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# PRELIMINARY PREPARATION FOR THE TRAINING CONTENT

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**re:GREEN**

KA210-ADU-EB4455C6

LISVA



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March 2023

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## SETTING THE STAGE

According to the European Commission, to achieve climate neutrality, synergies between circularity and reduction of greenhouse gas emissions must be strengthened (Circular economy action plan, 2020). A multidisciplinary approach is needed for the fight against climate change and to build a more sustainable and resilient world achieved through the inclusion of a diverse group of people. That's the reason why 3 organisations from Germany (Tomorrow Together), Sweden (SwIdeas) and Lithuania (LiSVA) came together to develop the re:GREEN project, a small-scale partnership project co-funded by the Erasmus Plus programme of the European Union.

The project aims to support prospective and current rural entrepreneurs in strengthening their businesses and ideas by transferring knowledge related to circular and resource efficient business models as well as to digitalization. Hence, re:GREEN aims to equip rural entrepreneurs with knowledge and skills to create and adapt sustainable, circular economy (CE) based business practices paving the way to a greener future. For this purpose, the partners will develop a training course of 6 modules.

This document includes all the preliminary preparation for the training course's content of the re:GREEN project. This consisted of gathering all the necessary information that will allow the partners to develop the consequent training modules with high-quality, relevant, inputs and knowledge. In order to do that, the consortium realized the following exercises:

- **Situation analysis.** To begin with, the partners investigated the current role of entrepreneurship in rural areas in their respective countries for building the surveys' questions on the most updated information possible.
- **Surveys.** This is the assessment of what is needed to make rural products/services more attractive to consumers. Each partner conducted a minimum of 20 surveys (60 in total) to assess and identify practices that enhance the appeal and attractiveness of the rural products and services to catch the attention of consumers and promote the consumption of rural products, especially the eco and Km0 ones. The surveys targeted (prospective) rural entrepreneurs.
- **Focus groups.** Focus groups were used for the identification of needed digital skills and tools for rural entrepreneurs. Each partner conducted one focus group with 5 (prospective) rural entrepreneurs for identifying their needs in the rural areas, including digital skills and digital tools useful for implementing sustainable, less resource consuming practices. This was conducted in each partner country as well.
- **Identification of Circular Economy (CE) and resource efficient business models** that serve as inspiring case studies in the field of agribusiness, green practices and/or traditional knowledge and practices. Each partner investigated 2 inspiring business models in their respective countries.



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# SITUATION ANALYSIS

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## SITUATION ANALYSIS

### PRELIMINARY PREPARATION OF TRAINING – SITUATION ANALYSIS

The situation analysis aims to present a brief overview of the rural entrepreneurship situation in Lithuania, Sweden and Germany.

### SITUATION ANALYSIS IN GERMANY

#### Introduction

The European Commission has approved 18 Rural Development Programmes aimed at improving the competitiveness of the EU farming sector, caring for the countryside and climate, and strengthening the economic and social fabric of rural communities.

The Rural Development concept allows each Member State or region to design a programme that suits its situation and challenges. In addition, the RDPs aim to boost the knowledge base of the farming sector by providing over one million places on training courses. EU Agriculture and Rural Development Commissioner welcomed the decisions, highlighting the strengths of the Rural Development concept and the dynamic range of projects offered by the approved programmes.

#### Rural Entrepreneurship Business in Germany and its Funding

In Germany, Rural Development is managed on a decentralised basis through 13 Rural Development Programmes (RDPs; ENRD, 2021). These RDPs are funded under the European Agricultural Fund for Rural Development (EAFRD) and national contributions. Each RDP sets out priority approaches and actions to meet the specific needs of the geographical area it covers.

The 13 RDPs in Germany are:

1. North Rhine-Westphalia
2. Lower Saxony
3. Schleswig-Holstein
4. Hesse
5. Saxony-Anhalt
6. Bavaria
7. Baden-Württemberg
8. Rhineland-Palatinate
9. Brandenburg
10. Mecklenburg-Western Pomerania
11. Saarland
12. Thuringia
13. Saxony

The EAFRD supports a range of rural development projects in Germany, including those focused on improving the competitiveness of the agricultural sector, protecting the environment, and promoting rural tourism. Examples of EAFRD-supported projects in Germany include the establishment of regional food networks, the development of renewable energy sources and the promotion of sustainable forestry practices.

Local Action Groups (LAGs) play an important role in implementing the RDP (rural development programs) in Germany. LAGs are made up of representatives from local communities, including farmers, small businesses, and non-profit organisations, who work together to identify and implement rural development projects in their area.

In addition to Rural Development funding, Germany also receives support from other European Structural and Investment Funds (ESI Funds), including Regional Development, Social Cohesion and Fisheries Funds. These funds are managed nationally, based on Partnership Agreements and strategic plans outlining the country's goals and investment priorities.

### **Rural Entrepreneurs in Germany**

The national framework (NF) for rural development in Germany (European Commission, 2022) provides a set of common elements for the 13 regional Rural Development Programmes (RDPs), which are implemented on a decentralized basis by the main administrative regions of the country. The NF is established at the federal level and provides a guideline for the regional RDPs. The funding for rural development in Germany comes from the European Agricultural Fund for Rural Development (EAFRD) with an allocation of roughly €13.18 billion for the whole period. The 13 regional RDPs are responsible for implementing the allocation, except for €6.5 million reserved for the National Rural Network Programme. The adoption of the NF by the European Commission was a pre-requisite for the subsequent adoption of the German regional RDPs. The measures outlined in the NF are implemented in the regional RDPs with additional information adapted to the specific characteristics of each region and in line with the regional SWOT analysis and the assessment of needs.

Previous Achievements:

These expected achievements are a result of the measures outlined in the German National Framework for Rural Development:

- ✓ Training and advisory services will lead to the training of nearly 17,000 people in resource efficiency, the environment, and climate change.
- ✓ About 3% of farms will receive funding for investments in innovative potential, young farmers, organic farming, animal welfare and resource efficiency, as well as for land consolidation and agricultural access roads.
- ✓ 11% of farms are expected to participate in animal welfare measures related to summer pasture and improved indoor housing.
- ✓ Almost 30% of farmland will be placed under funded contracts to improve biodiversity, and 24% under contracts for improving water and soil management, with EUR 29 million allocated for

grassland in Natura 2000 areas.

✓ The RDP will support investments in more resource-efficient wood harvesting and processing technologies. Investments in farm modernisation will also contribute to improving energy or water efficiency or cutting greenhouse gas (GHG) emissions, with 2.3% of farmland under funded contracts to cut GHG and ammonia emissions.

✓ The LEADER approach will cover areas containing 48% of the rural population, and 46% of the rural population will benefit from new or improved services thanks to fresh investment.

### Key Challenges

➤ Brandenburg, located in the eastern part of Germany, has a large share of agricultural land (62% of the total area). However, it is facing challenges related to farm structure, with a high number of small-scale farms and a low proportion of agricultural land in ownership of larger holdings. This is causing difficulties in improving competitiveness and innovation in the sector.

➤ Lower Saxony, another large German Land, faces challenges related to climate change and extreme weather events, such as drought and floods, which can have significant impacts on agricultural production and rural livelihoods.

Across Germany, there are also challenges related to the attraction and retention of young people in rural areas, as well as the provision of basic services such as healthcare, education, and transport. Rural areas often suffer from a lack of infrastructure and services compared to urban areas, which can make them less attractive for younger generations.

### Support for Rural Entrepreneurs

The following eight measures cover various areas of support for rural development:

- The first measure focuses on improving the overall performance and sustainability of agricultural holdings and the associated infrastructure. This could involve funding for investments in equipment, buildings, or land improvement.

- The second measure aims to restore agricultural production potential that has been damaged by natural disasters. This could include funding for investments in preventive measures such as drainage systems or flood protection.

- The third measure supports the creation and development of non-agricultural activities in rural areas, which can help to diversify economic activity. This could involve funding for investments in businesses such as tourism, crafts, or other services.

- The fourth measure focuses on providing basic services in rural areas such as access to broadband infrastructure or recreational infrastructure. It also includes support for the maintenance and upgrading of cultural and natural heritage sites.

- The fifth measure supports the forestry sector through investments in the prevention and restoration of damage, improving resilience and environmental value, and mitigation potential of forest ecosystems.
- The sixth measure provides Agri-environment-climate payments to promote changes in agricultural practices that make a positive contribution to the environment and climate.
- The seventh measure focuses on promoting organic farming practices through funding for investments in organic farming techniques.
- The eighth measure provides payments to areas facing natural or other specific constraints such as mountainous areas or areas with poor soil quality, to support agricultural activities in these challenging environments.

NRN (National Rural Networks) Activities in Germany:

The main focus lies with the following topics:

- Value added and diversification of new entrepreneurship.
- Nature protection, environmental protection, and land management.
- Climate change mitigation and adaptation.
- Resource efficiency.
- Addressing demographic change in the regional context.
- Culture and quality of life, including participation and active citizenship.
- Regional and economic development of rural areas.
- Financial resources and new financing approaches.
- Cooperation between stakeholders, institutions and local authorities, in particular with regard to innovative approaches.

Furthermore, special attention is paid to networking in relation to the European Innovation Partnership on Agricultural Productivity and Sustainability as well as CLLD (community-led local development).



## SITUATION ANALYSIS IN SWEDEN

### Introduction

Swedish history has been marked by a population that was predominantly rural up until the 20<sup>th</sup> century. Urbanisation can be understood as a dominant feature of Sweden's late industrialization, being accompanied by a tendency of the economically active population to migrate to growing metropolitan cities during the post-war period (Henning et al., 2023). As a consequence, by 1945, half the population lived on the countryside, in 2021 88.24% of the population lived in urban areas (Statista, n.d.), whereas according to the Swedish definition, “urban areas” is conceived as any area with at least 200 inhabitants (Statistics Sweden, 2019). The geographical distribution of the Swedish municipalities can be observed in the image below, which shows a strong concentration of metropolitan municipalities around the main big cities: Stockholm, Gothenburg, and Malmö:

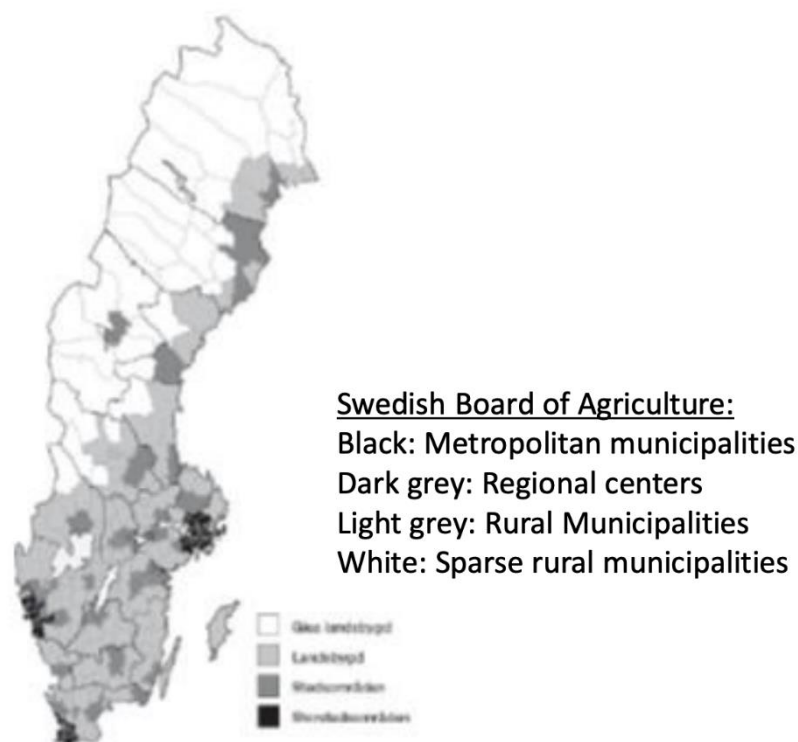


Figure 1 – Westlund, n.d.

In line with the above image, according to the OECD (2003), Sweden is among the countries that display highest geographic population concentration. According to Henning and colleagues (2023), this regional disparity dates back to the early 1900s when national population increased alongside the industrialisation process. While this led to positive outcomes in terms of economic growth and GDP, transforming a poor Sweden from the 1800s to one of the richest countries in the world, this was not without its negative consequences to regional divergences. In fact, smaller regions tend to fall behind.

Nevertheless, as industrialisation progressed and especially after the COVID-19 pandemic, a new trend of remote work began to emerge. This has been increasingly enabling people to detach from the need of being geographically close to big cities to search for better quality of life in the countryside. Therefore, this brings new opportunities for rural areas in the country.

## Rural Entrepreneurship in Sweden

Rural development in Sweden is nationally managed through a Rural Development Programme (RDP), which is funded under the European Agricultural Fund for Rural Development (EAFRD) as well as by national contributions, and which sets out priority areas and actions to the geographic areas it focuses on (Meletli, 2019). Startup rates in Sweden tend to be largely concentrated in the same major urban centres of the country which display a larger population (Stockholm, Gothenburg, Malmö):

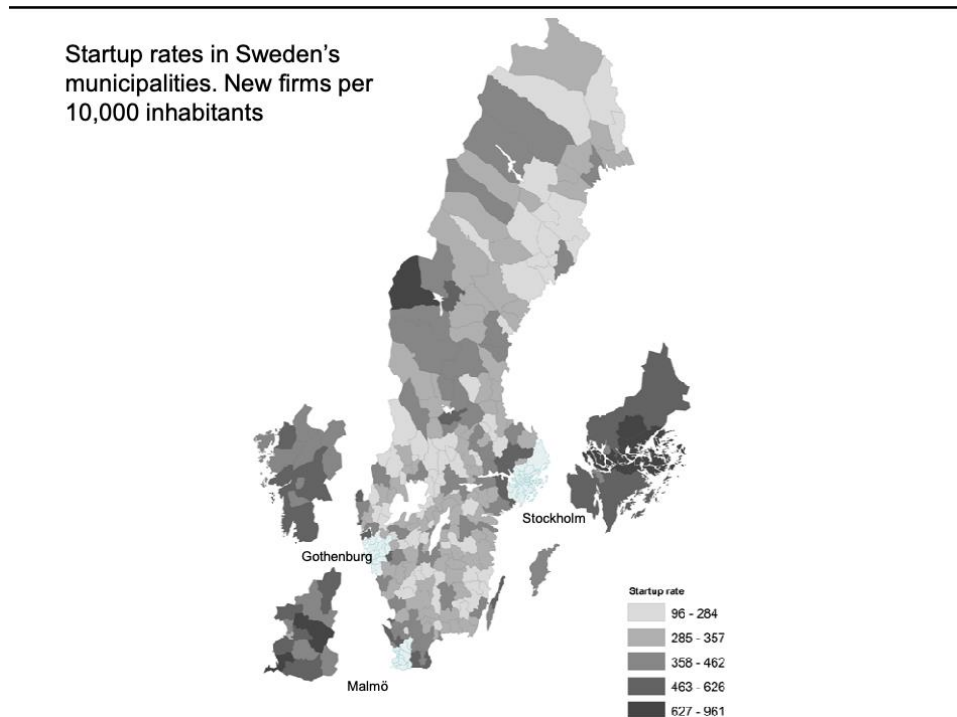


Figure 2 – Westlund, n.d.

As described in the call for manuscripts to the Journal *Entrepreneurship & Regional Development* (2022), the COVID-19 pandemic, alongside other existential factors including climate change and biodiversity loss, as well as the opportunity represented by digitalisation and technology, are indeed reshaping the way in which the “rural” is organised and may lead to changes in the way both population and startups are distributed.

Regarding the incorporation of green and digital perspectives in enterprises in rural areas of Sweden, farmers and rural entrepreneurs have been using circular perspectives in their work for a while (such as regenerative agriculture). Although these tend to emphasise the soundness of the environment, there is space for innovative perspectives to emerge. The influx of inhabitants, also enabled by the trend of remote work is attracting not only customers and labour force to rural areas, but also business and innovation opportunities. This in turn implies important changes to rural development, especially as “traditional rural values are amplified and challenged by movements towards more sustainable patterns of production and living” (Ibid).

## The Role of Rural Entrepreneurship in Sweden

According to Hans Westlund (2017), entrepreneurship plays an important role in the social and economic development of rural areas. Differently from the urban centres where development and entrepreneurial growth tend to be mainly market-oriented, in the countryside local policies are in fact crucial. This leads to the conclusion that rural development demands cooperation between three main actors, namely enterprises, local associations, and municipalities.

On the other hand, Anne T. Pierre (2017), in her doctoral thesis, conducted research on the influence of wicked problems on community-based entrepreneurship in rural Sweden. While the research was conducted pre-COVID'19, its relevance continues to showcase the factors that influence community-based entrepreneurship. Pierre (2017) attributes the complex relations to the three pillars of institution based on regulative, normative, and cultural-cognitive elements. Two case studies were conducted in Jämtland county, the first was in the rural areas, and the second was in the municipalities of Berg, Krokoms and Östersund. A third case study was conducted in Sorsele municipality, in the Västerbotten county, and the municipality of Berg in the county of Jämtland, both of which are rural areas. The results of the research showcased an enhancement in the understanding of community-based entrepreneurship processes in local rural contexts. However, the research also conducted that influence of said community-based entrepreneurship does not necessarily improve local rural development.

## Profile of Enterprises

Here, it is important to note that the conditions and profiles of enterprises tend to differ between the urban and rural areas, being influenced by factors such as geographic distance between customer and supplier and availability of labour force. While this may represent an advantage for companies within businesses with a bigger need for space, environmental conditions, and availability of natural resources, it also creates a divergence in profiles of companies in the urban and rural areas (Tillväxtanalys, 2009a).

As a consequence, sectors such as agriculture, forestry, mineral extraction, and some kinds of tourism are the ones that tend to flourish the most in rural areas. By 1945, about 70% of countryside's population were farmers or forestry workers, whereas in 2017 only 2.5% of the rural population worked in agriculture and forestry (Westlund, 2017). According to a report by the Swedish Agency for Growth Policy Analysis (Tillväxtanalys, 2009b), the industries that have higher proportion of employment in rural than urban municipalities are “agriculture and forestry”, “manufacturing and mining”, “energy, water and sanitation”, and “construction”. Conversely, “business-oriented services” and “private household services” show lower proportions of employment.

## Size of Enterprises

In rural areas, small- and micro-enterprises tend to be more common than in urban municipalities. According to the same report by the Swedish Agency for Growth Policy Analysis (Tillväxtanalys, 2009b), “the proportion of micro-enterprises is 5% higher in rural municipalities (slightly more than 90 per

cent) compared with urban municipalities (approximately 85 per cent)”, and “smallest workplaces tend to have significantly greater importance to employment in rural municipalities than in urban municipalities”. The proportion of people employed in micro-enterprises (those with 1-10 employees) and one-man enterprises (with 1 employee) in rural areas is nearly twice that of urban municipalities.

### **Challenges to Enterprises in Rural Areas**

According to the same report by the Swedish Agency for Growth Policy Analysis (Tillväxtanalys, 2009b), there are three main development and growth barriers for rural area enterprises. These are:

1. Regulatory and administrative burdens. These are defined as barriers that are general
2. Deficiencies in the supply of capital. These occur for instance in inland Sweden and in small towns, where the limited second-hand property and facility values create a lack of collateral and increase the difficulty of raising bank loans and having a successful company.
3. Infrastructure. These concern a large number of aspects, such as “physical transport possibilities for people and goods and possibilities of electronic communication of information, mobile telephony, etc.”, which are fundamental to the development and growth of enterprise. It may also include basic service offering, such as availability of grocery stores, petrol stations, schools, postal and banking services.

In addition to that, we can also identify the lack of networking and contact with business advisors for the expansion of small businesses as another challenge to rural entrepreneurship.

Finally, Larsson, Hedelin & Gärling (2003) . suggested that one of the main solutions to solving the depopulation of rural areas is to stimulate the expansion of pre-existing small businesses. Their research was based on the influence of expert advice on small businesses that could be applied to entrepreneurship in rural areas in Sweden. The rural area that the research was based on was on the west coast of Sweden where the population was nearly 12,000 in decline. The research resulted in an independent success margin by relying on expert advice for small businesses in rural areas. The research also showed that the vast majority of small businesses addressed did not seek expansion. One of the main obstacles to expansion was realized to be the lack of contact and network for those small businesses.

## SITUATION ANALYSIS IN LITHUANIA

Entrepreneurship plays a significant role in the economic growth and development of Lithuania. According to the OECD (2020), 99% of all enterprises operating in the country are SMEs. However, there is a pressing need for alternative sources of financing, especially for micro-enterprises.

Rural areas in Lithuania face specific social and economic challenges, including lower levels of employment, lower incomes, and a lack of investment, which make it difficult for rural entrepreneurs to establish and grow their businesses. The migration of many young people to larger cities to secure better employment opportunities leaves rural areas with a shortage of skilled labour.

Another significant challenge for rural entrepreneurs is the lack of access to financing. Although the Lithuanian government provides favourable financing conditions for SMEs, many micro-enterprises still struggle to secure funding. According to the OECD (2022), 35% of micro-enterprises require alternative sources of financing, such as crowdfunding, business angels, and equity funds.

The Lithuanian government has implemented various measures to support SMEs, including businesses in rural regions. Loans with preferential rates are granted under the EU Entrepreneurship promotion fund, and when a company does not have sufficient collateral, it can apply to INVEGA, the state-controlled enterprise, for loan guarantees, factoring, leasing, and export credit repayments. Additionally, municipalities provide different support systems to SMEs, helping to cover set-up costs, part of the payments, and other expenses when starting a business. EU support is provided for starting a business in a rural region, and is managed by Local action groups (Vietos veiklos grupės), according to the program "Support for non-agricultural business start in rural areas."

Rural areas in Lithuania face a significant challenge in retaining young people, as many move to larger cities in search of better employment opportunities. Petuchova and Žukovskis (2022) in their article "Jaunimo, gyvenančio kaimo vietovėse, verslumo skatinimas" explore youth entrepreneurship in rural areas and highlights the need for specific support systems to encourage young people to start and grow their businesses. While organizations such as VšĮ Versli Lietuva and VšĮ Lietuvos Junior Achievement offer entrepreneurship training, courses, and programs for youth living in rural areas, these initiatives need to be more closely linked to specific business development needs and situations.

## CONCLUSIONS ABOUT SITUATION ANALYSIS

In Germany, rural entrepreneurship can be described as essentially the same as entrepreneurship in urban areas, but with a focus on using rural resources and facilities to create business opportunities. It has a positive impact on the economy, job creation, and quality of life in rural areas. Additionally, rural entrepreneurship can also help to address challenges such as outmigration and declining populations in rural communities.

To start with, rural areas' potential business ideas could include - Ecotourism or rural tourism, which can involve offering accommodations, guided tours, or other experiences that showcase the natural or cultural heritage of the area. Arts and crafts, which can involve creating and selling handmade goods using local materials or traditional techniques. Renewable energy production, such as installing solar

panels or wind turbines to generate electricity and sell it back to the grid. Food processing and preservation, such as canning, pickling, or drying fruits and vegetables to sell them year-round. It's vital to remember that the best business ideas for a particular rural area will depend on factors like local resources, market demand, and the skills and interests of potential entrepreneurs. Conducting a thorough market analysis and reaching out to local business development resources can help ensure that new businesses are viable and sustainable in the long term. It's true that developing entrepreneurial skills and mindset is crucial for fostering entrepreneurship in rural areas. However, it's not just about individual skills and attitudes but the overall socio-economic environment also plays a significant role in promoting or hindering entrepreneurship.

Access to capital and facilities, as well as challenges with goods and service supply, are key challenges that need to be addressed. The supporting organizations and infrastructure for entrepreneurship development should be strengthened, and non-agricultural sectors should also be given attention.

Developing skilled and efficient manpower is also crucial, as well as addressing the high preference for single job opportunities. It's also required to recognize and build on the strengths and potential of rural communities. For instance, the abundance of natural resources in rural areas can be leveraged for agricultural and other related businesses. Additionally, the sense of community and strong social ties can be utilized to foster collaboration and collective entrepreneurship.

Overall, a multi-dimensional and holistic approach is needed to promote and support entrepreneurship in rural areas. This should involve addressing the various challenges and barriers, leveraging the strengths and resources of rural communities, and creating an enabling environment for entrepreneurship to thrive.

We agree that entrepreneurship can play a crucial role in creating jobs, reducing unemployment and fostering circular economy in rural areas. By promoting and supporting entrepreneurship in various sectors such as farming, crafts, and livestock, rural communities can create their own economic opportunities and improve their quality of life. Additionally, rural entrepreneurship can contribute to the self-sufficiency of the country, promote exports, and stimulate the growth of startups in these fields.

Some rural areas are full of potential and untapped opportunities that can be leveraged for economic growth. However, it's important to note that entrepreneurship is not a panacea for all the challenges facing rural communities. Addressing the structural issues such as limited access to capital and facilities, inadequate support systems, and lack of skilled manpower is also crucial for promoting rural entrepreneurship and economic growth.

Lastly, we agree that finance is an important strategy for rural economic growth and circular economy. However, access to finance can be a major challenge for entrepreneurs in rural areas, especially those who lack collateral or have limited financial literacy of circular economy in entrepreneurship business.

Therefore, promoting financial inclusion and developing innovative financing models that cater to the specific needs of rural entrepreneurs is critical for the success of rural entrepreneurship initiatives.

In Sweden, the data we collected showed that the way in which population, startup concentration, and profiles and size of enterprises diverges greatly between rural and urban areas/municipalities. While rural areas have experienced a process of depopulation since the industrialization process, the latter

has been essential to enable the country's economic growth and development. Nevertheless, this signified that rural areas have seen a lack of availability of infrastructure, capital, and labour force. In addition, another obstacle facing rural entrepreneurship is the lack of networking which, if resolved, could cause a rise in the rates of success for small businesses in rural Sweden. As a consequence, although entrepreneurship seems to play an important role in the development and employment in rural areas, the profile and size of enterprises in this area has been largely limited to small companies and to specific industries that thrive on the availability of natural resources and space, such as agriculture and forestry.

Nevertheless, the COVID-19 pandemic alongside the existential threat represented by climate change and the opportunity presented by technological developments and digital tools have created new trends that could lead to important changes in the way rural areas and rural entrepreneurship is organized in Sweden. This is due mainly to the influx of people coming from urban areas to improve their quality of lives while benefiting from the chance of working remotely. However, for this to lead to actual positive outcomes to rural areas in the long run, challenges such as lack of infrastructure need to be addressed, with the strong participation of local policies.

In conclusion, rural entrepreneurship in Sweden is entering a promising context, one that presents the opportunity to revive traditional and regenerative practices as well as to impulse rural areas' growth and development. But, for this to lead to enduring benefits, local policies and cooperation between key actors are crucial in order for this momentum to be seized.

Finally, rural entrepreneurship in Lithuania faces various challenges, including limited access to financing, a shortage of skilled labour, and a lack of investment in rural areas. However, the government and various non-governmental organizations are implementing initiatives to support rural entrepreneurs, such as providing loan guarantees, favorable financing conditions, and entrepreneurship training programs. Further support, especially for youth entrepreneurship, is needed to encourage more rural residents to start and grow their businesses, which will ultimately lead to more economic growth and development in these areas.



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# SURVEY REPORT

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## SURVEY REPORT

### PREPARATION OF THE TRAINING: ANALYSIS OF SURVEY RESULTS

This survey aimed to assess and identify practices that enhance the appeal and attractiveness of rural products and services to catch the attention of consumers and promote the consumption of rural products, especially the eco and Km0ones.

The survey gathered results from 75 current and prospective rural entrepreneurs in Lithuania, Sweden and Germany. The answers of this survey were collected between January 31 and March 20, 2023. The results should be interpreted with caution, as the sample size of the participants is too small and not representative of the entire population. We targeted an intentional sample with this project-specific survey, as well as sample of convenience ([potential] rural entrepreneurs participating organizations have access to and who are persuadable to take part in the survey). Therefore, survey results do not reflect the opinions and experiences of the wider population. However, they are sufficient and useful for the purposes of this project.

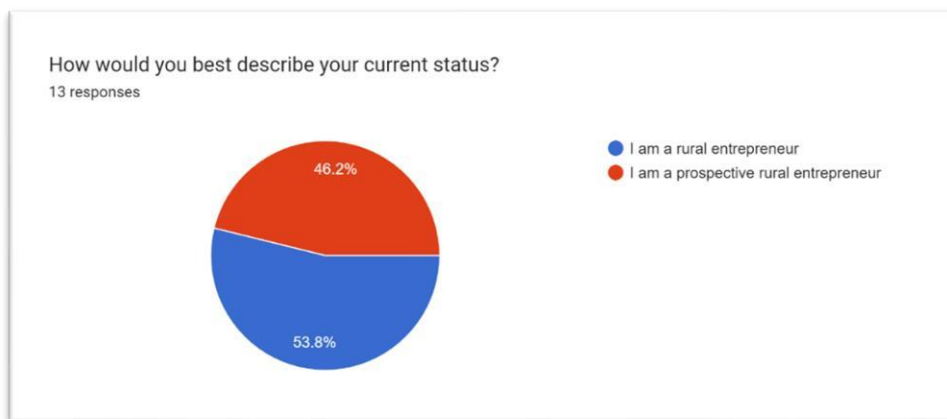
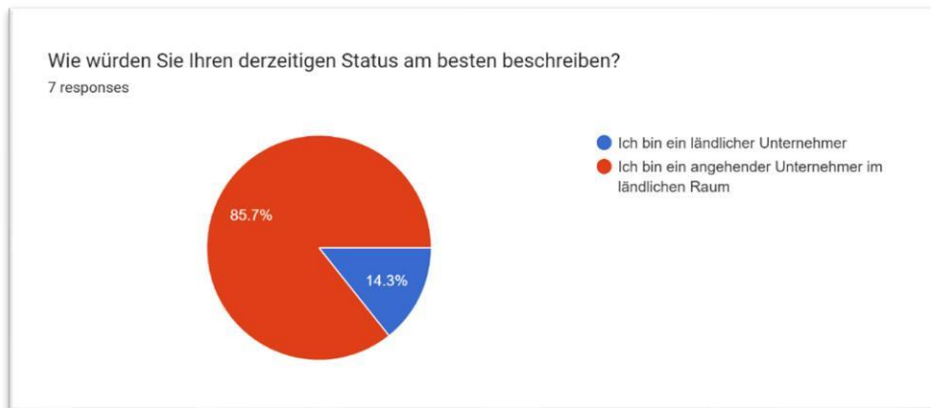
## SURVEY RESULTS ANALYSIS IN GERMANY

Prepared by Tomorrow Together e.V.

Tomorrow Together has reached as many as connection that are active and desire to be a rural and local entrepreneur in future located in Germany.

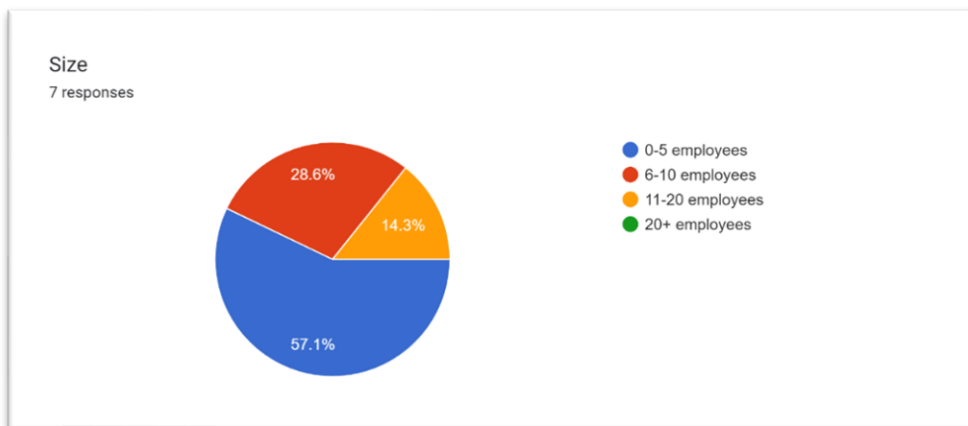
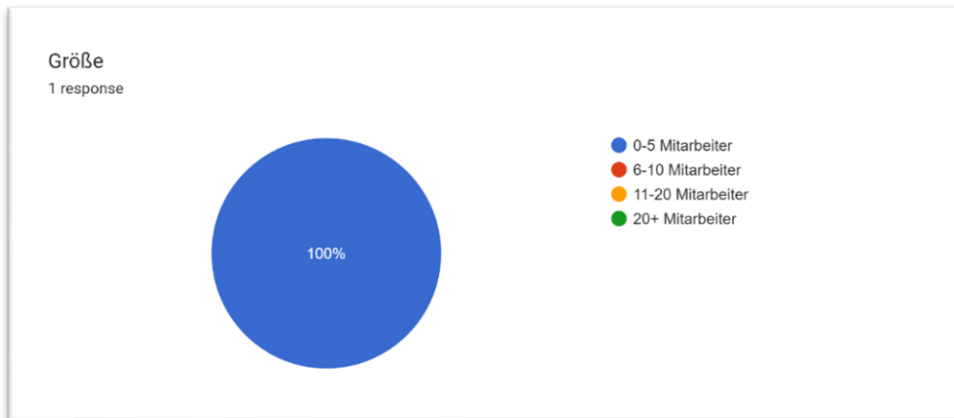
We have received 13 responses in English version and 7 responses for German version which is in total 20 mixed with different opinions.

### Current Status:



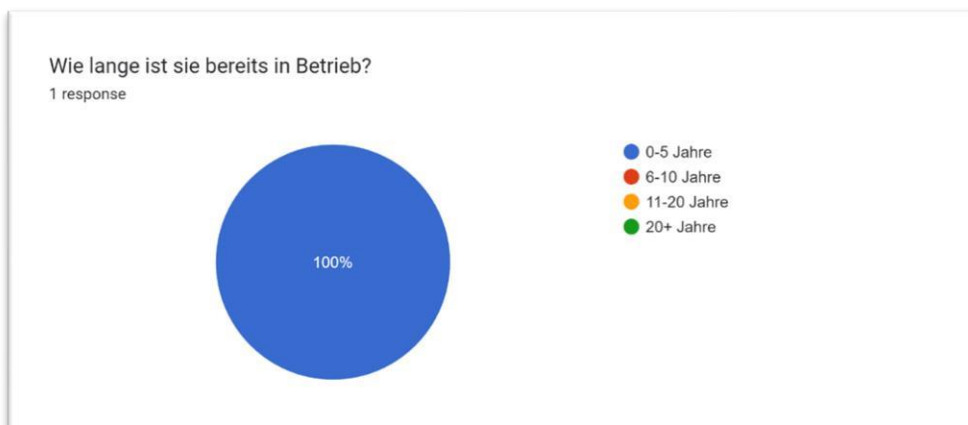
Most of our (target groups) responders are prospective rural entrepreneurs.

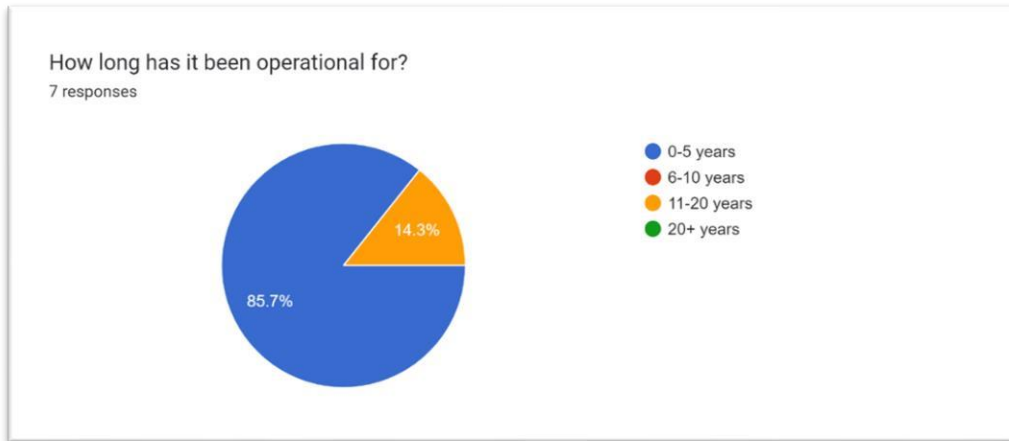
**Size of the Business:**



Mostly they are (established entrepreneurs) limited to 0-5 employees, 28.6% have 6-10 employees and the rest has had 11-20 employees in their prospective and established business.

**Duration of business:**

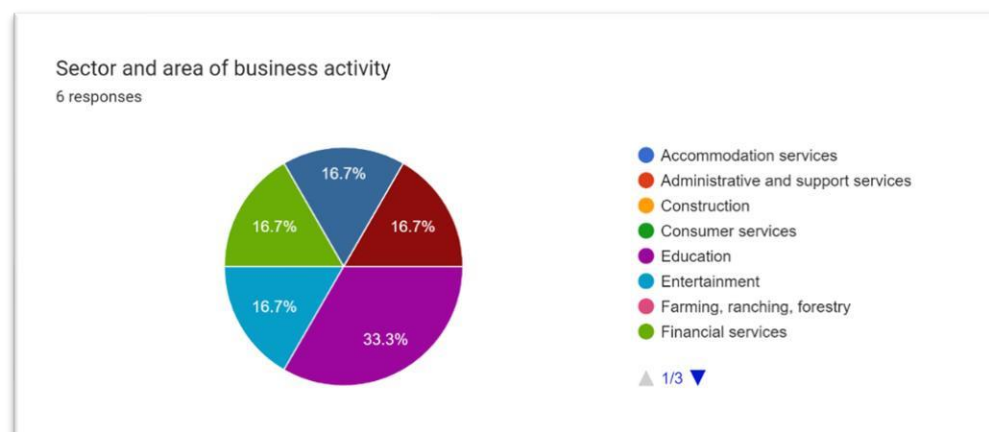
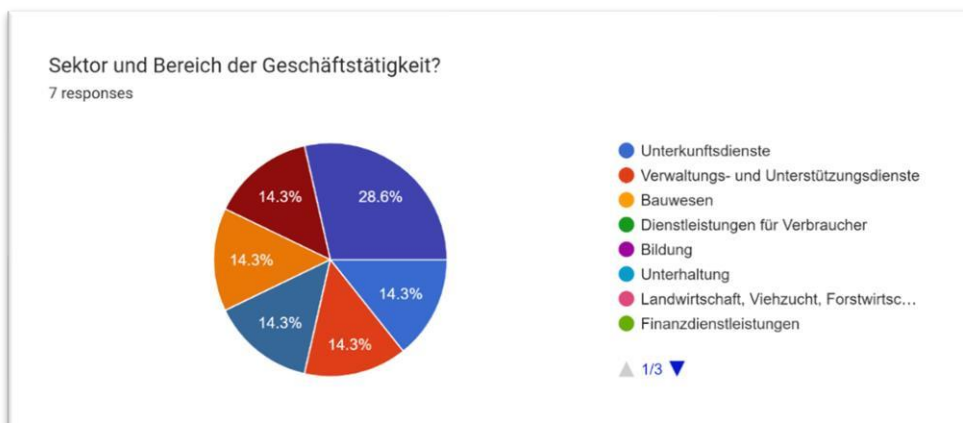




Also, here the responses mostly recorded that they are active between 0 to 5 years in their businesses. One response recorded in 11 to 20 years who is active in rural farming for bio food production.

**Area of Business:**

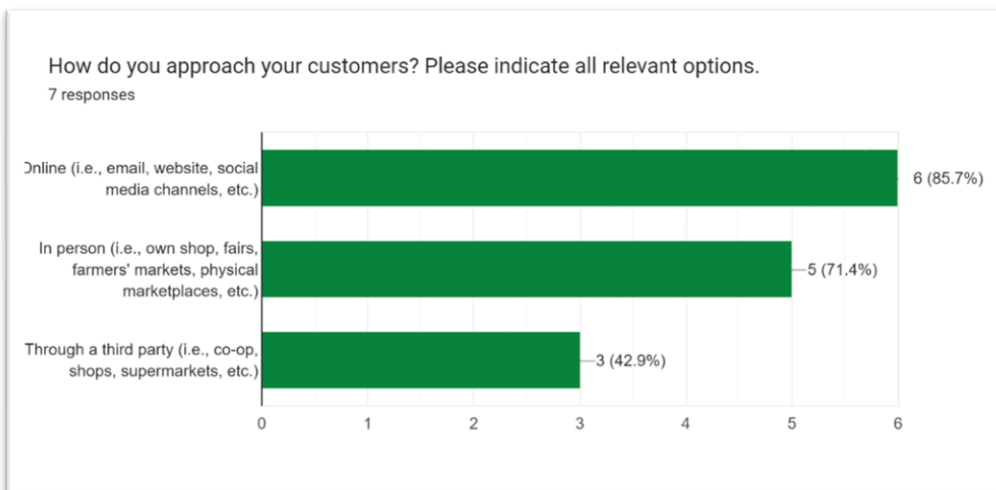
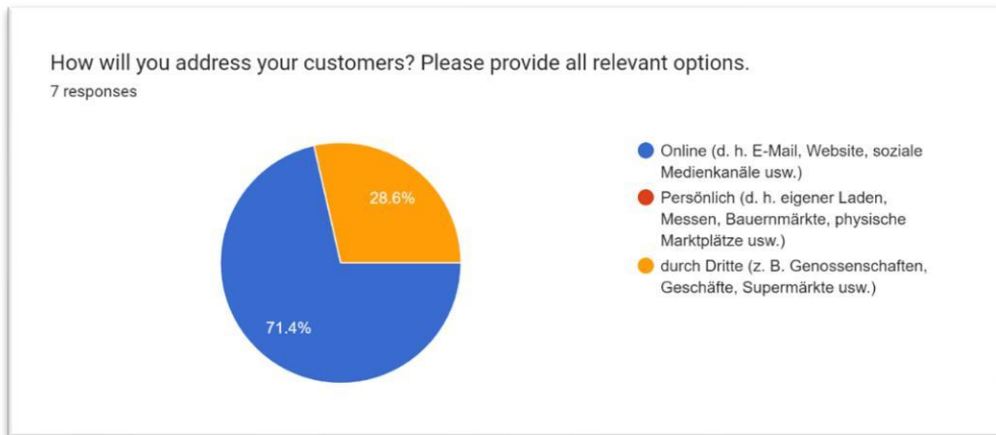
We have mixed response in sector of business with farming (most), accommodation, entertainment, financial services, etc.



**What kind of product you provide and what is your target customer segments?**

Here, we see entrepreneurs are serving rural customers mostly with food production. Also, they do gardening, project management, language, circus, drama and art. The target customers are consumers, house owners and flat owners for accommodation business, hospitals and industry laundries for green clothing and textile business, children and local people for entertainments business, companies and enterprises for financial business.

**Approach of Business:**



Because of digital marketing mostly the prospective entrepreneurs want to use online approaches. Some of them are comfortable with in person approach as they live and know the rural consumers for long time.

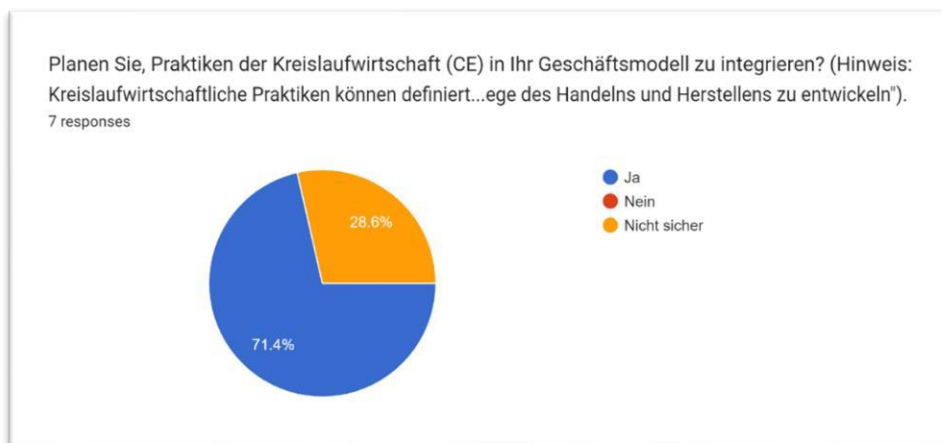
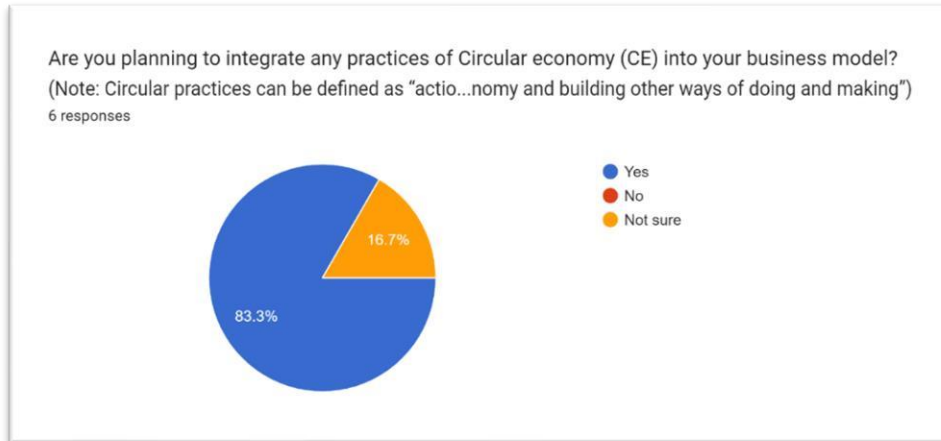
**Evaluation of Business:**

The evaluation differs here entrepreneurs to entrepreneurs. They evaluate their business by trust, feedback, customer relations, communication, quality of product, supports and responses.

**Weakness of business:**

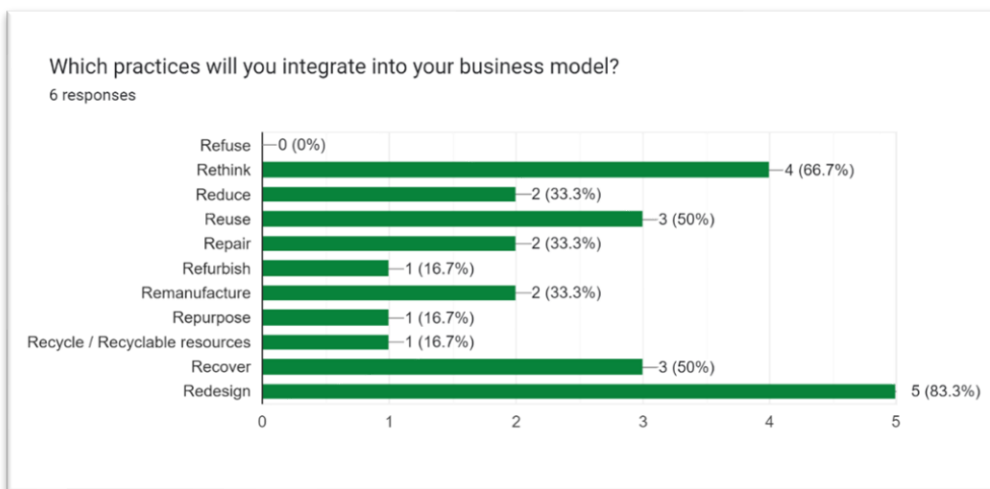
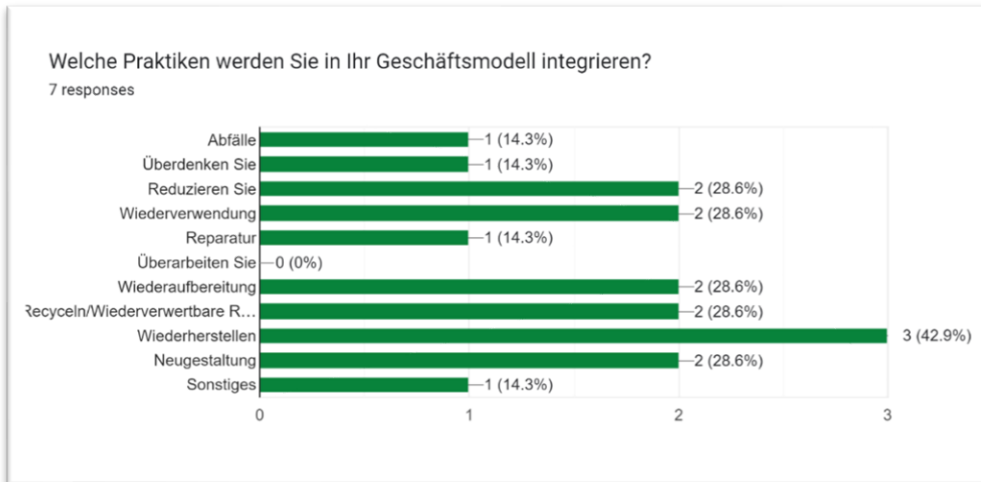
Our responders stated language barriers, infrastructure of IT, proper marketing, short-term perspective, climate change, centralization, knowledge gap and lack of employees as their business weaknesses.

**Integration with Circular Economy:**



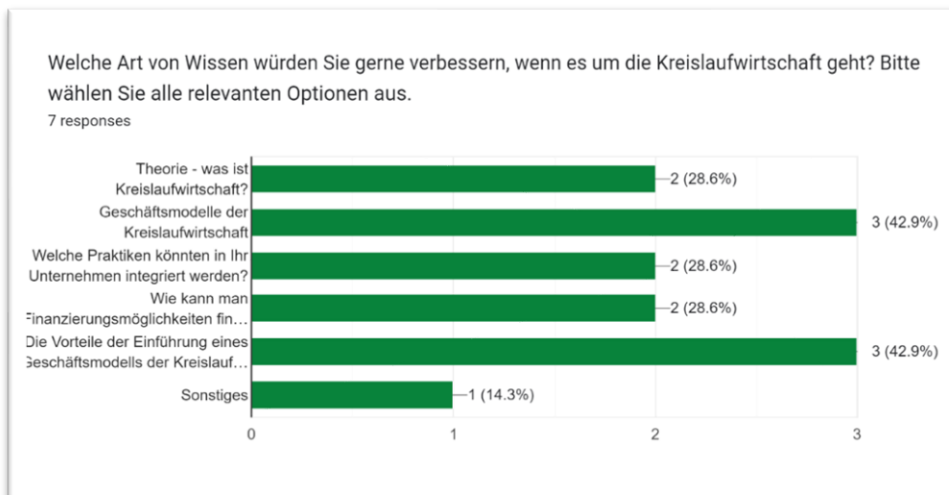
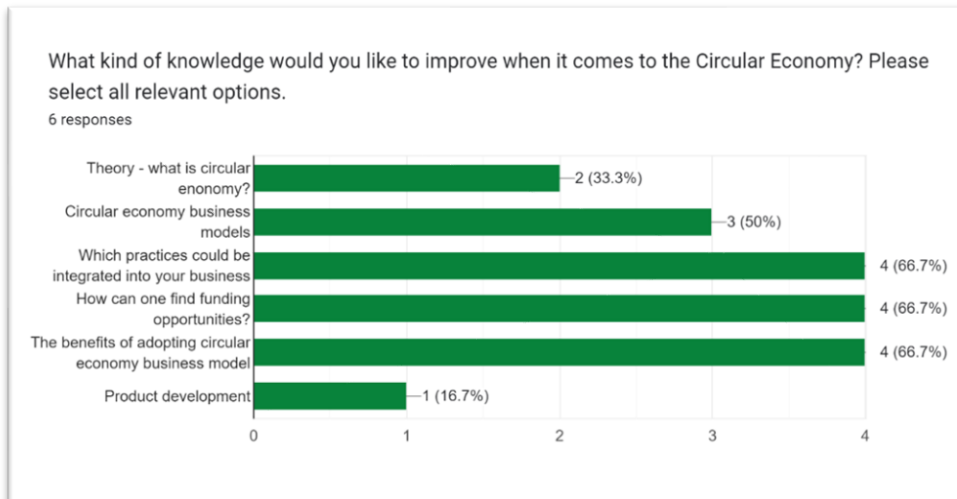
Most of the entrepreneurs has a knowledge gap regarding circular economy integration as they responded not sure.

**Practice that you integrate in your business:**



Established and prospective business entrepreneurs integrate their business model with refuse (1), rethink (4), reduce (4), reuse (4), repair (1), refurbish (2), remanufacture (4), repurposes (3), recycle (4), recover (4), and redesign (3).

**Knowledge Improvement of CE:**



Entrepreneurs want to develop their knowledge specially on CE business model, practices to integrate with business, and find out funding opportunities.

**Digitalization:**

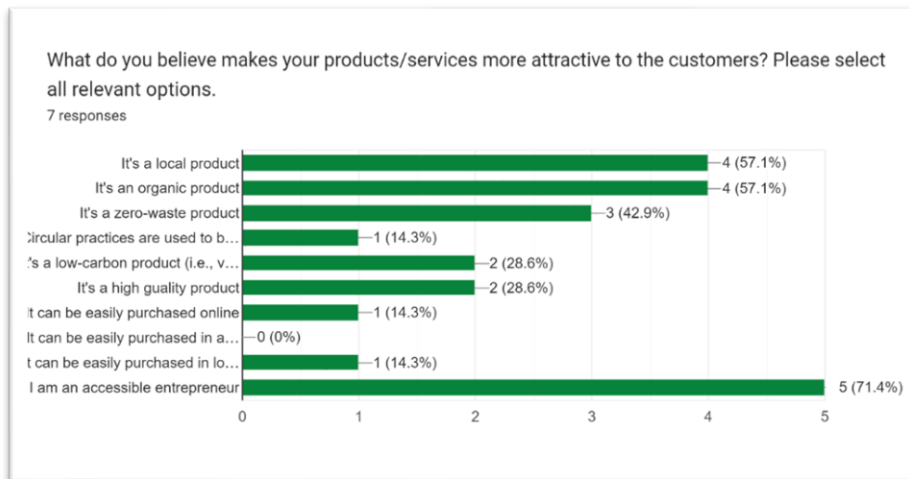
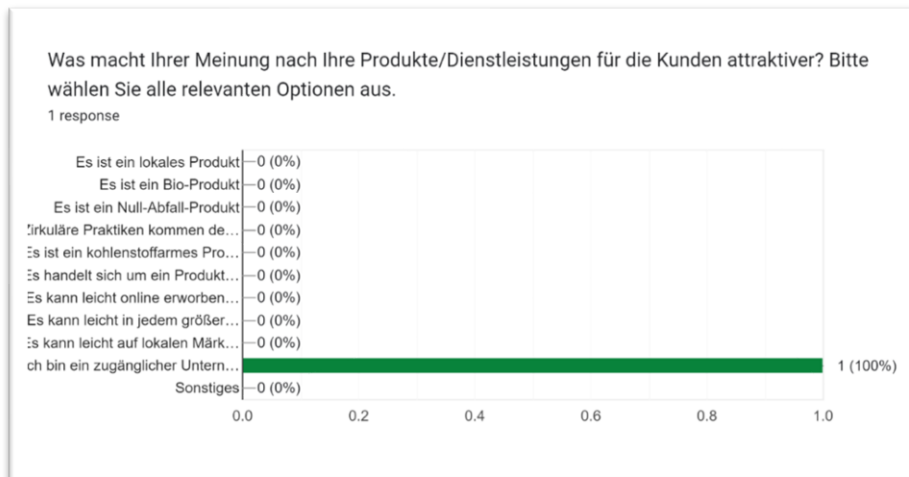
Most of the entrepreneurs use electronic or digital solutions (7), some use to reach digitally (3), some of them sell digital product (3), and some organizes digital financing (3).

**Method to increase visibility of products:**

We have responses that they would use google ads services and it might increase the visibility of their products. Also, for some of the entrepreneurs it is not relevant as they already have visibility in their areas.



**Ways to make product more attractive:**



Our target groups want to make their product more attractive by making the products/ services local (4), organic (4), zero waste (3), low carbon (2), high quality (2), available online (1), accessible locally (6).

**What kind of product/ services:**

As we can see from our responses, the current and prospective entrepreneurs are interested in providing products or services of clothing, online training, bio products, physiotherapy, Airbnb, hotel, language, video streaming, education, sustainable work wear, website and IT development, financial advisory.

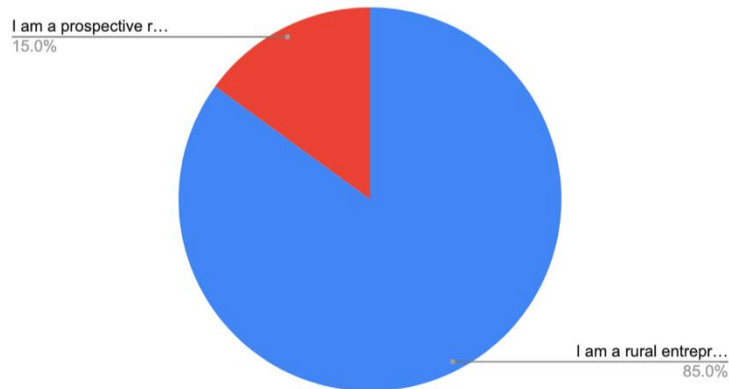
## SURVEY RESULTS ANALYSIS IN SWEDEN

Prepared by SwIdeas AB

### Method

The project survey was shared among the SwIdeas and TT’s networks in Sweden, gathering a total of 20 responses. Of those, 3 were prospective entrepreneurs and 17 were currently rural entrepreneurs.

Count of How would you best describe your current status?

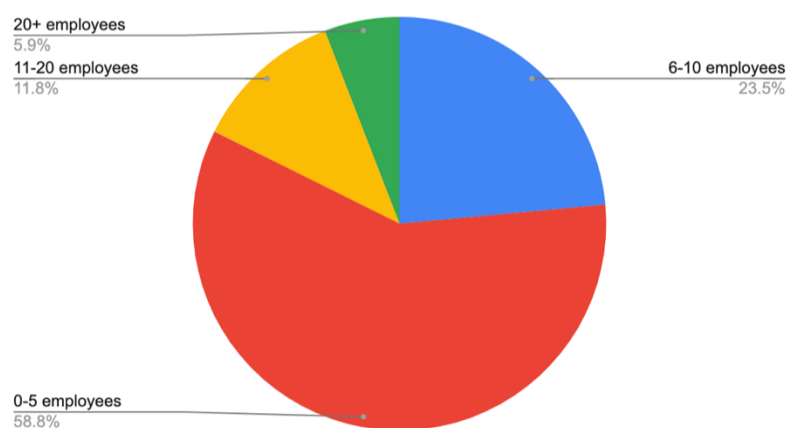


### Results

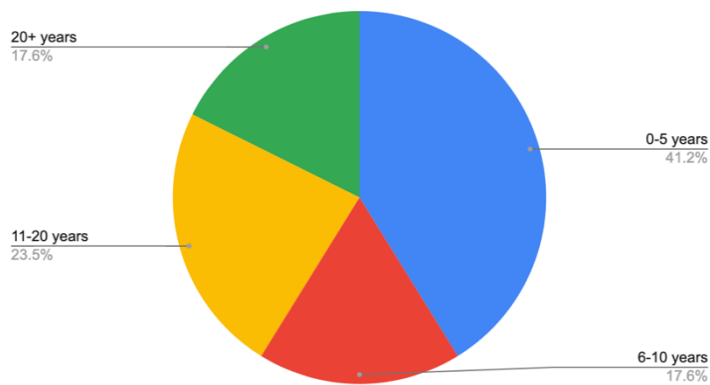
#### Current entrepreneurs

In reference to **current entrepreneurs**, most of the respondents (58.8%) were represented by enterprises with 0-5 employees. Most of them (41.2% 0-5 years and 17.6% 6-10 years) are young enterprises.

Count of Size



Count of How long has it been operational for?



The biggest representation of companies is in the farming, ranching, forestry sector (5/20). Other responses included accommodation, tourism, retail, education, utilities, coffee and restaurant, arts, and entertainment.

Offered products included:

- Vegetables, Herbs, Lectures, workshops
- Honey
- accommodation in original cabins in indigenous Sami style with an experience with Reindeers
- Photography in studio + assistant on location. The future idea is to rent out a studio, use it yourself and have courses with others about, for example, baking and photographing the food, as a collaboration with others.
- Training and content production
- Gardening, forestry, beekeeping.
- This is a side job I do alongside my employment.
- Fruits and vegetables.
- Meetings, entertainment, food and drink.
- Food
- A community for families.
- Snacks and coffee.
- Entertainment.
- Target consumers/customers included:
- Permaculture
- Blended agriculture Breeding of other cattle and buffaloes Forest management Livestock management Services Technical consulting in energy, environmental and plumbing technologies
- to conduct production, transport and trade in forest products, biofuel, bioenergy, forest fuel, wood chips, wood, by-products from sawmills and similar industries and to be a purchasing company of forest raw materials and felling of forests. In addition, rental and financing solutions of forest machines.
- Construction land and construction, gardening, transportation, berry trade. Market and market trade in food, beverages and tobacco, mixed agriculture, Land and foundation work.

Targeted customers/consumers included:

- basically everyone, currently middle class Lomma Kommun, we want to be inclusive also to low-income consumers
- people who are willing to pay more for a more sustainable product. But, those are not big customers.
- tourists
- other entrepreneurs, companies in a course context where you want to do team building or small companies that cannot afford to bring in a photographer, courses on social media to learn more about how to shoot for Social Media. Collaboration with other companies/ craftsmen that you can do together and create things together. Access to the kitchen and photographs, where you can find everything possible.
- Local meeting place and destination goals
- Public and business.
- International
- Our community.
- Companies looking for locally produced agriculture.
- heat and power plants and industries.

Regarding how those are reached, respondents resort to online means (15), in-person activities (12) and third parties (4).

Respondents defined the strengths of their business or initiative as follows:

- interdisciplinarity, strong community, no/little hierarchy, very creative, diverse, committed, idealistic, bold
- the sustainability and value of the product.
- the uniqueness of the experience we offer and the contact with the animals
- Maybe that I as a person, the surroundings where the studio is located, the tranquillity and nature that is around, the place is a plus to create an experience.
- Unique expertise
- respect nature's limitations
- A hobby and it works well.
- Quality
- High quality, returning guests
- Quality.
- Quality.
- Simplicity.
- Our vision.
- Our lifestyle and our principles.
- Diversified agriculture. Has both meat production, forestry and cereals, as well as strawberry cultivation. No unnecessary toxins are used in production. They use biological plant protection (environmentally friendly control method) in that bees spread the plant protection on each flower that is pollinated. Resource-efficient and efficient.
- Forestry is sustainable and certified according to FSC. Strives to preserve biodiversity and works proactively with energy crops where it normally grows poorly,
- Offers locally produced products as well as the opportunity to stay at apartment hotels in a scenic environment.

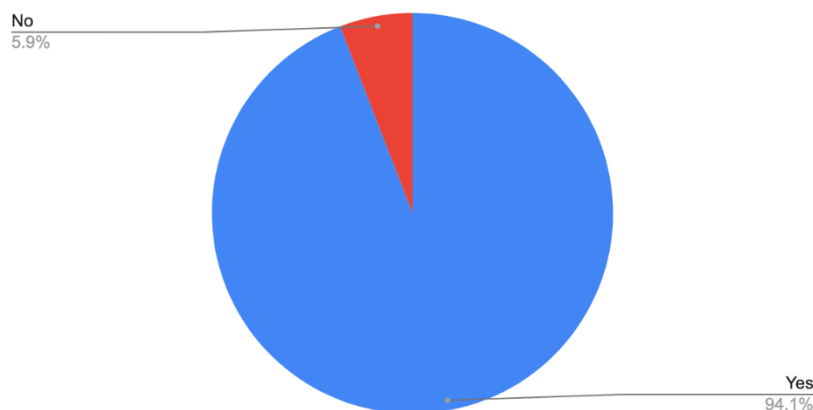
- interdisciplinarity, strong community, no/little hierarchy, very creative, diverse, committed, idealistic, bold
- the sustainability and value of the product.
- the uniqueness of the experience we offer and the contact with the animals

They further identified the weaknesses of their business or initiative as follows:

- continuity through big fluctuation of students,
- the price. I don't know how to sell
- price and communication with potential costumers
- "The problem is getting there, maybe that you live where you live, and that can become a problem because there is no proximity to municipal traffic. That's the biggest hurdle.
- Long wait times for assignments, unstable inflow of income
- Not so organized
- It's smaller companies.
- Poor margin, weather and seasonal dependence, expensive services such as cashier, staff system, booking system, etc.
- Ability to compete with the big chains.
- We are a small group of people.
- The ability to challenge the turbulence in the market.
- We're happy with how we are.
- Use of social media to reach the right audience. The company does not have its own website and does not convey to the public what investment opportunities they seek.
- Forestry is a resource that may not be around in the future.
- Dependent on customer engagement and visits.
- continuity through big fluctuation of students,
- the price. I don't know how to sell
- price and communication with potential costumers

Impressively, 94.1% of the respondents affirmed their businesses integrate circular economy practices.

Count of Do you integrate any practices of Circular economy (CE) into your business model? (Note: Circular practices can...



Regarding the circular economy, respondents utilize mainly “refuse” (9), “repurpose” (11), “reuse” (12), “reduce” (11), “repair” (10), “rethink” (9), and “recycle” (13).

Other specific issues were mentioned: “I can't recycle the jars because of the Swedish regulations (e.g., you need to know that nothing else but honey was put there). the etiquette needs to be washed off, but my glue right now isn't washable”.

Most respondents indicated they would like to learn more about the following: “Which practices could be integrated into your business” (16), “circular business models” (8), “The benefits of adopting circular economy business model” (7), and “How can one find funding opportunities?” (11).

Regarding their use of digital technologies/tools, most respondents either reach their customers online (15) or organize their finances digitally (14).

Most respondents indicated they highlight environmental aspects of their products as methods to increase the appeal of products or services (14/27).

Regarding the success of methods, they used to increase the appeal of their products/services, the following was said:

- instagram, facebook, kinda successful
- it wasn't super useful, because some people don't like to have this environmental reason to be highlighted. it needs to be the right person for this to reach through to them
- advertising the services we offer on sites like booking.com and on tourism sites. we highlight the conservation and environmental aspect of our activities with reindeers. This was very successful to attract not only lodgers but also tourists to do activities with reindeers or have the Sami experience
- We think it's pretty good and could be improved
- creativity
- Environmental aspects of the service
- Successful in the aspects that one can more easily share online as well as get Word of mouth spread
- I think it's okay so far.
- Our concept.
- Organic products.
- Inspiration.
- It is successful.
- More visitors and several newspapers are getting in touch to do reportage.
- Long-term contact with customers.
- Increases contact with customers through social media.

The respondents believe that their products are more appealing for the following reasons: local product (11), organic (10), and the use of circular methods (8).

They believe the following would enhance the appeal and attractiveness of products/services to catch the attention of customers:

- explain agroecology more as selling point
- if I had a cafe or something. that is something swedes do. they go to cafes, to somewhere outside the city, and may buy the product. but if I'm not sure that I can keep a cafe, I can't invest in this.

- rebranding to better emphasise our conservation work and inclusion of circular economy/sustainability
- A large part of the environmental aspect, and having a sustainable business and that what you want to offer has a good value in the foundation, that it is transparent, and that we are in a special place + the knowledge you can get through our courses.
- Accessibility, proximity, clarity
- efficient chain from producer to consumer
- Creativity and quality.
- Value to price.
- Systematic traceability of products, greater focus on taste
- The price and quality.
- Awareness.
- The variety of good and quality products.
- The thoughts and concepts.
- Ecological innovations.
- Sustainability and responsibility in production. High-quality meat and products from well-groomed farms.
- Sustainable process chain. More advertising among relevant customers. Establishment of communication with local communities.
- Engagement with local communities to support local entrepreneurs, not just at supermarkets but options that last year-round.

### **Prospective entrepreneurs**

In reference to **prospective entrepreneurs**, the areas of business indicated were: Rehabilitation of juvenile Youth, Farming, ranching, forestry, and hotel and tourism. They plan on working rehabilitation of juvenile Youth in Sweden, selling organic products or travel guides, targeting juvenile Youth with Criminal backgrounds and drug use problem, local retails, and tourists either online or in-person. All plan to integrate practices of Circular economy (CE) into their business model, such as Repurpose, Recover,

Rethink, Reduce, Refuse, Refurbish, and Redesign. They wish to learn more about Circular economy business models, which practices could be integrated into your business, how can one find funding opportunities, benefits of adopting circular economy business model, and Theory - what is circular economy.

## SURVEY RESULTS ANALYSIS IN LITHUANIA

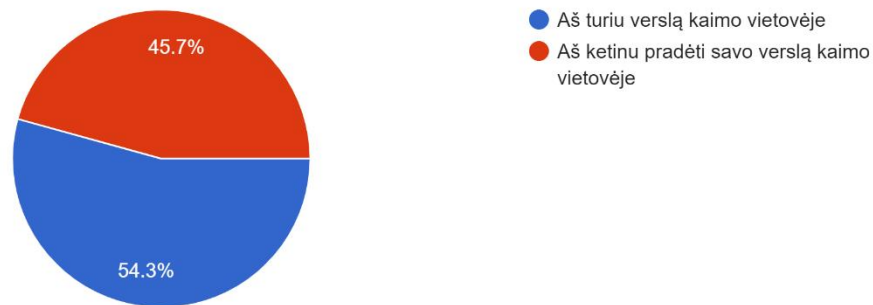
Prepared by LiSVA

### Demographic information

As the primary goal of the quantitative research aimed to discover the factors needed to increase the appeal of rural products/services to the customers, demographic data of the survey participants were not collected as it was not seen to have significant relevance to the goal of this part of the research. Instead, information about the businesses was asked - the participants had to indicate the size of their business, how long it has been operational, the industry the business belongs to, and what products/services it produces. As the survey aimed to explore the answers of [prospective] rural entrepreneurs, only business owners in rural areas were included.

Kaip apibūdintumėte savo dabartinę situaciją?

35 responses



*How would you describe your current situation?*

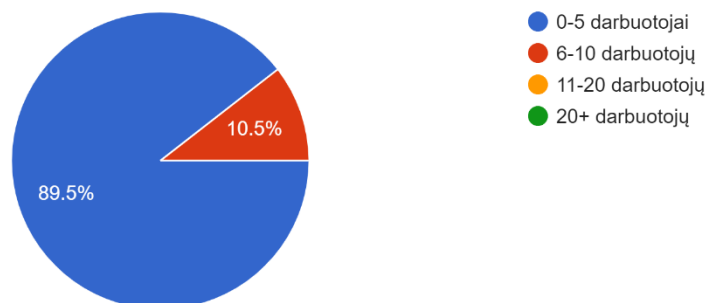
Overall, 35 respondents filled out the survey: 54,3% (19 respondents) rural entrepreneurs and remaining 45,7% (16 respondents) are planning to soon start a business in rural area.



## General information about the businesses run by rural entrepreneurs

### Dydis

19 responses

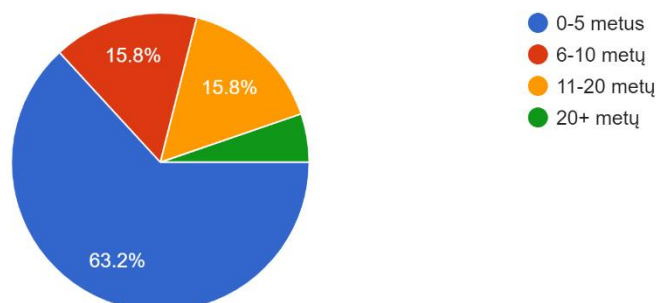


### Size [of your enterprise]

The vast majority (89.5%) of businesses had 0-5 employees, and the remaining 10.5% had up to 10 people employed. This correlates with the data from OECD, showing that 83.7% of SMEs in Lithuania are micro-enterprises.

### Kiek laiko jūsų verslas gyvuoja?

19 responses

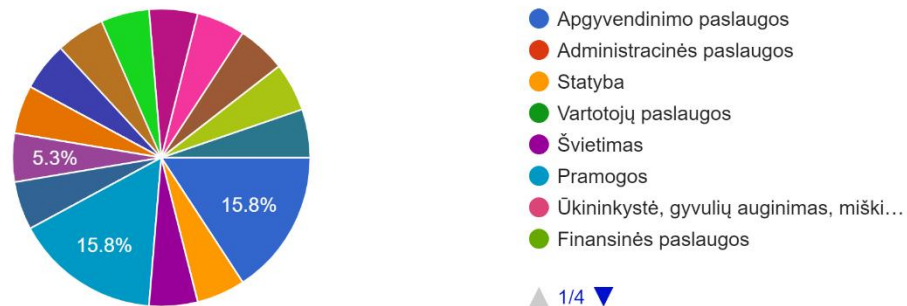


### How long has your enterprise been operational for?

63.2% of survey participants indicated that their enterprise is young – it has been operational for up to 6 years. The rest of enterprises (3 respectively) have been operating between 6 and 20 years long. 1 participant indicated that they have been running their enterprise for longer than 20 years. The results might be correlated to the increasing popularity of support programmes for prospective rural entrepreneurs, such as European Union support provided for starting a business in a rural region, which is managed by Local action groups (Vietos veiklos grupės) through a program "Support for non-agricultural business start in rural areas".

Jūsų verslo sektorius ir/ar veikla

19 responses



*Sector and/or area of business activity*

When asked to indicate the sector and/or area of business activity, the results showed the wide profile of participants of this survey, with only a few operating in the same industry: 3 participants indicated each Accommodation services and Entertainment, while 2 participants choosing Manufacturing. Other industries and/or areas of business activity (Tourism, Agriculture, Sewing, Ranching, Beekeeping, Gardening and food products, social services for elderly, Re-manufacturing of food products, Retail, Hospitals and health care, Education and Construction) were indicated by one participant each. Although lack of unanimity in the answers provides an opportunity for insights from a spectra of industries and/or business activities in further sections, it can also be seen that some rural entrepreneurs lack knowledge of the correct identification in which they operate (i.e., Sewing falls under Manufacturing).

**Information about the products/services provided by your business**

This third section aimed to explore short answers of rural entrepreneurs, and to evaluate their knowledge and skills of communicating their business activity and products/services, as well as their target client segments.

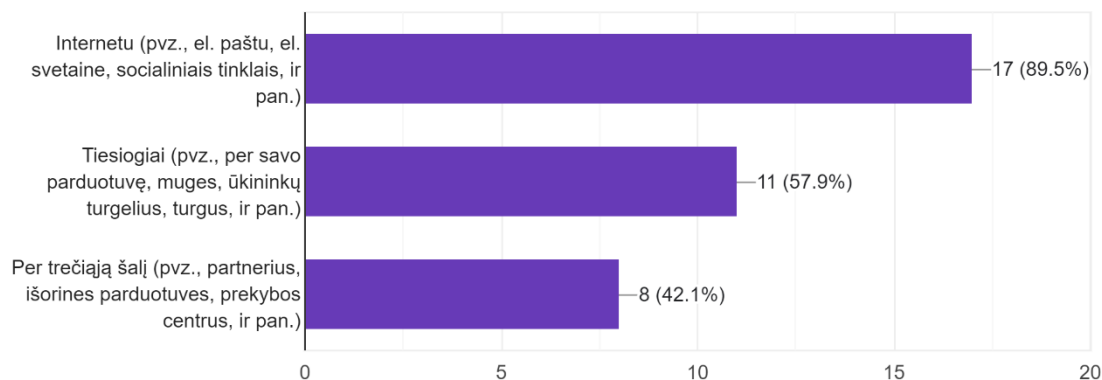
First, the participants were asked to provide a short answer to the question “What kinds of products/services are you providing?”. The answers submitted allowed to understand what exactly does the business offer to their clients. The overall quality of answers provided was good, with the majority of those surveyed indicating the products that they offer clearly. Only a few answers required further information to fully understand the product, as the respondents indicated the activities of their enterprises, and not the products/services (i.e., sustainable fashion).

Then, the participants were asked to indicate their target customer segments. The answers to this question uncovered a poor understanding of segmentation, which is one of the key concepts in marketing, allowing businesses to tailor their products or services to the needs of their target group. Whopping 21% of rural entrepreneurs were not able to identify their target customer segment and indicated that ,everyone‘ or ,all types of customers‘ is their target customer. One participant, instead of indicating their customer segment, indicated their suppliers. 52% of participants indicated some demographic characteristics of customer segments, such as age, income class, gender, and marital status. 21% of respondents mentioned psychographic characteristics, such as ,people who value

healthy, natural, ecological products’, ,those who are interested in emotional and psychological health, mindfulness, ,those who find sustainable fashion important’, and ,people who enjoy active travelling; active members of the local community who provide services’. Only 2 of those surveyed indicated geographic factors: ,residents and enterprises from the region’ and ,residents, living nearby’. Overall, none of the respondents provided a well-rounded answer which would provide a clear indication of their target customer segment or segments. This suggests that rural entrepreneurs have poor knowledge of marketing tools, which might explain why rural areas in Lithuania hold less competitive advantage when compared to urban areas.

Kaip pasiekiate savo klientus? Nurodykite visus būdus.

19 responses



The last question in this section was focused on how the rural entrepreneurs approach their customers. The respondents were asked to indicate all of the relevant options: online (i.e., email, website, social media, etc.), in person (i.e., own shop, fairs, farmers' markets, physical marketplaces, etc.), or through a third party (i.e., co-op, shops, supermarkets, etc.). The majority of survey participants chose the first option, indicating that rural entrepreneurs are familiar with digital means and use them daily; in fact, only 2 of those surveyed indicated that they do not use online means to reach their customers. The least popular option was ,through a third party’, with less than half of the participants indicating it. This suggests the lack of cooperation and exploitation of the ecosystem that rural entrepreneurs operate in, also uncovering potential possibilities for increasing competitive advantage.

### Self evaluation of the enterprise

In section 4, rural entrepreneurs were asked to evaluate their enterprises by identifying the strengths and weaknesses of their businesses.

When asked ,What would you say are the strengths of your business or initiative?’, more than 55% of rural entrepreneurs focused on their product or service, highlighting its features, such as quality, a good relationship between the price and quality, and specific features of that product or service. A few respondents (2 in total) mentioned that their product is ecological or made of natural ingredients. Such focus on the characteristics of the product or service as a business strength suggests that the respondents lack knowledge on strategic planning tools (such as SWOT analysis), and probably rarely

use them, uncovering a need for resources in business management and planning. Other strengths mentioned by rural entrepreneurs were linked to personal communication (mentioned 4 times), flexibility when meeting the client’s needs (mentioned 3 times) and professional expertise in the industry (mentioned 2 times).

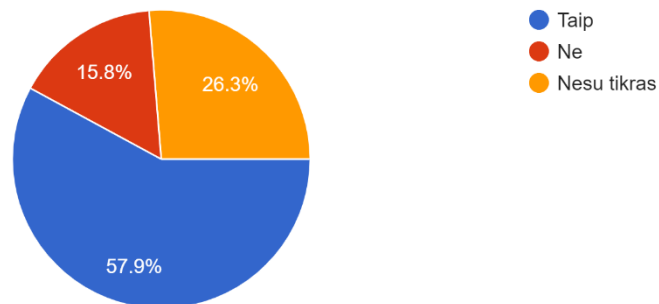
The participants were also asked to identify the weaknesses of their business or initiative. Only 68% of survey participants correctly identified the weaknesses of their businesses by mentioning internal factors, such as lack of confidence, lack of knowledge in business management, poor business visibility, lack of team or motivated employees as well as of premises and equipment. 36% of those surveyed identified external factors that have a negative impact on their business instead, such as high competition (identified 2 times), small market (identified 2 times), seasonal nature of the business (identified 2 times), increasing energy costs, competition with the centre of the municipality, lack of infrastructure, high taxes and control of the governmental institutions. As suggested in the previous paragraph, this shows that rural entrepreneurs might be lacking knowledge in business management and strategic planning, which might lower their competitiveness.

### Circular economy practices

This section aimed to identify the circular economy practices used by rural entrepreneurs and their overall knowledge and understanding of circular economy.

Ar į savo verslo modelį integruojate kokią nors žiedinės ekonomikos (ŽE) praktiką? (Žiedines praktikas galima apibrėžti kaip „veiksmus, kurie pa...ekonomiką ir kurti kitus veiklos ir gamybos būdus“)

19 responses

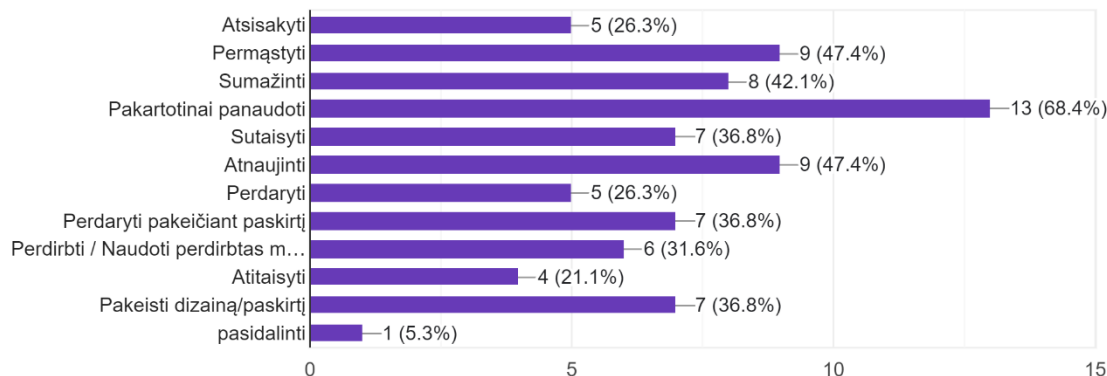


*Do you integrate any practices of Circular economy (CE) into your business model? (Note: Circular practices can be defined as “actions that contribute to rethinking the economy and building other ways of doing and making”)*

The first question in this subsection asked if the rural entrepreneurs implement circular economy practices in their business model. Although the majority (57.9%) answered ‘yes’, this answer was not chosen overwhelmingly. Every fourth respondent was unsure, even though the definition of circular economy was provided after the question, and 3 respondents answered ‘no’. This suggests that knowledge of the circular economy practices is still lacking in rural areas in Lithuania, and/or should be communicated more extensively and clearly.

Kokias praktikas integruojate į savo verslo modelį?

19 responses

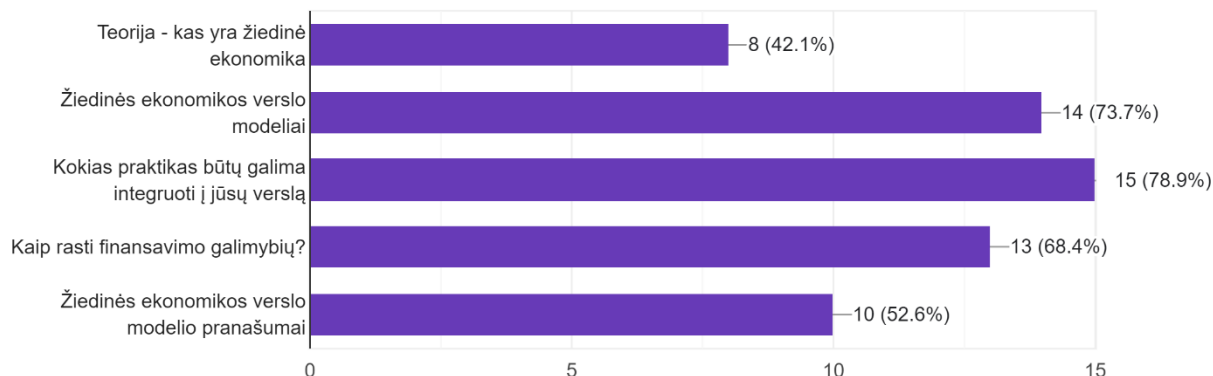


Which practices do you integrate into your business model?

The respondents were also asked to identify concrete circular economy practices that they use in their business model. The mostly chosen answers were ,reuse' (indicated by 13 respondents), ,rethink' and ,refurbish' (both chosen 9 times), and ,reduce' (chosen 8 times). All options that were identified by the designer of this survey were chosen at least 4 times (the least popular being ,recover'), with only 1 participant giving the answer ,share'.

Kokias žinias norėtumėte patobulinti, kalbant apie žiedinę ekonomiką? Pažymėkite visas tinkamas parinktis.

19 responses



What kind of knowledge would you like to improve when it comes to the Circular Economy? Please select all relevant options.

When asked about which topics of the circular economy would be most interesting to get a deeper understanding of, the majority of rural entrepreneurs chose the answer ,which practices could be integrated into your business' (indicated 15 times), closely followed by ,circular economy business models' (indicated 14 times) and ,how can one find funding opportunities' (indicated 13 times). The practical orientation of all three answers suggests that rural entrepreneurs see the importance of

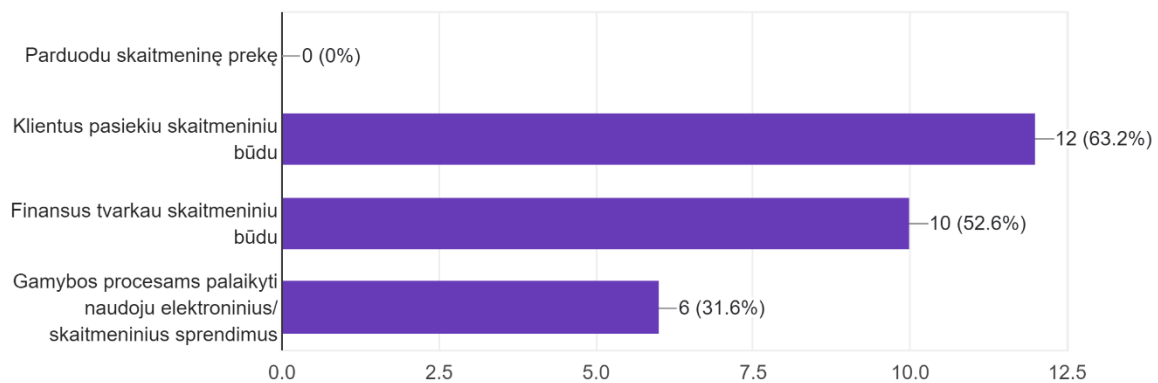
circular economy practices, and show interest in gaining knowledge of its practical implementation. This is also supported by the fact that option ‚theory – what is the circular economy‘ was chosen the least number of times (by 8 participants). Thus, materials about circular economy should be primarily practice-oriented, involving concrete examples and case studies.

### Increasing appeal of the products or services to customers

This section aimed to gain insights on the rural entrepreneurs’ perspectives of what has been done or is needed to attract more customers and improve the value proposition.

Kokius skaitmeninimo elementus diegiate savo versle ar iniciatyvoje? Pažymėkite visas tinkamas parinktis.

19 responses

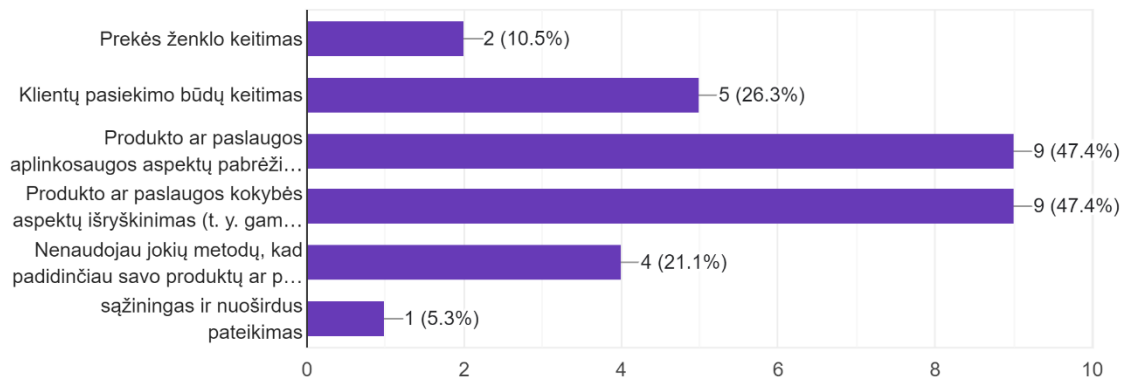


*What elements of digitalization are you implementing in your business or initiative? Please select all relevant options.*

The first question was focused on exploring the digital means used by rural entrepreneurs. The majority indicated that they reach customers digitally (indicated by 12 respondents). 10 respondents also noted that they use digital solutions to organize their business finances, while 6 respondents indicated that they use them to support the production processes. The option “I sell a digital product” was not chosen at all. It is worth mentioning that in Section 3, 17 respondents indicated that they use the internet to reach their customers, showing inconsistency in the answers. This might indicate unclear question formulation.

Kokius metodus taikėte, kad padidintumėte savo produktų ar paslaugų patrauklumą? Pažymėkite visas tinkamas parinktis.

19 responses



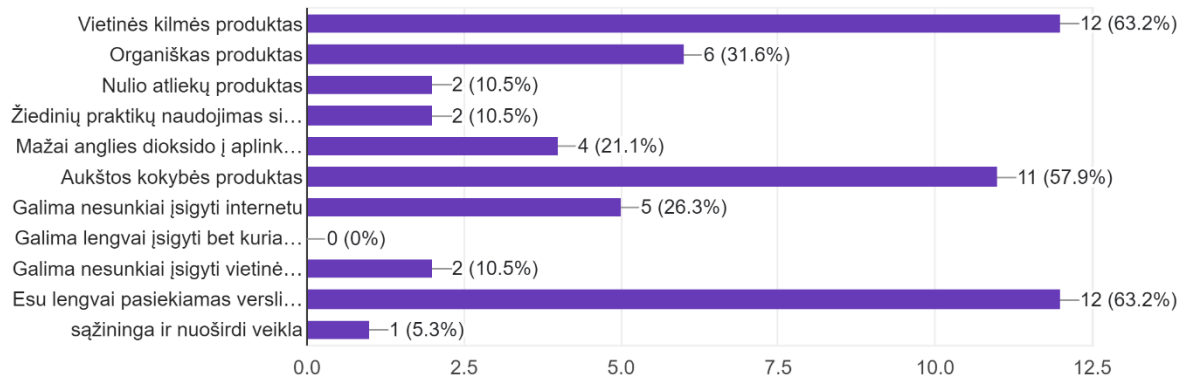
*What methods have you used to increase the appeal of your products or services? Please select all relevant options.*

When asked about the methods implemented to increase the appeal of products or services, answers, 'Highlighting environmental aspects of the product or service (i.e., local, organic, etc.)' and 'Highlighting quality aspects of the product or service (i.e., time needed to produce, longevity, quality of the resources used in the production, etc.)' were both chosen 9 times. Such a choice suggests that rural entrepreneurs see product or service characteristics as the most important aspect. However, only 5 of those surveyed indicated that they have changed the ways they reach their customers. What is more, every fifth respondent indicated that they have not used any method to increase the appeal of their products or services. Linking this question to Section 3 and the question about the identification of customer segments, which showed a lack of knowledge of segmentation, it may be concluded that rural entrepreneurs do not know their customers well enough to implement methods which would increase the appeal of the products or services.

When asked if the above-identified methods were successful, 10 respondents answered positively. 6 of those surveyed could not provide a clear 'yes or no' answer, indicating that the implemented methods worked only partially, or that it is difficult to measure the effectiveness. 2 respondents indicated that the methods were ineffective.

Kaip manote, kas daro jūsų produktus/paslaugas patrauklesnius klientams? Pažymėkite visas tinkamas parinktis.

19 responses



*What do you believe makes your products/services more attractive to the customers? Please select all relevant options.*

When asked to name the factors that make their products or services attractive to the customers, the majority of respondents chose answers 'it's a local product' and 'I am an accessible entrepreneur' (both chosen 12 times), closely followed by the answer 'it's a high-quality product' (chosen 11 times). The answer 'it can be easily purchased in any major supermarket' was not chosen at all, with other answers linked to the places the products can be purchased at also being chosen only a few times. However, it must be noted that the answers to this question should be used with caution, taking into account that a big part of surveyed rural entrepreneurs do not provide products, and focus on providing services, making some answers irrelevant to them.

The last question in this section aimed to investigate, what methods do rural entrepreneurs see as having a positive effect on the increased attractiveness and attention of the customers. Most participants indicated that advertising would be the most effective (mentioned 5 times). 2 respondents answered that a self-owned online store would be an effective method. Other responses included 'tastings', 'education of the society', 'place of retail with developed infrastructure', 'increased partnerships with other companies in the ecosystem' and 'more services'. 3 participants of this survey answered that they do not know what methods would be effective. The answers suggest that rural entrepreneurs lack knowledge of how to make their products or services seen better, and material on case studies and practical examples would be particularly useful.

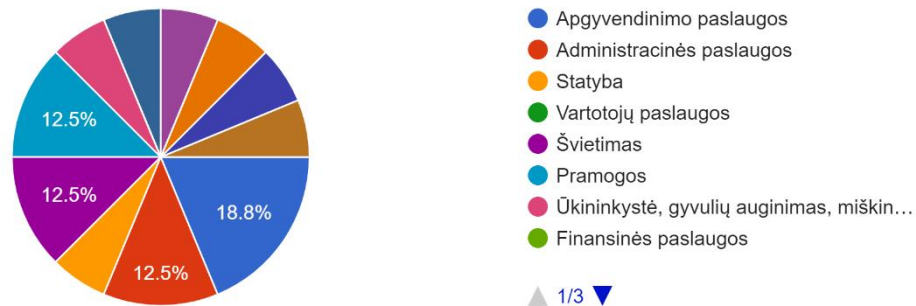
### General information about the initiative of prospective rural entrepreneurs

From this section, the questions were for prospective rural entrepreneurs only.



Verslo veiklos sritis

16 responses



*Sector and/or area of business activity*

When asked to indicate the sector and/or area of business activity, just as in the case with current rural entrepreneurs, the results showed a wide profile of prospective rural entrepreneurs, with only a few planning to operate in the same industry: 3 participants indicated Accommodation services, while Administrative services, Education and Entertainment was chosen by 2 participants each. Other industries and/or areas of business activity (Construction, Farming, ranching, forestry, Hospitals and healthcare, Manufacturing, Retail, Education, Welding) were indicated by one participant each.

**Information about the products or services that will be provided**

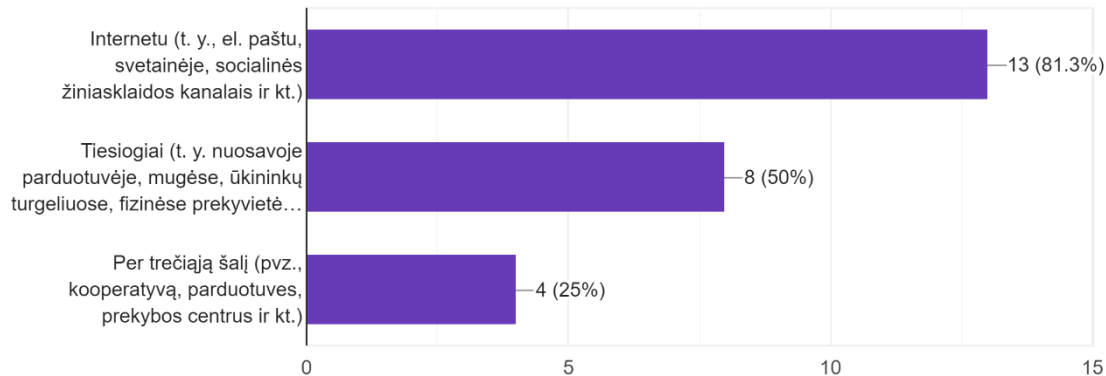
This section aimed to explore short answers of prospective rural entrepreneurs and to evaluate their knowledge and skills of communicating their business activity and products/services, as well as their target client segments.

The first question in this section aimed to understand the product or service that will be provided by future rural entrepreneurs. Compared to the answers from those already running a business, half of the answers of prospective rural entrepreneurs were very laconic and not fully self-explanatory.

The second question was asked to explore the chosen customer segments of prospective rural entrepreneurs. 56% of respondents (9 respondents) were not able to identify customer segments, stating providing such answers as “everyone”, “all potential buyers”, “those of varying ages”, etc. 6 respondents were able to identify some demographic characteristics, such as age, family status, and gender. 2 survey respondents mentioned geographic characteristics, namely “those living in the same rural area”. Only 1 respondent indicated a psychographic characteristic, identifying “people who are looking for calm recreation or short-term accommodation”. The overall answers to this question suggest that similarly to those already running a business in rural areas, prospective rural entrepreneurs lack knowledge on strategic planning tools and methods, proposing a high risk of their businesses being unsuccessful due to lack of clear vision and business plan.

Kaip pasieksite savo klientus? Pažymėkite visas tinkamas parinktis.

16 responses



*How will you approach your customers? Please indicate all relevant options.*

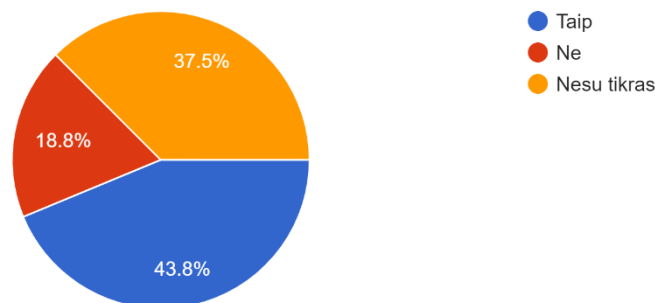
In the third question, the respondents were asked to identify how they will reach their target customer segments. 81% of respondents identified that they would use the internet, while 50% also chose direct means of communication. Only 4 of those surveyed indicated that they will do it through a third party. The answers to this question were similar to those of rural entrepreneurs, except the third option was chosen almost two times less by prospective entrepreneurs. This suggests a possible undervaluation of the possibilities brought by the cooperation and partnership of businesses in rural areas.

### Circular economy practices

This section aimed to explore the circular economy practices that prospective rural entrepreneurs are planning to implement in their businesses, as well overall knowledge and understanding of this topic.

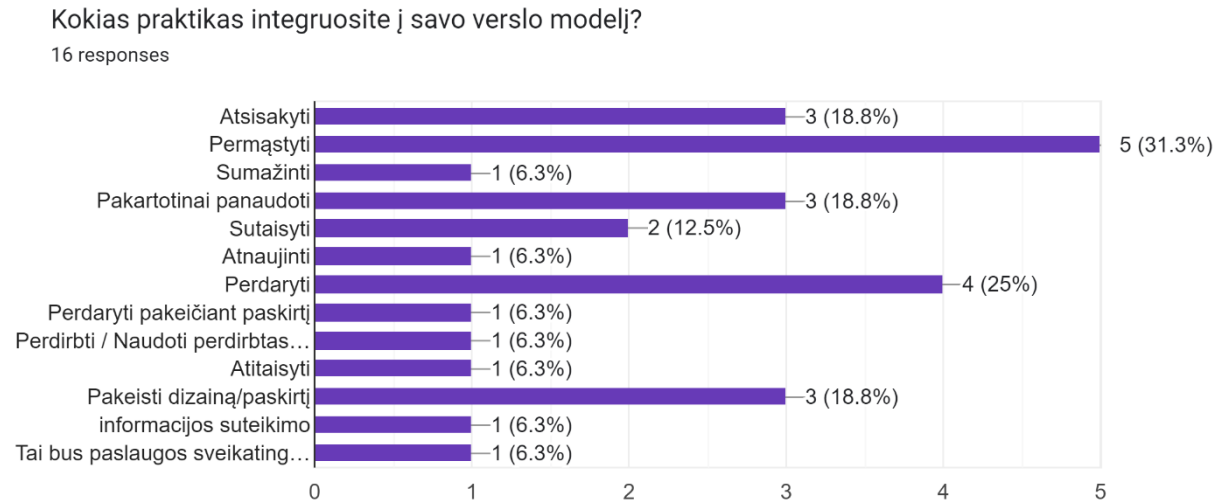
Ar planuojate integruoti kokią nors žiedinės ekonomikos (ŽE) praktiką į savo verslo modelį?  
(Pastaba: žiedinę praktiką galima apibrėžti kaip „v...ekonomiką ir kurti kitus veiklos ir gamybos būdus“)

16 responses



*Are you planning to integrate any practices of Circular economy (CE) into your business model?*

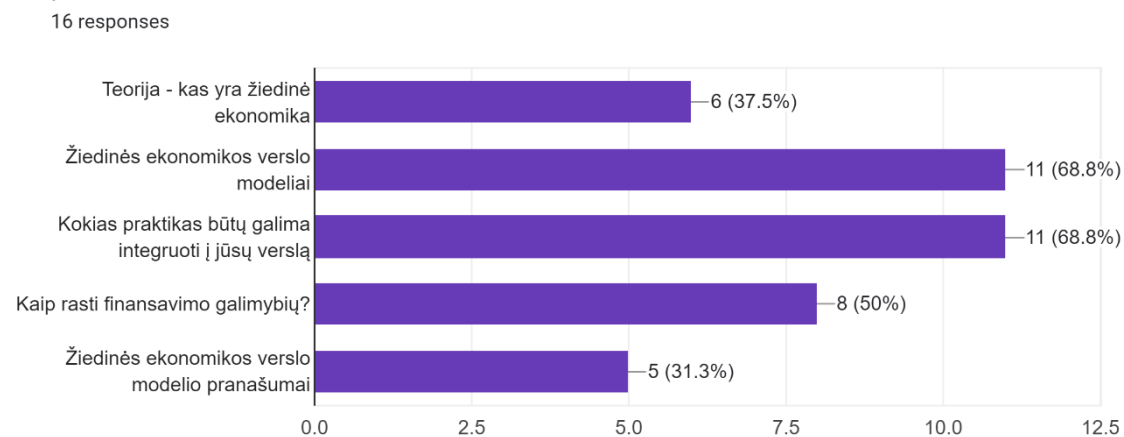
When asked if they are planning to implement circular economy practices into their business plan, less than half of the prospective rural entrepreneurs answered “yes”. 37% of respondents could not provide a definitive answer, and 18% indicated they were not planning to use circular economy practices. The answers were rather similar to those provided by rural entrepreneurs.



*Which practices will you integrate into your business model?*

The participants of the survey were asked to identify the concrete practices of circular economy that will be implemented in their business model. The majority chose answer “rethink” (indicated 5 times), closely followed by “remanufacture” (indicated 4 times). All other answers were chosen at least one time, with 2 participants additionally mentioning “providing information” and “health services”. The answers show a slightly different view of circular economy practices from rural entrepreneurs.

Kokias žinias norėtumėte patobulinti, kalbant apie žiedinę ekonomiką? Pažymėkite visas tinkamas parinktis.



*What kind of knowledge would you like to improve when it comes to the Circular Economy? Please select all relevant options.*

Lastly, the respondents were asked about the knowledge in circular economy that they would like to deepen. The majority chose answers “circular economy business models” and “which practices could be implemented into your business” (each chosen 11 times). Just as rural entrepreneurs, prospective rural entrepreneurs also indicated a stronger interest for the topics with practical aspects to them, as opposed to the theory.

## CONCLUSIONS REGARDING SURVEY RESULTS

In Germany, most of the respondents are new entrepreneurs. They are willing to learn CE model and mostly have limited knowledge on it. As a challenge mostly they want to incorporate digital tools as a method to reach their customers as well as for better marketing of their products and services. From the respondents who were prospective entrepreneurs, it is evident that they want to enrich their knowledge in CE for their future business.

From the results of the survey in the Swedish context, it can be concluded that there already exists a considerable knowledge of circular economy and its practices and are already incorporating a few practices into their models, mainly “refuse” (9), “repurpose” (11), “reuse” (12), “reduce” (11), “repair” (10), “rethink” (9), and “recycle” (13). Thus, rather than emphasising the basic, focus could be given to the following topics “Which practices could be integrated into your business”, “circular business models”, “The benefits of adopting circular economy business model”, and “How can one find funding opportunities?”.

Related to the digital technologies, it seems like the rural entrepreneurs are already using them to reach customers/consumers and to organize their finances. Thus, focus can be given to more advanced skills, such as ensuring their safety and marketing.

Finally, the results of this survey in Lithuania showed certain weaknesses of both rural entrepreneurs and prospective rural entrepreneurs, such as poor knowledge of business management and strategic planning methods, in particular on segmentation and evaluation. The results also uncovered areas which should be focused on, namely practical aspects of the topics explored in the survey. The answers showed that around half of the (prospective) rural entrepreneurs surveyed were already implementing or planning to implement circular economy practices, with about 30% of them not being sure about it. These findings suggest that there is a gap between theoretical and practical knowledge, and that concrete, specific information about circular economy practices should be disseminated, focusing on case studies, practical methods and clear ideas that could be implemented by the (prospective) rural entrepreneurs.

In summary, the surveys conducted in the three countries confirmed both the interest and relevance of a training in circular economy business models and digital skills for prospective and current rural entrepreneurs. Some specific subjects were highlighted, such as a focus on circular economy business models, and emphasizing practical information to bridge the theory-practice gap and provide actual information that can be incorporated by rural entrepreneurs in their business models. Regarding digital skills, focus will be given to how these can foster the communication between the entrepreneurs and their customers.



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# FOCUS GROUPS REPORT

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**re:GREEN**

KA210-ADU-EB4455C6

LISVA 

 Tomorrow  
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Swide 

March 2023

## FOCUS GROUP REPORT

### PRELIMINARY PREPARATION FOR THE TRAINING CONTENT – FOCUS GROUPS

This research aimed to identify in more depth which digital skills and tools are needed by rural entrepreneurs. Rural entrepreneurs were asked to share their current understanding of digital skills and tools, identify the new skills that would be beneficial for them, and evaluate their own digital skills. The focus groups were held between January 31, 2023, and March 20, 2023. Overall, 15 rural entrepreneurs participated in the research from Lithuania, Sweden and Germany.

### FOCUS GROUP ANALYSIS IN GERMANY

**Prepared by Tomorrow Together**

#### **Summary**

As the digital skills and tools required for entrepreneurship have become increasingly important, especially in rural areas, where entrepreneurs may not have the same access to resources as their urban counterparts, our focus groups are confident enough to use digital methods for promotion and communication. To understand digital skills and tools, the focus group has identified the areas where they may need more support and training.

Entrepreneurs are asked to identify new skills that would be beneficial for them can help to inform about our training programs and resources. By understanding the specific needs of rural entrepreneurs, resources will be developed that are tailored to their needs, making it easier for them to acquire the skills they need to be successful.

Finally, focus groups evaluate their own digital skills helped us to identify areas where they might need additional training or support. The information would be used to develop training programs that are targeted at specific areas where entrepreneurs need more support, helping them to develop the skills they need to succeed in the digital usage for rural development with a relevance to circular economy.

#### **Digital Methods Usage**

Almost all the participants in our focus group are using social media channels (depending on their targeted age groups) and some of them are using email (newsletters, campaign, subscriptions) to communicate with their customers and suppliers. These digital communication tools are helping them to reach a wider range of audiences and stay connected with their customers and supporters. They also use Office 365 tools for documentation, Datev, Elster for tax calculation, Trello or Bitrix 24 for day-to-day work track, QR code for promoting products or services, Mailchimp for newsletters, as these can help them manage their business activities more efficiently.

The identification of digital marketing, paid advertisement, and communication knowledge and skills as areas for improvement is also important for our focus group as these skills can help themselves to promote their businesses online, reach a wider audience, and build stronger relationships with customers, locals, suppliers, and supporters. Digital payment is another important area that was mentioned by our focus group as online payments through ‘G-pay’, ‘PayPal’, ‘Scan & Go’ are taking over in the digital economy in Germany. Graphic design tools such as ‘Canva’, ‘Adobe Express’, ‘Crello’ ‘Venngage’ etc. is also assisting the group to create relevant marketing materials, social campaigns, and social media channels’ posts.

Overall, the insights gained from this focus group could be used to develop targeted training programs and resources that are tailored to the specific needs of rural entrepreneurs. By providing them with the skills and tools they need to succeed in the digital economy, we can help to promote economic growth and development in rural areas.

### **Evaluation Process**

We have used the rating scale between 1 and 5 to get an overview on skillset of using digital tools and methods of our focus group who may not have a lot of experience with digital tools.

The average score response indicates that the focus group can critically view the data and information they are able to find. The evaluation has done during the interview where focus group has responded individually. It was interesting to note that skills related to interacting, sharing, and collaborating through digital means were evaluated differently. The variation in skill levels and knowledge is likely linked to the type of business, as some businesses require more interaction and collaboration with customers and target groups than others.

Moreover, the evaluation of digital skills by the participants provides useful insights into the areas where rural entrepreneurs may need more support and training. By developing targeted training programs and resources that address these areas, we can help rural entrepreneurs to develop the digital skills they need to succeed in the digital economy.

However, the variation in the evaluation of managing digital identity suggests that some interviewees may need more support in this area. Digital branding is an important aspect of promoting a business online, and it's important that entrepreneurs have a good understanding of how to do this in a more appropriate way. The high evaluation of knowledge of copyright and licence usage is also positive, as the interviewees have a good understanding of the legal aspects of using digital tools. Similarly, the high evaluation of knowledge of protecting devices and personal data and privacy is important, as entrepreneurs need to be able to protect their own data as well as the data of their customers.

The mixed evaluation of knowledge of environmental impact of digital tools is interesting. While it's not necessarily a core skill for entrepreneurs, it's important to be aware of the environmental impact of using digital tools, and this is an area where further education and training may be beneficial for most the interviewees to focus on digital marketing, advertising, and graphic design tools. By focusing

on the areas that are most important to rural entrepreneurs, we can provide them with the skills and tools they need to succeed in the digital economy.

## FOCUS GROUP ANALYSIS IN SWEDEN

Prepared by SwIdeas

### Identification of needed digital skills and tools for rural entrepreneurs

Identification of needed digital skills and tools for rural entrepreneurs. Each partner will conduct one focus group with 5 (prospective) rural entrepreneurs for identifying their needs in the rural areas, including digital skills and digital tools useful for implementing sustainable, less resource consuming practices.

### Analysis

The focus groups in Sweden were organized in a form of interview, through which the interviewers could take the inputs shared in one interview during another to generate knowledge and create feedback and communication of inputs. Five people were interviewed in total. Among them, two were professors specialized in social entrepreneurship and rural and urban development; one was an entrepreneur and the current project manager of an entrepreneurship hub connected to an agriculture university department; and two were entrepreneurs in the rural areas themselves. Given the diversity of profile, contributions of inputs somewhat varied. Specific contributions can be observed through extracts of the interviews and summaries provided below.

Nevertheless, the general input can be summarized as follows:

To start with, it was agreed upon that the level of digital skills among entrepreneurs does not tend to vary much between the rural and urban settings. Indeed, in both contexts entrepreneurs tend to use digital technologies in some way or another, such as to organize their bookkeeping or by incorporating machines and other tools and platforms to promote their business or make their operations more efficient. This reflection can be observed in the interviews, that show that most rural entrepreneurs have a good level of several of the skills highlighted in the DigComp Framework.

There are several cases of entrepreneurs such as farmers that connect with consumers through direct websites or platforms such as co-ops or groups (e.g., on Facebook). These are growing recently and represent a way for the entrepreneurs to generate extra income by bringing their products directly to the consumer. This also means that they can communicate with the consumers, creating a sense of connection. On the other side, mechanization oftentimes means less demand for labor, which leads to the fact that rural entrepreneurship may fall behind when it comes to its impact on social development. Nevertheless, the professors interviewed during this activity noted that it is common that most of the jobs offered in rural areas come from the public sector in its majority, and from enterprises, such as construction or mining companies.



When it comes to the knowledge and incorporation of sustainability and circular practices in rural entrepreneurship, however, all interviewees noted that this is still somewhat underdeveloped, agreeing that there seems to be a bigger focus on this in urban areas. Some interviewees noted that in rural areas, there is usually less of an emphasis on sustainability, and that higher knowledge of that is usually more common in cities. This leads to the conclusion that most businesses in rural areas tend to emphasize more the fact that their products are local or organic, than the fact that they are somehow “circular”, although there are of course exceptions. Regardless of this however, it is important to note that both “local” and “organic” products hold a “sustainable” factor, given that they generally require reduced chemicals and create less carbon emissions, since they travel less to get from the producer to the consumer (e.g., km0 products), which can support the achievement of net-zero goals. Finally, through the interviews it has been observed that new (prospective) entrepreneurs show strong wishes to incorporate sustainability into their businesses, oftentimes bringing along digitalization as a factor of emphasis. Especially in a strongly environmentally oriented society such as Sweden, this trend is likely to quickly grow.

## FOCUS GROUP ANALYSIS IN LITHUANIA

**Prepared by LiSVA**

All participants indicated that they use social media (mostly Facebook) and email to communicate with customers and suppliers. Business activity management tools were Microsoft Office and accounting tools, and one respondent mentioned using Trello to track business activities. The respondents identified that digital marketing, paid advertisement, and communication knowledge and skills would be beneficial for them. Other skills identified included finding digital payment solutions, graphic design tools (such as Canva), and social media management.

The interviewees were asked to rate their knowledge and skills on certain digital tools (in total, 19), on a scale from 1 to 5. This was chosen to provide insights of overall situation of the group, and to make self-evaluation process simpler for rural entrepreneurs.

The evaluation of digital skills by the participants showed that skills linked to information, data search, evaluation, and management were evaluated as 4 or 5, indicating that rural entrepreneurs are able to critically view the data and information they are able to find. However, skills related to interacting, sharing, and collaborating through digital means were evaluated differently. Some rural entrepreneurs indicated having high competencies, while others had mediocre or low evaluations, which is likely linked to the nature of their business activities.

The evaluation of netiquette was high by all interviewees, suggesting that they are able to choose suitable content to the context. However, managing digital identity was evaluated differently by the interviewees, with some indicating high evaluation and others saying that their knowledge is mediocre, indicating that they lack knowledge on how to do digital branding correctly.

The evaluation of knowledge of copyright and licence using was high by all interviewees, suggesting that they have a good understanding of legal aspects. The evaluation of knowledge of protecting devices and personal data and privacy was also high by all participants.

The evaluation of the knowledge of environmental impact of digital tools was mixed, with three interviewees saying they had high knowledge and the remaining two indicating they had no knowledge in this area.

The majority of interviewees said they would mostly value digital skills focusing on digital marketing, advertising, and graphic design tools, as well as increasing communication to certain customer segments.

## CONCLUSIONS AS TO FOCUS GROUPS

Overall, the focus group conducted in Germany has provided valuable insights into the digital skills and tools used and needed by rural entrepreneurs. The results indicate that rural entrepreneurs/ interviewees are highly aware of the importance of digital skills and tools for their businesses, particularly in terms of their impact on sales and attracting customers.

However, there is a gap in their knowledge, skillset, resources. The participants identified communication, campaigns, and creativity as the most important skills that rural entrepreneurs should learn and practice in their businesses. By providing targeted training and resources in the areas identified by the focus group, we can help rural entrepreneurs to succeed in the digital economy and contribute to the growth and development of their local communities.

It is safe to say that, in terms of needs of rural entrepreneurs in Sweden, there is a bigger gap in knowledge of sustainability and circular economy if compared to entrepreneurs in urban areas. It was concluded that entrepreneurs would benefit from learning about the circular economy (e.g., what it is and how to incorporate its practices into their business or find funding). However, this should be presented in an easy way, highlighting how entrepreneurs can incorporate this knowledge in their businesses today. That is because, given the reduced availability of resources that entrepreneurs usually faced, and considering that rural entrepreneurs usually have time-intensive responsibilities in their businesses, any information should be presented in a practical manner. On the other hand, there is a strong need for specific digital skills as well. The most important ones identified in the interviews were the following:

- Developing digital content: To create and edit digital content in different formats, to express oneself through digital means.
- Solving technical problems: To identify technical problems when operating devices and using digital environments, and to solve them (from trouble-shooting to solving more complex problems).
- Identifying needs and technological responses: To assess needs and to identify, evaluate, select and use digital tools and possible technological responses to solve them. To adjust and customise digital environments to personal needs (e.g. accessibility).

- Identifying digital competence gaps: To understand where one's own digital competence needs to be improved or updated. To be able to support others with their digital competence development. To seek opportunities for self-development and to keep up-to-date with the digital evolution.
- Copyright and licences: To understand how copyright and licences apply to data, information and digital content.
- Protecting devices: To protect devices and digital content, and to understand risks and threats in digital environments.
- Netiquette: To adapt communication strategies to the specific audience and to be aware of cultural and generational diversity in digital environments.
- Sharing through digital technologies: To share data, information and digital content with others through appropriate digital technologies.
- Managing digital identity: To create and manage one or multiple digital identities and protect my own reputation.
- Protecting the environment: To be aware of the environmental impact of digital technologies and their use.

Finally, in Lithuania the focus group revealed that rural entrepreneurs are highly aware of the importance of digital skills and tools, understanding mostly their impact on sales and attraction of customers, but there is a gap in their knowledge, particularly in areas such as creative use of digital technologies. The participants identified digital marketing, paid advertisement, and communication knowledge and skills as the most important skills that rural entrepreneurs need to acquire. The findings of this focus group can be useful for policymakers and organizations in designing programs and support systems for rural entrepreneurs to enhance their digital skills and tools.

These conclusions indicate that the focus groups and interviews confirmed the results collected in the surveys, with some additional input. Focus should be given in the trainings to the use of digital tools to communicate better with customers, especially through digital marketing, advertising, and the use of digital platforms. Additionally, emphasis shall be given to the creative use of digital technology and safety in digital environments (e.g., how to manage your own identity, protect devices and digital content, and understand and use copyright licenses).



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# CIRCULAR BUSINESS MODELS

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June 2023

## CIRCULAR BUSINESS MODELS

### PRELIMINARY PREPARATION FOR THE TRAINING CONTENT – BUSINESS MODEL IDENTIFICATION

In this document the reader can find different Circular Economy (CE) and resource efficient business models that may serve as an inspiration in the field of agribusiness, green practices and/or traditional knowledge and practices.

## BUSINESS MODELS FROM GERMANY

**Prepared by Tomorrow Together**

Business Model Case Study 1- Green Textile Solutions  
<https://www.greentextilesolutions.com/>

**Motto:** ‘Stay Healthy and Enjoy Sustainability’

**Mission of Green Textiles:**

1. Sustainable textile solutions
2. Competence through innovation
3. Sustainable and better health
4. Saves energy and water
5. Sustainability and Fairtrade inclusion

GREEN TEXTILE SOLUTIONS, producers of fair-trade, organic and skin-friendly medical workwear. Dedicated to fair working conditions, minimal use of chemicals, and responsibly sourced materials, we are excited to share our “healthy textile” vision with you!

**Business Area:** Green textiles, Hospital Clothing, Sustainable Textiles, FairTrade Clothing, Sustainable Workwear, and FairTrade Workwear.

**Founders, Stakeholders and Beneficiaries:** The company established in 2017 by Dalia Hassan in Bonn, Germany. She is the founder of Green Textile Solutions.

“In times of corona, I have noticed that I am finding more open ears than was previously the case for my textiles made of natural fibres, which offer higher protection against bacteria and regulate body temperature for wearers in health care or care. My supply chain is short, fair and sustainable. From cultivation to ready-to-wear, everything comes from one country. We believe that textiles can be healthy and should also help people in the producing countries.” – Dalia Hassan (Founder)

The beneficiaries are caregivers, nurses & Co. textile network (TNW).

#### **Business Values:**

There are three main values upon which GREEN TEXTILE SOLUTIONS was founded:

- Providing Safe and Healthy Textiles for our Medical Clients.
- Fair-Trade Production.
- Protecting the Environment with our ecological production and product.

**Products and Services:** Sustainable professional textiles made of natural fibres for the medical workers, hospitals, and health related companies and industries.

**Product's Representation:** There is an option in the website that customers can order a sample to use and observe the product quality. Afterwards, they can place a full order. Also, it is possible to contact them through online channels and set a consultation beforehand.

#### **Communication with consumers:**

Green Textile team take part in different trade fairs, events, conferences, and seminars nationally and across border also where they reach their consumers and do product / service marketing directing with consumer groups. Using social media channels and circulating newsletters are also promoting the communication between the business and consumers.

#### **Relation with Circular Economy and resource efficient business models:**

Green Textile Solutions stands for social and ecological sustainability in the field of workwear in the medical sector.

- Natural fibres for more comfort:

The innovative textiles prevent bacteria from picking up and offer additional protection against various liquids. At the same time, the natural fibres ensure an optimal balance of body temperature.

- Less energy consumption:

In the washing process, our innovative textiles can be washed, dried, and ironed faster. The use of 97% natural fibres almost eliminates the excretion of microplastics into the environment.

- Fair and sustainable:

Green Textile work directly with specialized and certified textile production facilities. Transparency along the entire supply chain ensures sustainability and fair working conditions. With each product, you can improve your eco-balance, reduce CO2 emissions and attract new employees to your facility.

#### **Broadening sales and customer segment communication oriented with CE and resource-efficient BM:**

Green Textile focus on making of natural fibres clothes with natural protection and prevent the absorption of bacteria in a completely natural way and without chemicals. The company give its best effort to be aware of how much emissions they result. They have adapted the business contracts with

their consumers so that the data is stored on servers that are operated with green(renewable) electricity.

**Points of learning that have been identified in the approach of this Circular Economy and resource efficient business model:**

Green Textile has set the example of how the rural entrepreneurs can think about green energy and green clothing even though using raw materials from far away they have successful remarks of being able to use green materials considering protection of environment and sustainable health.

**Contact:** Green Textile Solutions

Business Model Case Study 2- Raumly  
[www.raumly.com](http://www.raumly.com)

**Mission of Raumly:**

Raumly, an emerging online platform that offers tech-driven solutions to find shared spaces and equipment in North-Rhine Westphalia. We make a change in the way we consume resources. We at Raumly strongly believe in collaborative consumption and the growing potential of sharing economy.

**Business Area:**

Shared resources, collaborative consumption, and promoting the sharing of resources of local accommodation sharing, flat sharing for events, fairs, conferences, seminars, trainings, etc.

**Founders, Stakeholders and Beneficiaries:**

Founded and managed by Ivan Golovko who started his company in 2020 with home visits, right at the beginning it was a challenge to find the first host for event at home space. Then he approached other local companies, as well as companies throughout Germany and entered cooperations. It didn't take long for his schedule to be full of local event hosting, but there was a downside. He had to give up more than half of his turnover to companies and focus on the networking. Thus, he opened his own company at the beginning of 2020 in the centre of Bonn.

The beneficiaries are local business owners, enterprises & event management companies and industries in Germany.

**Business Values:**

Raumly is set to become a game-changer in the market of collaborative consumption. The platform has advanced features such as automated recommendations and smart pricing. Both these features are meant to offer the local renters and owners ease of use sustainable space renting and living.

**Products and Services:** Sustainable and collaborative space sharing, space renting with green environment for local events, and visitors.

**Product's Representation:**

People can reach out through the website which help to see the place and contact the team. Afterwards, they can place an order with Raumly. Also, it is possible to contact them through online channels and set a consultation beforehand.

**Communication with consumers:**

Raumly is being active on their online media and other local social platforms. By this, they are reaching out to their expected consumers and visitors.

**Relation with Circular Economy and resource efficient business models:**

The goal of Raumly is to provide sustainable green space to everyone who desired to host event. Through Raumly, every company can host a full-time or part-time event of up to 100 people an hour and enjoy the freedom of using and utilizing the space.

**Broadening sales and customer segment communication oriented with CE and resource-efficient BM:**

Raumly focuses on establishing networks between local and internationals by hosting different events locally with green space. The company tries its best to keep the space energetic and liveable with green thing's touches. They also provide green electricity and green plants in the space to make the usage of resource efficient.

**Points of learning that have been identified in the approach of this Circular Economy and resource efficient business model:**

Raumly has set remarks of using the space in a green way to save energy and hosting events to broaden the chance of networking. This is how the company plays a role in sustainable usage of spaces and utilizing available resources with efficiency and skillset.

**Contact:** Raumly – Medium



## BUSINESS MODELS FROM SWEDEN

Prepared by SwIdeas

### Business Model Case Study 1- Ekoväx i Norden AB

[www.ekovax.se](http://www.ekovax.se)

#### **The mission of the enterprise and area of activity.**

Production of KRAV-certified manure product for different needs. (KRAV is the main Swedish organization that develops and maintains regulations for ecologically sustainable agriculture, founded in 1985 by a consortium of organic producers. KRAV is a member of the International Federation of Organic Agriculture Movements.) Ekoväx's products give the farmer a balanced fertilization that gives the soil a nutrient content and a structure that in turn gives increased harvest levels. [Agriculture]

#### **Information about the founders, stakeholders and beneficiaries. The founding story. A quote from the founder or founder.**

Ekoväx started in 2008 with large-scale pellet production. Quote from CEO Emil Olsson: "Succeeding requires a little more thought and a little more accuracy - and we all have to work on motivating consumers to continue to make environmentally friendly choices regardless of the economy. But the reward is worth the effort. Not just on the bottom line of the income statement, but also in the form of a really good conscience."

#### **Description of services and goods offered by the company.**

They have over 20 fertilizer products on the market as well as their own range of seeds – spring, autumn and rapeseed. They sell approximately 12,500 tons of pellets per year and, in addition to pellets, also sell wine pomace, seed, fennel seed and other fertilizer products approved for organic production. They also offer their customers advice and training to succeed with their cultivation.

#### **The description of how the products are presented/communicated to the consumers.**

There is a product catalogue and an online assortment with detailed information about the product. Today they have over 20 fertilizer products on the market as well as their own range of seeds. They sell approximately 12,500 tons of pellets per year and, in addition to pellets, they also sell wine pomace, seed, fennel seed and other fertilizer products approved for organic production.

#### **Description of how the company incorporates Circular Economy and resource-efficient business models.**

Since 2017 their facilities are driven by solar cell power. The circular economy is thus at the core of their activities, prompting the availability of renewable energy and reducing the consumption of non-renewable resources.

#### **The description of how the Circular Economy and resource-efficient business model helps in communicating with the consumer segment and increase sales.**

The company highlights the environmental aspect of their products especially by outlining their contribution to reducing CO2 emissions. For instance, they mention that they are "a well-rounded team from raw material receiver to finished product ready for delivery" and that they themselves cultivate

approx. 1,600 ha. They further capitalize on the fact that they are accessible and that other farmers can identify with them, because they are farmers just like them. Ekoväx affirms they want more people to succeed, stand side by side with customers and assist with advice and training for the customer to succeed with their cultivation.

**Points of learning which have been identified in the approach of this Circular Economy and resource-efficient business model.**

Ekoväx is an example of how rural entrepreneurs can capitalize on the environmental benefits their local activity and collaboration can create. Rather than focusing on the profit, the company emphasized the goals of promoting the success of their community, providing training for others to succeed like them in the utilisation of circular economy practices and principles to reduce their companies/enterprises' impact on the environment.

**Business Model Case Study 2- Mönsterås Biogas AB**

(A daughter company of Scandinavian Biogas Fuels International AB)

**Link to the mother company:** <https://scandinavianbiogas.com/projekt/monsteros/>

**The mission of the enterprise and area of activity.**

Large-scale production of biogas and biofertilizer. Scandinavian Biogas contributes to a sustainable transition from fossil fuels to renewable energy. [Agriculture/Energy]

**Information about the founders, stakeholders and beneficiaries. The founding story. A quote from the founder or founder.**

Scandinavian Biogas and Mönsterås Biogas signed a cooperation agreement to build and operate a biogas plant that will produce liquid biogas and hygienic biofertilizer by recycling farmers' manure. The parties have formed a joint development company, Mönsterås Biogasproduktion AB, which will be responsible for future production. Their customers are large gas station companies, stakeholders in industry and shipping but also major European energy companies. The company starts production in Q4 2024. Information about Scandinavian Biogas: Scandinavian Biogas is a leading Nordic producer of biogas as vehicle fuel. The biogas is CO<sub>2</sub>-neutral, extracted from sewage sludge and waste from households and agriculture as well as industrial organic waste. Today there are facilities in Sweden, Norway and Korea. In 2021, the company delivered 366 GWh to the market. Scandinavian Biogas has 100 employees and had a turnover of SEK 394 million in 2021.

**Description of services and goods offered by the company.**

The biogas facility will convert manure from beef, pig, chicken, and egg production in the area into liquid biogas (LBG) and various types of refined biofertilizer. The facility is dimensioned for an annual production of 125 GWh of biogas and approx. 250,000 tonnes of high-quality bio-fertilizer in various fractions in both liquid and solid forms.

**The description of how the products are presented/communicated to the consumers**

By showing the environmental beneficiaries of using clean fuel. There is information on how biogas is an alternative to natural gas.

**The description of how the Circular Economy and resource-efficient business model helps in communicating with the consumer segment and increase sales.**

Mönsterås is a daughter company of Scandinavian Biogas. Its differential aspect lies in the direct incorporation of circular economy practices and principles by utilizing manure, a by-product of the ranching industry, to generate electricity in a renewable manner through the generation of biogas, without the need for fossil fuels.

**The description of how the Circular Economy and resource-efficient business model helps in communicating with the consumer segment and increase sales.**

Circular economy and resource efficiency are at the core of this initiative, as it represents an innovative approach to biogas generation. The focus is on the use of manure, a by-product of the ranching industry. The description of the initiative is also associated with its location in Mönsterås, where there is good access to substrate combined with strong local support and committed partners. The targeted customers are for instance sizeable gas-filling station companies, industry and shipping players, and other significant European energy companies.

**Points of learning which have been identified in the approach of this Circular Economy and resource-efficient business model.**

This case study demonstrates that even bigger and established rural enterprises can use creativity to identify by-products of other industries that can be repurposed to produce other results. This shows that the circular economy can emerge from creative ideas and thrive on collaboration among different industries to ensure the repurposing of resources along different supply chains.

## BUSINESS MODELS FROM LITHUANIA

Prepared by LiSVA

Business Model Case Study 1- Dirbinyčia and Būk su manimi

VšĮ „Būk su manimi“. <https://www.facebook.com/Buk.su.manimi/>

VšĮ „Dirbinyčia“. <https://www.facebook.com/Dirbinycia/>

Dirbinyčia and Būk su manimi, two non-governmental organizations (NGOs) operating in Mažeikiai, a city in northwestern Lithuania, have formed a powerful collaboration aimed at reducing textile, furniture, and footwear waste while promoting sustainability and social welfare. Through their joint efforts, these female-led entrepreneurs have established an innovative circular business model that not only benefits the environment but also supports those in need and fosters educational initiatives.

The partnership between Dirbinyčia and Būk su manimi thrives within a shared workspace, where their complementary activities seamlessly complement each other. Būk su manimi takes charge of collecting used textiles, toys, household items, and even furniture, carefully sorting and cleaning them to prepare for their next phase. These items are then either sold at a symbolic price or donated to individuals who require assistance. This dual approach ensures that usable items find new homes and are not needlessly discarded.

For the items that are not suitable for direct reuse, Dirbinyčia steps in and works their transformative magic. Within their premises, textiles are repurposed and transformed into appealing beanbags, toys, and other handmade crafts. This creative process breathes new life into discarded materials, giving them a second chance to serve a useful purpose. Through this upcycling process, approximately 13 tons of items are collected each month, and an impressive 10 tons are refurbished or reused, drastically reducing the waste that would have otherwise ended up in landfills.

Dirbinyčia and Būk su manimi cooperation for circular business model embodies the principles of sustainability, environmental consciousness, and social responsibility. By effectively managing the flow of resources and products, they have created a virtuous cycle that minimizes waste and maximizes value creation. Not only do they contribute to the preservation of the environment by diverting significant amounts of waste from landfills, but they also address social issues by providing affordable goods to those in need.

Additionally, education plays a vital role in the operations of these NGOs. They organize workshops and awareness campaigns to engage the community and raise awareness about the importance of recycling and reusing materials. By sharing their knowledge and skills, Dirbinyčia and Būk su manimi empower individuals to make sustainable choices, fostering a mindset of responsible consumption and waste reduction.

The success of Dirbinyčia and Būk su manimi tandem model serves as an inspiration for other organizations and communities. Through their partnership, they have not only created a thriving social enterprise but have also become catalysts for positive change. By combining their unique strengths and resources, these NGOs have proven that it is possible to achieve sustainability, support those in need, and promote education in a harmonious and profitable manner.

Business Model Case Study 2- Musteikos Drevinės Bitininkystės Bitynas  
Musteikos drevinės bitininkystės bitynas, [info@dzukijosparkas.lt](mailto:info@dzukijosparkas.lt), +370 672 46388.

<http://gamta.cepkeliai-dzukija.lt/index,lt,19924.html>

Musteikos Drevinės Bitininkystės Bitynas, located in the village of Musteika in Varėna district municipality, is an important destination for tourism and education. Founded in 2006, the apiary offers visitors a chance to learn about the history and uniqueness of beekeeping in Lithuania, the life of bees, their place in the ecosystem, and their ecology. The wild beekeeping exposition also showcases a number of other old traditional Lithuanian crafts. In summer, it also hosts a braiding week, another vanishing craft.

Beekeeping has been an important tradition in Lithuania for centuries, and Musteikos Drevinės Bitininkystės Bitynas is a significant contributor to preserving this traditional craft. This apiary shows the traditions of the longest-surviving and once-profitable beekeeping business in Lithuania, dating back to the Grand Duchy of Lithuania. It reached its peak of prosperity during the first half of the 16th-17th centuries, and by the 19th century, was only practised in the heavily forested southeastern region of Lithuania where forests were not yet heavily exploited.

Romas Norkūnas, one of the few remaining representatives of traditional beekeeping in Lithuania, is known for his work at Musteikos Drevinės Bitininkystės Bitynas. While archaic beekeeping is almost forgotten in Lithuania today, this ancient tradition was popular throughout Europe in the past. At Musteikos Drevinės Bitininkystės Bitynas, bees are kept in an archaic manner, adapting to the biological cycle of bees, using one of the most sustainable and environmental-friendly practices of beekeeping. The apiary uses specially designed wooden structures for bee colonies. When the bees become active, they are observed, and when they swarm, they are captured and housed in free-standing trees or pole barns. Typically, one tree can yield 2-3 kilograms of honey, and a portion of the honeycomb is left for the bees.

Musteikos Drevinės Bitininkystės Bitynas also provides educational programs, tours, and training in traditional beekeeping. During national and international projects, the apiary was renovated and adapted to meet the needs of visitors. The old tradition and customs were documented in the film "Šilų bitės" (also available in English) and the book "Drevinė bitininkystė iš kartos į kartą". Visitors can take the "Honey Trail" tourism route (also available in English and as a mobile app) and children can learn about bees from the booklet "Bičių pamokos". A pedestrian trail for visitors was installed to renew the infrastructure.

This apiary is one of the exemplary social enterprises which focuses on preserving the traditional customs and preserving traditional practices. It also integrates sustainable practices and reaches its customers through products tailored to their needs, such as an educational route mobile app. The apiary received media coverage and is rather well known in Lithuania, gaining enough customers through word-of-mouth.

## CONCLUSIONS REGARDING BUSINESS MODEL CASE STUDIES

This document showcased different Circular Economy (CE) and resource efficient business models that in the field of agribusiness, green practices and/or traditional knowledge and practices. The goal of these is to serve as inspiration for other (rural) businesses to further implement sustainable practices and Circular Economy principles within their business models and operations.

Companies such as Green Textile Solutions exhibit the possibility of being successful while being producers that focus on fair-trade, organic and skin-friendly clothing.

Raumly is an example of concept innovation, as they ease the process of space renting and living both to costumers and owners, promoting collaborative consumption.

Ekoväx i Norden AB is an example of sustainable farming and green practices within the farming sector.

Mönsterås Biogas AB unveils the possibility to contribute to ist community by providing a necessary service – in this case, manure product – in a sustainable manner.

Dirbinyčia and Būk su manimi illustrate how two organisations can cooperate for achieving better results that promote the reuse of clothing and other home items.

Finally, Musteikos Drevinės Bitininkystės Bitynas illustrates how beekeeping can still be realized in a sustainable and respectful way that ensures no-harm to the bees.

Thus, different business models from a diverse range of sectors have been presented, illustrating how companies working on very distinct areas can act sustainably, following Circular Economy principles and being resource-efficient, despite their field of action.

## FINAL CONCLUSIONS

Throughout this preliminary preparation of the training content, the re:GREEN partners have presented key inputs on the situation of rural entrepreneurship in Germany, Sweden, and Lithuania. Several commonalities have been identified. The three countries share the fact that rural areas are full of potential and untapped opportunities that can be leveraged for economic growth. While population tends to be concentrated in urban areas, rural areas have seen a decrease in the availability of infrastructure along with reduced networking opportunities, both of which greatly impact small businesses in these regions. All countries also present a need for financing and skilled labour in the rural areas. Finance is an important strategy for rural economic growth and circular economy. However, access to finance and investment can be a major challenge for entrepreneurs in rural areas, especially those who lack collateral or have limited financial literacy of circular economy in entrepreneurship business.

In summary, the surveys conducted in the three countries confirmed both the interest and relevance of a training in circular economy business models and digital skills for prospective and current rural entrepreneurs. Some specific subjects were highlighted, such as a focus on circular economy business models, and emphasizing practical information to bridge the theory-practice gap and provide actual information that can be incorporated by rural entrepreneurs in their business models. Regarding digital skills, focus will be given to how these can foster the communication between the entrepreneurs and their customers.

The focus groups and interviews confirmed the results collected in the surveys, with some additional input. Focus should be given in the training to the use of digital tools to communicate better with costumers, especially through digital marketing, advertising, and the use of digital platforms. Additionally, emphasis shall be given to the creative use of digital technology and safety in digital environments (e.g., how to manage your own identity, protect devices and digital content, and understand and use copyright licenses).

In regard to the business models, it has been showcased that different business models from a diverse range of sectors can illustrate how companies working on very distinct areas may act sustainably, following Circular Economy principles and being resource-efficient, despite their field of action.

All the collected information will certainly shape the content of the training modules as well as the topics on which these will focus.

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