



MODULE 4

I consider the pros and cons of green business

Learning outcomes

You will learn here:

- How resources last longer
- What do the circular economy and resource efficiency mean
- How to identify opportunities
- What kind of risks can you take



Figure 1: Green Business

Basic information



In this module, you will learn about green businesses' pros and cons.



This module contains six exercises.



You will need 15 h to finish the module.



You need 66% correct answers to pass this module.



Your lecturers are Gabriele, Peter and Vladimir.

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Welcome to Module 4

The following contents of this module can support you in successfully starting your own business in the green economy sector.

In the first part of this module, we want to clarify the terms REDUCE, REUSE, RECYCLING, UPCYCLING and REPAIR. In the second part, we would like to draw your attention to the circular economy, as it is a core concept of green business. You will see that REDUCE, REUSE, RECYCLING, UPCYCLING and REPAIR are important elements of the circular economy. If you want to start a green business, it is important that you can identify the opportunities. And this is what the third part of this module is about. In this part, you will also find two case studies. The last part of module 4 is about risk analysis.

What do the terms REDUCE, REUSE, RECYCLING, UPCYCLING, and REPAIR mean?

In this part, we explain what is meant by these terms. At the end of the first section, we present an interview with an expert. And we invite you to record your thoughts about this interview in a written exercise.

The following terms are an essential part of sustainable living and green business. They help to reduce the waste we throw away. Here you will find a brief explanation.

Reduce, Reuse, Recycle, and Repair are the four 'R' words:

Reduce the amount of waste you produce.

Reuse items as much as you can before replacing them.

Recycle items wherever possible.

Repair things and don't throw them away.

As a consumer and business owner, how can you reduce, reuse, recycle and repair things? Here is a list of examples:

Only buy what you need.

Choose - and produce - products with less packaging.

Buy and produce items you and your clients can re-use.



Allways think about the following!

Reducing the amount of waste we generate is essential for the environment and us.

How can I REUSE what I have?

Think about how you can use things again - ideally multiple times - before replacing them. Your customers will honour this:

Here are some ideas:

Refill things instead of buying or producing new ones (bottles, ink cartridges, etc.).

Update your computer rather than buying a new one and throwing away the old one.

Avoid plastic bags and choose reusable, environmentally friendly bags instead.



Always think about the following!

Reusing helps the environment, and you can save money too.

How can I RECYCLE the products I use or produce?

The third 'R' is about separating items. When you separate them, they can be recycled and used for a new purpose.

Materials that can be recycled include:

Glass

Cardboard

Aluminum

Lead
batteries

For example, the components of your old computer can be recycled to make new components and new technical devices. You could start your green business by recycling old materials.



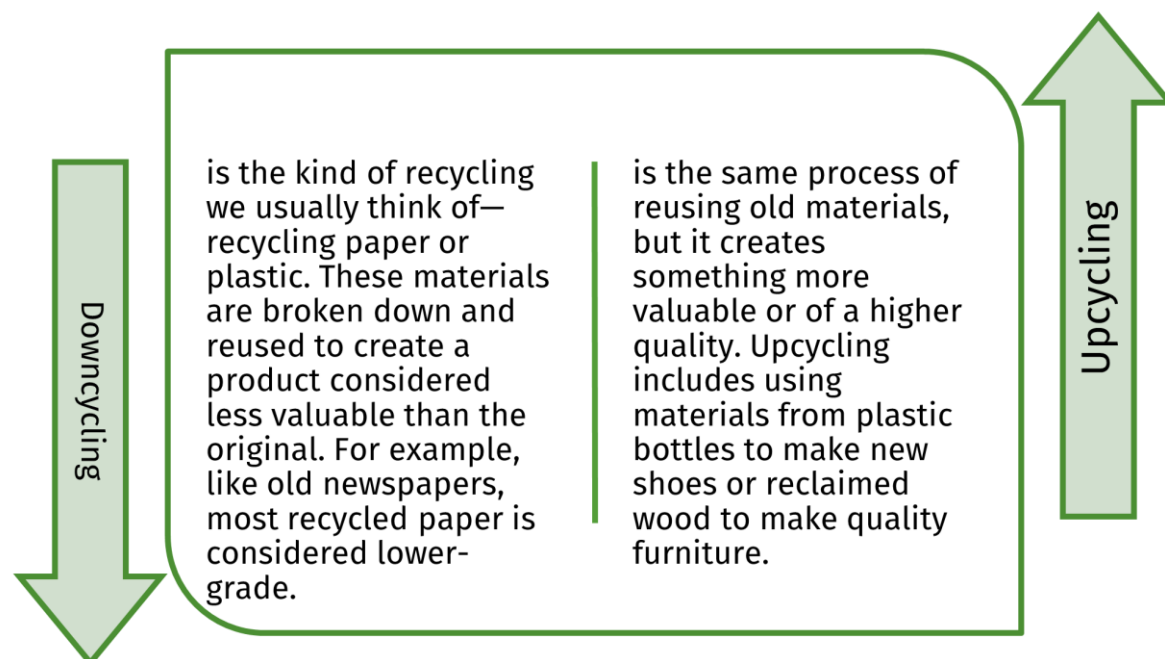
Allways think about the following!

Before throwing something away, think about recycling: Can all of it or part be recycled?



What does UPCYCLING mean?

Kylie Fuller from Brightly explains the term with some good examples:



The best way to understand upcycling is to compare it to downcycling. Both are types of recycling.

Upcycling supports a circular economy: Things are used and reused multiple times rather than thrown away after one use. You can read later more about what a circular economy means.

Source: <https://brightly.eco/upcycling-meaning/>

For some industries, such as the textile industry, recycling and upcycling are new mega-trends that completely change how we produce clothes.

What does REPAIR mean in Green Business?

The Cambridge Dictionary defines the term REPAIR in the following way:

To put something damaged, broken, or not working correctly back into good condition or make it work again.

Source: <https://dictionary.cambridge.org/dictionary/english/repair>

You can already find many businesses around Europa that took the idea of repair in their Business Model. For Example:

Repair Cafés are free meeting places where people repair things together. In Repair Cafés, you will find tools and materials to help you make any repairs you need on clothes, furniture, electrical appliances, bicycles, crockery, appliances, toys, et cetera. (“About | Repaircafe”)

Source: <https://www.repaircafe.org/en/about>

In Austria, there are Repair Cafés in Graz, Tirol, and Salzburg:

- <https://www.repaircafe-graz.at>
- <https://repaircafe-tirol.at>
- <https://www.stadt-salzburg.at/repaircafe>

EXERCISE 1



M 4_E 1: Arguments for a good business

Open a writing programme or take a sheet of paper. On the top, write the number of the module and the number of this exercise.

Think about a commercial Repair Café - a social business to help people repair all kinds of things. How would you argue that this can be a good business? Make a list!

When you have completed the exercises, name your digital document after the number of this exercise and save it in the folder to Module 4! If you did the exercise on paper, take readable photos and save them.

EXERCISE 2



M 4_E 2: Arguments for a good business

Open a writing programme or take a sheet of paper. On the top, write the number of the module and the number of this exercise.

Read the article THE NEXT BIG THING FOR TEXTILES: REUSE, RECYCLING AND UPCYCLING **on this website.**

What does this mean for your green business if you want to produce or sell clothing or textiles? Please comment on this in writing!

When you have completed the exercises, name your digital document after the number of this exercise and save it in the folder to Module 4! If you did the exercise on paper, take readable photos and save them.

Some words from an expert about reuse, repair, recycling, and upcycling

To find out how resources last longer through reuse, repair, recycling, and upcycling, we also asked an expert: We had an interview with Martin Neureiter.

Martin is Austria's pioneer in Corporate Social Responsibility (CSR) and Sustainable Business. He was Head of the ISO Standardization Committee that developed the international Standard ISO 26000 about Social Responsibility.



Figure 2: Martin Neureiter

ISO stands for International Organization for Standardization. ISO is a global network of 167 national standards bodies. It is essential for the entire world when they agree on a standard.

Martin is a business consultant for organisations worldwide that want to follow the recommendations of the ISO 26000 standard about Social Responsibility.

INTERVIEW with Martin Neureiter and Gabriele Sauberer

Gabriele:

Martin, you are a very experienced consultant for companies that want to go green and do business responsibly. How do they make sure that resources last longer?

Martin:

We are living on a planet with naturally limited resources.

Therefore, it is a business imperative to use the existing resources as sustainably as possible.

Many companies have realised that it is in their economic interest to find sustainable solutions for the resources they need for their products or services.

They take measures to limit the use of resources, find alternative solutions or use the lifecycle approach.

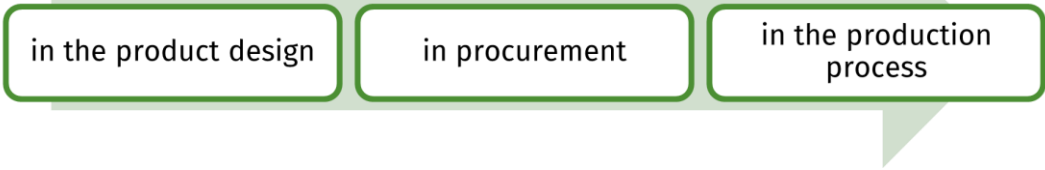
The lifecycle approach means that resources can be extracted and reused as often as possible once used.

The so-called principles of 3 R play a significant role here:



Waste is a failure in implementing this principle.

Therefore, innovative businesses have this 3R in mind already.



in the product design

in procurement

in the production
process

Because avoiding waste starts already in the product design and procurement.

Gabriele:

How do you think refugees can succeed with green European businesses focusing on reuse and repair?

Martin:

Sustainable use of resources offers a myriad of opportunities for new green entrepreneurs.

Huge companies do not have the time or the capacity to repair products or take them apart to extract valuable resources for recycling.

Therefore, clusters around production plants can be good business opportunities to provide these services to a larger organisation.

Amongst refugees are many people who have a feeling for working with their hands, repairing things, and making products reusable.

This talent is needed to achieve our sustainability goals.

Gabriele:

What are, in your opinion, the most exciting business opportunities for recycling and upcycling products and services in the EU?

Martin:

We have a growing number of companies selling via online shops.

Some of them have become market leaders in their industry. One feature of these online shops is that they have a substantial number of returns. This means products that have been sent back from customers. Either because they did not like it, it did not fit or got damaged during transport.

It is a huge logistical and administrative challenge for many companies to handle these returns. Therefore, they tend rather throw them away than repair them or extract valuable resources from the returns.

A growing public pressure to handle the returns differently has pushed these online traders to look for sustainable alternatives.

Any offers that make commercial sense and support the companies' sustainability goals are welcome.

Gabriele:

Thank you so much, Martin.

EXERCISE 3



M 4_E 3: Opinion on reuse, repair, recycling, and upcycling

Open a writing programme or take a sheet of paper. On the top, write the number of the module and the number of this exercise.

Read Martin's answers and think about his statements and arguments.

Please comment on the following points in writing (at least 1 A4 page).

- Where do you agree with Martin - and why?
- Where do you disagree with Martin - and why?

When you have completed the exercises, name your digital document after the number of this exercise and save it in the folder to Module 4! If you did the exercise on paper, take readable photos and save them.

Circular Economy

As the name suggests, the Circular Economy can be described as a perpetual cycle. We will explain what is meant by this concept. And you will see that the Circular Economy is exactly the opposite of the Linear Economy, which is also the traditional form of the economy. At the end of this part, you will find reasons why we as a society need to move to the Circular Economy. And we will show some advantages that the Circular Economy brings you as a Green Entrepreneur.

What is meant by Circular economy?

The European Commission adopted the new circular economy action plan (CEAP) in March 2020. It is one of the main building blocks of the European Green Deal, Europe's new agenda for sustainable growth.

But do you know what exactly the circular economy means? And what would be the benefits?



The circular economy is a production and consumption model involving sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials and products for as long as possible. "In this way, the **life cycle of products is extended.**" ("Circular economy: definition, importance and benefits")

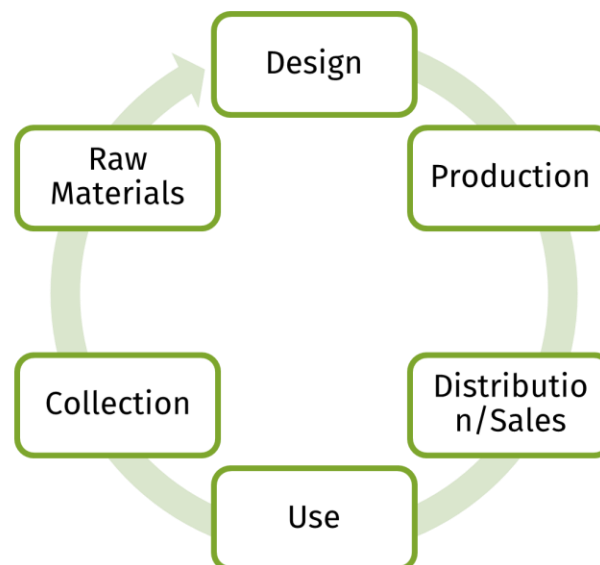


In practice, it means **reducing waste** to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible. These can be effectively used repeatedly, thereby **creating additional value.**

Please compare the concept of Circular Economy also to the concept of Blue Economy! You learned about Blue Economy in Module 4 in part "Apply ethical thinking to consumption and production processes".

The individual phases of the Circular Economy

The cycle of the Circular Economy involves several phases. Here is an overview of these phases:



Design

We are designing products with a long useful life that can be reused and/or recycled. In the design process, attention is paid to the environmental compatibility of the materials used. This means that health and environmental hazards can be avoided during recycling.

Production

The creation of the products is a resource- and energy-saving.

Distribution/sales

Leasing or joint use of the products. Sharing (sharing and leasing) products reduce the total amount of goods produced. This means that fewer raw materials are consumed, and energy can be saved.

Use

Responsible and careful use of the products to extend the service life.
Damaged products are repaired instead of being disposed of directly.

Collection

The products are collected and recycled at the end of their life to close the cycle. This means that products remain in the cycle as long as possible through reuse and recycling.

Raw Materials

Use of materials that are biodegradable or recyclable. Recyclability is already taken into account during material selection. This means that components can be efficiently recycled as secondary raw materials.

Three principles of Circular Economy

If you take a closer look at the individual phases of this cycle, you will notice the following: Circular Economy is based on three principles:

Prevention of waste and pollution

Reuse of products and materials

Regeneration of natural systems

Watch this video to find out more about the Circular Economy:

[Explaining the Circular Economy and How Society Can Re-think Progress](#)

Linear economy

A linear economy is the opposite of a circular economy. And the linear economy is still the predominant system in the industry. Another word for the linear economy is "throwaway economy". Why? Because in this economy, products are manufactured once and thrown away or burned after use. The raw materials used for a product are not returned to the cycle after their useful life so they can be reused.



This model relies on massive quantities of cheap, easily accessible materials and energy.

The linear economy also includes planned obsolescence. Planned obsolescence means that a product is designed to have a limited lifespan. In that way, consumers are encouraged to repurchase this product. The European Parliament has called for measures to combat this practice.

The opposite is the circular economy, which is more resource and energy efficient because, for example, plastic waste is recycled, and new products can be made from the old material.

Why do we need to switch to a circular economy?

The world's population is growing, and the demand for raw materials is increasing. However, the supply of crucial raw materials is limited.

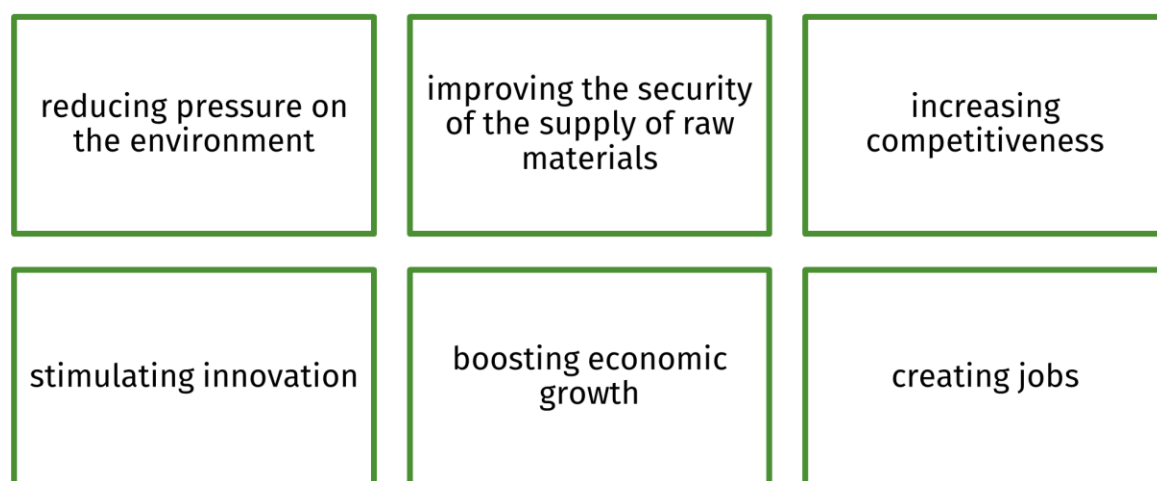
Limited supplies also mean some EU countries depend on other countries for their raw materials. ("Circular polymer") As we can see, the gas crisis caused by the great depends on Russian gas.

In addition, mining and using raw materials significantly impacts the environment. It also increases energy consumption and CO2 emissions. However, more intelligent use of natural materials can lower CO2 emissions.

What are the benefits?

Measures such as waste prevention, eco-design and re-use could save EU companies money while reducing total annual greenhouse gas emissions. ("Circular economy: definition, importance and benefits")

Moving towards a more circular economy could deliver advantages such as:



"Consumers will also be provided with more durable and innovative products that will increase their quality of life and save them money in the long term." ("How Is The EU Implementing Strategies To Favour A Circular ... - The Radius")

EXERCISE 4



M 4_E 4: Three examples of linear and three examples of circular business

Open a writing programme or take a sheet of paper. On the top, write the number of the module and the number of this exercise.

Now we hope you know the difference between linear and circular economy. Please think about a business in your area; name us three examples of linear and three examples of circular business. Could you give us an explanation why?

When you have completed the exercises, name your digital document after the number of this exercise and save it in the folder to Module 4! If you did the exercise on paper, take readable photos and save them.

Spotting opportunities

Starting a green business means that you must use your imagination and abilities to identify opportunities for creating value. Creating value is the core task of Green Entrepreneurs. Finding the right opportunities to create that value is a great learning competence.

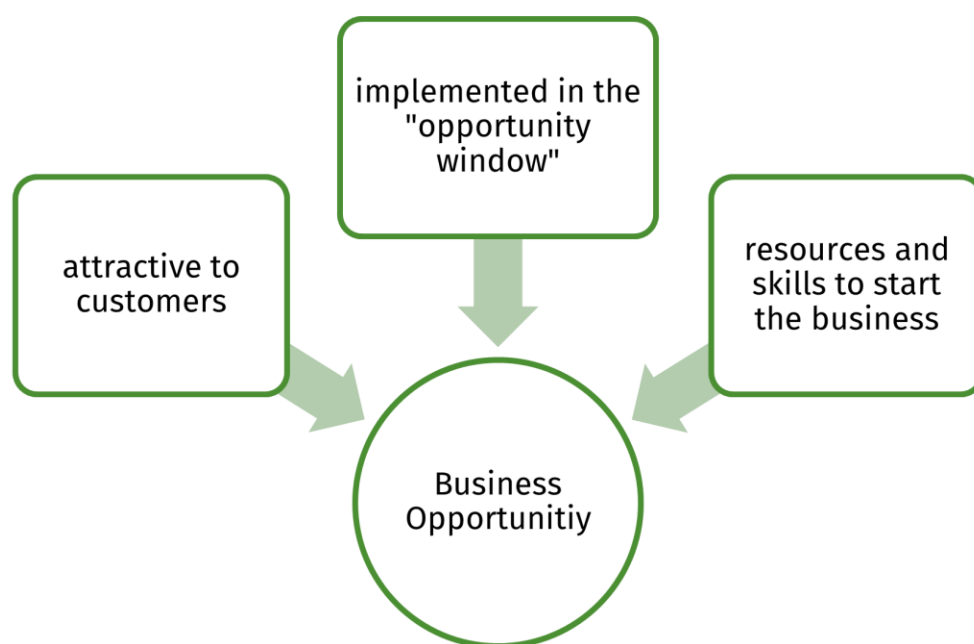
Here is a good quote:

"It all comes down to your imagination and ability to identify those opportunities and create value." ("Spot Opportunities » GREEN ENTREPRENEUR ACADEMY")

What are spotting opportunities about?

An idea is not necessarily an opportunity. However, there is a crucial difference between an idea and an opportunity. An opportunity is based on what consumers want. Many small businesses fail because an entrepreneur needs to understand this.

A business opportunity is an idea plus these three characteristics:



Attractive to customers

The business idea is attractive to customers. Customers may be individuals or other businesses. The best idea makes no sense if customers are not interested in it. Then this business idea will fail.

Implemented in the "opportunity window."

Your business idea can be implemented in the "opportunity window" that already exists. A "window of opportunity" is the time you have to bring a business to market. You may have a great idea. But maybe your competitors have the same idea and are faster than you. Then your window of opportunity is closed.

Resources and skills to start the business

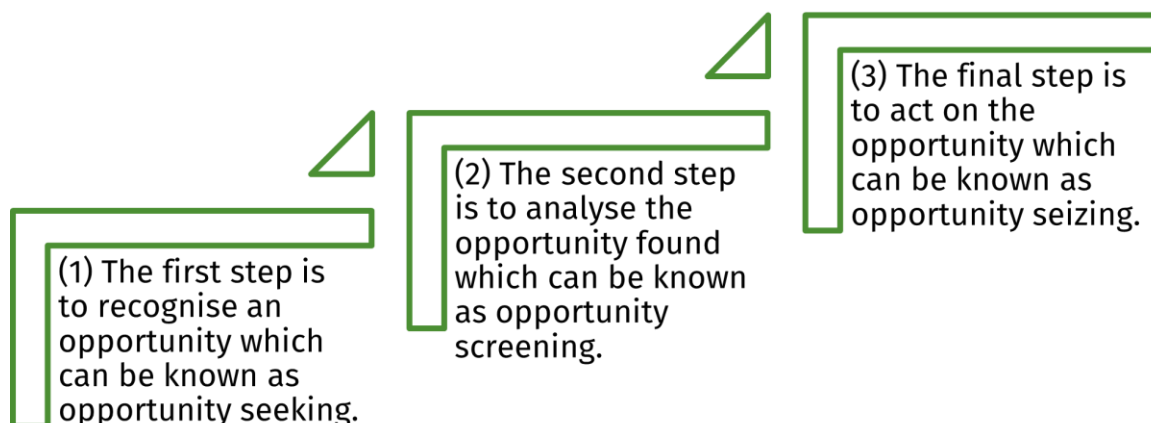
You must have the resources and skills to start the business. Remember Module 3, part "How to use your strengths for your green business idea" There, you had to check different skills. There are two possibilities. Either you have the skills to start your business. Or it would help if you had someone who can cover skills you don't have. Then you can start this business together.

Here you can watch an excellent video about spotting opportunities for entrepreneurs!

[Watch this Video](#)

Three steps to spot and act on an opportunity

A green entrepreneur may use the following three steps to spot and act on an opportunity.



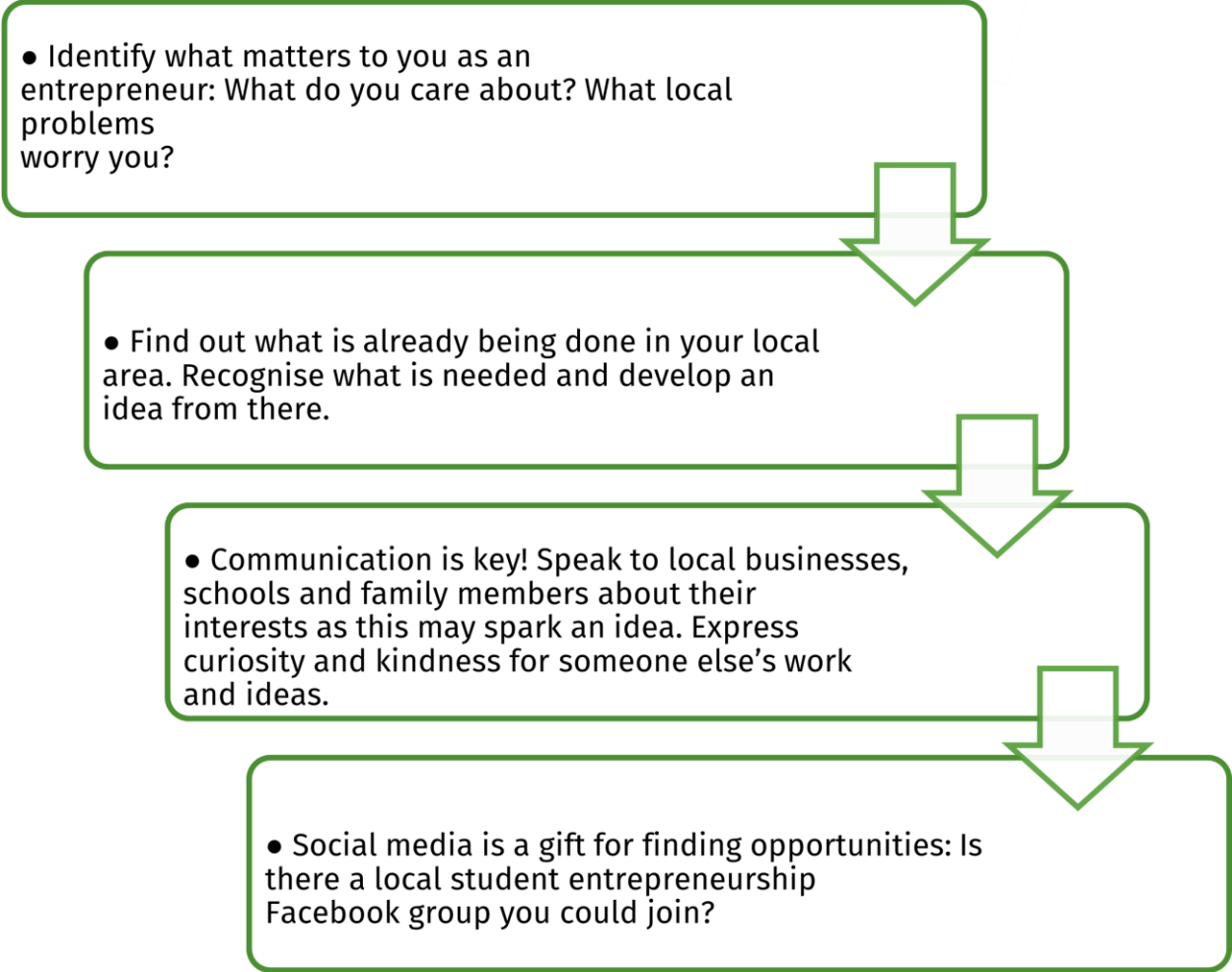
These steps should not be taken for given as they are more complex than they may seem. If these steps are followed carefully, the possibility of success in a project is much higher.

Recognising an opportunity

Recognising an opportunity is an essential skill for a green entrepreneur. A green entrepreneur will develop an idea of a service or product from realising an option. Picking the first idea that comes to mind will not lead a green entrepreneur to success as there may not be demand or interest in it.

A successful green entrepreneur will try to find a 'gap in the market' where an exciting idea awaits them. They may identify a problem and try to think of an innovative answer. This is a difficult thing to do, but it is part of the task and joy of green entrepreneurship.

Here are some steps that will lead you hoping to find an opportunity:



- Identify what matters to you as an entrepreneur: What do you care about? What local problems worry you?

- Find out what is already being done in your local area. Recognise what is needed and develop an idea from there.

- Communication is key! Speak to local businesses, schools and family members about their interests as this may spark an idea. Express curiosity and kindness for someone else's work and ideas.

- Social media is a gift for finding opportunities: Is there a local student entrepreneurship Facebook group you could join?

Analyse your Opportunity

Analysing an opportunity, known as opportunity testing, is the next stage. The focus in this stage is on studying the opportunity further.

This step is essential as it allows entrepreneurs to calculate an opportunity and think about its actual possibility.

An entrepreneur can validate whether the opportunity of pursuing or not from here.

A recommended way an entrepreneur could evaluate an idea further is by performing the SWOT Analysis. This is a valuable tool for entrepreneurs to analyse an idea's strengths, weaknesses, opportunities, and threats. Using



the SWOT analysis can prepare an entrepreneur for potential problems in the future.

In Module 5, you find a lot of information and exercises about SWOT Analysis. Please look at this!

Acting on the Opportunity

The last step is to act on the opportunity, known as opportunity taking. This step is about finally committing to an idea and following it. The possibility of getting on an option may be frightening. But the work completed during the opportunity screening phase should prepare and dismiss some of the fear.

Case Studies

We have here two videos to watch for. These two entrepreneurs are talking about their businesses and finding opportunities.

Case Study 1 – “Inkpact”

Charlotte Pearce, Founder & CEO of Inkpact, shares insight into the development of her company.

Listen to her talk about an opportunity and how she acted on it.

Charlotte Pearce Video - [Watch the Video](#)

Case Study 2 - Reach Robotics

Silas Adekunle, Founder & CEO of Reach Robotics, shares insight into the development of his company.

Silas Adekunle Video - [Watch the Video](#)

EXERCISE 5



M 4_E 5: questions to spotting opportunities

Open a writing programme or take a sheet of paper. On the top, write the number of the module and the number of this exercise.

To become a green entrepreneur who can identify business opportunities, ask yourself the following questions and answer each question as thoroughly as possible:

- What frustrates me most when I want to buy something?
- What product or service would improve my life?
- What makes me particularly angry?
- Which product or service would eliminate this anger?

When you have completed the exercises, name your digital document after the number of this exercise, and save it in the folder to Module 4! If you did the exercise on paper, take readable photos and save them.



Business idea - risk analysis and risk assessment

In this module, you learned so far about the green economy and spotting opportunities. For a business owner, however, a risk analysis is a useful tool for evaluating their business idea.

A business risk analysis evaluates and rates the potential for an unforeseen negative circumstance to impact any critical business activities and projects.

The business must carry out risk analyses when a terrible consequence is possible, the impact of the risk on a business sector, and how the risk may be reduced.

Additionally, the business analysis creates a control plan to return business strategies to normality in an unforeseen unfavourable effect. Think about the COVID Crises. So many businesses had to shut down.

The outcome of the risk assessment and analysis of the business idea and the business plan allows the entrepreneur to make decisions that may ease or control the risk. (“What Is Risk Analysis in Business? | Indeed.com”)

Types of risks

There are several categories related to the dimensions of risks, and their understanding is essential for the risk management process.

Strategic risks

- for example, the entry of a new competing product is introduced into the market

Compliance risk

- for example, the implementation of new legislation to the product or the service that the business is producing, or legislation or regulation that affects the overall business

Financial risk

- for example, might be a delay of the payment by a customer or increased bank charges or factors related to the economic environment like inflation

Operational risk

- for example, might be damage to the equipment with which the service or the product is produced and delivered, internet connection breakup and others

Risk management process

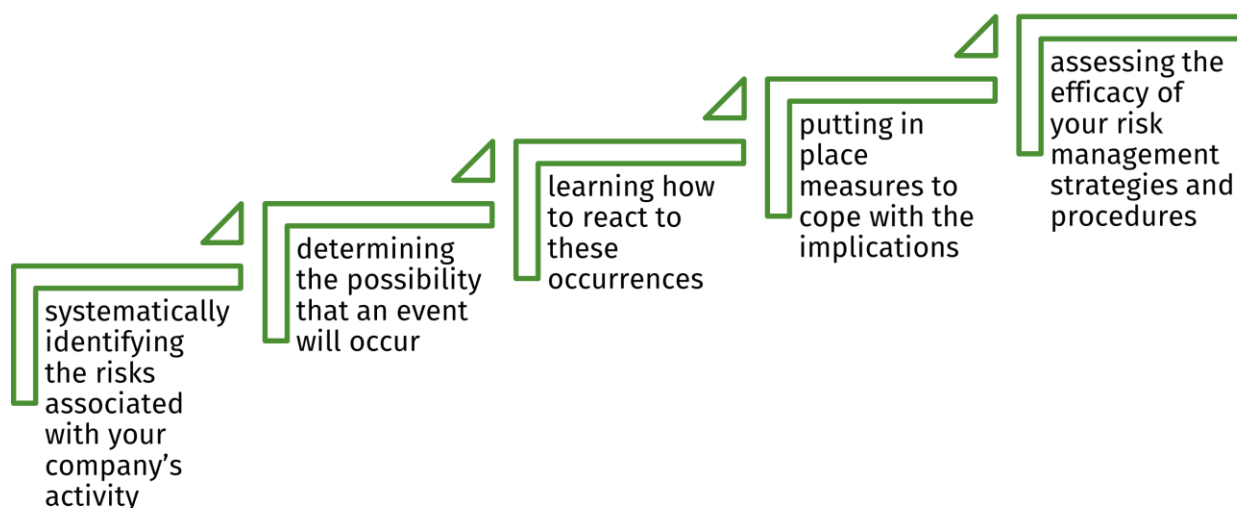
The Risk Management Process is a well-defined approach for determining whether risks and opportunities exist, how they may influence a project or organisation, and how to respond to them.

Identifying a possible issue and its consequences is part of the risk analysis process.

Although many risks have negative consequences, it is essential to recognise that certain types of risks can result in economic advantages and profitability. The identified dangers may create an opportunity for your business to capitalise on and increase its profitability.

In developing the business idea into a business plan and then realising a business, you have to ask yourself which risk is acceptable and not permitted.

A risk management process comprises the following steps:



As a result, the risk management process:

increases the effectiveness of decision-making, planning, and prioritisation

it allows you to distribute cash and resources more efficiently

helps you to foresee what could go wrong, reducing the amount of firefighting required or, in the worst-case situation, averting a tragedy or significant financial loss

dramatically increases the likelihood of completing your business plan on schedule and within budget

EXERCISE 6



M 4_E 6: simple risk analysis

Open a writing programme or take a sheet of paper. On the top, write the number of the module and the number of this exercise.

As an exercise, we want you to do a simple risk analysis of your green business idea. Use a scale to calculate and prioritise discovered dangers. You could use a scale from 0 to 10. 0 means no risk – 10 is the highest risk. Write down what could go wrong – and what this would mean for your green business. Think afterwards about how you would react.

When you have completed the exercises, name your digital document after the number of this exercise and save it in the folder to Module 4! If you did the exercise on paper, take readable photos and save them.



Congratulations!

You finished Module 4. You are now able to take a quiz on the platform to test your knowledge and apply for a certificate with ECQA.



Reference list

Opportunity Seeking In Entrepreneurship, Spotting Business Opportunities
by Jorge Saguinsin

(https://www.slideshare.net/profjorge_entrep/opportunity-seeking-in-entrepreneurship-spotting-business-opportunities)

15 Steps to start a business from scratch with (almost) no money by
Editorial team at Entrepreneur

Handbook (<https://entrepreneurhandbook.co.uk/starting-a-business/>)

4 Ways to Spot More Business Opportunities by Timothy Sykes, 2017
(<https://www.entrepreneur.com/article/298594>)

How to find the gap in an established market by Dragan Sutevski
(<https://www.entrepreneurshipinabox.com/12388/how-to-find-the-gap-in-an-established-market/>)

Gap in the market – definition and meaning
(<https://marketbusinessnews.com/financial-glossary/gap-in-the-market/#:~:text=A%20gap%20in%20the%20market,supply%20has%20not%20yet%20met>)

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