



## RE-START – Reinforcing the circular economy model for START-ups

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### Primary Research Consolidated

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Prepared by UBI's research team





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### The Primary Research

Partners organized the analysis and results of the primary research to create a comprehensive overview of the integration of circular economy in business at national and EU level that will include an outline of the key components of efficient circular business models. Data gathered from the focus group assessed stakeholders' current knowledge and map their competences compared to the circular economy model proposed by Ellen MacArthur Foundation<sup>1</sup>. This analysis will support partners regarding the decision of the contents of the OERs.

### Objectives

The primary research consisted of focus group research to explore the perspective of the stakeholders on circular business. The participants' interaction during the focus groups encouraged them to make associations between various concepts through the dialogs that could occur during the focus group session.

### Target participants

The focus group included 46 experts in circular business: 10 academics, 6 trainers, 8 startups, 6 policymakers, and 13 consultants, 3 researchers.

### Focus group meetings

Country/Partner	Main Information
<b>Cyprus   GrantXpert</b>	Date: 13 <sup>th</sup> of October 2022. Duration: 1 hour. Place: Hybrid.
<b>Greece   Innovation Hive</b>	Date: 5 <sup>th</sup> of October 2022. Duration: approximately 2 hours (from 11 am to 13 pm). Place: Hybrid.
<b>Greece   HOU</b>	Date: 5th September, on o 20th December and on 22nd December Duration: 4 hours 15 minutes

<sup>1</sup> For more information: <https://ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview>





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	Place: Online.
<b>Poland   Danmar</b>	Date: 3 <sup>rd</sup> of October 2022. Duration: 2 hours (from 10 am to 12 pm). Place: Online.
<b>Portugal   UBI</b>	Date: 13 <sup>th</sup> of September 2022. Duration: 2h30 hours (from 9 am to 11:30 am). Place: Online.
<b>Spain   Fundeu</b>	Date: 2 <sup>nd</sup> of September 2022. Duration: approximately 2 hours (from 9 am to 11:25 am). Place: In person.

## Analysis of the Results

Below we present the compilation of answers and insights for each question:

*What are the challenges and how to overcome creating a circular business in your country?*

Country/Partner	Answers
<b>Cyprus   GrantXpert</b>	Circular economy is in an embryotic stage in Cyprus in terms of both education and business development and needs to be supported by initiatives and projects like RE-START. High operational cost, and communication between businesses, were cited as the major challenges. In terms of solutions, they mentioned that effective networking can bring together businesses which will connect and share their ideas and knowledge in implementing a circular economy model for a stronger "business ecosystem". Moreover, to overcome these challenges, they suggested relevant conferences, initiatives and projects like RE-START to support and enhance businesses' communication.
<b>Greece   Innovation Hive</b>	The main challenges are: capital/funding, the business idea, social stigma, the creation of a proper entrepreneur's profile, the management of the employees/associates, expenses and income, and debt. Moreover, the lack of institutional framework, the need for a personal accountant, consulting from Chambers, the lack of horizontal skills, and the difficulty of depicting the business idea and forming it. The solution could be: Education regarding entrepreneurship fundamentals and proper career counseling.





<b>Greece   HOU</b>	The main challenges are: the need for an appropriate and stable legislative framework, a stable institutional environment including the tax framework and the need for appropriate financing, primarily for start-ups. A lack of culture regarding circularity, both among businesses and consumers. A lack of appropriate education and training on offer. Need for change in business mentality and mindset.
<b>Poland   Danmar</b>	The participants mentioned the following challenges: (i) Entrepreneurial knowledge gap, lack of appropriate training and online tools to increase circular business knowledge, (ii) problem in creating an appropriate business plan, (iii) insufficient entrepreneurial competence, and (iv) little awareness of the circular economy. No solution to overcome was present in the report.
<b>Portugal   UBI</b>	The main challenges pointed were: Funding, the absence of machinery, communication, legislation and taxes, the awareness about using waste, licensing (costs and slowness) for using the "waste", by-products, and raw materials, the lack of tangible incentives. In turn, the solutions mentioned were: (i) development of scientific and technological means; (ii) the integration of sectors with industrial co-utilization (passing waste from one sector to another; an integrated combination of waste management); (iii) investment in education and training of people; (iv) greater concentration of efforts at regional level for circular economy and entrepreneurship, combining waste in a regional center for circular economy; (v) patents, and creation of a productive and circular system of knowledge sharing; (vi) greater cooperation between entities/sectors to foster the development of the circular economy; and (vii) the circular economy must be beneficial to people so that they can live better and protect the environment and ecosystems by increasing resilience at an affordable price. Moreover, investment funds should be used to finance the transition to a circular economy, with companies getting tax breaks and inferring how the funds will be spent in the circular economy. Furthermore, the development of circular citizenship, platforms with information for consumers about household waste, a more aggressive tax regime for companies that do not adopt the circular economy logic, and incentives for the circular supply chain.





<p><b>Spain   Fundeun</b></p>	<p>The participants discussed about several types of challenges, namely:</p> <p><i>Cultural:</i> Unwillingness to engage within the Circular Economy, Limited willingness to collaborate in the value chain, Skills gap for the job, Circular Economy is not just “recycling”.</p> <p><i>Regulatory:</i> Lack of public policies to facilitate the transition to CE, Lack of consensus to measure CE, Lack of a clear list or guidelines of regulations to be adopted.</p> <p><i>Market:</i> Lack of a profitable market for secondary MPs, Funding to promote circular business models.</p> <p><i>Strategic:</i> Lack of impact data to assess the shift from linear to circular model, Lack of definition of indicators linked to business models, Lack of translation of monitoring metrics to allow comparability between companies, Promote networking and interaction among different stakeholders.</p>
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*What are the best ways of funding a circular business?*

Country/Partner	Answers
<p><b>Cyprus   GrantXpert</b></p>	<p>All invitees agreed that a combination of all three pillars of funding, national, European and investors, is the best way of funding a circular business. Looking for various sources of funding per pillar will give even more funding options to potential circular startups. The best way to fund a circular startup is to use various sources from both types of funding.</p>
<p><b>Greece   Innovation Hive</b></p>	<p>Enrollment in a program provided by institutions as PEP, OAED (center of unemployment), crowd funding, and alliances.</p>
<p><b>Greece   HOU</b></p>	<p>National funding for new business ventures provided by national agencies such as DYPA, Regional Offices e.t.c.. It was however pointed out that no targeted funding for circular businesses exists, and circular businesses should present a certain level of innovation to stand out and being able to utilize funding opportunities for higher investments. Also, business angels, venture/seed capital and/or crowdfunding etc., mentioning, however, that in Greece they are in their embryonic stage. He also referred to own resources for funding where they exist coming basically from family environment and friends.</p>
<p><b>Poland   Danmar</b></p>	<p>A key role in public funding of startups in Poland is played by government agencies. In Poland there are different types of financing as follows: loans, investment funds, grants, investors,</p>





	<p>crowdfunding, leasing, factoring, franchising, business angels, venture capital.</p> <p>Information on how to set up a startup and source funding is widely available, and can be located on various websites, including those of the Ministry of Development (Ministerstwo Rozwoju) and the Ministry of Development Funds and Regional Policy (Ministerstwo Funduszy i Polityki Regionalnej), the Ministry of Family, Labour and Social Policy (Ministerstwo Rodziny, Pracy i Polityki Społecznej) the Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości) Bank Gospodarstwa Krajowego (The National Development Bank), Employment Offices, Student Career Centres, business incubators, regional and local entrepreneurship support centres, entrepreneurship foundations and associations.</p>
<b>Portugal   UBI</b>	Applications in Portugal to PT2030, PRR, European Horizon – the EIC accelerator, and investment funds.
<b>Spain   Fundeun</b>	Next Generation funds, and Strategic Project for Economic Recovery and Transformation (PERTE) on Circular Economy.

*How to build a solid network of stakeholders to support a circular business?*

<b>Country/Partner</b>	<b>Answers</b>
<b>Cyprus   GrantXpert</b>	<p>Joint efforts of various stakeholders including existing startups and policymakers through conferences and other initiatives, can help in building a solid network.</p> <p>Cyprus Chamber of Commerce and Industry can be the interface between all stakeholders related to circular economy in Cyprus. The Cyprus Chamber of Commerce and Industry is quite possible to offer national action plans as the Ministry of energy commerce and industry for circular businesses and this will also support networking. Also, trust issues should be addressed.</p>
<b>Greece   Innovation Hive</b>	<p>Municipalities and Regional Chambers (public authorities have greater power and recognition by the society). Entrepreneurs should proceed with stakeholders' mapping, identification, classification, mostly at the local level. There is a difficulty in the maintenance of the stakeholders' interest, to find the right people and motivate them.</p> <p>Additionally, they should match the persons to the cause, and that capacity and trust should be developed between</p>





	<p>entrepreneurs and stakeholders. Moreover, they should reflect on the following questions:</p> <ul style="list-style-type: none"> <li>• Are the stakeholders enough?</li> <li>• Are they the same person again and again?</li> <li>• Should opportunities be given to more people, and not only to the same again and again, to gain more experience?</li> </ul>
<b>Greece   HOU</b>	A bottom-up approach for the structuring of a solid network, starting from municipalities and local institutions acting as local enablers.
<b>Poland   Danmar</b>	Networking and building a solid network of stakeholders is very difficult, as it is hard to keep them interested and motivated. A gap in communication skills and trust-building between entrepreneurs and stakeholders was also noted.
<b>Portugal   UBI</b>	All the participants agreed that networking is essential and that it should cover all companies and startups.
<b>Spain   Fundeun</b>	<p>It is described as a spontaneous rather than a structured process.</p> <p>Basic Needs: Transparency, trust, and professionalism.</p> <p>That all members benefit substantially from belonging to the network at all levels (economic, social, or legal).</p> <p>Active participation in forums on this subject.</p> <p>Diversity of sectors, including public and private sector, technology institutes, science parks, startups, and consolidated companies with more experience in circular business.</p> <p>Technology sectors, EBT, and spin-offs.</p> <p>Preferably local character, commitment, institutional support, common interests within the supply chain.</p> <p>Common interests within the supply chain, prospects for profitability, strong business ecosystems...</p>

*What are the competencies a startuper needs to create a circular business?*

<b>Country/Partner</b>	<b>Answers</b>
<b>Cyprus   GrantXpert</b>	Circular economy model knowledge; Business development knowledge; Communication skills; Commercialization skills; Engineering skills for specific industries.
<b>Greece   Innovation Hive</b>	Multitasking and multilevel thinking: horizontal skills, the capability of tracking the right associates, HR management, the ability of evaluation of resources management, economical, human, time.







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<b>Greece   HOU</b>	Before developing any competence, passion is the first thing an entrepreneur should have. Other than that, soft skills like organizational skills and leadership are essential. Entrepreneurial and financial literacy is key for any business venture to succeed, but especially for circular businesses where strategy and design have an even more crucial role.
<b>Poland   Danmar</b>	Ability to build networks; Ability to build trust; Ability to present your idea and to convince others that the idea is a good one; Entrepreneurial skills, including management of people and resources; Ability to assess risks; Soft skills.
<b>Portugal   UBI</b>	Resilience and some background from academic research, as well as the concern with understanding current research on circular economy. Rhetorical competences. Ability to change
<b>Spain   Fundeun</b>	Soft skills; Proactive personal strategic plan; Resilience; How to face up the failure; Lifelong learning attitude; Encourage collaborative learning; At least basic economic training.

*What is your opinion about the following modules for a course about circular economy to future startups?*

- i. Introduction to circular economy
- ii. The regenerative business model
- iii. Funding opportunities for a circular business (startup)
- iv. Circularity and entrepreneurship
- v. Innovation and circular startups
- vi. Marketing & commercialisation of a circular startup
- vii. Green Collaborations

<b>Country/Partner</b>	<b>Answers</b>
<b>Cyprus   GrantXpert</b>	<p>All attendees agreed that the above modules are very important and added below thematic areas:</p> <ul style="list-style-type: none"> <li>• <b>Business Model Canvas</b></li> <li>• Waste Management</li> <li>• Technologies to convert raw materials</li> <li>• Environmental Engineering</li> <li>• Chemical Engineering</li> </ul>





	<ul style="list-style-type: none"> <li>Other modules related to specific industries. Tailored modules might give flexibility to startups' learning.</li> </ul>
<b>Greece   Innovation Hive</b>	To the participants these modules seem to be sufficient. One participant pointed out focus on the circular bio-economy.
<b>Greece   HOU</b>	All participants agreed that the proposed modules are sufficient as an initiation to circular economy and entrepreneurship.
<b>Poland   Danmar</b>	Focus group participants stated that the topics we are proposing for curriculum development are relevant and needed in our labor market. They stated that it would be good to <b>include practical tasks</b> to test users' knowledge, if possible.
<b>Portugal   UBI</b>	The <b>social impact</b> of business could be introduced in the modules contents, as well as the issue of <b>female entrepreneurship</b> and <b>green finance</b> and <b>regulations</b> .
<b>Spain   Fundeun</b>	<p>Include <b>practical cases</b> presenting good practices.</p> <p>Consider the <b>Business Model Canvas</b> including the <b>social</b> and <b>environmental perspective</b>.</p> <p>Include sector-specific issues.</p> <p>To analyze and disseminate new ways of working in the circular economy applied in pioneering national and international companies.</p> <p>Include visits to nearby technological institutes linked to the territory of the entrepreneurs themselves.</p> <p>Include <b>legislation</b>.</p>

*Which advice would you give to those who want to develop a circular business?*

Country/Partner	Advice
<b>Cyprus   GrantXpert</b>	The most critical aspect for a startuper of a circular business to succeed, is to actually convince its customers about the value of the product throughout its life. Thus, a good knowledge of circular economy principles and advanced marketing and commercialization skills are the most critical areas for those who want to develop a circular business.
<b>Greece   Innovation Hive</b>	To give the highest importance to the team, since they will be developing entrepreneurial ideas.
<b>Greece   HOU</b>	To be passionate about what they do and see their venture as their opportunity to reshape the world in a more sustainable and caring way. Also, they should always look for effective partnerships and to think circular entrepreneurship as a system.





<b>Poland   Danmar</b>	<p>A word that was repeated many times with this question is 'perseverance' and 'innovative thinking'. The most important thing is to be motivated and constantly strive for the goal. If we know that our idea has a chance of success, we must do everything to make it so.</p>
<b>Portugal   UBI</b>	<p>Entrepreneurs have to believe in the project and build a network for their livelihood, daring or creative in approaches. Also, talking with consumers, talking with suppliers, peers, and other institutions because co-creation underlies business models</p>
<b>Spain   Fundeun</b>	<p>Rethink eco-design; Analyzing the interaction of value chain processes; Use the right indicators; Information on applicable legislation should be included; No greenwashing; Do not idealize the entrepreneur's process as easy.</p>

### Partners' final considerations

Country/Partner	Answers
<b>Cyprus   GrantXpert</b>	<p>The lack of knowledge for the creation of a circular startup or the shift of an existing startup to a circular one indicates that more efforts should be made towards relevant education, in Cyprus. All invitees agreed that a tailored educational program for circular businesses per industry along with mentorship would benefit the potential startups and equip them with all the necessary soft and hard skills they need to transform their idea into a successful circular startup. Initiatives and projects like RE-Start will help to leverage this gap in the education system in Cyprus.</p>
<b>Greece   Innovation Hive</b>	<p>The changes should start from the educational system, which should include entrepreneurial lessons, career counseling, and development of horizontal skills, which could be used not only for entrepreneurial development, but for the development of a mindset as well.</p> <p>Greece does not offer a vast variety of entrepreneurial opportunities but is eager to embrace circular and sustainable initiatives. Also, funding opportunities are scarce, and most of the people who want to be engaged in entrepreneurship and do not have the starting capital, but only the idea, are in debt even from the start.</p>



	To summarize all the provided information, proper horizontal and life skills should be developed from very early, as well as specialized training in financial and risk management, opportunities hunting, stakeholders mapping, HR, and ways to keep the business viable.
<b>Greece   HOU</b>	As far as the proposed curriculum is concerned, it is the right one, but it should include both bio-economics and the exploration of the possibility of internships, use of case studies or even study visits.
<b>Poland   Danmar</b>	The topic we are focusing on is very important and the training content is much needed in our market, due to the knowledge gap between entrepreneurs and future entrepreneurs. All focus group participants declared to evaluate and use the tools that will be produced as part of the Re-start project.
<b>Portugal   UBI</b>	The proposed modules are on track to meet the needs of future entrepreneurs, with minor adjustments, related with the inclusion of some topics (e.g., green finances).
<b>Spain   Fundeun</b>	It has been highlighted the training needs in circular economy at all educational levels and from the point of view of its implementation in companies.

## Conclusion

Concerning the modules, the results of the focus groups implemented in every country indicate the need to address the Business Model Canvas including the social and environmental perspectives, female entrepreneurship, legislations and regulations, case studies, and practical tasks. In sum, the modules previously suggested fit well (with minimal adjustments) in the perception of the stakeholders consulted for the purpose of the primary research.

