



# Vital ingredients and regional hotspots for successful entrepreneurship and business in rural areas

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# New rural dynamics challenges

Rural areas face numerous challenges that significantly impact their activities:



Global competition



Automation



Changing markets



Environmental challenges



ICT connectivity



Skills & talent development





# New rural dynamics opportunities

RUBIZMO believes that rural economies are ripe for change:



New technologies and forms of collaboration amongst actors and sectors



Growing acknowledgement of biodiversity and climate change mitigation



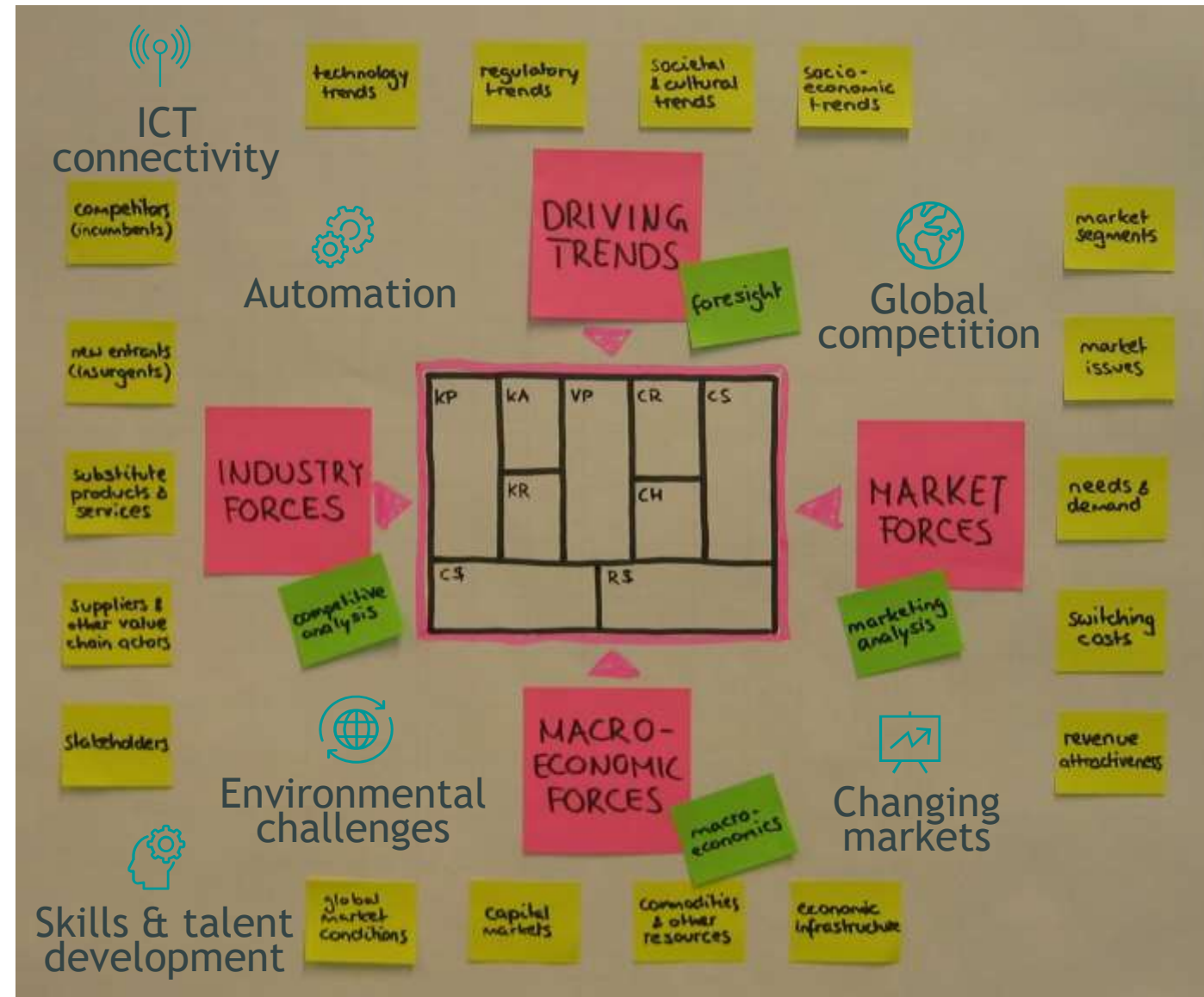
A new wave of entrepreneurial and economic activity fueled by the bio-economy, agri-tech, tourism and more...



# Common view on business models and their environment



- World Bank „Doing Business“ (WB, 2019)
- Investment climate (DCED, 2008)
- Business environment framework (Roos, 2016)



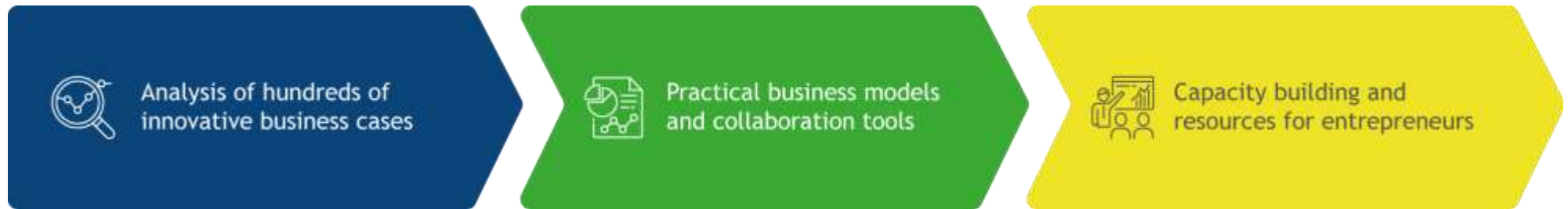
Adapted from Ostermeyer (2019)



# The Rubizmo Approach

## 3 areas of analysis and support

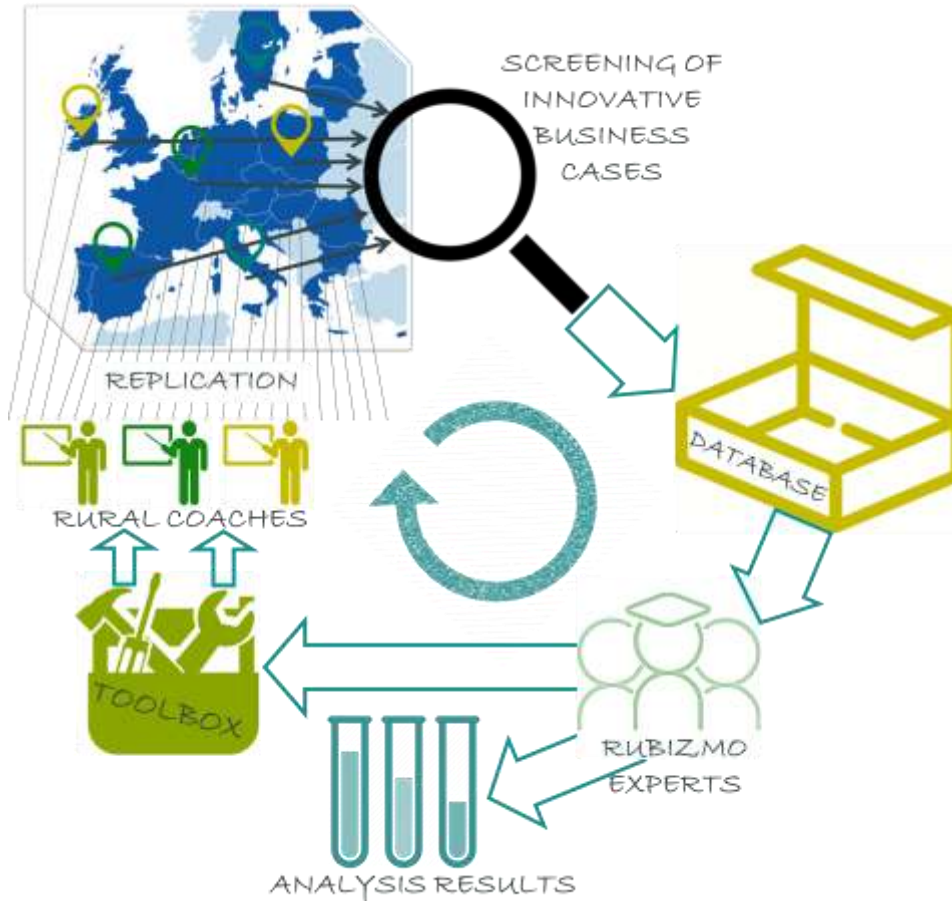
A three stage process to cultivate fresh business ideas, choose the right business models and develop thriving environments for economic prosperity.



Special focus will be given to generating **benefits for the economy, environment and society in equal measure** - turning areas of shared value into operational business cases.



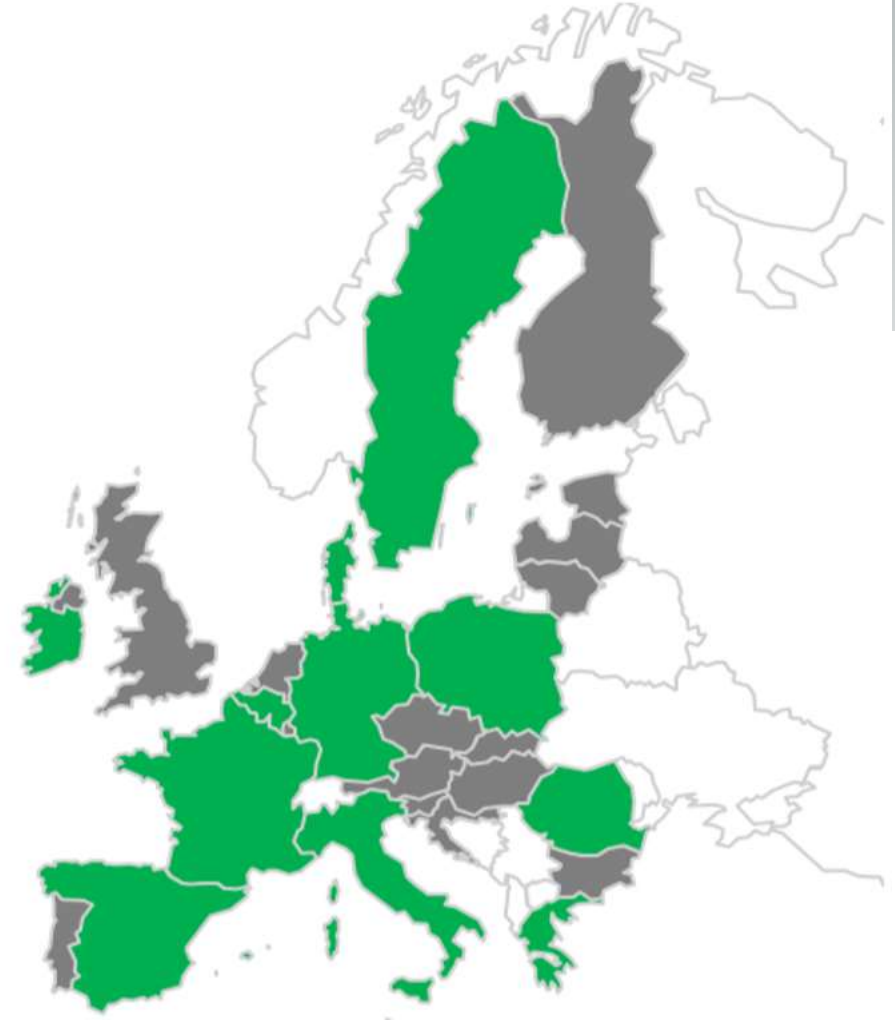
# Screening of business cases, clusters and hotspots





# Research design

- A desktop review on business cases (150 businesses)
  - Private initiatives or rural entrepreneur
  - Projects under FP7, H2020, LIFE, EUREKA, INTERREG, and national programmes
- Phone contact
  - 120 business cases
- First round interview using a semi-structured interview guide (70 business cases)







# Business cases, clusters and hotspots

## Selection criteria:

- Novelty
- Value Proposition
- Impact:
  - Social
  - Environmental
  - Economic
- Replicability
- Qualitative data and analytical techniques

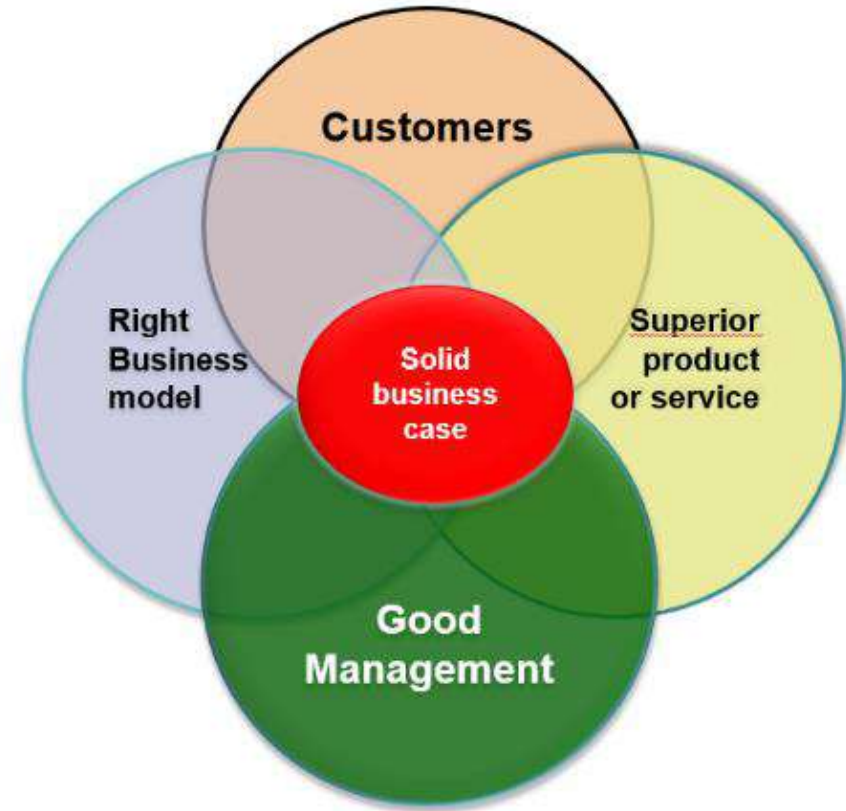


Fig.: '4 circles model' for a solid business case



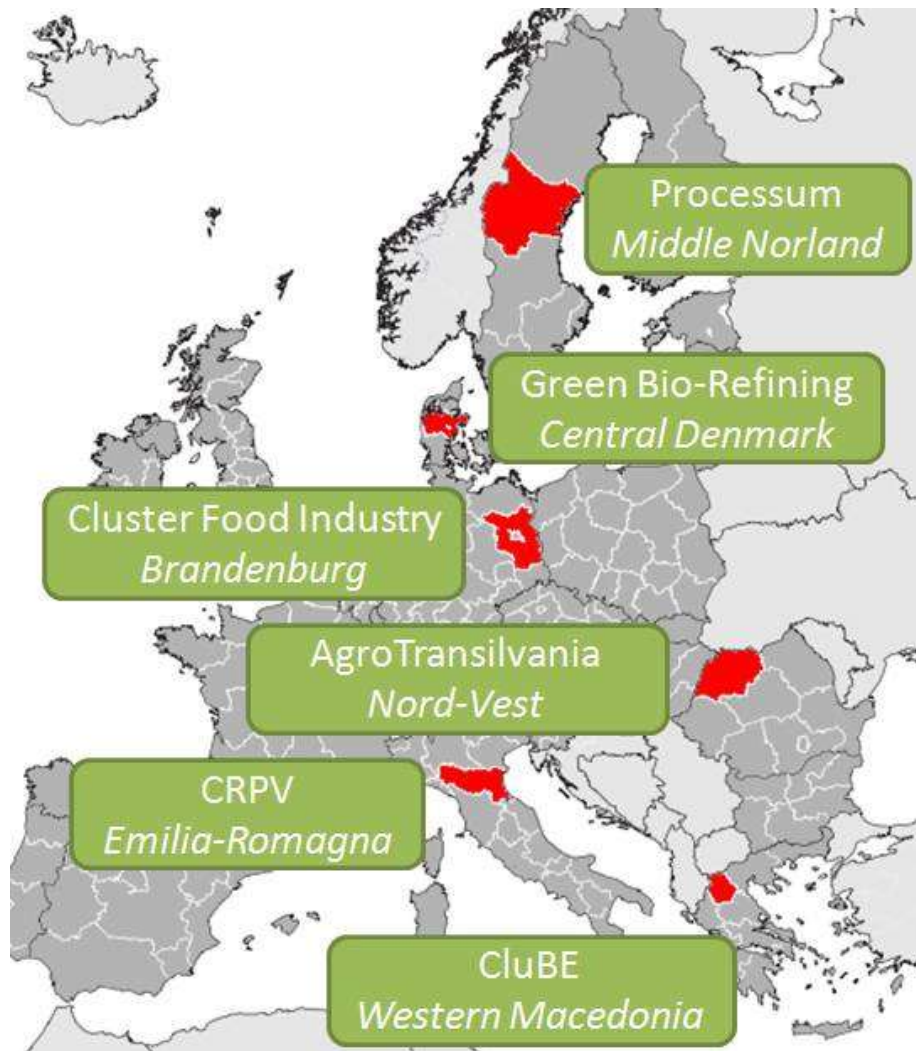


# Business Cases

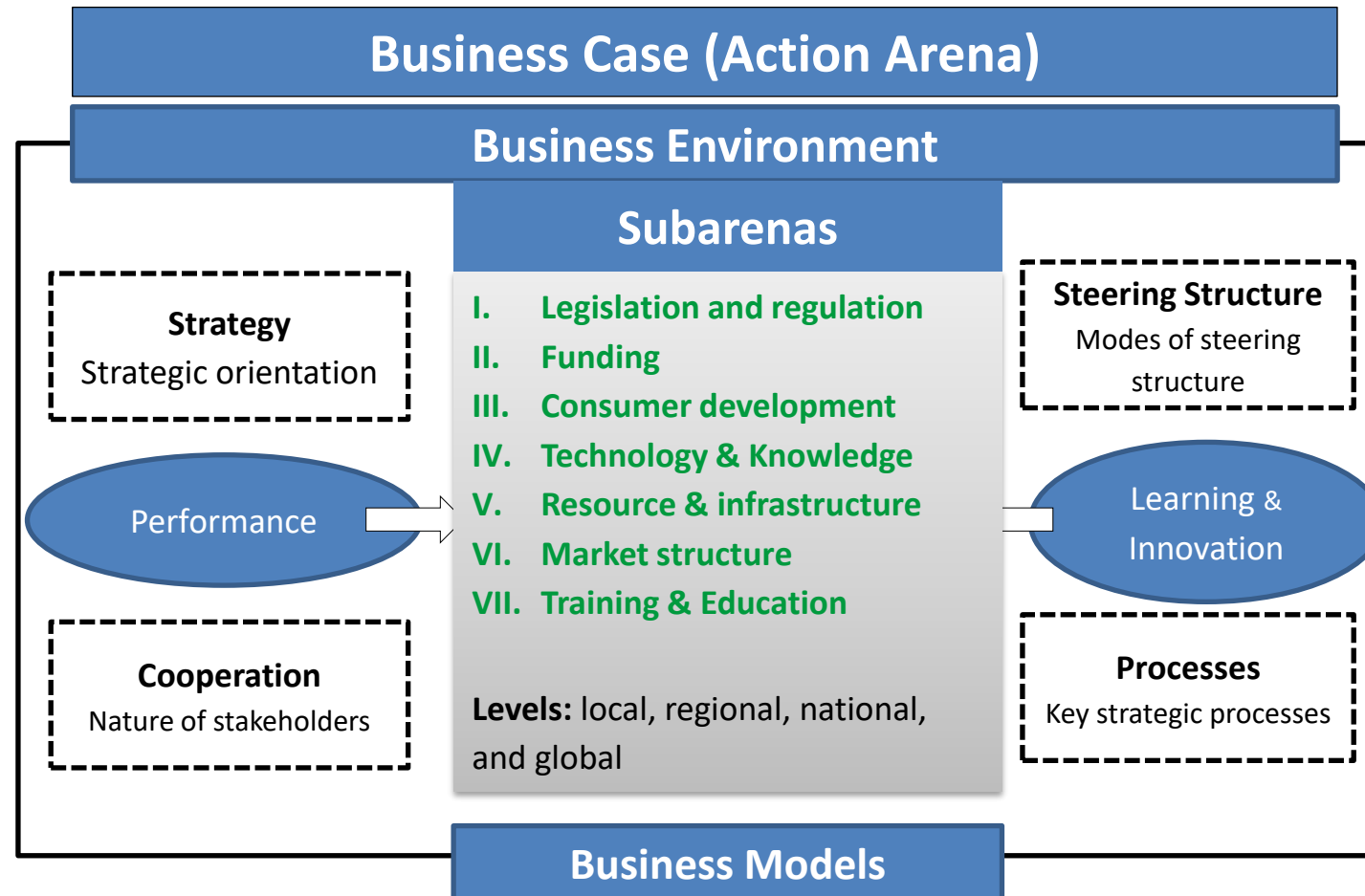
	REPLACE	UPGRADE	CIRCULATE	COLLABORATE
FOOD	1 Gårdsfisk SE 3 Odovits RO 1 Hermetia GE 2 Emiko GE 3 Kilbeggan Foods IR 3. GOSPODARSTWO SZETYŃSCY. (PL) 1.EKO BAJKA(PL)	4 Gotland whiskey SE 2 Aarstiderne DK 1 FIRST HAND MILK GR 5. 4GAIA GR 4 ALMA BAMBOO IT 6 SMILEAT SP 2 irinas goats RO 1 Taína Vie RO 3 obsthof Roenn GE 2. PIEKARNIA KLOS & PALAC PAWLOWICE. (PL)	2 Stephan Henry BE 5 Serra-Ivas RO 8. Food bank (DK) 5. Gospodarstwo WOJCIECH KURPIEL (PL)	4 coop crowdfunding DK 2 FARM&CO SP 2. Panier local (FR) 3. Feder (FR) 4.Probiolife (PL)
BIO-BASED VALUE CHAINS	6 Energifabriken SE 1 Ocean Rain Forest DK 2. HERB&OILS GR 3. CHLIAPAS GR	1 BIO-ON IT 3 BIOGAS IT 5 BEFBIOSISTEM IT 6 PECORE ATTIVE IT 6. Tryon (FR) 5. Nenufar (FR)	4. ELPIS GR 2 FIUSIS IT 1 BIO-OILS HUELVA SP 3 OLEOFAT SP 5 OLEICOLA EL TEJAR SP 1 Valbiom BE 3 DMINOR BE	5 Biogas Brålanda SE 8 Pirinoble (SP) 1. Pomacle Bazancourt (FR)
ECOSYSTEM SERVICES	3 Järvsö resurs SE 4 ElidaFishing DK 6 Crafts Village RO 4 Coconat GE	3 DuePapaver DK 6 Nygaarden DK 2 Glenkeen Farm IR 4 Fuchsia Lane Farm IR 6 Saint project Slow (IR) 6 Adventure IR 4 Drumul Plutasilor RO	5. Driving center Gross Doelln (GE) 9. Kusters trädgårdar (SE) 6. Owoce Lutyni (PL) 4. Alp'grain (FR)	2 Lapland Voullerim SE 1 Dunhill Eco Park IR 5 Abbeyleix Bog Project IR 4 KUDEA SP 7. Virere (SP)



# Clusters and hotspots



# Business environment framework







# Types of business models

- I. **Simple business models:** with a single value proposition and single target customer group.
- II. **Diversified business model:** with multiple value propositions and differentiated customer segments.
- III. **Network-based production business model:** where the venture brings together products/services produced by others into one or more value propositions.
- IV. **Alternative revenue stream or cost structure:** where revenues are received from stakeholders other than the targeted user of the value proposition; or where venture costs are paid by others and/or reduced-cost resources are exploited.



## Findings

# Legislation and regulation

### ❖ Learning and innovation related to legislation and regulation

- Overcoming complex and restrictive legislations or, sometimes, missing institutions.
- Filling regulatory gaps for new products and services at various level (regional, national and EU level).
  - *“Everything which is not allowed is prohibited”*  
*Firm#75*
  - Long process to get approval
- Promoting awareness and learning of public agents and actors at various levels and subarenas.
- Dealing with regulatory barriers with the help of Triple Helix Support of clusters.



## Findings

# Technology and knowledge

- ❖ Alignment of demand and supply of technological solutions and innovations.
- Providing knowledge mostly related to market development or creating marketing strategies.
- Dealing with frequently limited technology and innovation supports especially for SMEs.
- Availability and access is related to:
  - nature of the business,
  - the size of the business,
  - networks and clusters they able to create, and
  - association businesses are member in.





## Findings

# Funding

- ❖ Successful business and enabling environments with access to diverse forms and sources of funding.
- Receiving funding from various sources including EU, national, regional, credit institutes, crowd funding, and others.
- *“We have applied for EU subsidies. However, we prefer private funds since EU regulations are too complex and sanctions are potentially possible”* Firm #88
- Anticipating difficulties by attracting investors or accessing to funding at the early stage of the business life.
- Engaging in networks that provide support for attracting financing.



## Findings

# Consumer development

- ❖ Consumer values, awareness and behaviour are factors reinforcing demand, learning and innovation.
- Increasing (level of) awareness of the society and key stakeholders shaping:
  - demand for products and services,
  - decision making of public agents,
  - volunteering behaviour.

*“Due to our value for the local and seasonal food, we have volunteers who lobby for the product and service we are providing” Firm #88*

- Creating awareness and shared value supported by cooperatives, clusters and partnering businesses with strong networks.



## Findings

# Market structure

- ❖ The market structure is aligned to the nature of the product, size of the business and awareness of the society.
- Withstanding high competition from big companies and conventional products and services:
  - Sometimes competitors even take over the business model.
- Influencing markets by raising awareness among the society and stakeholders.
- Improving access to markets through clusters.
- Avoiding competition through innovative products and services.

*“The competition is less because the business model is not only providing a conventional rural tourism but also provide training module on solar energy .... and rent the building to use for training purpose” Firm # 48*



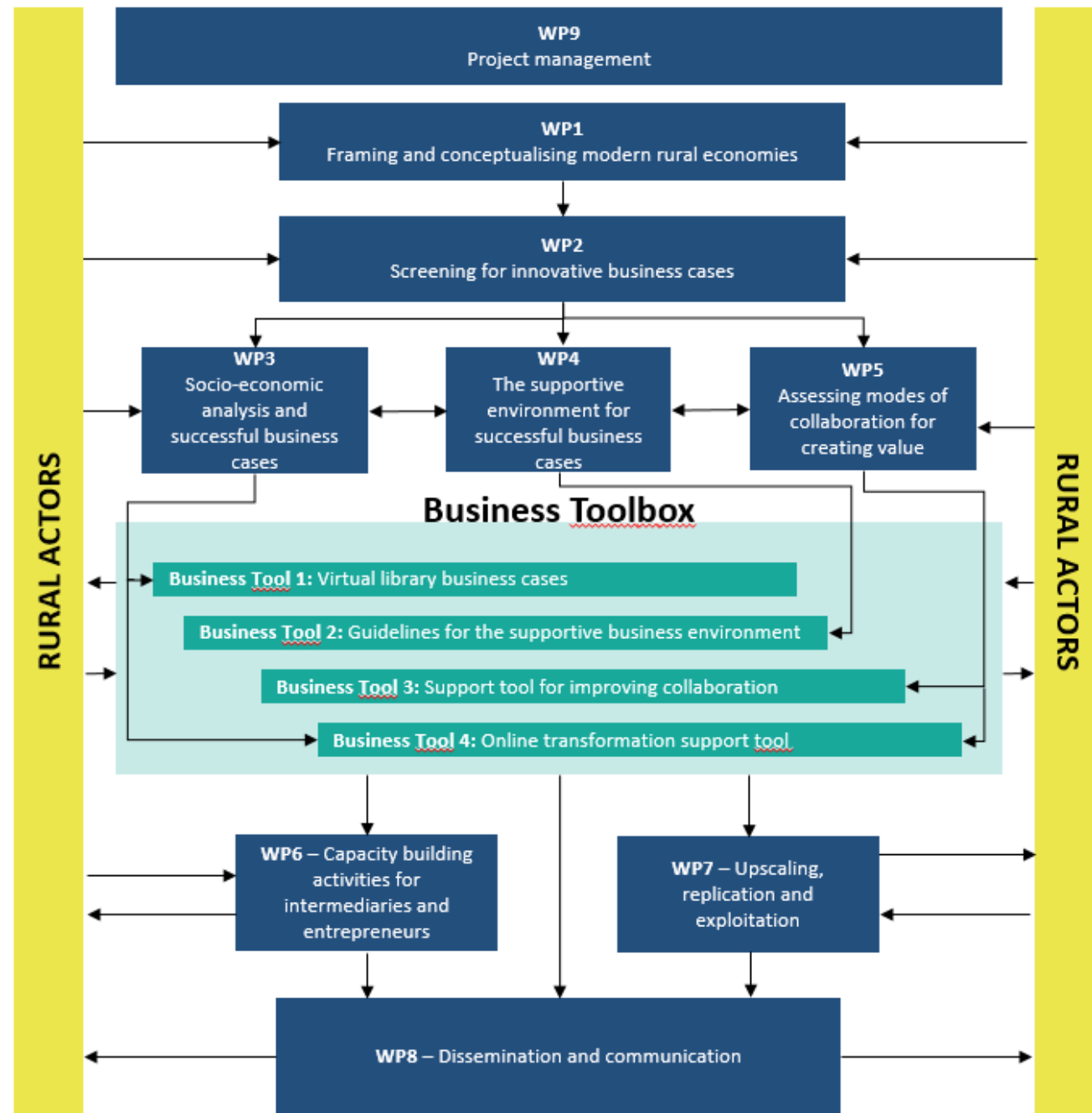
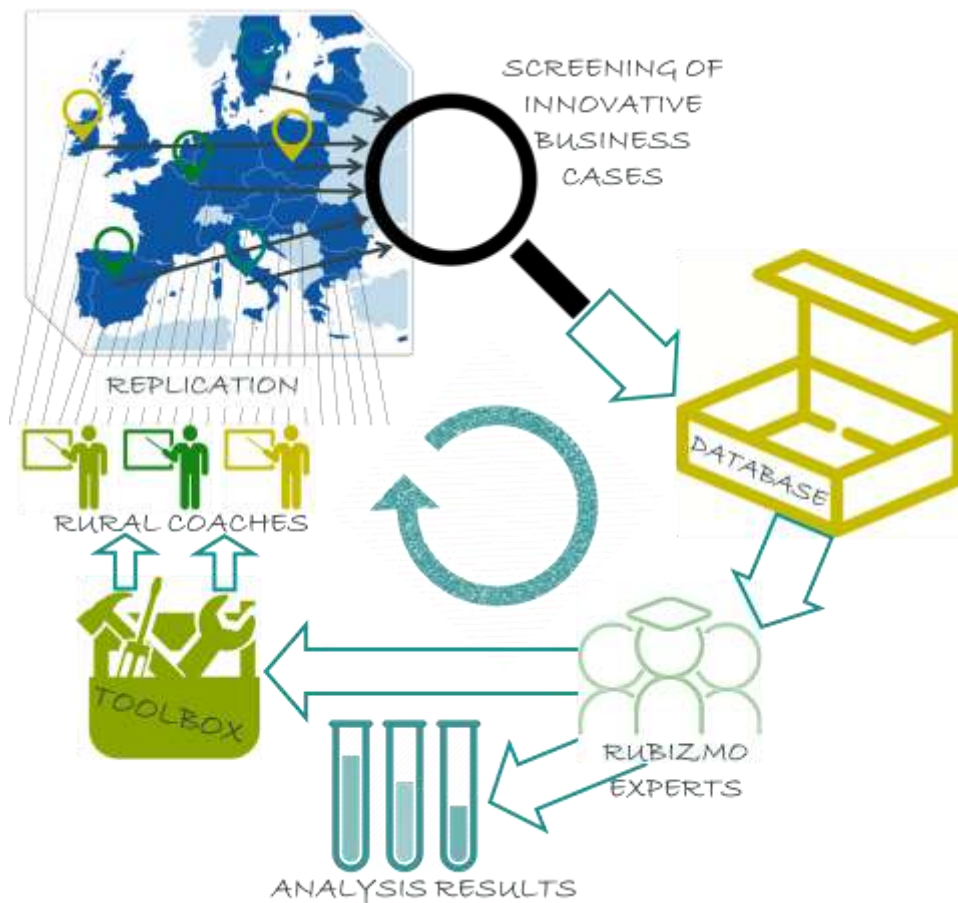


# Preliminary conclusions

- Business environments are heterogeneous and subject to changes of cooperation, strategies and processes and which requires
  - a high capacity for learning and innovation, and
  - adaptation of steering structures according to the diverse tasks.
- Businesses were able to handle misalignments related to the success factors of their environment between different levels and sub-arenas.
- Businesses overcame fragmented business environments.
- Creation of awareness among different stakeholders contributed to a supportive environment.
- Networks, clusters, hotspots and other forms of cooperation were effective catalysers for aligning business environments.



# Project and research design





# The Rubizmo Contribution

For these opportunities to be fully exploited, rural entrepreneurs and networks need



Assistance in defining the right business models



Support to cultivate fresh business ideas



Well connected and supportive networks







Practical business models  
and collaboration tools

## Business tool **Virtual library**



Virtual library and **integration of business models and business cases** feature 40-50 selected business cases and 10-20 promising business models.





Practical business models  
and collaboration tools



Business tool

# Support tool for improving collaboration

Learn how to **structure and access vital cooperation, clustering and networking support** with an online tool that gives tailor made advice according to business model type



Capacity building and  
resources for entrepreneurs

Business tool

# Online transformation support tool

Understand which business model is the **best fit for you** and receive personalized advice, training and resources to implement your ideas





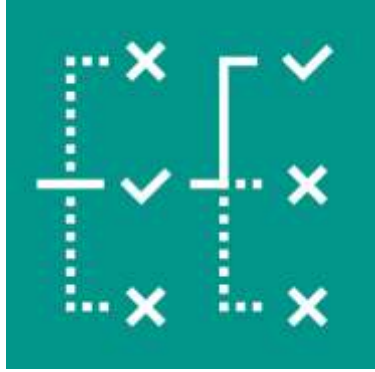


Practical business models  
and collaboration tools

Business tool

# Guidelines for the supportive business environment

Pinpoint favourable conditions for innovative  
business ideas and models: for regions,  
policy-makers, innovation agencies and  
support actors but also investors and  
entrepreneurs





# Supporting rural business success across Europe!

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