

DRIVING SMEs' SUSTAINABILITY AND CIRCULAR INNOVATION: STRATEGIES, TOOLS, AND ADVOCACY FOR A RESILIENT FUTURE

SYMBIO PROJECT WORKSHOP

DAY

2



SUSTAINABLE

EMPOWERING SMEs FOR SUSTAINABILITY:

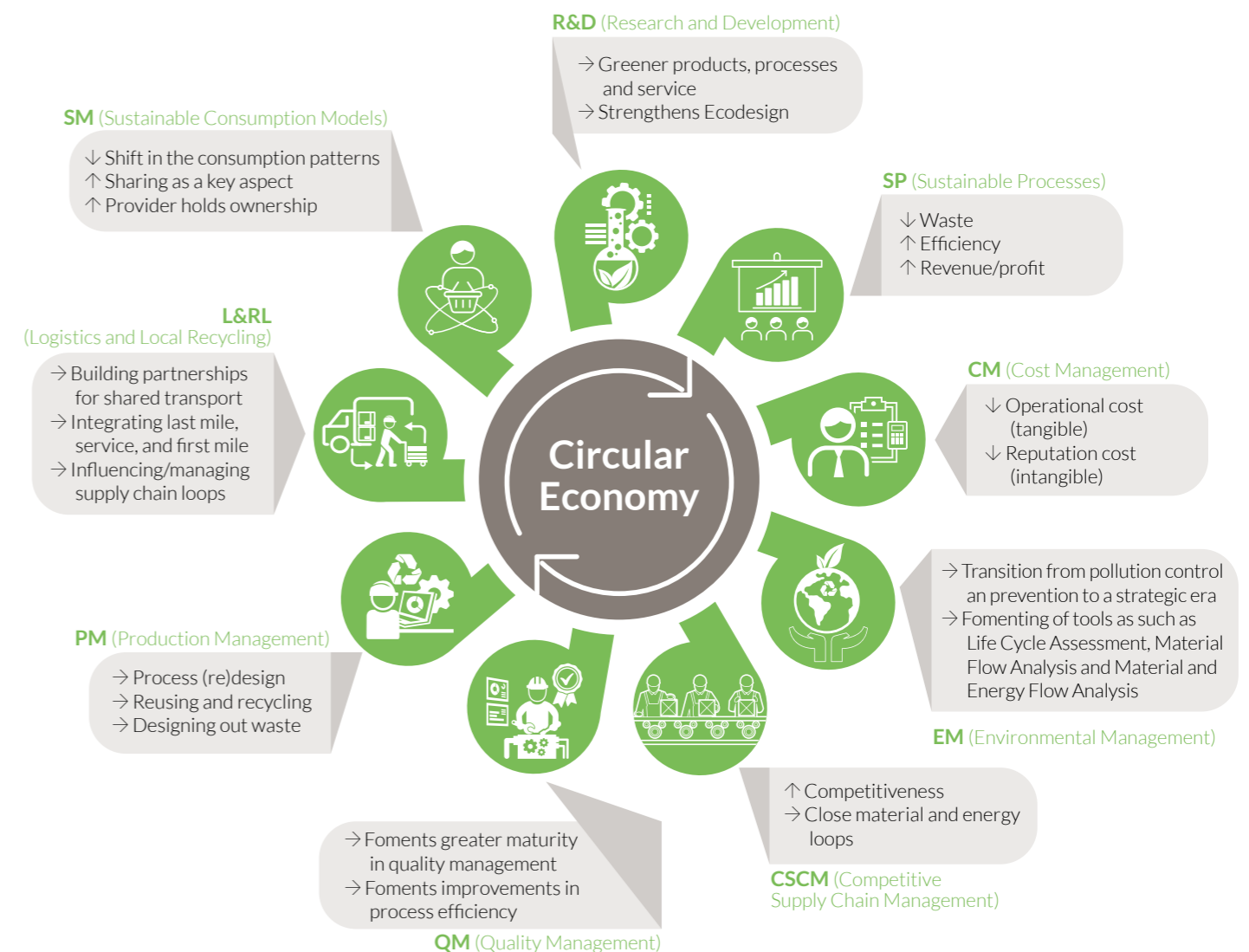
Advocacy, Mentoring, and Strategic Transition in a Circular Economy

Background

Europe's 23 million small and medium enterprises (SMEs) are the backbone of the EU economy. However, while the majority of SMEs are adopting resource efficiency initiatives, actual investment in resource efficiency remains limited. According to the Flash Eurobarometer 2023, only 35% of surveyed SMEs invested in resource efficiency, allocating just around 1% of their turnover to this area over the previous two years.

SMEs Sustainability Transition

The figure illustrates how the circular economy contributes to sustainable business management, highlighting key areas.





5 Steps towards a solid Sustainable Transition

Awareness

The journey towards sustainability begins with understanding its importance. SMEs must recognize how external factors impact their operations. These factors include the European natural gas and climate crisis, increasing focus on social responsibility and governance, regulatory requirements, stakeholder information demands, and broader societal expectations. Identifying these drivers helps companies comprehend the necessity of integrating sustainability into their strategies.

Development

The second step involves evaluating the current sustainability of the SME's business model and setting a vision with clear strategic goals for the future. This process includes gathering data on the business' sustainability impacts. By assessing this information, SMEs can establish a baseline and identify areas for improvement, forming the foundation for their sustainability journey.

Delivery

The core of a sustainable transition lies in implementing changes to achieve long-term sustainability. This step encompasses the creation of a sustainable corporate vision, defining crucial objectives, and identifying the strategic actions necessary to achieve the critical sustainability-related targets.

Information

SMEs need to be prepared to provide detailed information about their sustainability practices and performance. Business partners and other stakeholders may request specific sustainability indicators or reports. This step focuses on collecting, managing, and sharing relevant company's sustainability metrics and advancements with authorities, suppliers, business partners, funding providers, and customers. into their strategies.

Demonstration

Demonstrating that the data SMEs submit is an accurate, impartial, and significant representation of their sustainability initiatives, is becoming increasingly important if requested by business partners. The Corporate Sustainability Reporting Directive (CSRD) mandates this for listed SMEs, and it may be a growing need from the SMEs' business partners who need to trust the sustainability data they are revealing. In any event, this might be advantageous to the company. Engaging an impartial external assurance provider, such as an auditor, is the best practice to ensure the company's sustainability efforts are independently verified, which can also enhance its reputation and competitive advantage.

Policy Advocacy and potential impact on SMEs

According to corporateeurope.org, there are an estimated 25,000 lobbyists working in Brussels, representing 135+ areas of interest, from agribusiness to free trade and space.

1. Business Advocacy

Business advocacy refers to actions taken by business representatives to influence laws, regulations, policies, and administrative structures that affect the business sector. The primary objective is to shape the decisions of lawmakers, public policymakers, politicians, planners, regulators, and other public servants. This is particularly crucial for SMEs, which face greater challenges than large corporations in directly engaging with governments. Business advocacy enables SMEs to:

- *Disseminate information* regarding laws and regulations that impact the business community.
- *Influence* the drafting and implementation of laws and regulations.
- *Anticipate emerging* issues so that companies can determine whether to anticipate laws.
- *Work* to amend current legislation or offer suggestions for new ones.
- *Offer members* advice on how to behave and interact with lawmakers.
- *Provide guidance* to members on how to engage with lawmakers effectively.
- *Offer information* on the individuals, processes, and institutions engaged in policymaking.
- *Establish a legitimate* avenue for coordinated access to public servants.

Business advocacy often starts with identifying problems or recognizing opportunities for improvement. Advocacy efforts address these issues or implement better solutions.

2. Planning for advocacy

Businesses, both led by men and women, often face diverse challenges, making it impossible to tackle everything simultaneously. The goal is to formulate a prioritized and achievable agenda that promotes inclusivity and corporate progress. The three main steps in this process are:

- *Identify the issues.* Which concerns are important to the business community?
- *Understand the issues.* What impact do these problems have on the business community?
- *Develop a response.* What modifications are desired by the business community?

3. Engaging in advocacy

To create and carry out an advocacy strategy, follow these six fundamental steps:

- *Determine the target audience:* Who would you like to back the proposed change?
- *Create advocacy plans:* In what ways can you persuade your intended audience to agree with and endorse the proposal?
- *Make a plan of action:* When and who will do what?
- *Control resources:* What resources are needed?
- *Monitor and assess:* How can you tell whether you're on course?

The **Advocacy Agenda** typically serves as an internal document guiding, tracking, and assessing advocacy efforts. However, portions of it may also be shared publicly to increase transparency and support.



Business coaching and mentoring for enterprises

1. Business Coaching: A Catalyst for Change

Business coaching offers tailored support and guidance, helping companies navigate the complexities of the circular economy. Coaches can assist businesses leaders by:

- **Identify Opportunities:** Uncovering possibilities for resource efficiency, waste reduction, and product innovation.
- **Develop a Circular Economy Strategy:** Creating a comprehensive strategy that aligns with the business's overall goals and the principles of the circular economy.
- **Overcome Obstacles:** Addressing challenges such as regulatory barriers, technological limitations, and financial constraints.
- **Enhance Leadership Skills:** Empowering business leaders to inspire and motivate their teams to adopt sustainable practices.

2. Mentoring: Sharing Knowledge and Experience

Mentoring, on the other hand, offers a valuable platform for knowledge sharing and experience transfer. By pairing experienced mentors with emerging businesses, the SYMBIO project can accelerate the adoption of circular economic practices. Mentors can provide:

- **Guidance and Advice:** Offer guidance on a wide range of topics, from business strategy to technical implementation.
- **Networking Opportunities:** Mentors can connect businesses with potential partners and collaborators, expanding their network and creating new opportunities.
- **Moral Support:** Mentors can provide emotional support and encouragement, helping businesses stay motivated and focused on their goals.

3. The Impact of Business Coaching and Mentoring

- **For Individuals:** Coaching and mentoring enhance self-awareness, boost confidence, and develop leadership skills. They also assist individuals in navigating career transitions and achieving their potential.
- **For Teams:** Improved communication, collaboration, and problem-solving abilities lead to more aligned, motivated, and productive teams.
- **For Organizations:** Increased employee engagement, reduced turnover, and enhanced performance foster a culture of innovation, learning, and continuous improvement.

CIRCULAR

EMPOWERING CIRCULAR VALUE CHAINS WITH THE VALUE CHAIN GENERATOR TOOL

This section of the workshop is organized by VCG.AI and aims to empower participating companies by presenting **actionable opportunities in sustainable circular value chains** tailored to the unique characteristics of your region. The goal is to provide a comprehensive overview of innovative solutions that facilitate the transition towards circularity while delivering tangible business and environmental benefits.

VCG.AI utilizes its flagship tool called the Value Chain Generator - a sustainable value chain generation platform that uses artificial intelligence and big data processing to create business BioLinks®. BioLink is a circular business connection between companies representing the potential for linking material side-streams (material flows, raw materials, by-products, semi-finished products) and waste inputs and outputs between companies in different sectors to build sustainable value chains.

The Value Chain Generator approach focuses on shifting the most promising value chains identified through SYMBIO's Regional Hub Handbook and Data Inventory. These value chains have been prioritized based on:

- **Biomass availability:** Assessing local resources to ensure sustainable input supply.
- **Technology readiness:** Evaluating scalable and proven solutions.
- **Market potential:** Identifying products with high growth prospects and diverse applications.
- **Regional synergies:** Highlighting collaboration opportunities with local industries.

Utilizing the Value Chain Generator Approach

The Value Chain Generator provides a structured methodology to visualize and implement circular value chains. The platform enables participants to identify key elements such as regional feedstock availability, market dynamics, business models, and potential partnerships. By combining these components, companies can create a roadmap for transitioning to circular models.

Visualizing the Value Chain

Each chain is presented through a detailed graphical representation, illustrating the flow of biomass from supply to end markets. This visualization serves as a practical reference for planning and decision-making.

Biomass Availability

The platform offers quantitative and qualitative analysis of regional feedstock availability, enabling companies to assess resource availability effectively.

Market Dynamics

Comprehensive analysis of product demand trends, growth projections, and market size equips participants with the knowledge to identify high-potential opportunities.

Economic Insights

The financial projections, including investment needs and expected returns, provide a comprehensive economic analysis to support decision-making.

Consortium Needs

The Value Chain Generator identifies key stakeholders, and the expertise required to operationalize the model successfully.

Business Model Overview

Detailed information on revenue streams, value propositions, and operational feasibility provides a solid foundation for business planning.

Regional Partnerships

The platform highlights collaboration opportunities with local companies and institutions, fostering synergies that enhance the implementation of circular value chains.

Technology and Infrastructure

The maturity of relevant technologies is evaluated, along with an audit of existing facilities and resources. These insights help participants assess the feasibility of scaling their operations.

Environmental and Policy Considerations

The environmental benefits of adopting circular models, such as CO₂ emission reductions, are quantified. Additionally, alignment with legislative frameworks ensures compliance and enhances long-term viability.

Real-world examples of similar projects are shared to build confidence and provide practical insights. These case studies highlight the best practices and common challenges, equipping participants with the knowledge to navigate potential obstacles.

Key Takeaways

After the workshop, participants will be equipped with a pre-feasibility framework tailored to each value chain, providing a clear roadmap for potential engagement. Companies will leave with:

- *A comprehensive* understanding of the strategic importance of circular value chains.
- *Practical* insights into the tangible benefits of participation, such as cost savings, new revenue streams, and enhanced market differentiation.
- *A clear set* of actionable steps required to implement these solutions, from forming partnerships to full operationalization.

This workshop serves as a starting point for ongoing collaboration with industry leaders and stakeholders. By leveraging regional strengths and innovative solutions, companies are positioned to drive substantial environmental and economic impact. Participants will play a pivotal role in advancing a sustainable and resilient bioeconomy in Slovenia and beyond.



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