Circular SME Scan

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Executive summary

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EXECUTIVE SUMMARY

The COVID-19 crisis accelerated the need for modernisation and digital transformation of training systems in Europe. CIRCULAR SME SCAN (CSS) connects this with a circular economy which is a strategic approach to a greener economy in support of European economic recovery.

The main goal of CSS, in support of innovative practices in digital era, aims at creating a self-scan and learning platform that develops SME circular economy skills-competences by focusing on four main areas of entire SME circularity value chain (supply-acquisition, operation-production, retail, waste stream analysis).

Circular, sustainable, environment-climate friendly operation of small and medium enterprises (SMEs) results in their competitive advantage over their rivals. However, the over 25 million European SMEs encounter challenges in grasping these opportunities, as they do not have the knowledge, matching financial, non-financial resources that large companies have to make the due changes.

In the COVID-19 pandemic, generates awareness on and illustrates that outstanding quality, inclusive, digital vocational education tools on circular skills and competences are beneficial for this group. Therefore, the CSS project's solution is to create a self-scan and learning platform that develops SME circular economy skills-competences.

The starting point of the self-scan and learning platform is the research in which the partnership set-up a comprehensive skills-competence framework for SME circularity. The research findings and conclusions serve as guiding inputs for the next steps.

The completed desk research showed that the most common barriers are the lack of a supporting supply, demand network, lack of capital, lack of structured, long-term government support in addition to the companies not supporting environmental culture and lack of networking.

SMEs and their workers are hard-hit by the present COVID-19 outbreak and related economic downturn. In response to the crisis, governments, employers' and workers' organisations, enterprises, and other social partners are implementing strategies to minimise the negative impacts, supporting business operations. The pandemic highlighted that new and existing SMEs need an easy-to-implement solution so they can change to a more circular model.

SMEs can enhance the circularity with industrial cooperation. The most known and used forms are reducing consumption of resources, waste re-evaluation and industrial symbioses. Reverse logistics, functional economy, community sharing seen by SMEs as fewer effective ways of cooperation.

As part of the field research, the prepared questionnaire focused on small and medium size enterprises (SMEs) that intend to improve their competitiveness through increased circularity and experts of the circularity issues as part of company operation.

The survey results highlighted that SMEs are interested in circular economy topics, specially:

· Eliminating waste and pollution by consciously designing of your products/services,
· Recycling and reusing materials,
· Using renewable energy,
· Composting,
· Cooperation with organizations make promotion on natural production technologies,
· Agricultural production on natural farming technologies.

The focus group as the other technique was used in the frame of the field investigation. The participants were invited from the project direct and indirect target groups. The interviews were held online due to COVID-19 and health regulations. Participants were eager to share their thoughts and ideas during the planned 3 interviews. Therefore, the focus group was an effective way to gather valuable information for the self-scan tool and the learning platform.

The outcome of the focus groups presented the widespread misinformation about the concept of "circular economy", the lack of SME's awareness in circularity and its advantages.

The attendants pointed out that, due to the limitations of a self-diagnostic and its online scope, this tool should be as easy to use as possible, should not take up too much time.

The learning platform should consist of good practices and useful examples without registration. Furthermore, SMEs are interested in getting sector specific information and recommendations if the project budget makes it possible.

The literature review and the research indicate that SMEs from the three examined regions (Province of Friesland, Extremadura region and South Transdanubian region) are in a similar position to most SMEs throughout the globe when it comes to transitioning from the linear economy to the circular economy.

The purpose of the report is to define the baseline for the self- scan tool and platform. Also, it should give a structure for related training content, best practices, case studies and design of the platform.

The main conclusions consist that both the self-scan tool and the platform developed by the project partners must be user-friendly, attractive and contain specific and easily understandable information, in order to meet the needs of the target group, taking into account that in many cases small enterprises are the ones that need to be able to access the information.

To start the scan, entrepreneurs should know their processes and activities. This is key to know where to find your opportunities to become more circular.

The self-scan tool itself will consist of more multiple questions and open-end questions and based on the given answers, advise the SMEs to become more circular. This

self-analysis should focus on the business model of the company in question, and not on its particular detailed activities.

The platform needs to include videos, infographics which can be easily implemented and attract SMEs. The learning materials should be brief thoughts, essential lessons. Successful case studies and best business practices should be introduced to inspire future changes.

CSS, wants to promote the improvement of business activity through the inclusion of environmentally friendly practices, will have to start by providing simple, clear and direct training on what circularity implies in the corporate sphere and what its main benefits are both in the short and long term.