

## **About the company and its business. An offer that cannot be rejected**

Who we are and what we do is briefly described in the last section of this document. You can immediately go to it and familiarize yourself with it. However, for a full and comprehensive understanding, we highly recommend reading the full text of the document, which begins directly with the next paragraph.

## **Negative phenomena of globalization of markets and methods of their elimination**

In 1983, Harvard Business School professor Theodore Levitt published the scientific work "Globalization of Markets", in which he was one of the first to use the term globalism as a modern phenomenon in the world economy.

This global trend has divided humanity into two large categories - those who have increased their fortunes from the processes of globalization, i.e. economically won, and those who have lost certain values important to them, i.e. lost.

There are no clear statistics on how many people have benefited from globalization and how many have lost. It is only known that among those who have benefited from globalization is the wealthy part of humanity, and it is a minority. Among the poor part are also those who have improved their lives to some extent, but what percentage they make up is not known. That is why humanity has conditionally divided into ardent supporters of globalization and opponents. Who are also called anti-globalists.

However, we can clearly cite examples of those who clearly lost from globalization. These are primarily those who make jewelry in private workshops, manufacturers of custom-made furniture and tailoring of clothes by a designer. In addition, losses were incurred by all cottage industries and any other activity that was home-based. In addition, losses were incurred by workers of all handicraft industries. The so-called folk artistic crafts suffered a significant loss, including carpet weaving, embroidery, cooper craft, pottery, metal, leather, and wood products. These crafts provided the peasants with additional income in the winter, when they were not engaged in agricultural work. Geographically, they were located in poor, agriculturally overpopulated areas, with insufficient development of the factory industry, with local cheap raw materials, for example, localized in forest belts. Artisanal production has long been the basis of the national economy.

Globalization threatens culture. In the process of economic globalization, along with goods and services, culture is also subject to export and import. States that qualify as empires have the ability to influence the cultures of weaker ones in such a way that the latter cease to exist as such. During globalization processes, environmental degradation and the growth of social inequality are also observed.

One of the methods of resisting globalization is the development of a group of businesses in a closed financial ecosystem, with repeated multiple use of both natural and financial resources of this ecosystem. This approach makes it possible to provide each willing participant of the ecosystem with financial resources for rapid business development, regardless of whether he has run a business before, whether he owns 30% of the market in the field in which he runs a business, whether he has a collateral or sufficient cash flow in the past to pay interest on the loan. The effect of a closed financial ecosystem grows exponentially if it is supplemented by the so-called "circular

model of the use of natural resources." However, it should be noted that the financing of businesses in the monetary circulation of a closed ecosystem is carried out regardless of whether the business follows a circular model of using natural resources or not.

### **Circular model of using natural and financial resources**

Circularity means effective (re)use and processing of natural resources, materials, products, including financial resources in closed cycles. Moreover, the circular use of natural resources and the circulation of finances are carried out in opposite directions.

For the effective development of a circular approach in cities, it is necessary to implement eight principles of transition:

1. All materials are reused and endlessly recycled (Closed Loops).
2. All energy is produced from renewable sources (Reduction of emissions).
3. Resources are used to create shared (financial and social) value (Value Creation).
4. All products are designed in a modular and flexible manner, and production chains ensure the adaptability of systems (Modular design).
5. All new business models are built in such a way that it is possible to move from owning goods to using goods through services (Innovative Business Models).
6. Logistics systems are more focused on the region of the service with reverse logistics capabilities (Regional oriented reverse logistics).
7. All human activity positively contributes to the development of ecosystems, ecosystem services and the reconstruction of "natural capital" (Modernization of natural systems).
8. Concentration of resources, including those listed above in points 1-7 (Concentration).
9. Multiple use of financial resources in a closed business ecosystem (Circulation of cash flows)

In the implementation of each of these principles, a closed cycle of financial calculations is used, that is, all calculations are conducted using the accounts of one financial institution. Such a model ensures sustainable development due to the transition from a linear model of the use of financial resources, where they are used only once, to a model of closed, cyclical multiple use of financial resources, which gives them the characteristics and features of a circular economy.

“Closed-loop economy or circular economy is a model of economic development based on recovery and rational consumption of resources, an alternative to the traditional, linear economy. It is characterized by the creation of new alternative economic approaches, the task of which is to minimize the negative human impact on the environment.” (Wikipedia)

The circular economy is designed to change the classic linear model of production, focusing on products and services that minimize waste and other types of pollution.

The main principles of the closed-loop economy are based on the recovery of resources, the processing of secondary raw materials, the transition from fossil fuels to the use of renewable energy sources.

This type of economy is considered a part of the "fourth industrial revolution", as a result of which the rationality of the use of resources, including natural ones, will increase in general, the economy will become more transparent and predictable, and its development will be fast and systematic. The closed cycle economy is not efficient enough without the application of a closed cycle of finance, which makes the closed cycle economy more productive, which was proven in Switzerland as early as the 20s of the 20th century by the Wir bank. Applying the principle of asset concentration makes the positive effect quantitatively more significant.

## **Meeting the needs of the participants of the closed ecosystem**

The needs of all subjects of economic activity must be satisfied through the provision of appropriate financial services to the participants of the financial ecosystem, which can be grouped into four main groups: financial service providers are companies that directly provide financial products and services to end consumers. Infrastructure and technology are companies and institutions that provide products, services and solutions to financial service providers and other participants in the financial sector, enhancing their value proposition to consumers of financial services. Regulation and control are institutions that create rules for the interaction of ecosystem participants and monitor compliance with these rules. Expertise is market participants and institutions that, with their services and solutions, create the basis for the professional development of ecosystem participants. The strategy takes into account the current and future needs of representatives of all groups of the ecosystem, both consumers of financial services and key players involved in the creation of these services, and also contributes to the realization of the mission of the financial sector of a closed ecosystem. Achieving the goal according to the target scenario means a significant development of traditional and the emergence of new sectors of the economy; multiple increase in the size of the internal market of a closed ecosystem and simplification of access to new foreign markets; equal access to long and cheap financial resources for business development; ease of business start-up and tax reporting; low tax burden; growth of business capitalization.

## **Innovative component of success**

A stable advantage of the enterprise compared to competitors cannot be ensured without the involvement of an innovative component. Only new ideas, technologies, processes, management solutions, such as a closed cycle of circulation of funds, are able to provide the necessary resource due to which any significant separation from competitors is possible. Therefore, it is not surprising that modern economic discourse pays great attention to the concept of innovative activity. At the same time, there are significant disagreements among academic economists regarding the nature of the emergence and mechanism of the manifestation of innovative activity, in particular in the field of the closed model of the circulation of financial resources, and, as a result, there is a debate about the methods of evaluating the innovative potential and innovative activity of such a model.

There is an unmotivated mixing of the concepts of innovation and investment activity. In addition, the variability of the manifestations of the innovative influence of the model of closed circulation of finances within the same ecosystem, its evolution, does not allow mechanically transferring the conclusions and results obtained within the classical concepts of innovation to modern reality. Specifying the degree of conformity of classical concepts of innovation, including the closed model of the circulation of working capital to the current state of the world economy, clarifying the set of indicators that reflect the immanent properties of such an innovation, will make it possible to improve the quality of analytical work in the field of innovation management.

At the same time, the lack of static, evolutionary nature of the development of a closed economic system requires clarifying the degree of relevance of classic concepts of innovation to modern economic conditions. The main indicators that can most objectively reflect the trends and efficiency of innovative activity of modern subjects of financial and economic activity within the framework of closed ecosystems and their circular financial models require further clarification and systematization. When determining the essential characteristics of innovations, researching the main trends of innovative activity, identifying the most relevant indicators of the involvement of enterprises in innovative activity within closed financial ecosystems, logical and analytical research methods should be used.

Classic concepts of innovation include the following basic provisions: innovations are cyclical in nature; the most important element of the innovation process is "creative destruction"; innovative activity is prone to clustering.

Retrospective empirical studies confirm the validity of these provisions. Given the significant increase in the speed and density of information interactions in modern society, there are reasons to assume an acceleration of technological diffusion and a more even distribution of innovative benefits in the modern economic system compared to previous periods, especially in the closed environment of the circulation of financial resources. The immanent properties of innovations make it possible to identify the basic indicators of the enterprise's economic activity, which are indicators of its innovative activity.

The involvement in innovative activity based on the model of closed circulation of cash flows is evidenced by:

- 1) leap-like positive growth of economic indicators, accompanied by significant structural changes;
- 2) increase in labor productivity;
- 3) reduction of capital intensity;
- 4) reduction of specific costs;
- 5) growth of the indicator of economic added value;
- 6) availability of borrowing working capital in volumes that are not limited by the borrower's turnover.

Among the leading methods of monitoring the level of innovative activity of a closed ecosystem with multiple use of credit resources within the same ecosystem at the macro level, we consider it possible to single out cluster analysis, which makes it possible to identify the "crystallization points" of innovations with further investigation of the nature of their diffusion. The Organization for Economic Cooperation and Development offers the following definition: "Innovation is the introduction of a new or significantly improved product (good or service) or process, a new marketing method, or a new organizational method in business practice, the organization's workplace, or external relations." Thus, typologically, an innovation can be a product; process; method, including within the closed financial ecosystem.

### **7 key tools of a closed financial ecosystem**

Companies, members of a closed ecosystem, embody the common principles of the circular economy with the help of various strategies and tools.

1. Future design is the production of goods in which traditional materials can be replaced with renewable or recycled ones.

This optimizes the use of resources and reduces the amount of waste in the production process. For example, Adidas has developed running shoes made of 100% recycled materials. In production, one type of material is used and no glue is used. In this way, after use, the shoes can be recycled to produce a new pair.

And the General Electric company uses 3D printing in the process of manufacturing spare parts to save the amount of material.

2. Sharing and virtualization are common business models for many. Uber, BlaBlaCar, Airbnb, music streaming services use this approach.

Similar services work successfully in many countries of the world. Among the examples: the American Rent the Runway (it is even called the Netflix of dresses) and the Chinese YCloset.

3. The "goods as a service" strategy seeks to replace traditional models of selling goods with selling services.

For example, the Rolls Royce concern, which offered the market a similar approach almost 60 years ago.

With the "Power-by-the-Hour" service, the company offers customers in the aviation industry, instead of buying aircraft engines, to pay for their use based on a fixed rate per 1 hour of operation. Due to the service approach, the life cycle of the engine increases by 25%. Another example is the successful launch of a car subscription by Volvo.

The client can choose a model through the site and issue a subscription with a fixed monthly payment. This model is an alternative to leasing or buying a car.

4. Reuse in production, when used products or components become part of new goods. So, Canon takes back products at the end of their life cycle and uses the components in new devices, without reducing the functional characteristics of the materials.

The same approach is embodied by the Dell corporation, using used products for the production of spare parts. And the Michelin group annually returns 17 million tons of used car tires to the production process. Thanks to R&D developments, they become a valuable material again.

5. Reuse in consumption, when companies can increase the life cycle of a product by optimizing service.

For example, the eBay marketplace offers restored after damage or failure, but fully functional devices, on a special site at reduced prices.

The reuse strategy also offers to sell and buy used products. In Sweden, there is an entire Retuna supermarket, the range of which consists of second-hand items, from furniture to books.

The term "used money" is never used in everyday life, since all the money we use has already been used by someone, that is, by its very nature it is used.

However, the effectiveness of loans issued by a financial institution is usually low, since the borrower uses them only once when paying for a product or service, and in the future they are used by users unknown to us. If the circulation of these funds takes place within the framework of a closed financial ecosystem, which is organized on the accounts of one financial institution, then each stage of purchase and sale takes place among the participants of the same closed ecosystem, and therefore leads to an increase in their profits, and many times over. The strategy of reusing credit resources within the framework of a closed ecosystem allows, on the basis of the same financial resource, to increase the well-being of each participant of the closed financial ecosystem

many times over. Therefore, the effectiveness of credit funds in a closed ecosystem grows exponentially.

6. Industrial symbiosis and recycling of production waste can significantly increase business efficiency.

The project in the city of Kalundborg, Denmark, is considered the first example of symbiosis in the concept of circular economy. Participating companies were united there by the principle of interaction, when production waste of one business becomes a resource for another. And at the same time, economic costs and CO2 emissions are reduced.

The consortium includes Denmark's largest oil refining company, which is owned by the energy giant Equinor, the pharmaceutical company Novo Nordisk, the municipal water and heat supply company for the city's residents, a waste management operator and other participants.

There are also examples of effective use of resources in the production process. So, companies are building biogas complexes to process waste from poultry farms and obtain energy.

Concerns of agricultural companies sell by-products of beer production, which become fodder for animals. And in the chain of supermarkets, special heat recovery tanks from refrigeration equipment are installed to meet the need for hot water supply.

7. The common term "recycling" is also a circular economy strategy. At the end of the product's life cycle, the materials are recycled in a safe way.

For example, the shoe manufacturer Nike almost 30 years ago launched the Nike Grind program, according to which old sneakers were used as material for the production of surfaces for sports fields. Since launch, more than 27 million pairs of shoes have been recycled into sports surfaces.

All over the world, the problem of plastic recycling is urgent, and private business is included in its solution. The PwC firm has developed a solution for companies that produce packaged products to control the indicators of plastic use. Interactive dashboards integrate internal and external data to assess plastic use.

The practical transformation of business originates from the following initiatives:

- Analyzing product features in the context of what customers really value. Often materials can be replaced with renewable ones without loss of quality. Often expensive and inaccessible loans can be replaced by easily accessible, interest-free or low-interest and unsecured loans within the framework of using credit funds in a closed financial ecosystem.
- Logistics can work in bilateral mode. Valuable materials can be put back into production after customers use the product. Cash flows in the closed environment of a financial institution in the direction opposite to the movement of assets.
- Joint work on innovations with other companies can become mutually beneficial. In particular, this concerns the movement of financial funds according to a closed settlement scheme within the framework of one financial institution. The tax base is reduced, the turnover increases due to the greater availability of circulating funds, their rational multiple use with the payment of the same interest.
- Search for secondary use markets. New markets outside the traditional sector of activity can significantly increase the company's customer base and ensure increased profits after their involvement in a closed financial ecosystem by promoting among them the benefits and additional opportunities that such a system brings to a new participant.

- Constant communication with customers about the product and changing needs. The circular economy of goods, services and monetary resources is built on continuous communication with the consumer and the search for new opportunities that arise from a closed system of circulation of assets and finances.

Today, the world is changing faster than ever. A successful company in the conditions of a linear economy may be an outsider in the circular paradigm of tomorrow.

When changes are on the horizon, it is important not to miss the moment and adapt to the new conditions, being among the first to take advantage of the opportunities for growth provided by the economy of a closed cycle of money and goods (services).

This requires a new approach to strategy development, launching the transformation process, and building an effective management and reporting system.

### **What are we doing to accelerate your integration into the processes of the circular economy based on a closed financial ecosystem**

As investment bankers, we provide all the necessary resources for you to successfully conduct your business or satisfy your needs as a consumer within a closed ecosystem while using our own resources, resources attracted by creating a joint business with other business partners based on the well-known Joint-Venture technology, as well as by applying the financial and technological assets of the licensed Swiss bank Wir and its prototypes, which specialize in providing international services of this class.

In particular, these are all 100% (not 99.9%...) available low-interest (2%-3% annual) loans without collateral and without third-party guarantees, which for businesses are not tied to property value, salary or availability of circulation (turnover). This is an account provided for settlements within the framework of a closed financial ecosystem in a foreign financial institution, as well as a regular settlement account for making payments outside the ecosystem participants. 100% opening of such an account is guaranteed for all those who wish to become a member of a closed ecosystem, as an alternative to the globalization of the economy, in order to reduce the losses brought by globalization and obtain additional profits generated by the circular economy, including the benefits of waste-free circulation of materials. In addition, we help to integrate into the modern processes of the circular economy, if you have such a need.

Recognizing the objective reality in the form of benefits and additional income that the circular economy brings to you and your business partners-suppliers and entering the financial ecosystem gives you a 100% guarantee of receiving the required amount of financing, regardless of the scale of your business and its financing needs. Such an advantage can be obtained only as a participant of the circular economy and in no other way in our world today because it is a global trend.

All that will be required from you is the presence of a business project or business idea, which is presented on one letter in an understandable form, and to be able to pay for bank services for transferring funds to your business partners according to the tariffs of financial institutions. These costs are not covered by the amount of the received financing and the recipient of the financing must be able to cover them himself. If you are homeless and live in a cardboard box under a bridge, and you eat at the expense of charitable dinners in the church community, then such expenses will probably be beyond your pocket. But if your colleague from the neighboring cardboard box has savings and will be able to pay bank transfers, then both of you will be able to build your own business on the principles of circular economy and move from a cardboard box to live in a mansion

for half a million dollars. It all starts with an idea and the courage to bear the risk that is present in every business without exception.

The service is available to any legal business on the planet. Attention: chief managers, managers, CEO, presidents, directors and owners of businesses of any form of ownership.

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