**Business Model Case Study Description**

**Company:** Oerlikon Leybold Vacuum GmbH

**Locations:** Germany

**Type:** Original equipment manufacturer

**In reman:** Since 10 years

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**Product**

Vacuum solutions

**Core Sourcing**

Buy-back: Oerlikon Leybold Vacuum buys used products from customers. The company offers an on-line buyback request template, which can be used to submit a buyback request to Oerlikon Leybold Vacuum. The template includes such items as material number, serial number, year of production, general condition (not used, normal usage marks, severely damaged, or total loss), and price expectation (not all of the items must be filled in).

**Business Model (including value chain and reman process)**

Oerlikon Leybold Vacuum is a manufacturer and full-line supplier of vacuum solutions including repair and remanufacturing. Its main driver for remanufacturing is a profitable contribution to sustainability. The major benefits for customers are lower prices for the same quality as newly manufactured products (a 12-month warranty is always granted and 3-year warranty is optional). The benefits of buyback for customers include no tied-up capital and no scrapping costs. Customer groups buying remanufactured products (e.g. research laboratories) are different from those who always buy newly manufactured products (e.g. large system integrating firms).

The remanufacturing process is the same as normal repair and consists of: 1.) quality check by eyesight, 2.) decision to refurbish (if not, going to scrap), 3.) repair, 4.) pack like new, and 5.) shipping. The key resource is the company’s extensive know-how and a dedicated staff, as the variety of products requires complex techniques.

The company’s main challenges are to optimize the offering to the specifics of the respective markets and set appropriate prices.

**Economic Benefits**

For customers, an economic benefit is lower prices: remanufactured products are in general 60% cheaper than new ones.

For Oerlikon Leybold Vacuum, remanufacturing means reinforcing environmental aspects and enhancing the after-sales business to third parties. This is seen as a major economic and economical benefit.

**Environmental Benefits**

An environmental benefit is seen as saved resources and sustainability.

**Social Benefits – Jobs, Upscaling, etc.**

Making the company’s products affordable to low-income buyers, especially those in emerging countries.

**Advanced Materials Recovery**

Special surfaces are disposed of, if worn out, because they are hard to recover.