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Circular Playbook LatAm

The methodology in brief

Seven stages to find, assess,
finance and test circular
opportunities in your company





Circular Playbook LatAm. The methodology in brief.

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The full Playbook is published in Spanish, with its Excel tools. An English edition is in preparation.

Starting frameworks. The method builds on published circular economy frameworks: the *Nordic Circular Economy Playbook* by Nordic Innovation (2021) and its 2.0 version, by Nordic Innovation and Accenture (2022), Sitra's work on circular business models for manufacturing (2018) and the Accenture books by Lacy and Rutqvist (2015) and by Lacy, Long and Spindler (2020). Figure credits cite them in short form, as the "2021 playbook" and the "2022 playbook 2.0". The two-cycle diagram is adapted from the Ellen MacArthur Foundation. None of those organizations or their authors sponsor or endorse this document.

The illustrative cases are fictitious: they were built with the Playbook's tools and do not correspond to real companies.

This document is an educational resource. It is not legal, tax, financial or investment advice.

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Who it is for and what you will achieve

A route from idea to pilot, with an owner, a figure and a date

This document summarizes the methodology of the Circular Playbook LatAm. It is free and you can read it in an afternoon. It explains why the method is built this way, what you decide at each stage, which tool you use and how you know you can move on to the next one.

It is written for manufacturing companies in Latin America: agribusiness and food, fishing, mining, textiles, construction and packaging, from the MSE (micro and small enterprise) to the large company. It works just as well if you are starting out as if you already have circular projects under way.

MSES

One owner and a spreadsheet

You go through the seven stages with two or three people, one submodel and a low-cost pilot. Your effort goes into weighing your flows and building a value case with few figures and their assumptions in plain sight.

MEDIUM-SIZED AND LARGE COMPANIES

A cross-functional team

Your effort goes into the project charter, into a team from operations, finance, procurement and sales, and into bringing your MSE suppliers on board. You scale only with a verified pilot result.

ADVISORS AND FUNDERS

Consultants, business associations, funds and banks

You use the route to know what to ask of a company at each point and what evidence to expect before you approve a step or a disbursement.



When you finish reading, you will be able to

- 🕒 Explain in five ideas why circularity can be a business decision in your company.
- 🕒 Place your company on the route and name the deliverable it needs to move forward.
- 🕒 Know which tool to use at each step and where you work on it: in the Circular Transition Kit, in the Playbook Excel tools, or by hand with the book template.
- 🕒 Start this week with the free kit and a specific question about your company.

MSE: micro and small enterprise (*MYPE* in Spanish). In other countries of the region these are grouped with medium-sized companies as MSMEs (*mipymes*).

🕒 KIT • CLAUDE

Work through this method with your company

🕒 circular-transition-kit

FOR CLAUDE

The Circular Transition Kit is free and works inside Claude. It asks about your company, goes through the 17 submodels with you and makes a first feasibility estimate while you read this summary.

Request your access at circularclub.la/kit

WRITE IN CLAUDE

> I want to find the circular economy opportunities in my company. Let's start._

circularclub.la/kit

FREE



Start here

How to go through the method according to your company's size

The seven stages run in the same order, in an MSE or in a large company.

What changes is what you read first, the hours, what you buy and the calendar. The table tells you where to begin.

	MSE	LARGE COMPANY
Read first	Stages 0, 1 and 3 in full. In the others, the steps and «Ready when»	The problem and the thesis for the committee, the route and Stages 0, 1, 3 and 6 in full
Hours per stage	Owner and 2 or 3 people, one day a week. Stage 0, 8 hours. Stage 1, 16 hours plus daily records. Stages 2 to 5, 8 to 16 hours each. Stage 6, 1 to 2 hours a month	Core team of 4 to 6 people with assigned hours and a committee every two weeks. Stage 0, 2 to 3 weeks. Stages 1, 3 and 4, 4 to 6 each. Stage 2, 3 to 4. Stage 5, 2 to 3
Start-up cost	Your time, a phone, a spreadsheet, a calibrated scale and one external lab test per batch (a few hundred USD, to be quoted). The pilot is capped at its maximum loss: in the cocoa cooperative, about USD 7,900, almost all of it the composting unit	The hours of the core team and the committee, and third-party verification before declaring figures. The canning plant's pilot needs no investment
Calendar	Stages 0 to 5 in 6 to 8 weeks, or 9 to 11 if you collect data. P1 at the end of month 3 of the pilot and P2 in month 12	Stages 0 to 5 in 12 to 20 overlapping weeks, 19 to 28 in series. P1 in month 3, committee in month 6 and P2 in month 9
On Monday	Name the owner, choose a product line and start a notebook with the 3 to 5 heaviest flows	Ask management for the project charter: owner, team with hours, scope and diagnosis budget

The codes you will see

H01 to H12 are the 12 tools. N1 to N8, the baseline indicators. C1 to C9, the company's capabilities, and K1 to K15, people's competencies. P1 and P2 are the pilot's two gates: the date when someone with authority decides whether it scales, is adjusted or is closed.



How to read this document

First the why, then the route, then each stage in the same order

The document moves in four parts. First, the problem and the thesis. Second, the method in five ideas. Third, the seven-stage route and why it runs in that order. Fourth, one section per stage. At the end you will find the Circular Transition Kit and how to continue.

Every stage follows the same pattern, so you always know where you are.

PART	WHAT IT TELLS YOU
The question	What the stage decides
You arrive with and you leave with	What the previous stage gave you and what you hand to the next one
The steps	What you do, in order, and with which tool
The tool	What each tool of the stage decides, what it needs and what it delivers, with an excerpt from the guide case
The guide case	What the illustrative cases did at that stage
Ready when	The conditions for moving to the next stage
In the Playbook	Where to find the full explanation

Each figure has an introduction

Each figure is preceded by a short paragraph that says why it appears there and which step it moves forward. Figures are numbered in a single series, from 1 to 35. Tool figures also carry the tool code, for example “Figure 11 · Tool H06”.

Two guide cases go with you

A cocoa cooperative in Peru (an MSE) and a canning plant in Colombia (a large company) go through the stages. Where the network matters, a third case appears: the north coast corridor, where six organizations exchange by-products. These are illustrative cases built with the Playbook’s tools, not real companies. They show what happens when the numbers work out and when they do not.

How to read the numbers

All money is in US dollars, with the code first: USD 7,500. Figures use a comma for thousands and a point for decimals: 13.6% and 1,500 t.

The problem and the thesis

The linear chain lets value escape at every link, and recovering it is a business decision

In recent years Latin America has built up national strategies, roadmaps and diagnoses for the circular economy. Almost all of them agree on the destination. Few tell a plant manager or the head of a cooperative what to do first, with whom and with what numbers.

In plants, the waste is in plain sight. The waste contractor sends a bill every month, and someone has already had the idea of selling the husks or recirculating the water. The idea goes nowhere because nobody has measured the tonnes, nobody has built the cash flow and the project has no owner.

<1%

CIRCULARITY OF THE REGION

In the same measurement, the world reached 7.2%.

Circle Economy (2023)

99%

COMPANIES THAT ARE MSMEs

They provide 61% of formal employment in the region.

ECLAC (2019)

40%

OF MATERIAL CONSUMPTION IS BIOMASS

An approximate figure, almost double the world average.

Husks, bagasse and fish discards are the first seam of value.

Circle Economy (2023)

22.5%

SMALL BUSINESS CREDIT

Average annual rate at Peru's *cajas municipales* (municipal savings and credit banks), over one year.

SBS (August 2026)

Four traits mean the region needs a route of its own.

- 🕒 **MSEs hold up the chain.** A guide written only for large groups leaves out almost the whole supply chain.
- 🕒 **Capital is expensive.** At a rate of 20% or more, a circular project struggles to add up. That is why the method tests the financing before you invest.
- 🕒 **Almost nothing is measured.** Two thirds of the region's waste is not even recorded, and much of the recycling is done by grassroots waste pickers with no records. A plant that weighs its flows stands out with its buyer and its bank.
- 🕒 **Almost everything is about recycling.** Of 58 documented cases in seven sectors, 36 have resource recovery as their main model and

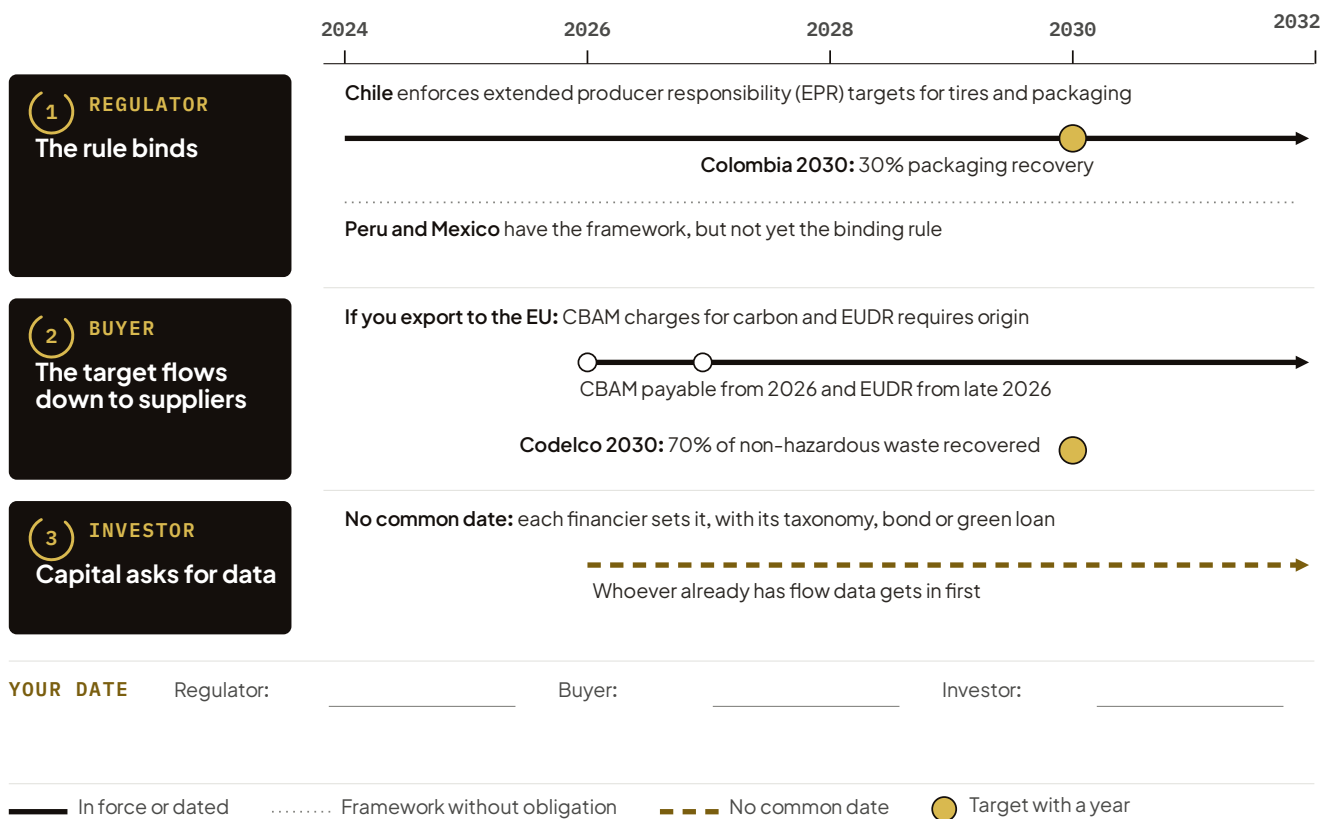
only one sells the product as a service. The open space lies in extending the life of what already exists and in selling its use.

At the same time, three actors are applying pressure. The regulator sets extended producer responsibility targets. The large buyer passes its targets down to its suppliers. The investor asks for data before lending. If you export to the European Union, origin, carbon and recycled content are already conditions of sale.

Figure 1 puts a date on those pressures. It appears here because Stage 0 asks you to note which of the three actors already presses your company, and since when.

FIGURE 1

Pressures with a date: who sets them and when they arrive



Rules and targets: the Playbook, section I.3. CBAM payable from 2026. EUDR from 30 December 2026 for medium and large companies and from 30 June 2027 for micro and small ones, Regulation (EU) 2025/2650.

SOURCES Circle Economy, *Circularity Gap Report Latin America and the Caribbean* (2023, 2018 data) · Economic Commission for Latin America and the Caribbean (ECLAC, CEPAL in Spanish), *Mipymes en América Latina* (MSMEs in Latin America, 2019) · Superintendencia de Banca, Seguros y AFP (SBS, Peru's banking, insurance and pension fund regulator), average rates of the *cajas municipales* (August 2026) · Circular Club, Sector profiles, cases from seven sectors in Latin America (2026).

The thesis in two sentences

The circularity that pays is the kind that retains value: it keeps materials, products and components working at their best use, and does more than cut one waste stream in the plant. And in this region almost no company gets there alone, because one company's waste can be its neighbor's raw material, and the MSEs that hold up the chain need the same path as large companies.

That is where the method comes from. It talks about tonnes and money at the same time, because a circular project that cannot repay its loan never gets past the pilot, and not every circular project pays.



Why this approach

Six principles guide every decision in the method

The Playbook does not start from a list of technologies or a catalog of good practices. It starts from a business question: where does your chain lose value, and how much of that value can you recover with money you can afford? Six principles support that answer, and you will see them applied at every stage.

1

An owner with a target on results

The circular target belongs to whoever answers for the line's margin, not only to the sustainability team. Without that owner, the pilot is reported as impact and never makes it into the budget.

2 Measure before you invest

Without tonnes, any opportunity looks good, and without a baseline you cannot tell whether the pilot worked. An output with no evidence counts as 0%, even if the material is in fact recycled.

3 Tonnes and money at the same time

Every benefit in the value case is tied to a measured tonne, and every case is calculated at the rate for your company size, not at a textbook rate.

4 Prefer the innermost loop

Before you recover a flow, ask whether repairing, sharing or selling the service would avoid it. Recycling comes later, and burning falls outside the loop.

5 Work with your neighbors

Any model can operate as a network. One company's waste can be another's input, and an MSE that cannot fill a plant on its own can join a network.

6 Pilot small and decide with data

One opportunity per round, and a pilot with one customer, one partner, one indicator and one date. On that date you scale, adjust or close, and you claim only what you can prove.

 *For a company, the circular economy takes shape in business models that capture the value the linear chain lets escape.*

The method in five ideas

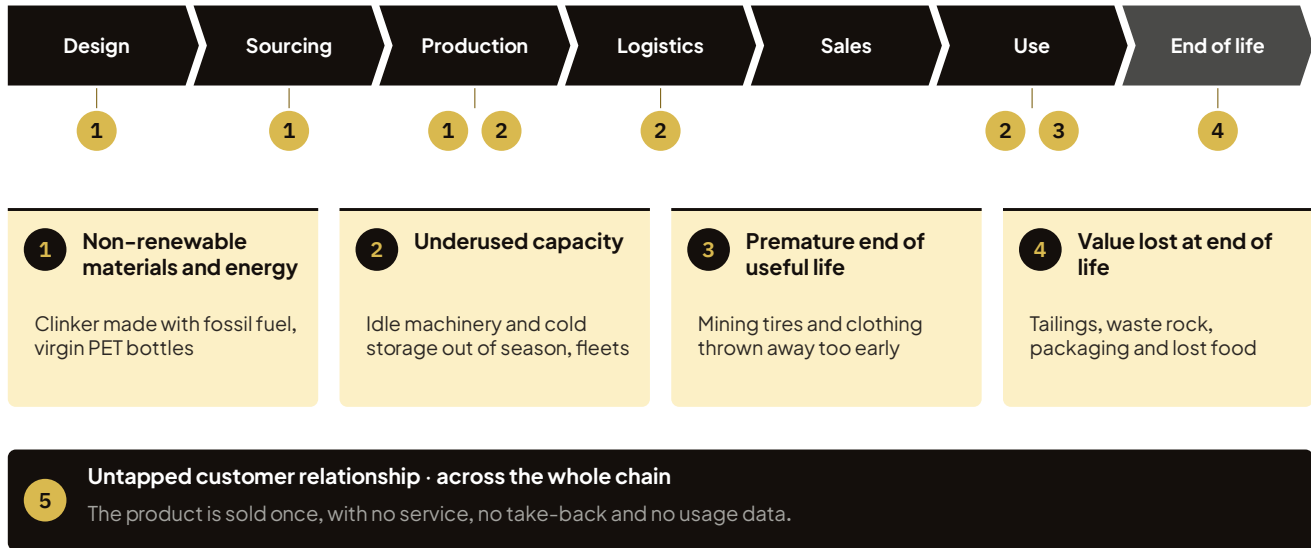
Where value is lost, how it is recovered, which order is preferred, with whom and how it is tested

The five ideas below are the core of the method. The seven stages of the route apply them one after another. If you understand these five, you understand why each stage asks for what it asks.

Figure 2 is the map where the whole diagnosis begins. It shows at which link each inefficiency appears, so you can locate yours before you think about solutions.

FIGURE 2

The five inefficiencies of the linear chain



Conceptual framework based on the work of Sitra (2018) and the 2021 playbook (Starting frameworks, in the credits).

IDEA 1 OF 5

Value is lost at five points in the chain

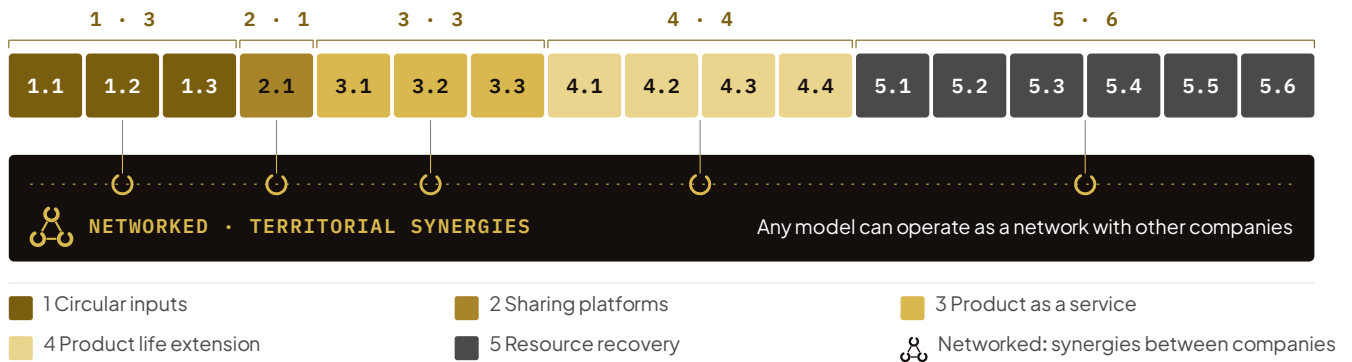
The circular economy designs out waste, keeps products and materials in use at their highest value and regenerates nature. For a company, the starting point is to see where its linear chain lets escape value it has already paid for. The method recognizes five inefficiencies, and Stage 1 rates them one by one in your chain.

Much of the waste is rational. A company does not throw material away out of carelessness. It does so because landfill is cheap, its targets reward volume and virgin input is inexpensive. That is why, before choosing a model, the method asks which incentive keeps each inefficiency in place.

Figure 3 is the complete catalog on a single line. It appears here because in Stage 2 you will choose from it, and it helps to see now that recycling is only one part.

FIGURE 3

Five models, 17 submodels and the Networked layer



Above each group: model · submodels

IDEA 2 OF 5

Five models and 17 submodels turn loss into revenue or savings

Each inefficiency has business models that tackle it. The method organizes them into five models and 17 submodels, which cover everything from product design to material recovery. Codes such as 5.3 give the model (first digit) and the submodel within it.

MODEL	WHEN IT ACTS	SUBMODELS
1 · Circular inputs	Before production	1.1 Durable and modular design 1.2 Circular inputs and renewable energy 1.3 Regenerative production
2 · Sharing platforms	During use	2.1 Sharing assets and capacity
3 · Product as a service	During use	3.1 By subscription 3.2 Pay per use 3.3 Performance as a service
4 · Product life extension	During use	4.1 Repair and maintain 4.2 Upgrade 4.3 Resell 4.4 Remanufacture
5 · Resource recovery	When material leaves the process	5.1 Post-consumer recycling and upcycling 5.2 Take-back and sale of production waste 5.3 Co-product valorization 5.4 Biological cascade 5.5 Secondary mining 5.6 Circular water



IDEA 3 OF 5

The tighter the loop, the more value it retains

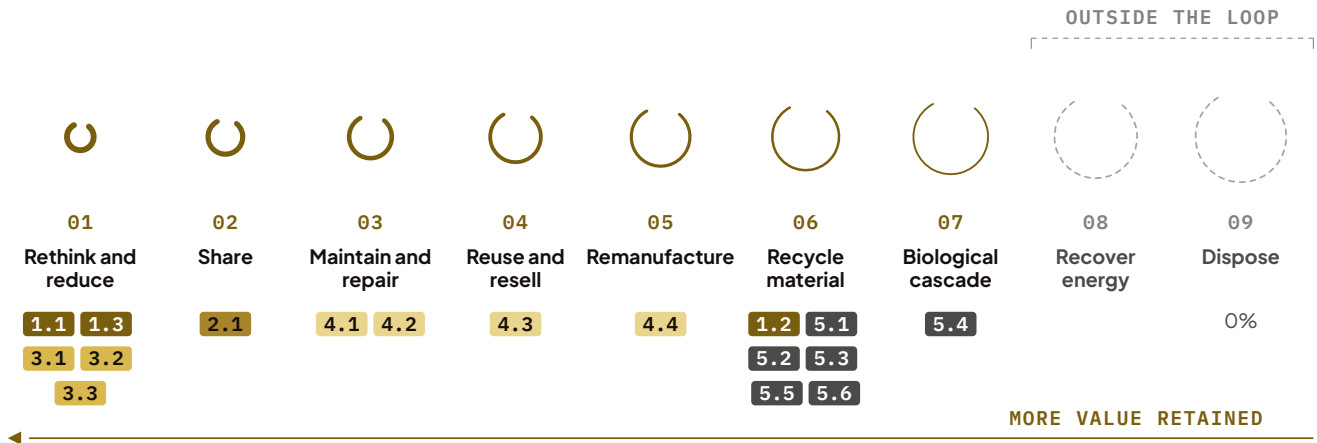
Repairing a piece of equipment keeps its design, its energy and its labor. Recycling it keeps only the material. Burning it recovers some energy and takes the material out of the economy. Hence the rule that orders the rest of the method: prefer the innermost loop, meaning the options closest to the user, and recycle afterwards.

Energy recovery, such as co-processing in cement kilns, saves fuel but destroys the material. That is why no submodel includes it and it does not count as a circular output. Choose it only if the waste has no material destination within an economic distance.

Figure 4 is the ladder you will use as a filter in step 2 of Stage 2. It lets you compare two ideas for the same flow and see which one keeps more value before you put a figure on them.

FIGURE 4

The value retention ladder



COCOA COOPERATIVE CASE

Three ideas for the same flow, the cocoa shells. The cooperative chose the flour and ruled out the kiln.

Flour and infusion
5.3
chosen

Compost
5.4
added

Cement kiln
ruled out

Case layer: cocoa cooperative, illustrative case built with the Playbook's tools, not a real company.



IDEA 4 OF 5

Any model can operate as a network

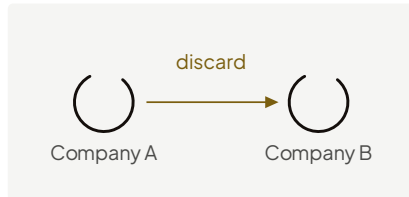
Some flows do not fit inside your fence. When another company in the territory takes what you have left over, or supplies what you lack, your submodel does not change: you operate as a network and each company earns under its own submodel. In the region, 21.4% of the cases reviewed operate as a network, compared with 11.4% of international cases. That is why the “Territorial synergies” layer is part of the method and not an extra.

A flow is counted once in each company. If you sell your husks, they go into your 5.3 and into the buyer's 1.2, never twice in your value case.

Figure 5 shows the three ways a network can be organized. It appears here so that, when you reach Stage 2, you also look for opportunities outside your plant.

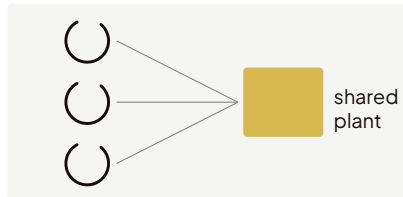
FIGURE 5

Three ways to operate as a network



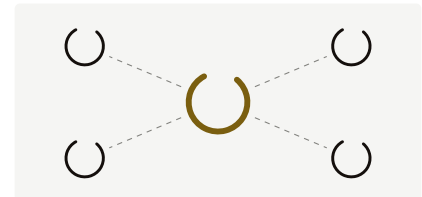
IE Inter-firm exchange

One company's discard is another's input. The seller earns under **5.2** or **5.3** and the buyer under **1.2**. North coast corridor: 120 t a month of discarded fruit to a bio-input producer.



IC Shared infrastructure

Several companies use a shared plant. It is run by whoever earns under **5.6**, **3.2**, **2.1** or **5.1**.



OT Territorial orchestration

A facilitator connects several companies until a contract is signed. It does not earn under a submodel: it is capability C8, funded by a grant, an industrial park fee or a public contract.

IE, IC and OT: the three configurations of the Territorial synergies layer. North coast corridor: illustrative case built with the Playbook's tools, not a real company.

IDEA 5 OF 5

Measure, value, close gaps, pilot and measure again

The four previous ideas tell you what to look for. The fifth tells you how to move forward. The method is a cycle: you measure your flows, choose an opportunity and put a figure on it, close what you lack to carry it out, test it in a pilot and measure again against the same baseline. With the result, you choose the next opportunity.

The seven-stage route

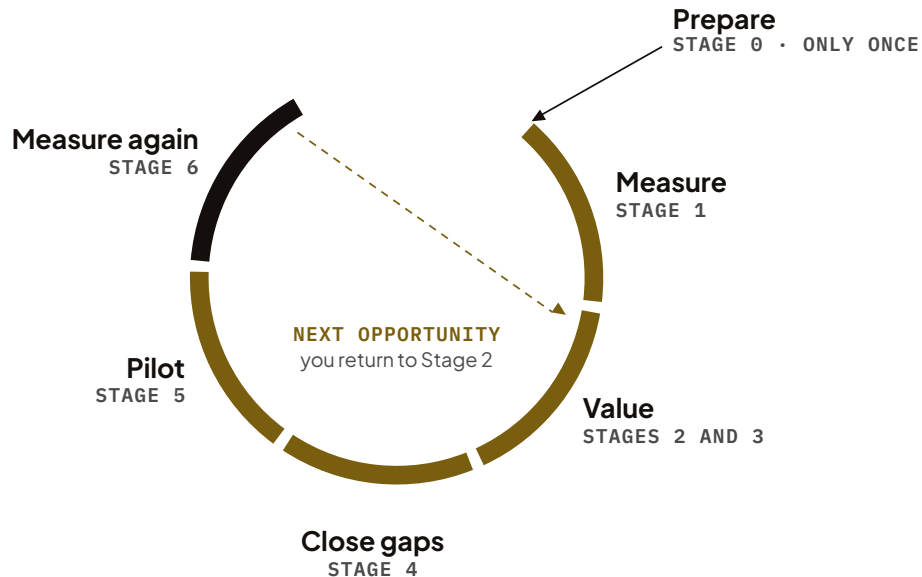
Each stage delivers what the next one needs to decide

The route takes the company from naming an owner to measuring a pilot that scales. Each stage answers one question, ends in a deliverable and

Figure 6 is that cycle. It appears before the route because the seven stages are the practical way to go round it, and the last stage takes you back to the second.

FIGURE 6

The method cycle



uses its own tools. If you skip a stage, you will have to come back to it later, at a higher cost.

Why in this order

Each stage takes risk out of the next one. Four steps explain the order.

1

You measure before you choose

Without tonnes, any opportunity looks good. The Stage 1 baseline tells you what each idea is worth before you choose it in Stage 2.

2

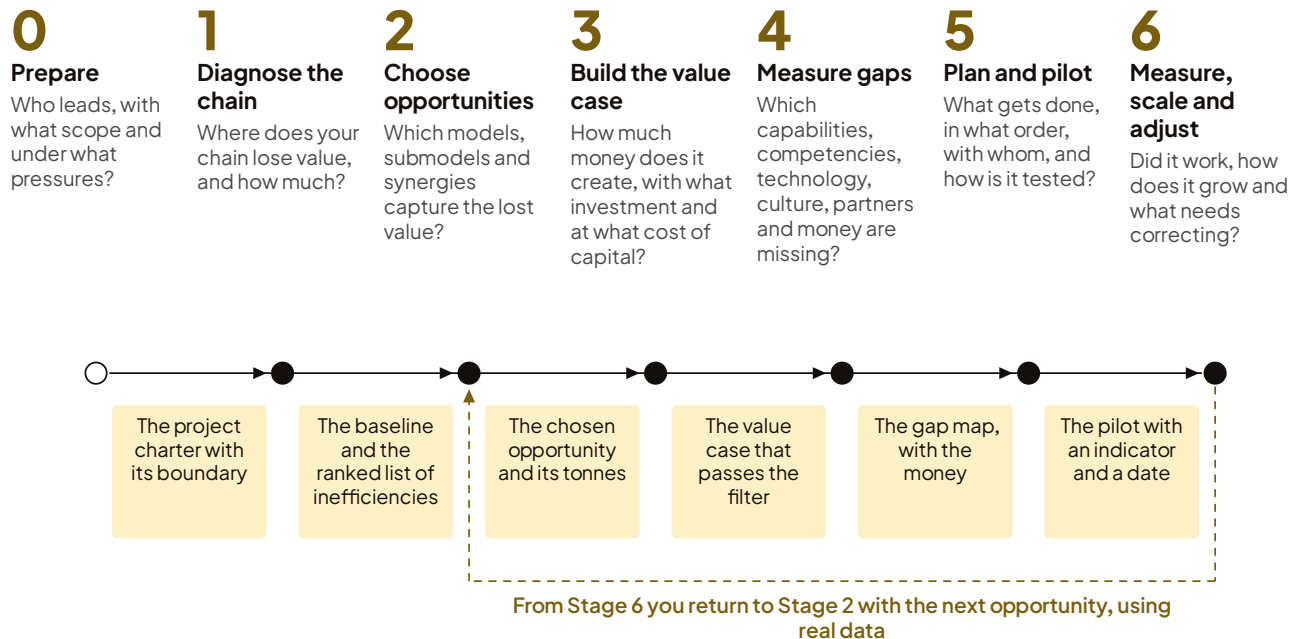
You put a figure on value before you measure gaps

If you know which opportunity pays for its capital, in Stage 4 you look only for the capabilities that opportunity requires, not for everything the company lacks.

Figure 7 is the complete route. Read it from left to right: at the top, the question of each stage. At the bottom, what passes from one stage to the next. It is the thread you will follow through the rest of the document.

FIGURE 7

The route: seven stages and what passes between them



3 You turn the gaps into a plan before you pilot
 That way the Stage 5 pilot does not fail because of something nobody named: the missing partner, the person who does not know how to set a price or the mindset that holds things back.

4 You measure the pilot against the same baseline
 With the same boundary and the same formulas, Stage 6 tells you whether it worked, and you choose again in Stage 2 with what you have learned.

The route measures three times with the same rule of evidence: in Stage 1 it sets the starting point and reads the five inefficiencies, in Stage 4 it brings together in a single map what is missing, money included, and in Stage 6 it measures the pilot against the baseline. Stages 0 to 5 form the “Measure and decide” block, which delivers a plan with an owner, an

amount and a date. Stages 5 and 6 form “Test and scale”, which runs the pilot and decides whether it scales, adjusts or closes. From the second round on you start at Stage 2.

How long each stage takes

An MSE goes through Stages 0 to 5 in 6 to 8 weeks if the data is ready, and in 9 to 11 if it has to be collected. A large company needs 19 to 28 weeks in series and 12 to 20 if it overlaps stages. The pilot and its measurement come afterwards, with gate P1 at the end of month 3.

STAGE	MSE	LARGE COMPANY
0 · Prepare	A one-day workshop	2 to 3 weeks
1 · Diagnose the chain	Two workshops and one week of record keeping	4 to 6 weeks
2 · Choose opportunities	1 to 2 weeks	3 to 4 weeks
3 · Build the value case	1 to 2 weeks	4 to 6 weeks
4 · Measure gaps	1 to 2 weeks	4 to 6 weeks
5 · Plan and pilot	1 week of planning. Pilot with P1 at the end of month 3 and P2 in month 12	2 to 3 weeks of planning. Pilot with P1 in month 3 and P2 in month 9
6 · Measure, scale and adjust	1 to 2 hours a month	Quarterly close of 1 to 2 weeks

The 12 tools and where you work on them

Every step of the route relies on a tool. In the book, all 12 come with a blank template you can fill in by hand and a results view with a guide case. Some can also be worked on in the free Circular Transition Kit, and six are calculated in the Playbook Excel tools.

The table below is the map of the 12. It appears here so that, when you reach each stage, you already know which tool you will use and where to find it.

T00L	E0	E1	E2	E3	E4	E5	E6	HOW YOU WORK ON IT
H01 Business model development	.	●	●	.	.	.	.	By hand and in Excel. To explore, also in the kit
H02 Value case	.	.	.	●	.	.	●	Playbook Excel tool / Circular Transition Kit
H03 Capability maturity	.	.	.	.	●	.	.	By hand and in Excel
H04 Technology and AI maturity	.	.	.	.	●	.	.	By hand and in Excel
H05 Territorial synergy matrix	.	.	●	.	.	.	●	Worked by hand
H06 Circular transition indicators	.	●	.	.	.	.	●	By hand and in Excel
H07 Circular business model canvas	.	.	●	.	.	.	.	Worked by hand. To explore, also in the kit
H08 Cultural gap analysis	●	.	.	.	●	.	.	Worked by hand
H09 Ecosystem partner identification	.	.	.	.	●	.	.	Worked by hand
H10 Financing requirements	.	.	.	.	●	.	.	Worked by hand
H11 Transformation roadmap	.	.	.	.	.	●	●	Worked by hand
H12 Competency self-assessment	.	.	.	.	●	.	.	By hand and in Excel

Black dot: the stage where the tool is used. In the book, all 12 come with a blank template, to work on by hand, and a results view with a guide case. In bold, those calculated in a Playbook Excel tool.

STAGE 0 OF 6 • THE TRANSFORMATION ROUTE

Stage 0 • Prepare

THE QUESTION Who leads, with what scope and under what pressures?



Stage 0 decides who answers for the transformation, with which team, over which part of the business and why now. It takes days, not months. Without an owner with authority, the diagnosis never turns into decisions.

YOU ARRIVE WITH Three definitions, even if they are only a first estimate: the actor applying the most pressure, the inefficiency where most value is lost and the internal incentive that keeps it in place.

YOU LEAVE WITH A project charter signed by management, with an owner, a team, a scope, the main pressure and a budget for the diagnosis.

The steps

- 1 Name an owner and build the team**
 Someone who answers for the line's results and can move budget, people and data, with operations, finance, procurement and sales on the team and with hours assigned. Sustainability supports, but does not lead alone.
- 2 Set the scope**
 One product line, one plant or one chain with its suppliers, never the whole company. Write down what is inside and what is outside.
- 3 Map pressures and incentives**
 What the regulator, the buyer and the investor require, with dates. And what inside your company rewards the linear chain today.
- 4 Take a first cultural reading**
 Three values, three mindsets and three behaviors that hold you back or help you today.
- 5 Sign the project charter and the budget**
 One page that management signs within the same week.

 H08, quick reading

E0

E1

E2

E3

E4

E5

E6

The project charter is the stage's deliverable and the document you open again whenever someone asks what the work is for. Figure 8 goes with step 5 and shows the seven fields it must contain, filled in for the canning plant.

FIGURE 8

The project charter on one page

PROJECT CHARTER • ONE PAGE		CANNING PLANT
OWNER	Plant manager	
TEAM	Production, quality, procurement, finance and sales	
SCOPE	The main plant, without offices or distribution	
WHY NOW	The retail customer's packaging targets and Res. 1407 de 2018 (Colombia's packaging EPR resolution)	
DIAGNOSIS BUDGET	<i>Team hours, weighing, analysis and external support</i>	
DELIVERABLES AND DATES	Baseline, chosen opportunity and value case	
REVIEW	<i>Date when management reviews progress</i>	
Management signature		Date

 Guide case data

 Grey italics: what to write. The book does not give this data.

Canning plant: illustrative case built with the Playbook's tools, not a real company. Project charter fields: the Playbook, section 0.6.

E0

E1

E2

E3

E4

E5

E6

The tool

H08 • Cultural gap analysis, quick reading. It decides which part of the culture holds back the first pilot and whether anything must be resolved before the project charter is signed. It needs the owner and the team, for fifteen to thirty minutes. It delivers a short list of cultural gaps, each with the function that keeps it in place. The full analysis comes back in Stage 4.

FIGURE 9 • TOOL H08

Cultural gap analysis

Guide case: canning plant



WORKED BY HAND

INPUT

The owner and the team from Stage 0, for 15 to 30 minutes.

DECIDES

Which part of the culture holds back the first pilot and what must be resolved before the project charter.

OUTPUT

A short list of gaps with the function that keeps each in place, which comes back in Stage 4.

CASE EXCERPT • CANNING PLANT				
Sales and after-sales		GAP 2	Offer maintenance and take-back with every sale.	SLOWS THE PILOT
Procurement		GAP 2	Include circular criteria in every quotation.	SLOWS THE PILOT
Production		GAP 1	Record the cause of every discard.	SLOWS THE PILOT
Management		GAP 1	Management reviews circular indicators in committee.	RESOLVE NOW
Gap from 0 to 2: the function's target minus its lowest level across values, mindsets and behaviors.				

WHAT THIS RESULT MEANS The management gap is resolved before the project charter. The sales and procurement gaps will hold back the pilot and go to Stage 4.

Canning plant: illustrative case built with the Playbook's tools, not a real company. Levels by function: the book's estimate with Tool 08. The full analysis, by function and with evidence, is in the Playbook, section 4.5.

E0
E1
E2
E3
E4
E5
E6

The guide case

ILLUSTRATIVE CASES • LARGE COMPANY AND MSE

At the canning plant, the owner of the target is the plant manager, and the scope is the main plant, without offices or distribution. The pressure with a date comes from its retail customer's packaging targets and from Colombia's packaging regulation, and the incentive that keeps the waste in place is a volume target. At the cocoa cooperative, the general manager leads with the accountant, the head of the post-harvest processing plant and one member producer, covering about 60 t of dry beans a year.

READY WHEN

- ☐ The owner answers for the line's results, not just for a report.
- ☐ The team includes operations and finance, with hours assigned.
- ☐ The scope has a written boundary.
- ☐ Pressures have dates and internal incentives have someone responsible.
- ☐ The diagnosis budget is approved and has a review date.

CARRY FORWARD What you take to Stage 1. The scope and its boundary, which decide which flows get weighed.

IN THE PLAYBOOK The Playbook, Stage 0, sections 0.1 to 0.8. The full cultural analysis is in section 4.5.

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STAGE 1 OF 6 • THE TRANSFORMATION ROUTE

Stage 1 • Diagnose the chain

THE QUESTION Where does your chain lose value, and how much?



Stage 1 puts figures on what Stage 0 sensed. It answers where value is lost, how much and with what evidence. Without tonnes there is no value case and no way to know whether the pilot worked.

YOU ARRIVE WITH The signed project charter, with the scope and the boundary in writing.

YOU LEAVE WITH Your line's baseline, the first of the three measurements: a mass balance, the five inefficiencies ranked in a list and the indicators N1 to N8 that apply (N1 circular inflow, N2 circular outflow, N8 virgin material), with the quality of each data point.

The steps

1 Draw the chain and its flows
From supplier to end of life: where materials, water and energy come in, and where product, by-products, process losses and waste go out.

 H06, Perfil (Profile) sheet

2 Weigh and close the mass balance
Tonnes per year of the inputs that make up at least 80% of the mass purchased, and of every output.

 H06, Entradas (Inputs) and Salidas (Outputs) sheets

3 Read the five inefficiencies
Calculate the 14 H01 readings from the H06 and your records, and rank the inefficiencies by tonnes or dollars.

 H01, in Excel, by hand or in

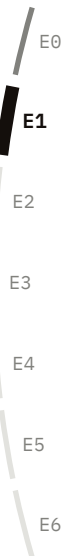
 **KIT • CLAUDE**

4 Record the actual destination and its evidence
For each output, its destination and the document that proves it. Without evidence, the output counts as 0%.

 H06, Salidas sheet

5 Calculate the baseline
Water, energy and the two indicators for your sector. An MSE starts with N1, N2 and N3.

 H06, Resultados (Results) sheet



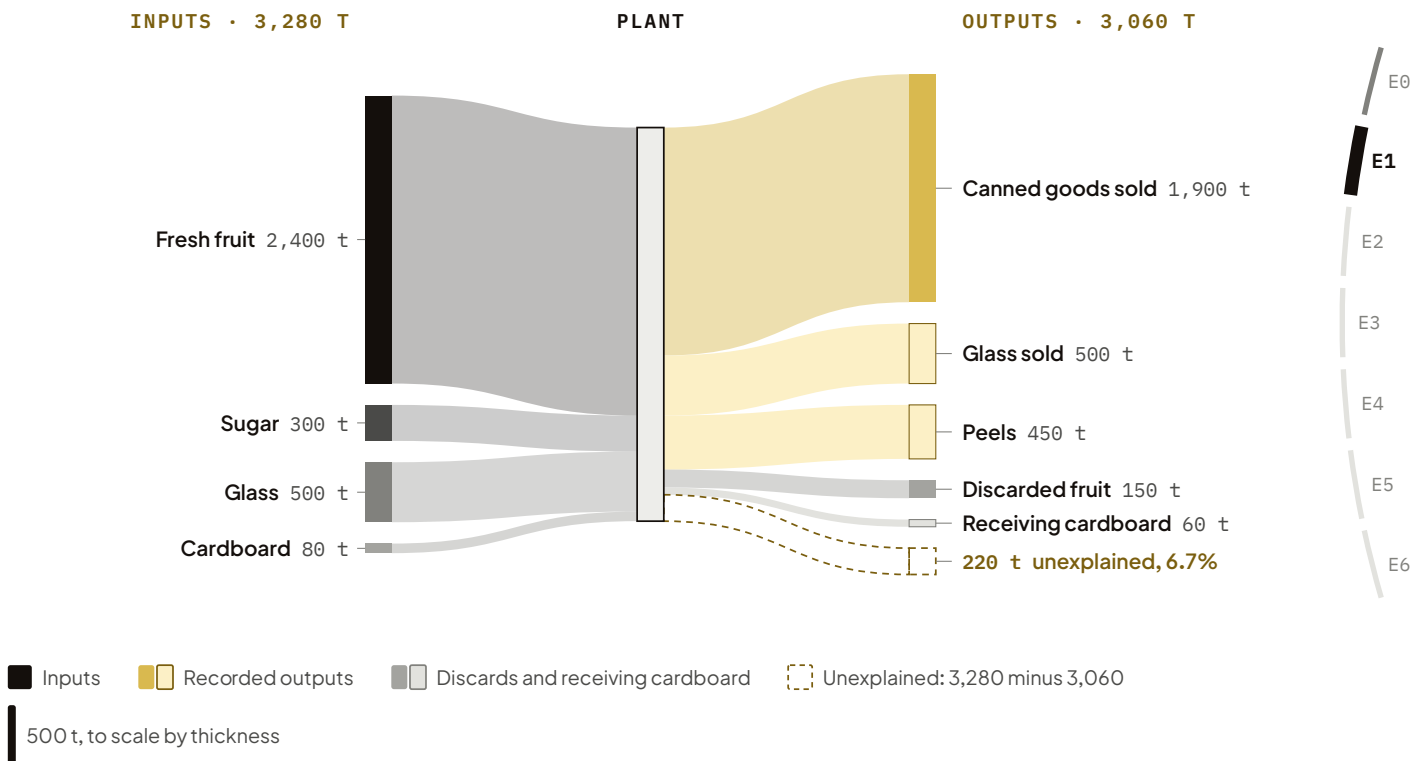
6

Rate the data and carry the figures to the case

Rate each data point from 1 to 3: estimate, internal document or third-party document. Finance reviews the tonnes now.

H06, Al caso de valor (To the value case) sheet

What comes into the line must equal what goes out. Figure 10 goes with step 2 and shows the canning plant's balance. Its lesson lies in the dotted section: the difference nobody explained is usually unrecorded waste.

FIGURE 10**Mass balance of the canning plant**

Canning plant, one year of operation: illustrative case built with the Playbook's tools, not a real company. The 220 t difference, 6.7%, exceeds the 5% rule and is still under investigation: the baseline is provisional.

If the difference is more than 5% of inputs, investigate it before you calculate indicators. Below that threshold, record it as a visible assumption. The plant is missing 220 t, 6.7%: they remain under investigation and the baseline is labeled provisional until a solids balance of the cooking step confirms it.

The tool

H06 • Circular transition indicators. It decides how much of what you buy and of what goes out is circular, and with what evidence. It needs the boundary from the project charter, the masses of inputs and outputs, the destination of each output with its document, and water and energy consumption. It delivers indicators N1 to N8, the coverage of quality data and the unrecovered tonnes that pass to the value case. It follows the rules of the Circular Transition Indicators (CTI) of the World Business Council for Sustainable Development (WBCSD), aligned with ISO 59020.

FIGURE 11 • TOOL H06

Circular transition indicators

Guide case: canning plant

BY HAND AND IN EXCEL

INPUT

The project charter's boundary, input and output masses, the destination of each output with its document, water and energy.

DECIDES

How much of what you buy and of what goes out is circular, and with what evidence.

OUTPUT

N1 to N8, data coverage and unrecovered tonnes, to Stages 2 and 3.

CASE EXCERPT • CANNING PLANT

7.0%

N1 • CIRCULAR INFLOW, STRICT
With declared exceptions: 50.9%

78.6%

N2 • CIRCULAR OUTFLOW, STRICT
With exceptions: 85.1%. Without the canned product sold: 43.4%

9.1%

N6 • RENEWABLE ENERGY

3,049 t

N8 • VIRGIN MATERIAL

89.7%

MASS WITH QUALITY 2 OR 3 DATA

456 t

UNRECOVERED, TO STAGE 2
150 + 300 + 6 t: fruit, glass and cardboard

WHAT THIS RESULT MEANS

The canned product sold explains almost all of N2: without it, N2 is 43.4%, the number that pulp and compost move. The baseline is provisional: 220 t are still under investigation.

Canning plant: illustrative case built with the Playbook's tools, not a real company. Figures from the Tool 06 indicator engine, following the rules of the WBCSD Circular Transition Indicators. Declared exceptions: fruit without a certificate of origin and glass at an estimated 40%. N6: the Playbook, section 1.8.

Read the coverage first: if less than 80% of the mass has a document, everything is an estimate. Then read N1 and N2 together, because inflow tells you what you buy and outflow tells you what you recover with

evidence. And always read N4, productivity, together with N8, virgin material.

With the baseline calculated, figure 12 goes with step 3: each H01 indicator is read in a document you already have and marked on one of four levels.

FIGURE 12

Fourteen readings of your records rate the five inefficiencies

INEFFICIENCY	INDICATOR AND WHAT YOU READ	TAKE IT FROM	FIGURE	LEVEL	RANK
					
(1) Materials and energy	Circular direct material % of purchases recycled, reused or renewable	Purchase invoices (H06, Inputs sheet)	_____	○○○○	
	Circular indirect material % circular of packaging and operating supplies	Packaging and supplies invoices	_____	○○○○	☐
	Renewable energy % of energy renewable or own biomass	Power bills and biomass log	_____	○○○○	
(2) Capacity	Availability % of time equipment and products work	Production report or hour meter	_____	○○○○	
	Operational fit % of orders shipped with no rework or return	Orders and returns of the year	_____	○○○○	☐
(3) Lifetime	Lifetime Actual life against what the customer expects	Data sheet and warranty	_____	○○○○	
	Functionality % of sales repairable or modular	Sales invoices by line	_____	○○○○	☐
(4) End of life	Production waste recovered % of scrap recovered, by weight	Waste manifests and weighing (H06, Outputs sheet)	_____	○○○○	
	By-products valorized % of by-products you sell or use	By-product sales invoices	_____	○○○○	
	Product take-back % of products or packaging that come back	Return or take-back records	_____	○○○○	☐
	Post-consumer recycling % recycled at end of life	Waste handler or recycler certificate	_____	○○○○	
	Recirculated water % of process water treated and reused	Meter and treatment log	_____	○○○○	
(5) Customer	After-sales % of revenue from service and spare parts	Service invoicing	_____	○○○○	
	Add-on sales % of extra sales to current customers	Invoicing by customer	_____	○○○○	☐

A reading with no data does not add up and stays flagged as data to obtain. Rank the five inefficiencies by the tonnes or dollars behind them in H06 and, if you change the order, write down the criterion.

After-sales and add-on sales use their own cut-offs, up to 5%, 10%, 25% or more than 25% of revenue, because they are usually a small share of sales.



Up to 25%, up to half, up to 75% or more than 75% of what is already circular or recovered



Rank of the inefficiency in your list

Circular Club, Tools 01 and 06, catalog of 14 indicators (2026).

Rank the five inefficiencies in a list by the tonnes or dollars behind them. It is a starting score, and whoever implements can move an inefficiency up or down if they write down their criterion, for instance how much the company controls that flow. The ones at the top of the list are the ones you work first.

The guide case

ILLUSTRATIVE CASES • LARGE COMPANY AND MSE

The canning plant recovers 78.6% of what goes out under the strict rule (85.1% with declared exceptions), and its baseline is provisional while 220 t remain under investigation. In addition, 150 t of discarded fruit go to landfill with no certificate and count as 0%. By tonnes, its list puts materials and energy first, with 3,049 t, and then end of life, with 456 t unrecovered, of which 300 are post-consumer glass and 150 are fruit. The plant moves end of life to first place with a written criterion, because the fruit is inside its fence and costs USD 8 per t in landfill, and works first on the fruit and on renewable energy. The glass waits for another round. The cocoa cooperative weighs 73.5 t of cocoa a year: it sells 63 t of dry beans and produces 8.4 t of shells and pulp, 60% of which goes to an open dump. Its list starts with co-products.

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READY WHEN

- ☐ Inputs and outputs balance, or the difference is explained.
- ☐ Each output has an actual destination and evidence, or it counts as 0%.
- ☐ The five inefficiencies are ranked by tonnes or dollars, with the criterion written down if you changed the order.
- ☐ The H06 shows N1, N2 and N3, plus N8 for a large company.
- ☐ At least 80% of the mass has quality 2 or 3 data, or the results say “estimate”.

CARRY FORWARD What you take to Stage 2. The ranked list of inefficiencies and the unrecovered tonnes.

IN THE PLAYBOOK The Playbook, Stage 1, sections 1.1 to 1.9. The full H06 is in section 1.5, and the fourteen readings in 1.6. If you do not yet issue invoices, section 1.7 explains how to start with a notebook.

STAGE 2 OF 6 • THE TRANSFORMATION ROUTE

Stage 2 • Choose opportunities

**THE QUESTION**

Which models, submodels and synergies capture the value your chain loses?

Stage 1 told you where you lose value and how much. In this stage you decide which opportunity goes on to the value case. Only one comes out per round. The others wait until Stage 6 brings you back here.

YOU ARRIVE WITH

The ranked list of inefficiencies from Stage 1, with its data, its cause and the criterion for the order.

YOU LEAVE WITH

A shortlist of up to three submodels, one chosen opportunity with an explicit score, and the Offer and Ecosystem blocks of the canvas filled in.

The steps

1 Bring in the inefficiencies and list your candidates
The ones at the top of your list and the submodels that tackle them, in the three-level matrix.

H01

2 Prefer the innermost loop
Place each candidate on the ladder in figure 4 and ask whether a tighter loop would avoid the flow.

H01, hierarchy criterion

3 Look for synergies with your neighbors
Record what you have left over and what you lack, and match it against other companies in the territory.

H05, book template

4 Prioritize with eight criteria
Score with finance and production, choose one and test its feasibility.

H01, by hand or in

KIT • CLAUDE

5 Take it to the canvas
The value proposition and the flows with neighbors on one page that management can discuss.

H07, by hand or in

KIT • CLAUDE

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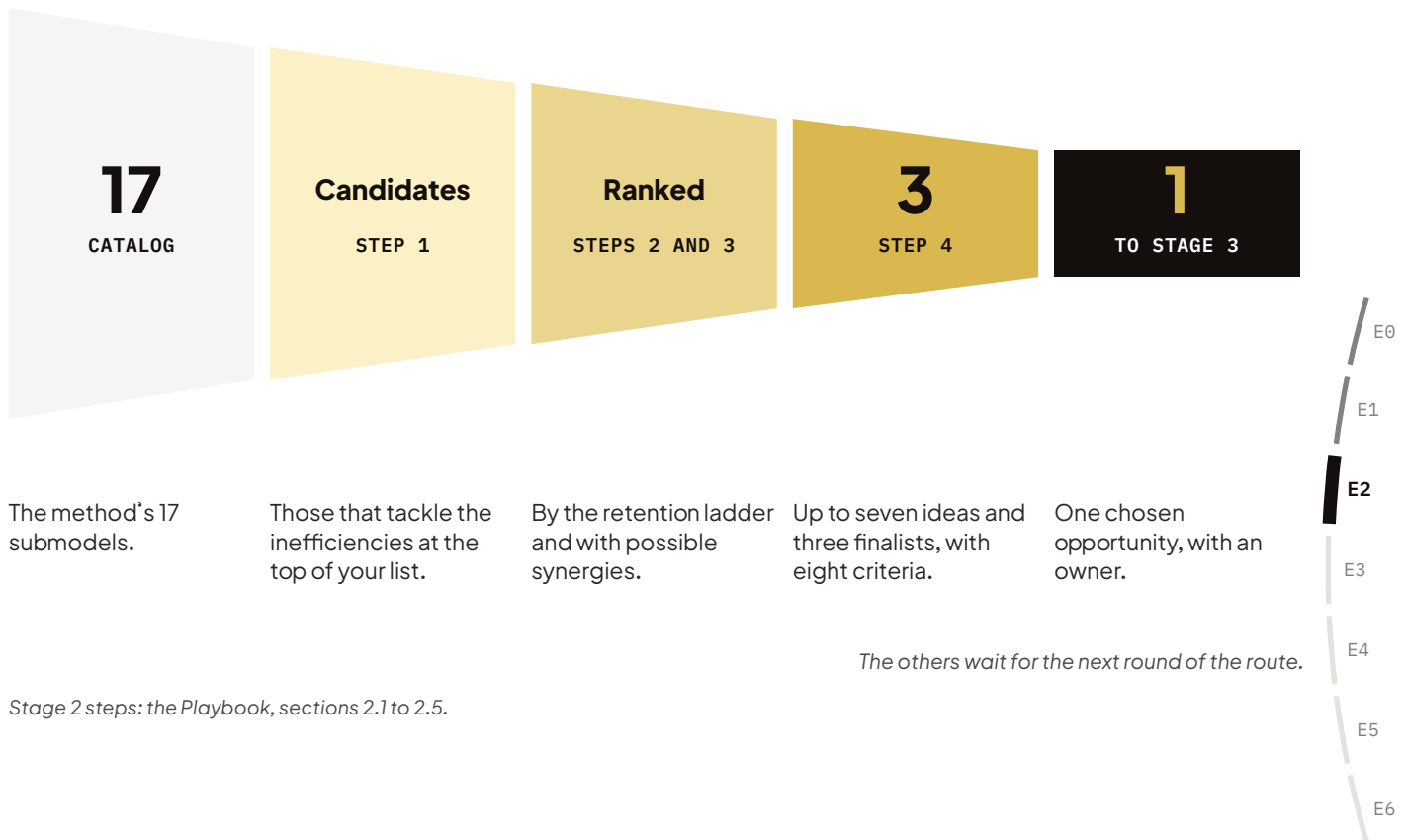
E5

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You do not start from all 17 submodels, and you do not choose the most visible option. Figure 13 goes with steps 1 to 4: it shows how each step narrows the field until a single opportunity is left, and it works the same way in every round of the route.

FIGURE 13

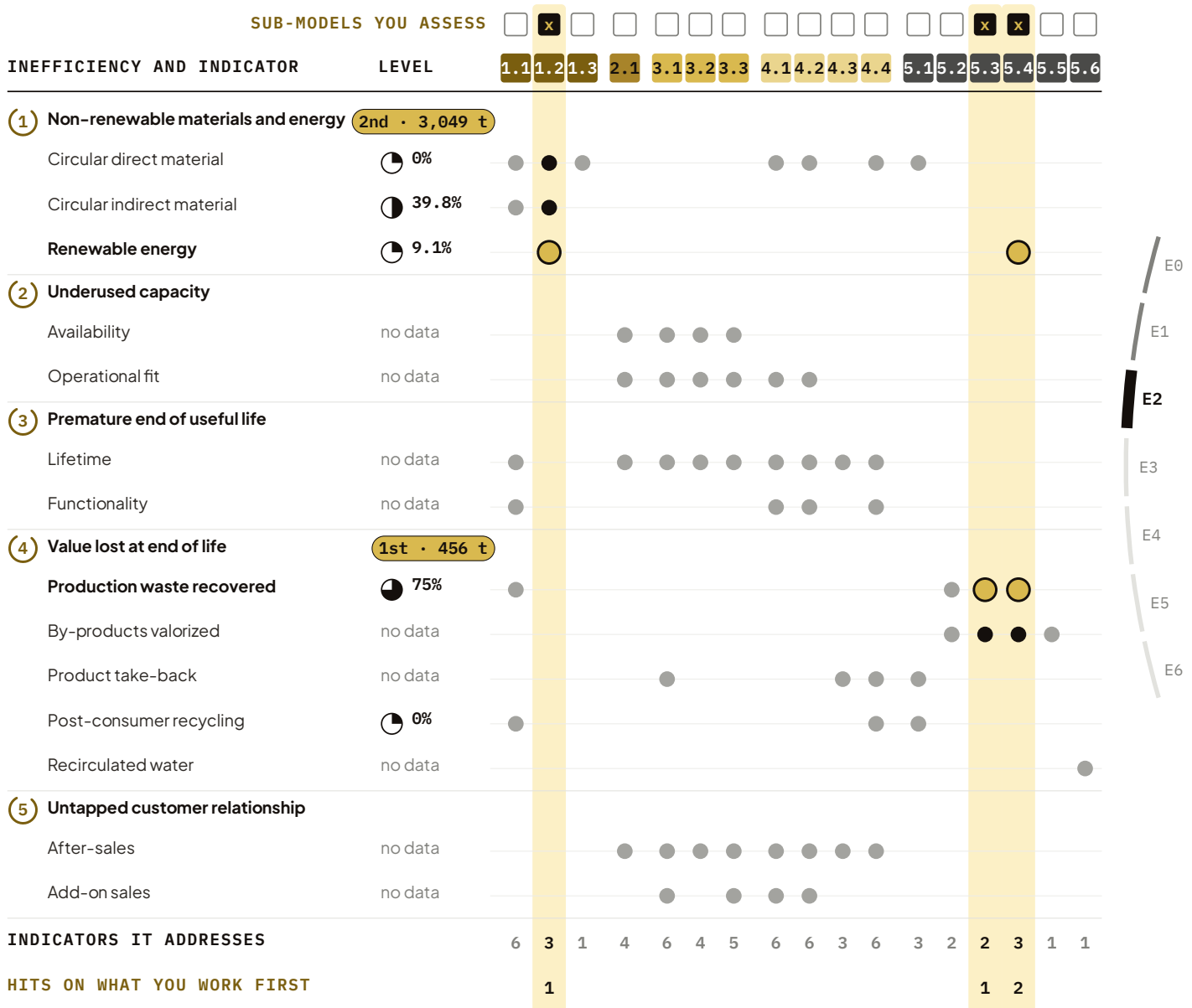
From 17 submodels to one opportunity



The matrix crosses three levels: the inefficiency, its indicator with the level read in Stage 1 and the submodels that tackle it. Figure 14 goes with step 1: tick at the top the submodels you assess and go down their column. The gold hits are the ones that tackle what you work first.

FIGURE 14

The canning plant crosses its three finalists with what it works first



By tonnes, the list puts materials and energy first (3,049 t). The plant moved end of life (456 t) to first place with a written criterion: the fruit is inside its fence and costs USD 8 per t in landfill, while materials depend on suppliers.

● A finalist hits a row you work first ● Another indicator the finalist addresses ● Sub-model not assessed

Canning plant: illustrative case built with the Playbook's tools, not a real company. Readings under the strict rule, Tool 06. Conceptual framework based on the 2021 playbook, p. 37 and 42 (Starting frameworks, in the credits).

None of the three finalists touches the post-consumer glass, which accounts for 300 of the 456 t at end of life. The plant left it for a second round, and the matrix keeps it in view so the decision is not forgotten.

The tools

H01 • Business model development, steps 1, 2 and 4. It decides which opportunity goes on to the value case and which one goes first. It needs the ranked list of inefficiencies with their data, and finance and production at the same table. It delivers a score from 0 to 100 for each finalist, using eight criteria with known weights, and a value and effort map that tells you where to start.

FIGURE 15 • TOOL H01

Business model development

Guide case: canning plant

BY HAND AND IN EXCEL

KIT • CLAUDE

INPUT

The ranked list of inefficiencies from Stage 1, with finance and production at the table.

DECIDES

Which opportunity goes on to the value case and which one goes first.

OUTPUT

A score from 0 to 100 for each finalist and a value and effort map, to Stage 3.

CASE EXCERPT • CANNING PLANT

5.3 Pulp from discarded fruit



80

DO IT FIRST

1.2 Glass packaging with more recycled content



73

5.4 Peels to a neighboring composter, networked



68

Score from 0 to 100 with eight default weights: revenue 20%, savings 15%, investment 15%, capabilities 15%, technology 10%, environment 10%, hierarchy 10%, social 5%.

WHAT THIS RESULT MEANS

Only the pulp lands in “Do it first”: it has high value and its first step needs no investment. The peels already count 100% as compost and do not move N2.

Canning plant: illustrative case built with the Playbook’s tools, not a real company. Scores and weights: the Playbook, section 2.5, Tool 01.

H05 · Territorial synergy matrix, step 3. It decides which pairs, matching what you have left over with what a neighbor lacks, are worth pursuing. It needs each company’s supply and demand, with tonnes, quality and distance. It delivers a portfolio of synergies by status, with net value and someone responsible.

FIGURE 16 · TOOL H05

WORKED BY HAND



Territorial synergy matrix

Guide case: north coast corridor

INPUT	DECIDES	OUTPUT
What each company has left over and what it lacks, with tonnes and quality.	Which supply and demand pairs are worth pursuing.	A portfolio of synergies by status, with net value, to the H07.
CASE EXCERPT · NORTH COAST CORRIDOR		
120 t PAIR 001 TO D01, PER MONTH From the agro-exporter to the bio-input producer, which asks for 150 t	USD 4,025 NET VALUE PER MONTH, UNVALIDATED POTENTIAL And about 66 tCO2e avoided per month	80 t NO DEMAND ASSIGNED Filleting waste from the fish processing plant
		1 of 6 SYNERGIES IN OPERATION Four validated in a workshop and two in a pilot
WHAT THIS RESULT MEANS Of six synergies, one is in operation. The 120 t a month pair exists, but the flow has not yet been characterized, and the 80 t offered by the fish processing plant has no demand assigned.		

North coast corridor: illustrative case built with the Playbook’s tools, not a real company. Tool 05. Tonnes, net value and CO2e: the Playbook, sections 1.8 and 3.3. Portfolio of 6, 4, 2 and 1: H05 view, section 2.4.



H07 • Circular business model canvas, step 5. It decides whether the opportunity holds up as a business model on one page that management can discuss. It needs the opportunity from the H01 and the synergies from the H05. It delivers ten blocks, each with its level of evidence.

FIGURE 17 • TOOL H07

WORKED BY HAND

KIT • CLAUDE



Circular business model canvas

Guide case: cocoa cooperative

INPUT	DECIDES	OUTPUT
The opportunity from the H01 and the synergies from the H05.	Whether the opportunity holds up as a model on one page.	Ten blocks with their evidence. Offer and Synergies open Stage 3.

CASE EXCERPT • COCOA COOPERATIVE

Vision		
Market	Offer	Synergies
Operating model		Enablers
Revenue	Costs	Risks
Circular indicators		

With data Hypothesis To be written

Offer • 5.3
Cocoa shell flour and infusion, with a technical data sheet and traceability.

Synergies • 5.4 **NETWORKED**
Compost and bio-input for neighboring producers.

WHAT THIS RESULT MEANS Offer and Synergies have data, and the opportunity moves on to Stage 3. The blocks still at hypothesis are the ones Stage 4 backs up with the H03 and the H09.

Cocoa cooperative: illustrative case built with the Playbook’s tools, not a real company. Tools 02, 05 and 06. The evidence for each block is a rating from the Playbook, section 2.6.

The score tells you whether an idea is good. It does not tell you whether it makes money. Before moving on to Stage 3, ask three questions. Who controls the asset or the input? What debt finances it? What residual value are you assuming? If any answer is weak, redesign now, not after the cash flow is built.

- E0
- E1
- E2
- E3
- E4
- E5
- E6

The guide case

ILLUSTRATIVE CASES • MSE AND LARGE COMPANY

The cocoa cooperative chooses two submodels for the same fruit, which count as one opportunity: cocoa shell flour and infusion (5.3), which it sells at USD 1,783 per tonne, and compost from cocoa pod husks (5.4). It rules out selling the shells to a kiln, because that is energy and falls outside the loop. The canning plant takes the pulp from discarded fruit to the value case, with 80 points.

READY WHEN

- ☐ Each candidate tackles one of the inefficiencies at the top of your list.
- ☐ No candidate is energy presented as circular.
- ☐ Finance has scored revenue, savings and investment.
- ☐ Each flow appears in only one submodel.
- ☐ The chosen opportunity has passed the three feasibility questions and has an owner.

CARRY FORWARD What you take to Stage 3. The chosen opportunity and its tonnes.

IN THE PLAYBOOK The Playbook, Stage 2, sections 2.1 to 2.7. Synergies and the H05 are in section 2.4. The three-level matrix is in 2.2. The H01 is in 2.5. The H07 canvas is in 2.6. The catalog of the 17 submodels is in Annex A.

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STAGE 3 OF 6 • THE TRANSFORMATION ROUTE

Stage 3 • Build the value case



THE QUESTION How much money does it create, with what investment and at what cost of capital?

Stage 2 chose an opportunity by its score. This stage decides whether it creates money, how much has to be invested and who puts up that money. Without a figure that finance can review, the project loses in committee to the linear projects that do have one.

YOU ARRIVE WITH The chosen opportunity, with its submodel and its tonnes from the H06.

YOU LEAVE WITH A value case reviewed by finance, with visible assumptions, that passes the financial filter in at least one scenario.

The steps

- 1 Look for your opportunity's value in four boxes**
 Take the opportunity you chose in Stage 2 and the product line where it happens. Find where each dollar would come from: revenue, cost savings, brand or risk reduction.

H02, Parámetros (Parameters) sheet
- 2 Connect each benefit to a tonne**
 Copy the tonnes from the H06. Do not estimate them again.

H06, Al caso de valor sheet
- 3 Calculate the case in the H02**
 Review the standard parameters with finance, switch on only the chosen submodels and remove double counting. Read the NPV (net present value), the IRR (internal rate of return), the payback and the break-even price.

H02, Parámetros, M1 to M5 and Flujo (Cash flow) sheets
- 4 Compare the rate and the way to finance it**
 The rate depends on your size: 10% for a large company, 13% for a medium-sized one and 20% for an MSE. Test own capital, a non-repayable grant, an impact loan and the stack that combines them.

H02, Comparación (Comparison) sheet

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5 Pass the financial filter

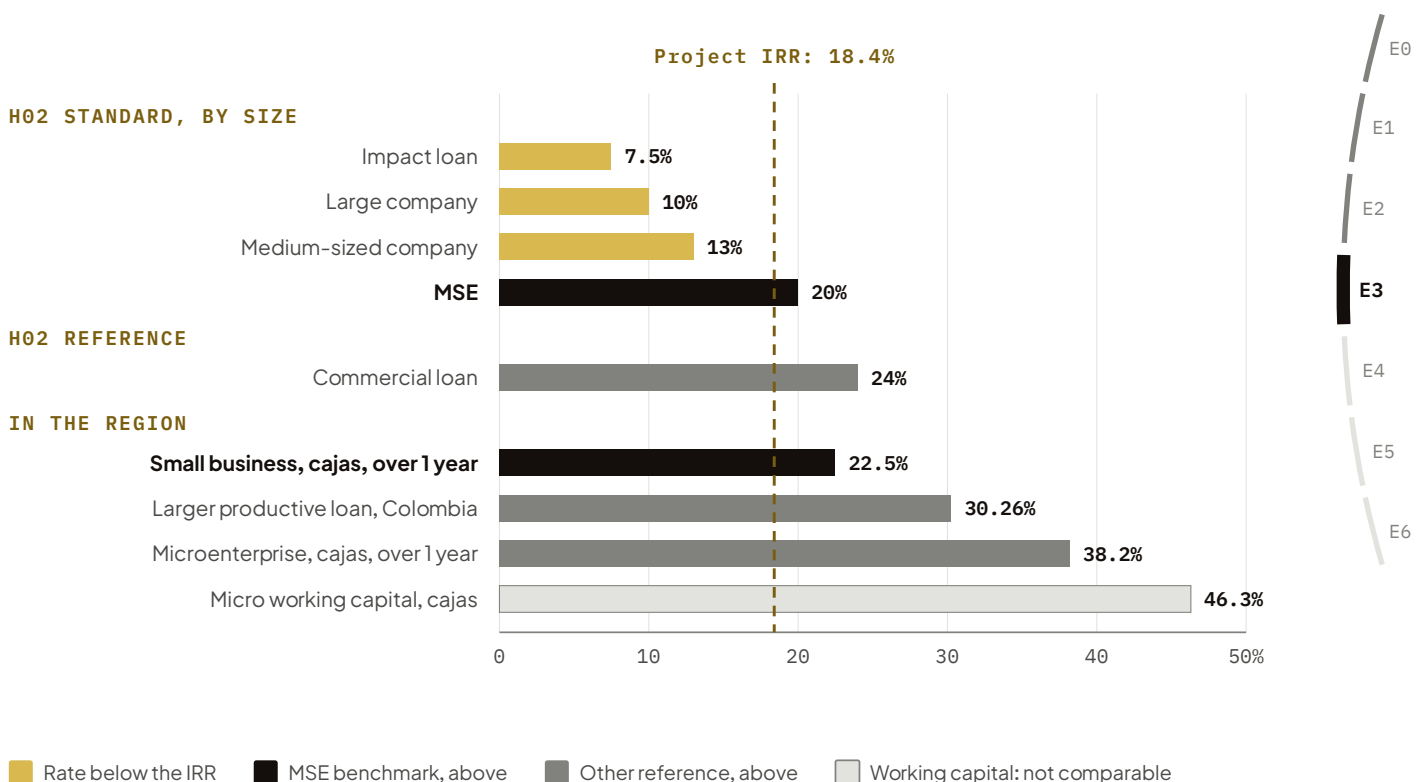
NPV or adjusted NPV of zero or more at your rate, a DSCR of 1.2 and payback within the term. The DSCR says how many times the year's cash covers the loan payment. Always show the NPV without residual value and the adverse DSCR.

H02, Comparación sheet

The same dollar costs an MSE more. Figure 18 goes with step 4: it sets the IRR of the cocoa case against what money costs for your size and your source, and shows why the way you finance it decides whether the project is viable.

FIGURE 18

Cost of money compared with the IRR of the cocoa project



A bar that crosses the line means that at that rate the project does not pay for its capital. Scale from 0 to 50% a year. The IRR and the H02 standard are in USD. The cajas rates are in soles and the Colombian rate in pesos: compare them with care. Circular Club, Tool 02, Parámetros sheet, based on Damodaran (January 2026) · SBS, rates of the cajas municipales, effective annual rate in soles (August 2026) · Superfinanciera (Colombia's financial regulator), format 088 (July 2026). Cocoa cooperative: illustrative case built with the Playbook's tools, not a real company.

A single rate table, with its use, its size and its currency

The discount rate, the cost of debt and the reference rate are three different rates. An MSE compares itself with credit at its term, not with microcredit.

RATE	VALUE	SIZE AND CURRENCY	WHAT IT IS USED FOR
Cost of capital	20% · 13% · 10%	MSE · medium · large, in USD	Discounting the project
Market debt	19% · 7.3% · 6.9%	MSE in soles · medium and large in USD	Discounting the loan (adjusted NPV)
Impact loan	7.5%	All, in nominal USD	Cost of debt in C and D. No offer today for an MSE in Peru
Small business at <i>cajas</i> , over one year	22.5%	Small, in soles	Comparator for the MSE
Reference commercial loan	24%	MSE, soles used as USD	Contrast in the scenarios
Microenterprise at <i>cajas</i> , over one year	38% to 46%	Micro, in soles	Contrast, not comparable with an investment

The cooperative compares itself with 22.5% and 24%. The plant, with large-company debt, from 6.9% in USD to about 15% in pesos. The H02 works in dollars and the *cajas* lend in local currency: in Peru the difference is small and in Colombia it takes about 3.5 to 4 points off the peso rate. If you owe in dollars and sell in local currency, every 10% your currency depreciates lowers your DSCR by about 9%.

SOURCES Circular Club, Tool 02, Parámetros sheet (2026), based on Damodaran (January 2026) · BCRP, lending rates over 360 days (July and August 2026) · SBS, *cajas municipales*, average effective annual rate (August 2026). Exchange-rate effect on the DSCR: sensitivity analysis with the Playbook's value case model (tool H02).

A case that rests only on disposal savings will not pay for any equipment. Disposing of a tonne in a Lima landfill costs about USD 7. The case adds up when it includes the revenue from the valorized material and the input you no longer have to buy.

KIT · CLAUDE

A first feasibility check with the Circular Transition Kit: theoretical NPV, IRR and payback, with own capital and with a grant. The full case, in the Playbook Excel tool.

circularclub.la/kit

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The tools

H02 • Value case, steps 1 to 4. It decides whether the opportunity creates value at your company's rate and with what financing structure it becomes viable. It needs the tonnes from the H06, prices, costs, investment and your company size. It delivers the cash flow over five or ten years with NPV, IRR, payback, debt service coverage (DSCR) and break-even price, in three financing scenarios and the stack that combines them.

FIGURE 19 • TOOL H02

Value case

Guide case: cocoa cooperative

PLAYBOOK EXCEL TOOL

KIT • CLAUDE

INPUT

The opportunity from Stage 2, the tonnes from the H06, prices, costs, investment and company size.

DECIDES

Whether the opportunity creates value at your rate and with what financing it becomes viable.

OUTPUT

Cash flow, NPV, IRR, payback, DSCR and break-even price by scenario, and the stack that combines them, to the H10.

CASE EXCERPT • COCOA COOPERATIVE

SCENARIO	ADJUSTED NPV	IRR ON OWN EQUITY	MINIMUM DSCR
A • Own capital	USD -1,480	18.4%	Not applicable
B • 50% non-repayable grant	USD 15,186	48.5%	Not applicable
C • Impact loan, 70% at 7.5%	USD 5,686	37.3%	1.43
D • Stack: cash, 20% grant and loan	USD 11,553	67.7%	1.55
Reference • Commercial loan, 70% at 24%	USD -534	19.8%	0.84

Cocoa cooperative: investment of USD 33,333, 20% rate (MSE), 29.5% income tax, five years. Project IRR: 18.4% in every scenario. D: the Playbook's own calculation with the H02 logic.

WHAT THIS RESULT MEANS

The project is the same in every row. With own capital it does not cover its cost. With the loan alone it depends on the residual value. The stack of cash, grant and loan is the recommended structure.

Cocoa cooperative: illustrative case built with the Playbook's tools, not a real company. Scenarios: the Playbook, section 3.5, Tools 02 and 10.

You only look for capital if the case passes the financial filter

Before you ask for money, the H02 has to come out positive in at least one of its scenarios. If it does not, no funder can fix it: financing a case with no market or no price only makes the loss bigger.

FINANCIAL FILTER

- 🕒 **NPV.** In at least one scenario, the NPV, or the adjusted NPV if there is debt, is zero or more at the rate for your size.
- 🕒 **Coverage.** With debt, the DSCR of the lowest year reaches 1.2 in the base case.
- 🕒 **Payback.** The cash invested comes back within the case horizon and before the loan falls due.
- 🕒 **What you always show.** The NPV without residual value, the DSCR of the adverse case and how much of the NPV comes from the grant, the loan and the residual value.

SCENARIO	ADJUSTED NPV, USD	WITHOUT RESIDUAL VALUE, USD	ADVERSE DSCR	RESULT
A · Own capital	-1,480	-8,037	Not applicable	Does not pass
C · Impact loan	5,686	-870	1.14	Passes only in the base case
D · Stack	11,553	4,997	1.23	Passes, also in the adverse case

The adverse case lowers EBITDA by 25% in every year. EBITDA is the cash the operation leaves before interest, taxes and depreciation. If the residual value carries more than half of the NPV, the case is fragile. With own capital, without the residual value, the project loses USD 8,037. With the impact loan alone, the adjusted NPV comes entirely from the loan and the residual value, and the adverse DSCR stays at 1.14. The stack of own cash, a 20% grant and a loan stays positive without residual value and withstands the adverse case: it is the recommended structure.

SOURCES Circular Club, Tool 02, cocoa example (2026), at 20% with a 29.5% income tax. Adverse: price, savings and costs 25% lower. D: the Playbook's calculation with the H02 logic.

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The guide case

ILLUSTRATIVE CASES • MSE AND LARGE COMPANY

The cooperative invests USD 33,333. Its IRR of 18.4% falls 1.6 points below its 20% rate: with own capital, it is not viable. With the impact loan alone, the adjusted NPV of USD 5,686 depends on the residual value and the adverse case fails. The stack of own cash, a 20% grant and an impact loan gives USD 11,553 and withstands a bad year. The canning plant, at 10% and with a 35% income tax, invests USD 63,825 in pulp and achieves an NPV of USD 63,340. With pulp at USD 750 the NPV falls to USD -4,063: break-even is about USD 765.

READY WHEN

- ☐ Each lever has a measured tonne and a visible assumption.
- ☐ The discount rate is the one for your size, validated by finance.
- ☐ You have compared own capital, a grant and an impact loan, and you know your break-even price.
- ☐ The case passed the financial filter, with the NPV without residual value and the adverse DSCR in view.

CARRY FORWARD What you take to Stage 4. The value case that passed the filter, which sets which capabilities are key and how much money is missing.

IN THE PLAYBOOK The Playbook, Stage 3, sections 3.1 to 3.8. The H02 is in section 3.4. The financing scenarios and the single rate table are in 3.5. The financial filter is in 3.6. The full cocoa case is in 3.7.

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STAGE 4 OF 6 • THE TRANSFORMATION ROUTE

Stage 4 • Measure gaps

THE QUESTION Which capabilities, competencies, technology, culture, partners and money are missing?

With the value case ready, the question shifts from what to offer to what you need to deliver it. This stage measures only what is missing to carry out the opportunity you chose, not everything the company lacks.

YOU ARRIVE WITH The value case from Stage 3, which passed the financial filter.

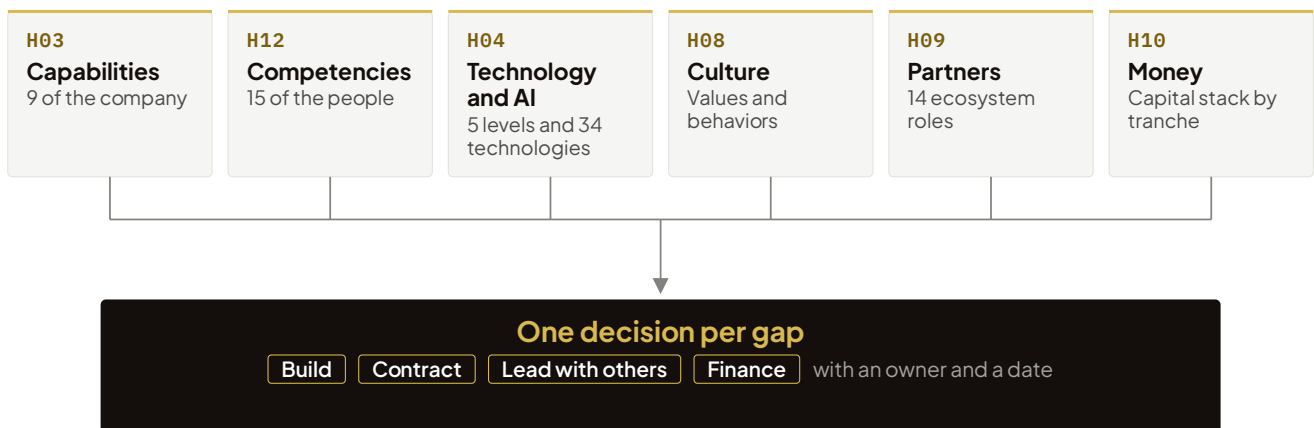
YOU LEAVE WITH A single gap map across six fronts, money included, with the current level, the target level, an owner and a decision for each gap. It is the second of the three measurements.

The stage uses six tools, and that can seem like a lot. Figure 20 covers all six steps at once: it shows that the six fronts lead to a single decision per gap.

FIGURE 20

Six fronts, one decision per gap

Stage 4, steps 1 to 6: one tool per front



Each front is measured with the tool whose code it carries on top. Its template is in this stage.

Conceptual framework based on the 2021 playbook (Starting frameworks, in the credits).

The steps

- 1 Rate the capabilities your opportunity needs**
 The key capabilities for your model, from 1 to 5, with evidence. Without evidence, a 3 or higher counts as a 2.
- 2 Assess the people who will lead**
 Each person responsible, against their standard profile. Review the economic domains first.
- 3 Measure your maturity in data and AI**
 Separate the waste that is an error from the waste that is a decision, and place your current level and your target on the AI ladder.
- 4 Read the culture and name the partners**
 The mindsets that hold back the pilot, and who covers each gap you will not close alone.
- 5 Build your capital stack**
 Combine sources in order of access, starting with own cash, and give each tranche its source, funder and date.
- 6 Build, contract, lead or finance**
 Each gap with a decision, an owner, an indicator and a date. You build in house or by training your people, contract a third party, lead with others or finance.

 H03

 H12

 H04

 H08 and H09

 H10, book template

 H03 and H10

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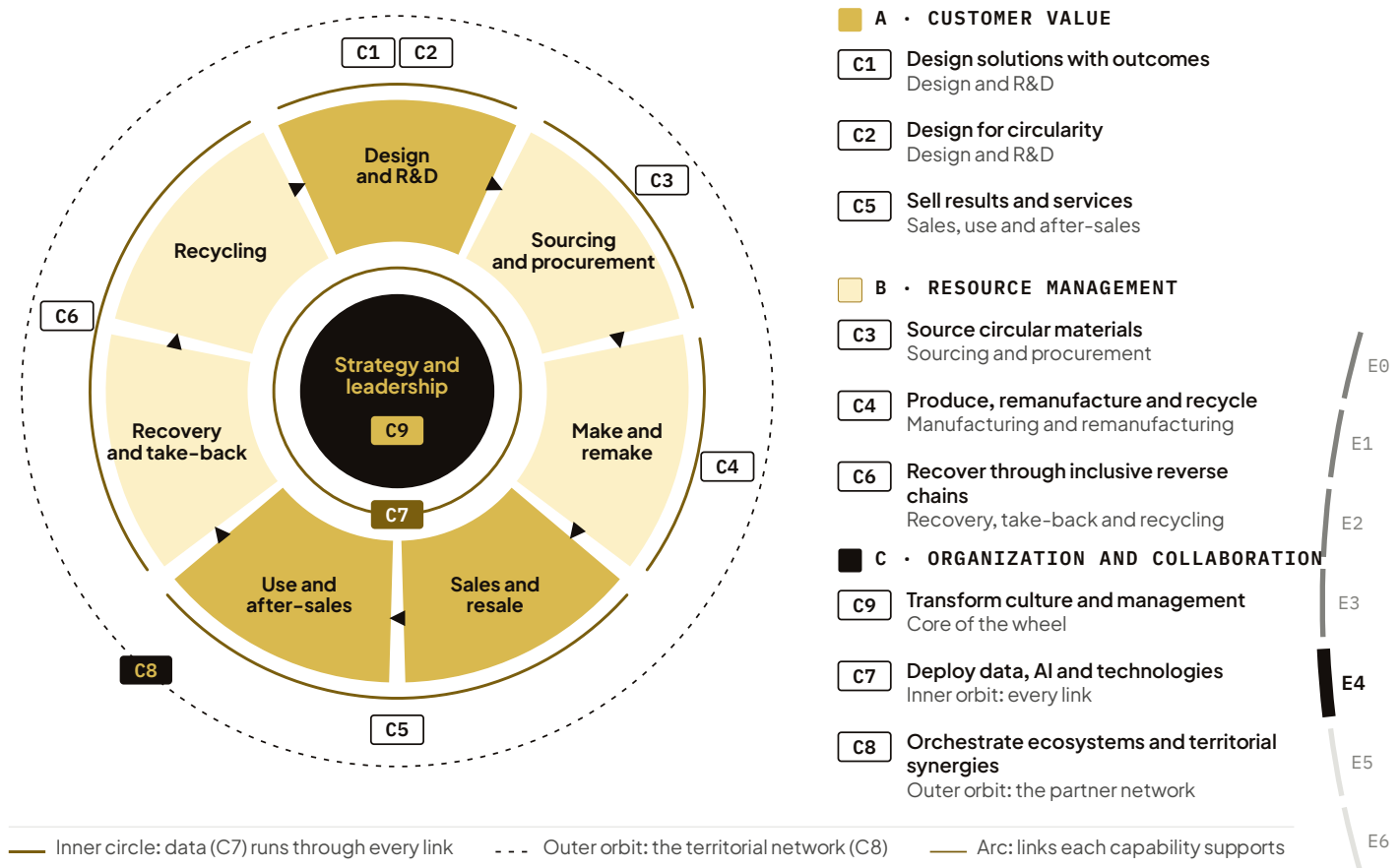
E6

The nine capabilities belong to the company: they say whether a process exists, has an owner and leaves a record. The 15 competencies belong to people: they say whether someone knows how to do it and can prove it. Each capability rests on two to seven competencies, and it does not rise if no one masters the ones that support it.

Before you rate in the H03, place your opportunity on a link of the wheel and see which capabilities support it. Figure 21 goes with step 1. At the center is what orders them, strategy and leadership.

FIGURE 21

The wheel of the nine capabilities on the circular chain



Conceptual framework based on Lacy, Long and Spindler (2020) for the nine capabilities and on the 2021 playbook, p. 39 and 53, for the circular value chain (Starting frameworks, in the credits).

The tools

Figures 22 to 28 show each measurement with its case, in the order of the steps. Culture picks up the reading in figure 9 and takes it to each function. A large company uses all six tools. An MSE uses the H08, the H10 and the minimum viable set for the MSE.

H03 • Capability maturity, steps 1 and 5. It decides which capability you build in house, which one you contract and which one you lead with others. It needs a rating from 1 to 5, with evidence, for each key capability of your submodel. It delivers the gap against the level the pilot requires, 3 for key capabilities and 2 for supporting ones, and an action for each.

FIGURE 22 • TOOL H03

BY HAND AND IN EXCEL



Capability maturity
Guide case: cocoa cooperative

INPUT

Your submodel and each key capability rated from 1 to 5 with evidence.

DECIDES

Which capability you build in house, which one you contract and which one you lead with others.

OUTPUT

The gap and the action for each capability, to the H09 and the H11.

CASE EXCERPT • COCOA COOPERATIVE				
C5	Sell results and services			CONTRACT
C6	Recover through inclusive reverse chains			CONTRACT
C4	Produce, remanufacture and recycle			BUILD
C2	Design for circularity			CONTRACT
C8	Orchestrate ecosystems and territorial synergies			LEAD WITH OTHERS
Current level, from 1 to 5, with evidence Level the pilot requires: 3 for key capabilities				

WHAT THIS RESULT MEANS	Only C4 is built in house. C2, C5 and C6 are contracted and C8 is led with others: that is why the next step is to name the partners in the H09.
------------------------	--

Cocoa cooperative: illustrative case built with the Playbook’s tools, not a real company. Levels, priorities (C5, C6, C4) and actions: Tool 03 gap engine. Levels of C5 and C4 from the Playbook, section 4.7, and the others, the book’s estimate.

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H12 • Competency self-assessment, step 2. It decides which competencies the person leading the opportunity lacks. It needs two statements with evidence for each competency. It delivers the gap by domain and a development plan.

FIGURE 23 • TOOL H12

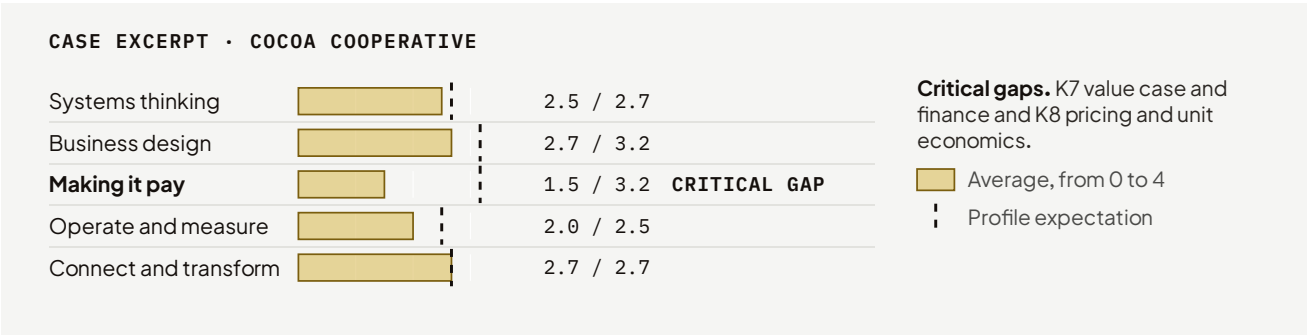
BY HAND AND IN EXCEL



Competency self-assessment

Guide case: cocoa cooperative

INPUT	DECIDES	OUTPUT
Two statements with evidence per competency, and the standard profile.	What the person leading lacks and what to train first.	The gap by domain and a development plan, to the H11.



WHAT THIS RESULT MEANS **The manager lacks the economic side: he could not rework price or scale.**

Cocoa cooperative: illustrative case built with the Playbook’s tools, not a real company. The manager’s scores: the book’s estimate. Averages and expectations: Tool 12 gap engine, MSE profile.



H04 · Technology and AI maturity, step 3. It measures your maturity in data and AI and decides which technology you build by training your people, which one you lead with others, and whether AI comes in now. It needs your profile and your technology shortlist. It delivers one action per technology and the first step in AI.

FIGURE 24 · TOOL H04

BY HAND AND IN EXCEL



Technology and AI maturity

Guide case: cocoa cooperative

INPUT

Your profile, the technology shortlist and five AI dimensions.

DECIDES

Which technology you build by training your people, which one you lead with others, and whether AI comes in now.

OUTPUT

One action per technology and the first step in AI, to the H11.

CASE EXCERPT · COCOA COOPERATIVE

D3 Machine vision	MEASURE FIRST		BUILD BY TRAINING
D10 Satellite, geospatial and secondary data			BUILD BY TRAINING
F2 NIR spectroscopy and material sensors			LEAD WITH OTHERS

Current level in black and required level with a gold border, 3 for key technologies. Support: D7 watch, B1 watch and T2 sustain.

AI PRIOR RULE AI at level 1 of 5, target 2. D1, D2, D3 and D6 stay blocked until waste is measured.

WHAT THIS RESULT MEANS

It builds by training in D3 and D10, leads with others on F2 and measures before buying AI.

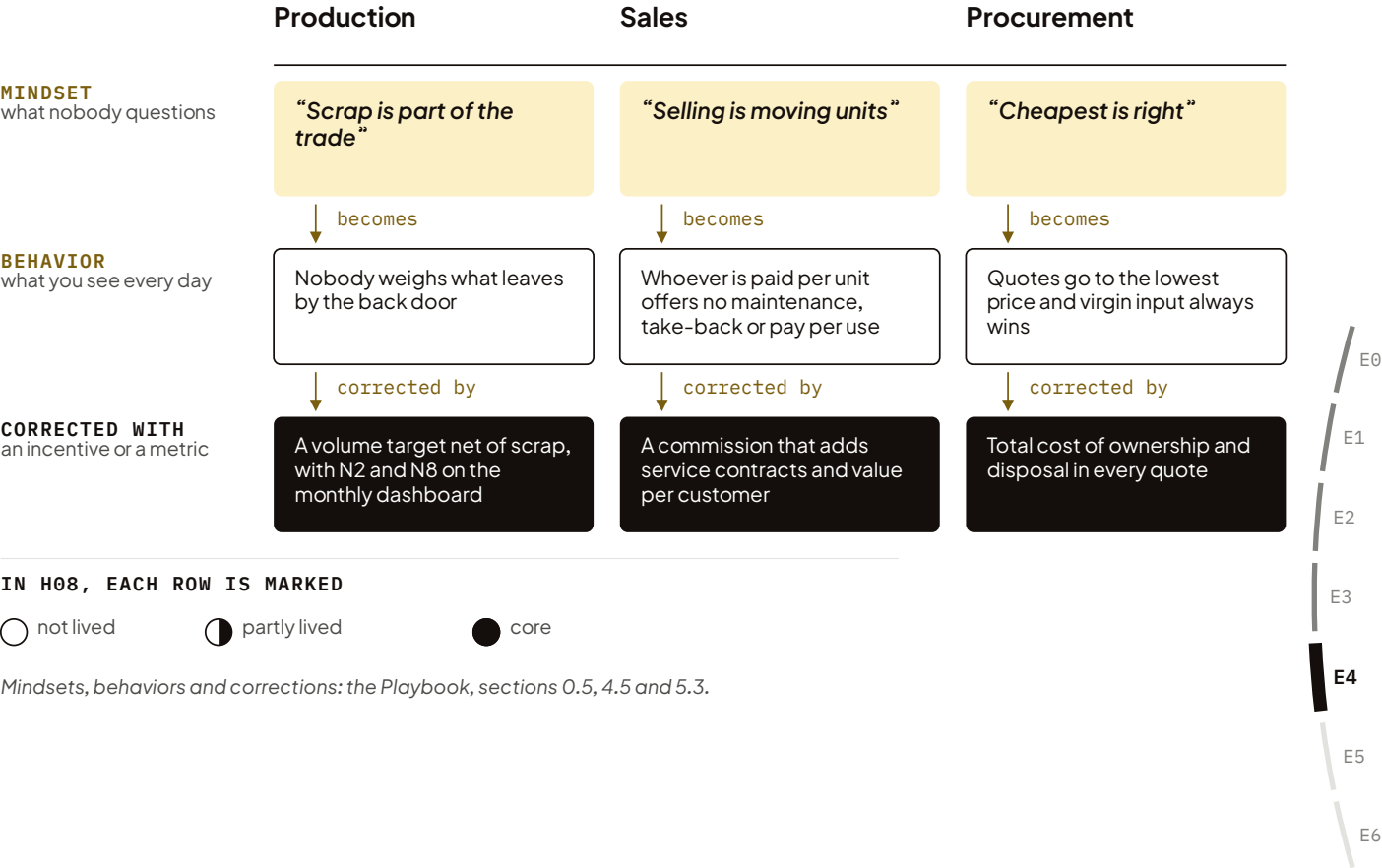
Cocoa cooperative: illustrative case built with the Playbook’s tools, not a real company. Suggested list, actions and index (0.89): Tool 04 gap engine. Levels: the book’s estimate. Technology catalog: the Playbook, Catálogo sheet of the H04 Excel.



Figure 25 goes with step 4: follow each column from top to bottom. The mindset becomes behavior, and behavior is corrected with an incentive or a metric.

FIGURE 25

From mindset to behavior, function by function



H09 • Ecosystem partner identification, step 4. It decides who covers each gap you cannot close alone, and whom you sign up first. It needs the gaps from the H03. It delivers one action per partner.

FIGURE 26 • TOOL H09

WORKED BY HAND



Ecosystem partner identification

Guide case: north coast corridor

INPUT

The gaps from the H03 and the H04 that you cannot close alone.

DECIDES

Who covers each gap and whom you sign up first.

OUTPUT

One action per partner, with its commitment, to the H11.

CASE EXCERPT • NORTH COAST CORRIDOR

Commitment 0 1, in talks 2, with an agreement

CLOSE FIRST

High power and interest

- 9 Bio-input producer
- 11 Territorial facilitator

CONVINCE

High power, low interest

- 13 Business association and local authority
- 14 Funders

KEEP CLOSE

High interest, low power

- 8 Reverse logistics operator
- 12 CITE agroindustrial

MONITOR

Low power and interest

- 7 Grassroots waste pickers

WHAT THIS RESULT MEANS

Nobody covers the facilitator role, and without it the 120 t pair does not move forward.

North coast corridor: illustrative case built with the Playbook's tools, not a real company. H09, with interest, power and commitment estimated by the book. Conceptual framework based on the 2021 playbook (Starting frameworks, in the credits).

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Step 5. If your case passed the Stage 3 filter, go down the ladder from the top: what you already have, your chain, debt, what lowers risk and equity. The grant is one source among ten, not the first.

FIGURE 27

Ladder of capital sources

	SOURCE	WHAT IT IS	WHEN IT FITS	TYPE	
	WHAT YOU ALREADY HAVE				
1	Own cash and project savings	Business cash and the savings of the first phase, which pays for the next.	Small, lower-risk tranches with a proven buyer.	1 2 3	
	YOUR VALUE CHAIN FINANCES				
2	Commercial leverage	Customer advance or offtake contract, a letter of intent that backs a loan, factoring or reverse factoring and supplier credit.	There is a solvent anchor buyer or a supplier that sells on credit.	1 2 3	
3	Partnerships with equipment suppliers	Manufacturer leasing, equipment on loan or pay per use, toll processing and a supplier paid from the savings.	The equipment is specialized and the bank does not take it as collateral, or you want to test before buying.	1 2 3	E0
4	Partnerships with peers	Consortium or joint purchasing, shared infrastructure, cooperative or association and joint venture.	No single company justifies the plant, or the large fund requires an anchor or a consortium.	1 2 3	E1
	DEBT				E2
5	Impact or development bank loan	Debt that is longer and cheaper than commercial debt. Development banks lend through banks and cajas.	The equipment pays back over years and there is a ramp-up with no cash: ask for a long term and months without payments.	1 2 3	E3
6	Green or commercial loan	A bank or caja loan. The green label sets the use, not the price.	After the ramp-up, to refinance or for working capital. Short and without grace, it does not pay for equipment.	1 2 3	E4
	WHAT LOWERS THE RISK				E5
7	Guarantee fund	It is not money: it covers 50% to 75% of the loan and lowers the collateral the bank asks for.	The obstacle is collateral, not cash. It does not rescue a loan that charges during the ramp-up.	1 2 3	E6
8	Grant or co-financing	Money that is not repaid, paid by milestones and with a contribution from the company.	The risk is technical: diagnosis, baseline and first pilot. It does not pay for the plant.	1 2 3	
	EQUITY AND RESULTS				
9	Impact investment or equity	A partner buys part of the company or provides quasi-equity. It dilutes.	Only platforms that spend before they bill. Almost never an MSE.	1 2 3	
10	Payment by results or carbon credits	A bonus when an indicator is verified, or the sale of certified reductions.	Complementary and uncertain: it arrives at the end, not during the ramp-up. Never in the base case.	1 2 3	

● Source in the cocoa case stack (H10) 1 2 3 Model type from section 4.6: 1 incremental, 2 balance sheet, 3 platform

Circular Club, sensitivity analysis with the Playbook's value case model (tool H02) and review of credit, guarantee and fund products in Peru, Colombia and the region (2026). Model types: conceptual framework based on the 2021 playbook (Starting frameworks, in the credits).

Sources do not compete: they stack. A grant pays for the pilot and the ramp-up, when operations climb to capacity and the risk is technical. An impact loan of 7 to 10 years, with no payments during the ramp-up, pays for scaling up. After the ramp-up, a commercial loan can refinance the balance, never before. In the cooperative, the USD 7,246 composting unit is paid with own cash. The processing plant, with its dryer, waits for gate P2 in month 12: a USD 6,667 grant, applied for with the flour buyer’s letter, and a USD 19,420 loan requested after P2 pay for it.

H10 · Financing requirements, step 5. It decides how much money you need, with what instrument and from which funder. It needs the scenario from the H02. It delivers the capital stack with the requirement for each tranche.

FIGURE 28 · TOOL H10

WORKED BY HAND



Financing requirements

Guide case: cocoa cooperative

INPUT

The H02 scenario that becomes viable, with the investment for each tranche.

DECIDES

How much money you need, with which source on the ladder and from which funder.

OUTPUT

The capital stack with the requirement for each tranche, to the H11.

CASE EXCERPT • COCOA COOPERATIVE			
Composting unit		USD 7,246	ADJUSTED NPV • D, THE STACK Without residual value: USD 4,997 USD 11,553 MINIMUM DSCR • D 1.23 with 25% less EBITDA 1.55 MINIMUM DSCR • C ALONE Falls to 1.14: with C, the adverse case fails 1.43
Processing plant		USD 17,391	
R&D and validation		USD 4,348	
15% contingency		USD 4,348	
Own cash Grant USD 6,667 and loan USD 19,420			

WHAT THIS RESULT MEANS The composting unit is paid with own cash during the pilot. The grant is applied for with the buyer’s letter, and the loan is requested after P2, with a year of flour measured.

Cocoa cooperative: illustrative case built with the Playbook’s tools, not a real company. H02 and H10, sections 3.5, 4.6 and 4.8. D: the Playbook’s calculation with the H02 logic, impact loan at 7.5% over five years with one year of grace.

Up-to-date information on financing and calls for proposals at circularclub.la.

MINIMUM VIABLE SET FOR THE MSE

- 🕒 **H03.** Rate only the key capabilities of your opportunity, with evidence.
- 🕒 **H12.** Only for the person who leads the opportunity.
- 🕒 **H04.** With the low-cost list for level 1: D11, the daily phone record with a photo. D5, a shared spreadsheet. T8, a calibrated scale and one external lab test per batch. D8, messaging with your buyer. F3, a code on each batch.
- 🕒 **H09.** Only if a gap is closed with a partner. If a gap adds cost, go back to the H02 and the financial filter.

The guide case

ILLUSTRATIVE CASE • MSE

The cooperative processes the shells but has no buyer for the co-product: selling results (C5) stands at 1 and producing and recycling (C4) at 2. Its AI maturity is at level 1 of 5, and AI stays blocked until it measures its waste. The mindset holding it back is “the husk is garbage”. It decides to build C4 and to contract the co-product validation to a technology center, with an anchor buyer as partner.

READY WHEN

- ☐ The model's key capabilities have a level backed by evidence.
- ☐ The person leading the opportunity has completed the H12 and has a development plan.
- ☐ You know whether your largest waste is an error or a decision.
- ☐ You have named the mindsets that hold back the pilot.
- ☐ Each gap has a decision, an owner, an indicator and a date, and each contracted gap has a third party in charge.
- ☐ Each tranche of the capital stack has a source, a funder and a date.

🕒 **CARRY FORWARD** What you take to Stage 5. The gap map and the capital stack, for the roadmap.

🕒 **IN THE PLAYBOOK** The Playbook, Stage 4, sections 4.1 to 4.8. The capital stack and the H10 are in 4.6.

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STAGE 5 OF 6 • THE TRANSFORMATION ROUTE

Stage 5 • Plan and pilot



THE QUESTION What gets done, in what order, with whom, and how is it tested?

Stages 2 to 4 told you which opportunity is worth pursuing, how much money it creates and what is missing to capture it. Here you put all of that in order over time and test it on a small scale. The stage ends when the pilot starts.

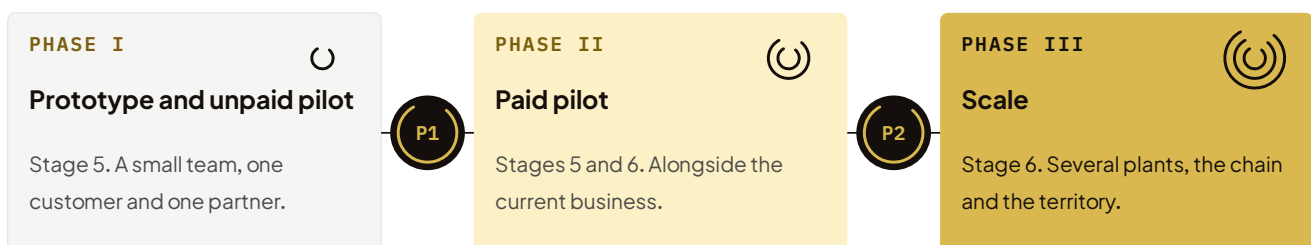
YOU ARRIVE WITH The gap map from Stage 4, with an owner and a decision for each gap and the capital stack, and the data coverage from Stage 1.

YOU LEAVE WITH A roadmap approved by management or the board, with a pilot ready to start and decision dates: scale, adjust or close.

The pilot does not move forward all at once. Figure 29 goes with step 5: it shows the three phases of the pilot and the two gates where someone with authority decides. That way you avoid scaling what does not work and abandoning what only needed an adjustment.

FIGURE 29

Three pilot phases with two gates



What is decided at each gate

Criteria in step 5

Scale
 It met the indicator target and the HO2 margin. The customer paid. It receives a budget of its own.

Adjust
 It met one of the two targets and the cause is known. New date, one change at a time.

Close
 No buyer, or targets missed after two reviews. Document the lessons and release the team.

Conceptual framework based on the 2021 playbook (Starting frameworks, in the credits). Gates and criteria: Circular Club (2026).

The steps

- 1 Bring together the results of Stages 2 to 4**
 The opportunity, the value case with its financing and the gap map, brought together in nine barriers.
- 2 Write the activities by dimension**
 Culture, technology and AI, capabilities, ecosystem and finance. Each gap becomes at least one activity.
- 3 Assign owners and phases**
 Each activity goes into a phase of the pilot, with the function that answers for it.
- 4 Give each activity a budget and a source**
 Separate what is paid from your own cash from what depends on a grant.
- 5 Set milestones and decision dates**
 First pilot, first paying customer, first synergy in operation.
- 6 Design the pilot**
 One customer, one partner, one indicator and one review date, with success criteria written before you start.
- 7 Approve and review every quarter**
 An MSE approves it with the owner. A large company does so in committee or at the board.

 H11

 H11

 H11, with figures from the H02 and the H10

 H11, calendar

 Indicator and baseline in the H06

E0

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E3

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E5

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Before you write activities, bring together what you measured. Figure 30 goes with step 1: follow each gap to its barrier, and from there to the control that watches it in the roadmap. You move the internal ones. You can only influence the external ones.

FIGURE 30

From gaps to barriers and to the plan's controls

WHAT YOU BRING	BARRIER	COMES FROM	MEASURE IN H11	CONTROL SIGNAL	REVIEWED
E0 Project charter: owner, hours and budget	INTERNAL • YOU MOVE THEM				
	I1 Capabilities	E4 • H03	Build, contract or lead with others, with an owner (4.7)	The most serious key capability rises one level with evidence	◆ P1
E1 Baseline: data quality and coverage	I2 People and competencies	E4 • H12	Development plan or pairing with another person	Each critical gap has someone on the team who covers it	◆ P1
	I3 Data and technology	E1 • H06 E4 • H04	Record of the period and AI level 2 in the MSE	80% of the mass with quality 2 or 3 data	◆ P2
E2 Opportunity: synergies and legal boundary	I4 Culture and incentives	E0 • 0.4 E4 • H08	Change of target, bonus or internal price (5.3)	The behavior shows in the record, such as the cause of each discard	◆ P1
	I5 Owner and dedication	E0 • charter	The team's own hours and budget	Hours assigned by the third week (0.8)	◆ Each quarter
E3 Value case: NPV, DSCR, rate and financial filter	EXTERNAL • YOU INFLUENCE THEM				
	X1 Ecosystem and partners	E2 • H05 E4 • H09	Agreement with the key partner	Commitment of 2 or 3 in H09	◆ P1
E4 Six fronts: H03, H12, H04, H08, H09 and H10	X2 Regulatory	E2 • 2.4	Prior notice to the authority or a change of flow	Legal boundary confirmed and minimum test done before the first batch	◆ Before P1
	X3 Financial	E3 • H02 E4 • H10	Chosen instrument and own cash only in the lowest-risk tranche	Maximum loss in writing (5.8) and the cause of any EBITDA gap above 20%	◆ P1 · P2
	X4 Market and institutional	E3 • case	Letter of intent or contract with a price	The customer pays, even at a reduced price	◆ P1

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◆ Pilot gate where the signal is reviewed (5.6) A barrier with no measure and no signal is a risk with no owner. It does not go to the approval in 5.8.

Conceptual framework based on the 2021 playbook, p. 119, and the 2022 playbook 2.0, p. 38 and 41 (Starting frameworks, in the credits). Barriers I3, I5, X2 and X4: Circular Club (2026). Thresholds: Playbook, sections 0.8, 1.4, 5.6, 5.8 and 6.3.

The tool

H11 · Transformation roadmap. It decides what gets done, in what order, who answers for it and with what money. It needs the results of the earlier tools: the opportunity, the value case, the financing and the gaps. It delivers a plan by dimension and by phase, with milestones and gates, which is what you present to management or the board.

FIGURE 32 · TOOL H11

Transformation roadmap
Guide case: cocoa cooperative

WORKED BY HAND

INPUT

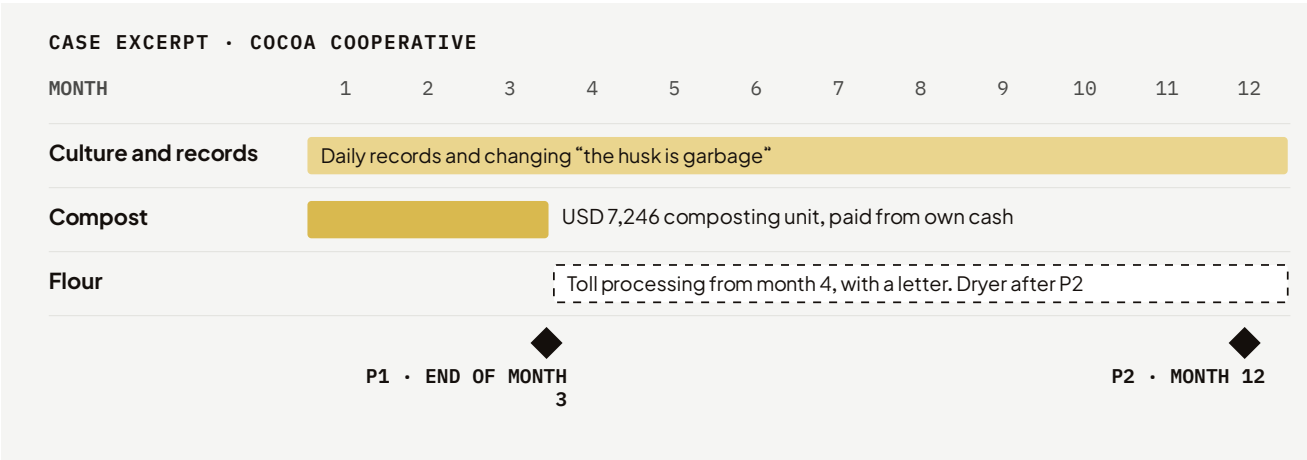
The opportunity, the value case, the financing and the gap map from Stages 2 to 4.

DECIDES

What gets done, in what order, who answers for it and with what money.

OUTPUT

The plan by dimension and phase, with milestones and gates, for management approval.



WHAT THIS RESULT MEANS

The cooperative does not buy the dryer during the pilot: first it proves that someone will buy the flour.

Cocoa cooperative: illustrative case built with the Playbook's tools, not a real company. Gates at the end of months 3 and 12, composting unit paid in cash and flour by toll processing: Tools 02, 10 and 11. The other months are the book's estimate.

Each barrier goes into the H11 with a measure, a control signal and the gate where it is reviewed. A barrier with no measure and no signal is a risk with no owner, and it does not go to approval.

When the pilot scales, four keys hold up the barriers you move. Figure 31 says what each one asks, which barrier it watches, what signal you check at the gate and who is accountable. Test them first on a single product line, end to end.

FIGURE 31

Four keys for the pilot to scale

1 Data	2 Money	3 Owner	4 Incentive
HO6 stops being a yearly file	Own cash does not wait for the grant call	One person with hours and budget	Targets reward circularity
WHAT IT ASKS One record joins purchases, scales and sales and reports to management and financier.	WHAT IT ASKS Small tests with a spending cap, and what one phase saves pays for the next.	WHAT IT ASKS A small cross-functional team runs one line end to end, with a plan and indicators.	WHAT IT ASKS Management commits, bonuses reward circularity and the team is trained.
WATCHES I3	WATCHES X3	WATCHES I5 I1 I2	WATCHES I4
SIGNAL AT THE GATE HO6 is fed every month from invoices, scales and waste handlers, and the balance gap falls below 5%.	SIGNAL AT THE GATE The pilot is paid with own cash. Whatever depends on a grant call goes apart and does not move the date.	SIGNAL AT THE GATE Someone with assigned time and own budget signs off the line result, not an impact report.	SIGNAL AT THE GATE N2 and N8 enter the monthly management dashboard, and commissions and purchasing add circular criteria.
ACCOUNTABLE Whoever keeps the logbook, or the plant manager	ACCOUNTABLE Finance, or the owner in an MSE	ACCOUNTABLE The owner or general management	ACCOUNTABLE Management, HR and procurement

Conceptual framework based on the 2022 playbook 2.0, p. 41 to 46 (Starting frameworks, in the credits).

At gate P1, at the end of month 3, the selected customer agrees to pay for the pilot, even at a reduced price, and the partner signs an agreement. At gate P2, in month 12 for an MSE or month 9 for a large company, the pilot meets its indicator and its margin, and management gives it a budget of its own.

Before you commit to a date, classify each flow with a regulatory traffic light. If the discard moves as a by-product, the pilot is cheap. If it is regulated waste today, you need a licensed waste contractor, or you need to look for another flow.

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E6

The guide case

ILLUSTRATIVE CASES • MSE, LARGE COMPANY AND TERRITORY

The cooperative pilots the compost first, with USD 7,246 of its own money, because the bio-input already has buyers among the members. Gate P1 falls at the end of month 3. The flour comes in by toll processing from month 4, only with a letter of intent, and the dryer waits for P2, at month 12, with the stack. The plant sells the discarded fruit as animal feed while it confirms a buyer for the pulp. The corridor tests its 120 t a month pair over one season.

READY WHEN

- ☐ Each gap from Stage 4 has at least one activity with someone responsible.
- ☐ Each activity has a budget and a source of money.
- ☐ Each barrier that applies has a measure, a control signal and a gate.
- ☐ The roadmap includes at least one change to a target, a bonus or an internal price.
- ☐ The pilot has a customer, a partner, an indicator with a baseline, and a date.
- ☐ The criteria to scale, adjust or close are written and approved.

CARRY FORWARD What you take to Stage 6. The pilot with its indicator, its baseline and its success criteria.

IN THE PLAYBOOK The Playbook, Stage 5, sections 5.1 to 5.9. The nine barriers and the four keys are in 5.2. The H11 is in 5.4. The gates and their criteria to scale, adjust or close are in 5.6. Pilot design is in 5.7.

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STAGE 6 OF 6 • THE TRANSFORMATION ROUTE

Stage 6 • Measure, scale and adjust



THE QUESTION Did it work, how does it grow and what needs correcting?

Stage 5 left a pilot running with a decision date. This stage answers whether it worked, whether it is worth scaling and what the company can claim publicly. Without a comparison with the baseline, the result is no use for deciding.

YOU ARRIVE WITH The pilot running, with its indicator, its baseline and its success criteria in writing.

YOU LEAVE WITH The third measurement: the period against the baseline, the gate minutes and a report for funders, buyers and regulators.

The steps

1 Measure the period with the same H06
Monthly in an MSE, quarterly in a large company. Record the pilot period and, from month 12, the rolling year, with one document per flow. If a baseline data point has been verified, recalculate the baseline before you compare.

 H06, one copy per period

2 Read the result against the baseline and the value case
N4 always next to N8: if both rise, you are more efficient but you extract more. Take the actual mass and revenue to the H02 and explain any EBITDA gap above 20%.

 H06 and H02

3 Decide at the gate and declare
Scale, adjust or close with the criteria written in Stage 5. Sign the minutes and declare each figure with its indicator, boundary and verification.

 H11 and, in a network, H05

E0

E1

E2

E3

E4

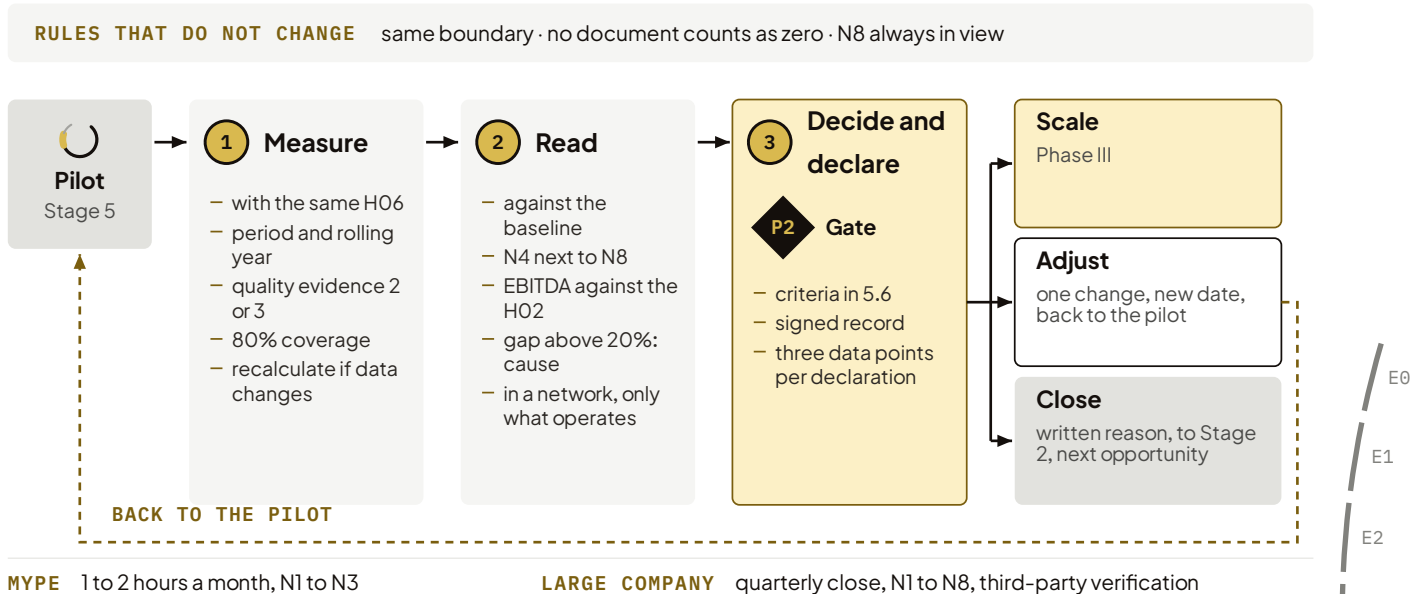
E5

E6

Stage 6 is the same measurement as Stage 1, repeated with fixed rules. Figure 33 covers the three steps: you measure, read and decide, and go back to the pilot or to Stage 2.

FIGURE 33

The tracking cycle



Steps of the book, sections 6.2 to 6.4. Gate criteria: section 5.6. Circular Club, Tools 02, 05, 06 and 11 (2026) · WBCSD, CTI v4.0 (2023).

A relative improvement can hide an absolute problem. At month 12, the canning plant is more productive but uses more virgin material: N4 rises and so does N8. That is reported as relative decoupling, never as absolute decoupling.

The decision is made with criteria written before the pilot. **Scale** if the indicator meets its target, EBITDA reaches the expected range, evidence coverage is 80% or more, the partner has signed and management assigns a budget. **Adjust** if the indicator moves but falls short for an identifiable reason: change a single variable and set a new gate within 6 months at most, month 18 for an MSE. **Close** if there is no progress after two gates or if the margin is negative with no lever in sight.

The tool

H06 • Circular transition indicators, in tracking mode. It decides whether the pilot moved the indicator and the margin, with evidence. It needs the baseline from Stage 1, the masses for the period and the document for each flow. It delivers the change in each indicator, the evidence coverage and the actual mass that goes back to the H02. It is the same tool as in Stage 1, and that is why the comparison holds.

FIGURE 34 • TOOL H06

Circular transition indicators

Guide case: canning plant, tracking mode

BY HAND AND IN EXCEL

INPUT

The baseline from Stage 1, the masses for the period and the document for each flow.

DECIDES

Whether the pilot moved the indicator and the margin, with evidence.

OUTPUT

The change in each indicator, evidence coverage and actual mass, to the H02 and gate P2.

CASE EXCERPT • CANNING PLANT, TRACKING MODE

88.4%

N2 • CIRCULAR OUTFLOW, MONTH 12

Series with exceptions. Recalculated baseline: 83.5%

USD 2,900

N4 • PRODUCTIVITY, PER T

Baseline: USD 2,797 per t

3,293 t

N8 • VIRGIN MATERIAL, MONTH 12

Baseline: 3,049 t. It rises: there is a rebound

DECISION AT GATE P2 Scale, with an absolute target for N8

WHAT THIS RESULT MEANS

When it verified the glass, the plant lowered its baseline with exceptions from 85.1% to 83.5% and said so. The strict one starts at 78.6%. The figure is lower, but defensible.

Canning plant, month 12 as a rolling year: illustrative case built with the Playbook’s tools, not a real company. The Playbook, sections 6.2, 6.3 and 6.5, Tool 06.

The guide case

ILLUSTRATIVE CASES • MSE, LARGE COMPANY AND TERRITORY

The cooperative reaches about USD 7,500 of EBITDA against USD 10,033 forecast, 75%, and decides at P2 to adjust: complete a year of flour before applying for the stack's loan. The plant, in the series with declared exceptions, raises N2 from 83.5% to 88.4% with certificates and decides to scale, with an absolute target for N8. The corridor moves 70 t a month out of a possible 120 and decides to adjust: fund a permanent facilitator.

READY WHEN

- ☐ The boundary and the formulas are the same as for the baseline.
- ☐ Each flow reported as recovered has a document, and coverage is 80% or more.
- ☐ N4 is reported together with N8, and any rebound is named.
- ☐ Actual EBITDA has been compared with the H02 and the difference has a cause.
- ☐ The gate has minutes, a decision and the date of the next review.

CARRY FORWARD

What you take to Stage 2. The next opportunity on your shortlist, now with real data on mass, margin and partners.



IN THE PLAYBOOK

The Playbook, Stage 6, sections 6.1 to 6.6. The three steps: measure the period with the same H06, in 6.2. Read the result against the baseline and the value case, in 6.3. Decide at the gate and declare, in 6.4. The guide cases are in 6.5 and the two routes by size in 6.6. The criteria to scale, adjust or close are in section 5.6.

E0

E1

E2

E3

E4

E5

E6

A free kit to work through the method with your company

The Circular Transition Kit is a team of specialist agents that works inside Claude, Anthropic's artificial intelligence assistant. It is free and optional, and it is best to install it before you start Stage 0. It is for exploring: it helps you see opportunities beyond recycling and reach Stage 3 with a first figure. You do the full calculation afterwards with the Playbook Excel tools.


circular-transition-kit
FOR CLAUDE

It asks about your company, reads the five inefficiencies with you and goes through the 17 submodels with their feasibility traffic light (H01), fills in the business model canvas (H07) and makes a first feasibility check of the value case (H02), with own capital and with a grant.

- 1 Request access.** Go to circularclub.la/kit and leave your details. You will receive a confirmation by email.
- 2 Install it.** Download the kit, open Claude in the Code tab and ask it to install the kit following the included instructions.
- 3 Create your folder.** Everything the kit produces is saved there.
- 4 Start.** Type the sentence below or tell it in your own words what you want to achieve.

WRITE IN CLAUDE
> I want to find the circular economy opportunities in my company.
Let's start._

circularclub.la/kit
FREE

The kit works in English and Spanish. Write to it in the language you prefer. The kit will keep growing and will be updated step by step with new sectors, cases and features. How it handles your data is on the pages that follow.

What you need

You need the Claude desktop app, on Mac or Windows, with a Claude plan that includes Claude Code, and Python 3 on your computer. You do not need to know how to code. The current requirements and every step are at circularclub.la/kit.

How to start

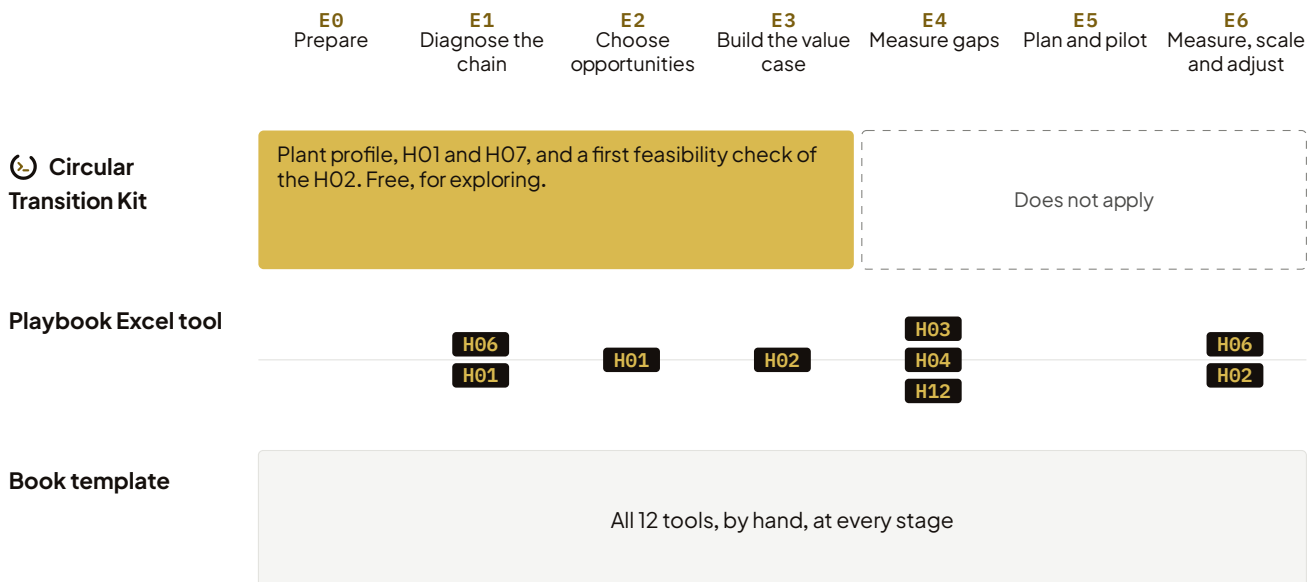
Type the sentence on the card into Claude, or tell it in your own words what you want to achieve. The kit first asks whether you work at the company or as a consultant, what your discount rate is and the key data for the plant. If you do not have a data point, it suggests a reference value and labels it as such.

What it does at each stage

The kit goes with you from Stage 0 to Stage 3. From there you continue with the Playbook Excel tools and with the book templates. Figure 35 appears here so that you can see at a glance where the kit stops and where the Excel tools begin, and do not expect a calculation from the kit that it does not make.

FIGURE 35

What the kit does at each stage and where the Excel tools take over



The kit does not work on the Stage 4 gaps or the H09: these are measured with the Playbook Excel tools and with the book templates.

STAGE	WHAT THE KIT DOES
0 · Prepare	Builds the company and plant profile with you, which is the input for the H01.
1 · Diagnose the chain	Reads the 14 H01 readings with you, with estimates where records are missing, and helps you rank the five inefficiencies. The H06 baseline and the readings from your records are calculated in the Playbook Excel tools.
2 · Choose opportunities	Goes through the five models and the 17 submodels, suggests no-investment moves and leads for synergies with neighbors, gives each a feasibility traffic light and ranks them (H01). Fills in the canvas (H07).
3 · Build the value case	Makes a first feasibility check of the best options: savings or revenue, investment range, NPV, IRR and payback, with own capital and with a non-repayable grant. These are theoretical reference values.
4 · Measure gaps	Does not apply. Gaps are measured with the Playbook Excel tools, and the H09 with its template.

 KIT • CLAUDE

How it handles your data

- Everything the kit produces stays in a folder on your computer: the profile, the opportunities, the calculations and the report.
- The kit does not send your files to Circular Club. What you write and what the kit reads from them travels to Anthropic so that Claude can answer, under the terms of your plan.
- You can anonymize: use another name and figures on another scale.
- The kit is optional: everything can be done with the book and the Playbook Excel tools.
- Every figure shows its origin: your data, a reference value or an assumption. The kit does not make up data about your company.
- It does not certify anything, and it does not replace legal, tax or technical review by a local professional.



How to continue

Three ways to bring the method into your company

This summary tells you what to do and in what order. To do it with your own data, you have three paths, and you can use them together.

THE BOOK Circular Playbook LatAm	The full explanation of the seven stages, the 12 tools with their blank templates and results views, the three guide cases with all their figures, and real cases from the region with their sources. It is accompanied by the six Playbook Excel tools: H01 Business model development, H02 Value case, H03 Capability maturity, H04 Technology and AI maturity, H06 Circular transition indicators and H12 Competency self-assessment, which you can get at circularclub.la/playbook/herramientas. If you bought Book + Kit at circularclub.la, you have already received them with your purchase.
THE KIT Circular Transition Kit	Free, for Claude. It explores opportunities with your plant's data and makes a first feasibility check. Request it at circularclub.la/kit.
THE CIRCULAR TRANSITION PLAN With the Circular Club team	For when you need the in-depth analysis: a bank-grade value case, a map of national and international financing, the gaps, the indicators and the implementation plan. Information at circularclub.la.

The full Playbook is published in Spanish, with its Excel tools. An English edition is in preparation.

Up-to-date information on financing and calls for proposals at circularclub.la.

Start with Stage 0, with an owner and a date, and come back to the method whenever there is a decision to make.

 circularclub@redesignlab.org