On the Circular Supply Chain’s Impact on Revenue Growth for Manufacturers of Assembled Industrial Products – a Conceptual Development Approach

Materials scarcity, legislative compliance, and cost savings opportunities drive firms to take back used products from their customers for reuse, recovery, and recycling. For this purpose, firms implement circular supply chains. Although academia has given circular supply chain related topics considerable attention since the 1990s, the relationship between the circular supply chain and the firm’s revenue growth remains under-researched. Using revenue growth theory, this study examines how the use of circular supply chains can grow the revenue of manufacturers of assembled industrial products (e.g. process equipment and engines). Findings show that the circular supply chain can increase revenue streams from the firm's existing markets, create market opportunities in new geographies, and provide access to market segments un-addressable with the firm’s new products. The paper adds to understanding of the circular supply chain and provides research suggestions into the revenue potential inherent in circular supply chains.

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