



# Eco-Entrepreneurship Guide

## GREENING SMEs

Empowering BDAs & NSAs to advocate for Sustainable Consumption & Production Practices and Support Eco-Entrepreneurs in their Development and Transition Towards Green Inclusive Businesses



UNOPS

**Empretec Mauritius:**

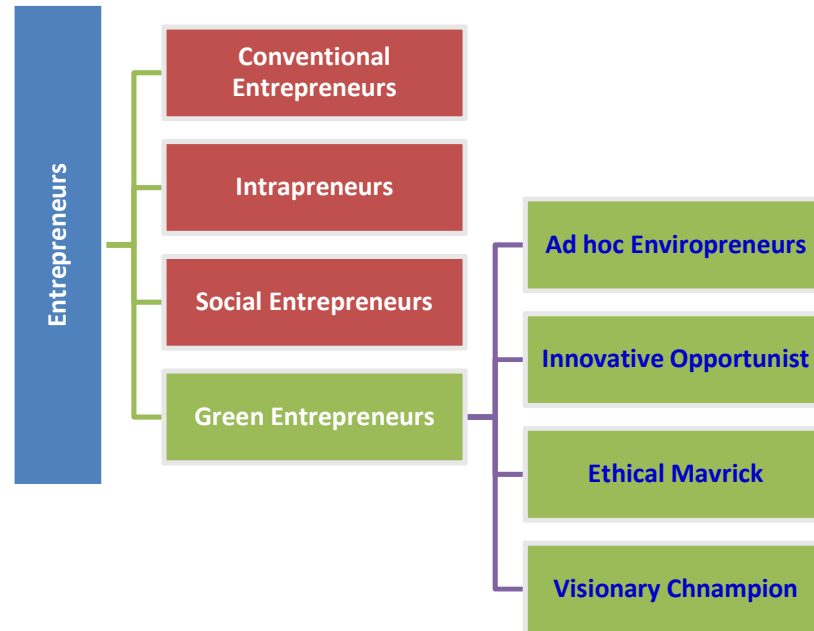
+230 210 84 00 @ Info@EmpretecMauritius.org www.EmpretecMauritius.org

## Contents

<b>1</b>	<b>DEFINING THE ENTREPRENEUR.....</b>	<b>3</b>
<b>2</b>	<b>GUIDE TO ECO-ENTREPRENEURSHIP .....</b>	<b>4</b>
<b>3</b>	<b>OBJECTIVES AND CONTENT .....</b>	<b>4</b>
<b>4</b>	<b>KEY SUSTAINABLE CONSUMPTION AND PRODUCTION PRINCIPLES .....</b>	<b>4</b>
<b>5</b>	<b>SUSTAINABLE CONSUMPTION AND PRODUCTION .....</b>	<b>5</b>
<b>6</b>	<b>GREEN BUSINESS &amp; ECO-ENTREPRENEUR COMPETENCIES .....</b>	<b>7</b>
<b>7</b>	<b>GREEN BUSINESS CANVAS .....</b>	<b>8</b>

## 1 Defining the Entrepreneur

The business developed by green entrepreneurs can differ significantly vis-à-vis conventional businesses. However, important differences also exist within the broad category of "green businesses", which reflect the motivations and strategic objectives of their founders.



1

Research Conducted on the typologies of entrepreneurship<sup>i</sup> distinguishes four types of green entrepreneurs, each of whom is motivated in differing degrees by the profit or environmental motive:

- *ad hoc (or accidental) green entrepreneurs*, who are driven purely by financial gain and whose contribution to sustainability is entirely unintended
- *innovative opportunists*, who are financially oriented, having spotted a green niche in existing markets and setting out to exploit that niche
- *ethical mavericks*, whose sustainability orientation tends to be influenced by the values of their friends, networks and past experiences; these tend to set up small, niche businesses that rarely grow beyond a small scale due to a lack of financial interest on the part of the founder
- *visionary champions*, who embrace a transformative, sustainability orientation and tend to be driven by a combination of their values and financial return.

<sup>1</sup> Volery13 (2002) and the general entrepreneurship typologies developed by Chell et al. (1991), Walley and Taylor (2002)

## 2 Guide to Eco-Entrepreneurship

Environmental Entrepreneurship, Green entrepreneurship or Ecopreneurship relate to substantial role in the development of a more sustainable economic and commercial system. The identification and definition of such entrepreneurship is very complex. Ecopreneurship engage into many different forms and a wide variety of business activities. Their commitment towards sustainability varies but on the overall their impact on the environment remains positive.

The major traits identified and accepted in every school of thought are:

- Entrepreneurs undertake business ventures with associated measure of risk with a possibility of failure.
- Commercial activities have an overall positive effect in the natural environment moving towards sustainability.
- Operate with a set of values and aspirations leading to sustainability referred to as “Sustainable Consumption and Production” practices.

## 3 Objectives and Content

The objectives of this paper are to inform, train and guide Entrepreneurs and Businesses in their greening process. Participants will develop basic skills for applying the SCP concept in a real-life economic, policy and professional context.

- Define the concept of SCP and explain its value for sustainable development and the Post-2015 Development Agenda
- Distinguish key elements of effective policy planning in support of SCP
- Identify enabling conditions for mainstreaming and implementing SCP policies in national governance
- Discuss principal challenges and opportunities for advancing SCP in national contexts
- Summarize the range of global and regional initiatives to support SCP in national governance
- Apply SCP to a real-life policy-making context.

## 4 Key Sustainable Consumption and Production Principles

1. improving quality of life without increasing environmental degradation, and without compromising the resource needs of future generations
2. decoupling the link between economic growth and environmental degradation, by;
  - reducing material / energy intensity of current economic activities, and reducing emissions and waste from extraction, production, consumption and disposal;
  - promoting a shift of consumption patterns towards groups of goods and services with lower energy and material intensity without compromising quality of life;
3. applying life-cycle thinking, which considers the impacts from all life-cycle stages of production and consumption process
4. guarding against the rebound effect, where efficiency gains are cancelled out by resulting increases in consumption

## 5 Sustainable Consumption and Production



ABC Of SCP, Clarifying Concepts On Sustainable Consumption and Production (Source UNEP)

As defined by the Oslo Symposium in 1994, sustainable consumption and production (SCP) is about *"the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of further generations"*.

**Eco-efficiency** is a management philosophy that encourages business to search for environmental improvements that yield parallel economic benefits. It focuses on business opportunities and allows companies to become more environmentally responsible and more profitable. It is a key business contribution to sustainable societies. Eco-efficiency is achieved by the delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity throughout the life-cycle to a level at least in line with the earth's estimated carrying capacity.

### 1. Design for Sustainability / Design Strategy

Integrate Sustainability in product/Service Design.

### 2. Cleaner Production / Resource Efficiency

Increase Efficiency through preventive and innovative measures and reduce risks to humans and the environment

### 3. Sustainable Transport/ Mobility

Sustainable means to transport goods and services

### 4. Eco- Labelling & Certification

Voluntary procedure of ensuring that a product (refers to both goods and services, including their production processes) meets certain specified criteria.

- Environmental label – claim that indicates the environmental aspects of a good or service.
- Eco label is awarded by an impartial third-party in relation to certain products that meet environmental leadership criteria

## 5. Sustainable Procurement

Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimizing damage to the environment.

## 6. Green Marketing or Sustainable Marketing

The term “sustainable marketing” covers three aspects:

- Responsible marketing, which describes procedures and management systems developed to avoid promoting unsustainable behaviours.
- Green marketing, which consists of the design and promotion of goods and services with an environmental value added. This refers to improvements over the entire life-cycle of a product, including environmentally-friendly sourcing, clean production processes, improved impact during use, reduced packaging, recyclability, reusability, existence of take-back schemes, etc. This definition can be broadened to goods and services with a social value added such as fair trade, sweatshop-free or locally produced goods.
- Social marketing, which aims at raising public awareness in order to introduce more sustainable behaviours, such as energy or water conservation, and waste reduction.

## 7. Sustainable Lifestyles

A “sustainable lifestyle” is a way of living enabled both by efficient infrastructures, goods and services, and by individual choices and actions that minimise the use of natural resources, and generation of emissions, wastes and pollution, while supporting equitable socio-economic development and progress for all.

## 8. Waste Management

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal defines wastes as “*substances or objects which are disposed of or are intended to be disposed of or are required to be disposed of by the provisions of national law*”. Wastes may be generated during the extraction of raw materials, the processing of raw materials into intermediate and final products, the consumption of final products, and other human activities. Residuals recycled or reused at the place of generation are excluded.

- Integrated Solid Waste Management (ISWM) system based on the 3R (reduce, reuse and recycle) principle.

## 9. Sustainable Resource Management

Sustainable management takes the concepts from sustainability and synthesizes them with the concepts of management. Sustainability has three branches: the environment, the needs of present and future generations, and the economy.

## 6 Green Business & Eco-Entrepreneur Competencies

This component of training targets entrepreneurs/ owner- managers & representatives of MSMEs. Training will be provided by local experts from Entrepreneurship/business creation and environment/ sustainability backgrounds to help the target participants tap opportunities to develop viable green businesses and/or adopt green business processes. The training will empower participating MSMEs to shift from conventional to adopt **eco-friendly entrepreneurial attitudes**.

10 ENTREPRENEURIAL COMPETENCIES FOR SUCCESSFUL ECO - ENTREPRENEURS	
Entrepreneurial Competencies/ Business Creation & Development	Environment/sustainability elements
1. Opportunity Seeking & Initiative in green business	<ul style="list-style-type: none"> <li>• Identification / Elaboration on Green Business Opportunities</li> <li>• <i>Some green ideas for target group to work on:</i> Eco-bags &amp; Eco-packaging as alternatives to Plastic Bags, Energy Saving Products, Eco-Friendly Landscaping, Crafts/ Accessories made from recycled materials, up cycled furniture, green app, eco-friendly cups &amp; cutleries, eco-friendly garments, etc.</li> </ul>
2. Taking Calculated Risks in green business	<ul style="list-style-type: none"> <li>• Green Business Funding</li> <li>• Green Markets</li> <li>• Equipment &amp; Technology</li> </ul>
3. Demand for Eco- Efficiency	<ul style="list-style-type: none"> <li>• Inputs, Operations &amp; Outputs (relationships between manufacturing &amp; environment)</li> <li>• Green Standards, Green operations /processes, Supply Chain, Customer Service, etc.</li> </ul>
4. Persistence to achieve set environmental objectives	<ul style="list-style-type: none"> <li>• Environmental strategies translated into persistent actions to achieve environmental goals &amp; objectives</li> </ul>
5. Fulfilling Commitments whilst preserving the environment	<ul style="list-style-type: none"> <li>• Personal sacrifice, commitments &amp; supports of employees to achieve environmental goals &amp; objectives</li> <li>• Meeting customer satisfaction and placing long-term good will above short-term gain</li> </ul>
6. Information Seeking & Eco-Innovation	<ul style="list-style-type: none"> <li>• Product Research &amp; Development</li> <li>• Business facilitation services to become green</li> </ul>
7. Goal Setting in green business	<ul style="list-style-type: none"> <li>• Both economic and environmental objectives are incorporated in business plans (for start-ups or business extension)</li> <li>• <i>For beginners:</i> Improve efficiency to reduce environmental impact and save money</li> <li>• <i>For intermediate:</i> Set and achieve environmental performance targets that clearly differentiate from competitors</li> <li>• <i>For advanced :</i> Deliver environmental performance and innovative products to become the preferred supplier and brand</li> </ul>
8. Systematic Planning & Monitoring	<ul style="list-style-type: none"> <li>• Environmental Plans are revised in light of impact and priorities</li> <li>• Records maintained and used to make decisions</li> </ul>
9. Power & Persuasion	<ul style="list-style-type: none"> <li>• Use key people (set up green business platform – Activity B) as agents to achieve environmental objectives</li> <li>• Takes action to develop and maintain a network of contacts</li> </ul>
10. Independence & Self-Confidence	<ul style="list-style-type: none"> <li>• Expresses confidence in own ability to complete a difficult task or to face a challenge in the greening processes</li> </ul>

After completing the Eco-Entrepreneurship Training, the participants will be capacitated to review their environmental policies and decide on priorities and indicators that are important for their existing businesses or to be incorporated in business plans for new start-ups.

7 GREEN BUSINESS CANVAS				
KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
<ul style="list-style-type: none"> <li>Who are our key partners?</li> <li>Who are our key suppliers?</li> <li>Which key resources are we acquiring from our partners?</li> <li>Which key activities do partners perform?</li> <li>Is your supply chain using sustainable means?</li> </ul>	<ul style="list-style-type: none"> <li>What key activities do our value propositions require?</li> <li>Our distribution channels?</li> <li>Customer relationships?</li> <li>Revenue streams?</li> <li>Do your activities include sustainable operations?</li> <li>What impact will the operations have on the environment?</li> </ul>	<ul style="list-style-type: none"> <li>What value do we deliver to the customer?</li> <li>Which one of our customers' problems are we helping to solve?</li> <li>What bundles of products and services are we offering for each segment?</li> <li>Which customer needs are we satisfying?</li> <li>What is the minimum viable product?</li> <li>What difference will your activities make?</li> <li>What will be your sustainability goal?</li> </ul>	<ul style="list-style-type: none"> <li>How do we get, keep and grow customers?</li> <li>Which customer relations have we established?</li> <li>How are they integrated with the rest of our business model?</li> <li>How costly are they?</li> </ul>	<ul style="list-style-type: none"> <li>For whom are we creating value?</li> <li>Who are our most important customers?</li> <li>What are the customer archetypes?</li> </ul>
	<b>KEY RESOURCES</b>		<b>CHANNELS</b>	
	<ul style="list-style-type: none"> <li>What key resources do our value propositions require?</li> <li>Are these resources from renewable sources?</li> <li>Our distribution channels?</li> <li>Customer Relationships?</li> <li>Revenue Streams?</li> </ul>		<ul style="list-style-type: none"> <li>Through what channels do our customer segments want to reach?</li> <li>How do other companies reach them now?</li> <li>Which ones work best?</li> <li>Which ones are most cost-efficient?</li> <li>How are we integrating them with customer routines?</li> </ul>	
<b>COST STRUCTURE</b>			<b>REVENUE STREAMS</b>	
<ul style="list-style-type: none"> <li>What are the most important costs inherent to our business model?</li> <li>Which key resources are most expensive?</li> <li>Which key activities are more expensive?</li> </ul>			<ul style="list-style-type: none"> <li>For what value are our customers really willing to pay?</li> <li>For what do they currently pay?</li> <li>What is the revenue model?</li> <li>What are the pricing tactics?</li> </ul>	



KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
	KEY RESOURCES		CHANNELS	
	<ul style="list-style-type: none"> <li></li> </ul>		<ul style="list-style-type: none"> <li></li> </ul>	
COST STRUCTURE			REVENUE STREAMS	
<ul style="list-style-type: none"> <li></li> </ul>			<ul style="list-style-type: none"> <li></li> </ul>	

