fit business models can compete. Even the strongest commercial proposition can struggle to scale if the market continues to favor incumbent linear models. Rather than solely seeking to comply with regulation, leading businesses are asking 'How do we help shape the rules, incentives and infrastructure that allow better business models to scale?'

Through the interviews, businesses consistently described advocacy to remove structural barriers, reduce investment risk and accelerate commercially viable solutions. They also cautioned against relying on regulation alone. The strongest business models stand on their own commercial merits, while using policy to unlock faster adoption and broader system change.

Mercer International *illustrates the role policy can play in reducing investment risk. Public funding, tax incentives and supportive policy frameworks were instrumental in making several capital-intensive projects commercially viable, including its lignin pilot and carbon capture investments. Rather than replacing the business case, policy helped de-risk investments in technologies with long-term strategic value.*

Decathlon *collaborates with various organizations and European Commission working groups to influence regulations on circular products and services, facilitating the scale-up of circularity.*

Build business models that survive political cycles.

10. CO-CREATE THE BUSINESS MODEL ACROSS THE VALUE CHAIN

The businesses making the greatest progress recognize that future-fit business models rarely fit within the boundaries of a single organization. They depend on capabilities, infrastructure and influence that are distributed across suppliers, customers, logistics providers, technology partners, recyclers, financiers and policymakers. As a result, collaboration is no longer a supporting activity, it becomes part of the business model itself. Through the interviews, businesses consistently described moving beyond transactional relationships towards long-term partnerships built around shared learning, shared investment and shared risk. Rather than trying to build every capability internally, they focused on orchestrating the capabilities required for the business model to function.

> ‘It's just a classic systems challenge - you've got to pull all the levers and might not be able to pull them alone, which is why partnerships are so important.’

Signify *illustrates this particularly well. Its circular lighting models depend on suppliers to develop recycled materials, customers willing to participate in remanufacturing schemes, logistics partners to support reverse flows, universities to accelerate innovation and industry associations to shape enabling policy. The business model works because these actors evolve together—not because Signify controls every part of the system.*

Distinguish between transactional suppliers and transformation partners.

CONCLUSION

Businesses face real barriers in achieving their economic and sustainability goals amid a changing environment, and face genuine business risks as climate change and natural resources degradation increasingly affect business models and value chains. Commercial pressures, fragmented regulation, infrastructure gaps, shifting customer behavior, and competing organizational priorities can all make it difficult for businesses to act to address these risks now. But the experiences shared throughout this report demonstrate that sustainable business model innovation is not only possible: it is a solution to withstand volatility and keep the business competitive in the longer term.

The organizations leading this transition are not waiting for perfect conditions. They are testing new approaches, learning quickly, collaborating across value chains, and helping shape the markets and policies needed for change. The future will not be shaped by those that simply make today's business models more sustainable. It will be shaped by businesses willing to redesign how value is created. Now is the time to move beyond pilots and build the future-fit business models that will power a just, resilient, and net-zero economy.

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- Decathlon (France) – a multinational sports goods retailer
- Electrolux (Sweden) – a multinational home appliance manufacturer
- L'Oréal (France) – a multinational cosmetics and personal care corporation
- Mercer International (U.S.) – a global forest products company
- Natura (Brazil) – a global personal care and cosmetics group
- Signify (Netherlands) - formerly known as Philips Lighting N.V. - a multinational lighting corporation
- Target (U.S.) – a general merchandise retailer
- Anonymous - a global company specializing in couture, accessories, cosmetics and personal care products

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ADDITIONAL RESOURCES

- The Elephant in the Sustainability Room
- Redefining Business Growth within Planetary Boundaries
- Reflections from CWNYC: The Tension Between Pragmatism and Ambition
- Business Value of Sustainability: Trajectory and Strategies
- Redesigning Sustainable Business Amid Global Realignment
- Transforming Consumption
- A compass for just and regenerative business (report and guide)
- Redefining 'The good life': Why and how consumption needs to change
- The Business Transformation Compass 2.0 (guide and toolkit)
- Business driven solutions to transforming consumption

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Forum for the Future is a leading international sustainability organization. For 30 years we have been working in partnership with business, governments, and civil society to accelerate the shift towards a just and regenerative future in which both people and the planet thrive. Forum is focused on enabling deep transformation in three game-changing areas: how we think about, produce, consume, and value both food and energy, and the purpose of business in society and the economy.

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