



# Business from nature: skills needed in green entrepreneurship and business development

Central Baltic area report

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## Summary

Since more and more consumers have started to care about their health (physical and mental well-being and holistic lifestyle), they are well informed and make their consumption decisions based on the facts how natural, green, sustainable, nature- and animal-friendly etc. the products are - that is a good possibility for green micro-entrepreneurs to benefit from this sectors' growth. The findings suggest that green entrepreneurship is a combination of natural resources and the values of the society.

Many of micro sized entrepreneurs, who use natural resources in their products, are based on the values that customers start to recognise and appreciate, and have built their business on their environmental knowledge, depending heavily on clean natural environment. These small green entrepreneurs have a strong desire to inspire people: give them perspectives on how to create a sustainable lifestyle and enhance well-being in nature. The problem is, they often struggle with everyday problems, lack of resources and skills, not knowing how to use natural resources in a most beneficial way. Project NatureBizz will contribute to the uplifting of the competence in this sector and general development of green entrepreneurship.

During the research in Estonia, Finland, Latvia and Sweden most needed skills and knowledge were identified and combined into 8 modules seen on the following figure.



Each project partner is responsible of developing and delivering of two courses based on the previously mentioned modules.

# Introduction

This report is one part of Interreg Central Baltic project NatureBizz (Business and Wellness from Green Economy Growth), taking place on 01.03.2018–31.10.2020. The cross-border cooperation project is bringing together entrepreneurs and universities from four different countries: Satakunta University of Applied Sciences (Finland), Södertörn University (Sweden), Vidzeme University of Applied Sciences (Latvia) and University of Tartu, Pärnu College (Estonia).

The project targets mainly micro entrepreneurs that exploit local natural resources in their business activities when producing sustainable, small-scale products and services that contribute to human wellbeing. Nowadays many entrepreneurs offer nature-based products and services. Green and blue economies offer business development and job creation opportunities and an approach for enhancing entrepreneurship. However, despite of the abundance of natural business ideas are acknowledged, micro-entrepreneurs do not have enough skills to convert them into profitable green business activities, product and service offerings.

Green movement and the demand for natural, healthy, and ecological products and services is growing rapidly. Many of those natural products are produced by green micro-entrepreneurs. In order to benefit more from this emerging sector, the entrepreneurs need sector-specific business skills. The aim of the first stage of the NatureBizz project was to identify what kind of business skills and knowledge green micro-entrepreneurs in the Central Baltic area need to develop, in order to turn local natural resources into sustainable green business. (NatureBizz, 2018)

Project NatureBizz has several stages, or in other words work packages. Different stages of project NatureBizz can be seen in figure 1.

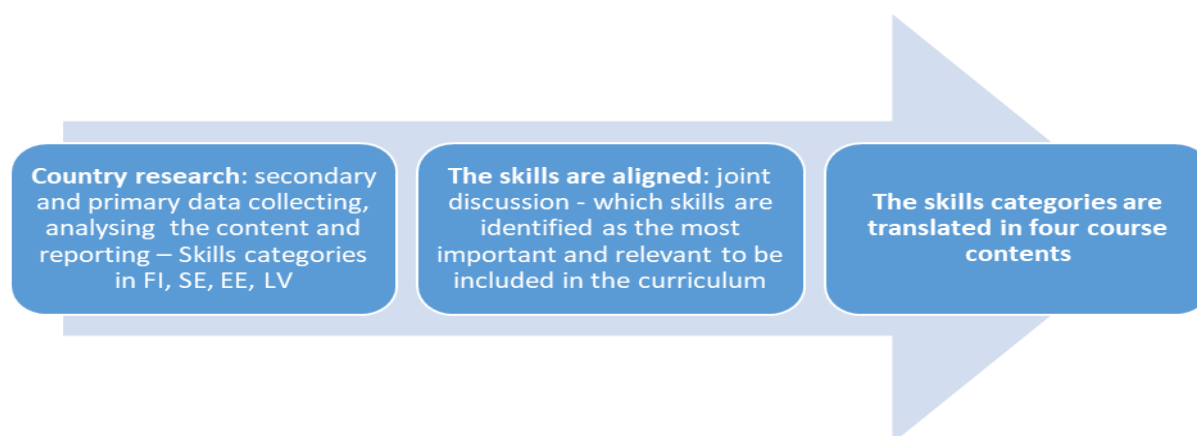


Figure 1. The three phases of the project NatureBizz. Source: NatureBizz project plan

The research results provide basis for selecting and designing the course topics and contents. Relevant skills in green entrepreneurship and business development were identified and reported by each project partner (Satakunta University of Applied

Sciences, Södertörn University, Vidzeme University of Applied Sciences and University of Tartu, Pärnu College) in their country. In the first set of research activities, the existing documents (national and regional strategies, sector reports, related curricula, other relevant documents) were reviewed. In the second set of research activities, every project partner interviewed green entrepreneurs and organisations, or other target groups involved in green entrepreneurship in their country.

The aim of the Work Package 1 (from now on WP1) was to identify and align relevant, joint skills in the Central Baltic area for the training programme and its curriculum development purposes. This was achieved by the already mentioned research activities:

- 1) reviewing and analysing the existing documents,
- 2) collecting new data by interviews and analysing the data.

A summary report was written by every project partner, where all the research results of their country were brought out. The lead partner of the WP1 (University of Tartu, Pärnu College) aligned the information about the joint skills into the current Central Baltic area report by analysing the content of the country reports. Table 1 gives an overview of the researched units.

Table 1. The amounts of researched units per country

| Country  | Documents | Green curricula | Micro enterprises | Organisations |
|--|-----------|-----------------|-------------------|---------------|
| Finland (Satakunta University of Applied Sciences) | 12        | 5               | 8                 | 6             |
| Sweden (Södertörn University)                      | 12        | 6               | 8                 | 6             |
| Latvia (Vidzeme University of Applied Sciences)    | 7         | 7               | 20                | 8             |
| Estonia (University of Tartu, Pärnu College)       | 18        | 4               | 11                | 6             |
|  | <b>49</b> | <b>22</b>       | <b>47</b>         | <b>26</b>     |

Source: <http://www.projectnaturebizz.eu/publications/>

All the reports are written in English. The results of WP1 are published as electronic reports at the project's webpage, to ensure, that they are easily available and accessible to all target groups. The country reports and CB area report are available at <http://www.projectnaturebizz.eu>. The results, the reports and the benefit to the project will be introduced in multiple communication activities (newsletter, press release, events, meetings). The reports will be also shared through the associated partners' communication channels.



# 1. Research design

The first data collection stage provides an overview of each countries' (Finland, Sweden, Latvia and Estonia) documentation related to the use of natural resources for business purposes (documents regulating health and wellbeing/green care, nature-based tourism, handicraft industry, natural products, forest products (superfood/bio-food/local food) recreational services, beauty and biocosmetics, spa and sauna, textiles and clothing etc). During the research team meeting, the framework of research was agreed (see table 2). In these documents, keywords related to entrepreneurial skills were searched. Important green economy related terms used in the documents were defined.

Table 2. Research design

| <b>1. COLLECTING DATA – SECTORAL REPORTS, STRATEGIES, PLANS</b>   |   |   |
|---|---|---|
| <b>Documents</b>  | <b>Outcome</b>  | <b>Notes</b>  |
| <i>Sectors: Health and wellbeing/Green care, nature-based tourism, handicraft industry, natural products, non-timber forest products (superfood/bio-food/local food) recreational services, beauty and biocosmetics, spa &amp; sauna, textiles and clothing</i> | <i>Defining and describing the terms used in these sectors in our country. Briefly introducing the sector. Identifying the business development skills &amp; knowledge needed in order to succeed in a sector</i> | <i>Bringing out and defining the keywords (bio economy, green economy, ecosystem services, ...)</i> |
| <i>Other research reports and students' thesis related to use of natural resources (Leader strategies etc.)</i>   | <i>Summarizing report</i>   | <i>Studies concerning content of business based on natural resources</i>                            |
| <b>2. COLLECTING DATA – MAPPING THE CURRICULA (HIGHER EDUCATION, VOCATIONAL) RELATED NATURAL RESOURCES</b>  |   |   |
| <b>Data source</b>  | <b>Outcome</b>  | <b>Notes</b>  |
| <i>Vocational bachelor level study programmes in colleges/universities in each partner state</i>  | <i>List of study programmes; provided skills and knowledge about using natural resources in business</i>  | <i>Key themes, skills and learning outcomes will be brought out</i>                                 |
| <i>Scanning the traditional curricula if there are signs of micro entrepreneurship</i>  |   |   |
| <b>Based on the data found, interview questions will be developed</b>   |   |   |

| 3. COLLECTING DATA – INTERVIEWS                                |   |
|--|---|
|  | Outcome   |
| 8 x 4 green micro entrepreneurs                                | <p>Written country report introducing the entrepreneurs view of using natural resources and mapping their shortcomings in knowledge and skills needed regarding green entrepreneurship (research notes)<br/>Map KEY TEAMS to develop courses.</p> <p>The report should also cover strategic development of sector; trends, needed skills and knowledges for green entrepreneurs; blank (un-researched) aspects of green entrepreneurship recommendations concerning needs of the sector</p> |
| 6 x 4 organisations involved in green entrepreneurship         |   |
| Combining the findings from data collection stages 1, 2 and 3. |   |

Source: NatureBizz meeting in Finland, Pori, 15.03.2018

## 2.Secondary data analyses based on national, regional and sector-related reports, strategies and plans

In the first set of research activities, the existing documents (national and regional strategies, sector reports, related curricula, other relevant documents) were reviewed. The research question was: What kind of skills are needed by micro entrepreneurs in developing the local natural resources into small-scale sustainable green business activities, product and service offerings?

The aim was to search for texts describing the needed business and entrepreneurial skills in utilising natural resources in business activities. Sector reports were one of the most important data sources, bringing also out the differences between the countries. Qualitative content analysis was carried out to formulate categories of skills and knowledge. Deadline of the secondary data analysis was April 30th, 2018. According to the country reports, 49 documents were analysed: Finland 12 (Renfors, 2018, p. 12), Sweden 12 (Dahlström & Nyquist, 2018), Latvia 7 (Vidzeme University of Applied Sciences, 2018, p. 18), Estonia 18 (Piirman & Tooman, 2018, pp. 3-6).

Most of the strategy documents of the four countries did not concentrate much on micro-entrepreneurship but rather on general green business and management skills. To compare country reports, most of the documents stressed on rather similar aspects that are important not only for companies considering themselves green but in entrepreneurship in general:

- Sustainable development and green economy (what it means, why it is important), containing also topics related to circular economy, waste management, saving water and electricity.

- Management of green company (business plan/model; objectives; resources, including financial and human resources).
- Design of green products and services (having an overview of supply chain and knowing that suppliers also follow the green principles).
- Creating the green brand (USP, stories).
- Marketing (knowing the client and important target groups, pricing, sales, communication, packaging).
- IT solutions for green entrepreneur (webpage, buying/booking, feedback, links).

The country reports emphasised different categories describing the key characteristics of utilising local natural resources in business activities, necessary business skills and knowledge in green entrepreneurship and characterising the existing VET (Vocational Education and Training) curricula.

**Finland.** Based on the strategies and reports, the key characteristics of utilising local natural resources in business activities, product and service offerings are:

- production of high value-added products and services;
- use of significant forest resources, non-wood forest products;
- stressing water resources as a source of growth;
- use of natural, wild raw materials offering health benefits as food products, wellness products (spa, sauna, beauty treatments), natural cosmetics, and herbal medicines. A wide range of trees and their various parts, berries and other medicinal plants are used as remedies;
- product development of nature experiences: nature-based tourism and well-being services. Well-being services based on natural values and promoting good health are a growing sector. Services will have more emphasis in the future.

The following categories describing the necessary business skills and knowledge in green entrepreneurship emerged from the strategies and reports:

- customer communication and brand management,
- demand oriented product development and diversification, and
- cooperation in value chains.

The existing VET curricula in Finland approaches the use of natural resources in business development from a traditional, product-oriented viewpoint. The curricula emphasises skills and knowledge related to production process management - understanding the characteristics of an ecological, sustainable and economically efficient production process and products. The focus of the existing VET curricula is on operational cost efficiency rather than on effectiveness to generate growth. Cooperation is also considered to be a key skill. In addition, basic skills and knowledge in marketing, such as customer orientation, customer service, product development, pricing, and sales are included in the content of the VET curricula. Increasing skills and knowledge in entering the international markets and branding are not considered relevant.

**Sweden.** Parallel to an interest in products, services, and experiences produced in sustainable ways, the studied secondary data indicated that there is an increasing



interest for local production and consumption, especially when it comes to food production and consumption. Locally produced and consumed products, services, and experiences are important in the regional strategies. Besides, animal well-being is a recurring theme in the studied secondary data material.

In Sweden, the keywords related to green micro-entrepreneurship connected to natural resources, which have been found in reports, policy documents, strategies and research, were the following:

- business activities related to “green”,
- bio economy,
- the green industries,
- water (aqua) cultivation,
- sustainable tourism,
- food security,
- green energy,
- labelling, certifications,
- ecological, eco,
- organic,
- locally produced food,
- animal wellbeing,
- sustainability.

If to count all programs, curricula, and courses in Sweden from the level of upper secondary level to university associated to the theme of business and entrepreneurship in natural resources, more than 200 have been found in this study to be offered in Sweden. The clear majority of these are offered at upper secondary level, including adult upper secondary-level education. Four curricula were found at the university level. No special program with focus on green entrepreneurship was found.

Through the secondary data analysis of this study, the below listed general-related knowledge and skills have been identified as needed among green micro-entrepreneurs in order for them to manage sustainable and profitable micro businesses.

General business and management skills:

- understanding markets and customers;
- quality and environment as business resources;
- digitalization & IT as business resources;
- place marketing, branding and collaboration as business resources;
- general business knowledge on a micro-business level, e.g.;
- managing and organizing networks, clusters, new business forms;
- sustainable strategies and production;
- business creation;
- sales & marketing;
- value creation, logistics, organizing & networking, negotiating;
- management and leadership (including HR) for micro-entrepreneurs;
- service, hospitality and experience management and marketing.

## Skills related to sustainability:

- Entrepreneurship based on natural resources can entail disinfestation so green entrepreneurship can entail major health risks to the practitioner and also to the consumer due to the extensive use of chemicals. Knowledge of environmental sustainability can prevent such risks. In addition to health risks, green entrepreneurship can affect nature in both positive and negative ways; knowledge of ecological sustainability can be preventive.
- Knowledge of sustainability's three building blocks, ecological, social and economic sustainability, could be a tool that could strengthen the green entrepreneur in the business development and are thereby needed identified skills for green micro entrepreneurs.
- Knowledge about how to manage, report and communicate sustainability.

**Latvia.** Based on the analysed policy, planning documents and reports, institutions' homepages, considering development trends and stakeholders of green business and entrepreneurship, the most needed skills for entrepreneurs would be:

- sustainable principles and circularity;
- effective energy management;
- repeated water usage;
- waste management/ minimization;
- company development plans;
- new product development;
- visual identity for company;
- project writing and management skills;
- knowledge how to use ITC solutions for business;
- knowledge about social networks use for business purposes, digital marketing;
- green certificates, licences, procurements;
- marketing, differentiating from others and finding their USP;
- distribution channels of products and services;
- cooperation and co-working;
- development, use and implementation of innovations;
- sustainability and nature protection measures;
- using more natural materials instead of artificial in product development.

**Estonia.** Based on the analysed documents the most needed skills would be:

- differentiating from others and finding their USP;
- knowledge how to use latest IT solutions;
- added value;
- developing quality plans;
- project writing skills;
- distributing the products and shortening the supply chain;
- improving animal wellbeing;
- creation of synergy and collaboration;

- sustainable principles, effective energy management, water usage and waste management;
- use and implementation of scientific achievements in product development;
- using natural, historic and cultural heritage in product development;
- accounting, financial management, planning the budget.

The universities and applied higher education institutions that in Estonia teach curricula containing the words management or entrepreneurship, business management, business administration, were mapped. From the selected curricula, the subjects related to sustainable management, environmental management, responsible management, green management, environment quality management, management of natural resources and development of nature-based products and services were selected to analyse. No special program with focus on green entrepreneurship has been found.

### 3. Empirical research by conducting semi-structured interviews

The great emphasis was on the second set of research activities. After performing the secondary data analysis, every project partner had interviews with the green entrepreneurs and organisations or other target groups involved in green entrepreneurship in their country. The interview questions were formulated jointly based on the secondary data analysis. The recommended base questions for the interviews were discussed in the meeting in Finland, Pori on March 15<sup>th</sup>, and agreed after several on-line sessions. The questions also include topics related to practical course implementation.

#### Interview questions for entrepreneurs

- Overview of the company? (company data, e.g. age and size)
- What is green business and green entrepreneurship for you? (take different definitions: ethical, eco, green, bio-, sustainable)
- What kind of additional business skills and knowledge do you need to be able to use natural resources in your business activities?
- How do you communicate the sustainability of your products and services?
- With whom do you collaborate (clusters, networks)? What are the benefits and challenges of cooperation?
- How would you like to develop your business? What are the challenges?
- Do you plan to use more natural resources in your business?
- Do you think you would need more knowledge, skills or competences for that? What kind of knowledge, skills and competencies?
- What is the proportion of green products in your total income?
- What trainings (education) have you participated in?
- What kind of training do you need? How should it be organized and delivered (in what formats)?
- How should the study programme be implemented?

- Will it be realistic for you to participate in all 4 on-line courses? When? How? Time-period? Content? Purpose?
- What is your view on university credits for the participation (if possible)? What is your view on a diploma/certificate?
- We have planned a study trip for entrepreneurs piloting the courses. Where would you like to go? How much are you willing to pay extra for participation of a 3-4 day study trip?
- How do you view your company in 5 years? In 10 years?
- Anything you would like to add?

### Interview questions for organisations

- What kind of micro sized entrepreneurs using natural resources are represented by your organisation/ are in your area?
- What kind of natural resources are they using in their business activities?
- What are the strengths and weaknesses of the green business sector in your region?
- What kind of additional business skills and knowledge do they need?
- How do you see the state of art of the sector now and how do you see the development of the sector in the future? Why?
- Have you provided trainings for micro size entrepreneurs related to the topic (business skills/natural resources)?
- How should we implement the trainings?

The aim of the interviews was to broaden the understanding from the secondary data analysis. Deadline of the interview data analysis in each country was September 30<sup>th</sup>, 2018.

**Finland.** The following categories describing the necessary business skills and knowledge in green entrepreneurship emerged from the data of the business development organisations and sectoral agencies:

- supply chain management;
- marketing communication and sales;
- value-added product development.

The respondents found that green entrepreneurs build their businesses with environmental and ethical values as their foundation. The entrepreneurs are interested in the holistic well-being of environment and society. They develop their businesses considering its positive effects on the natural environment and community development. Physical and mental well-being and holistic lifestyle are important values, also well-being of the animals is considered important. The entrepreneurs have a strong desire to inspire people: give them perspectives on how to create a sustainable lifestyle and enhance well-being in nature. The respondents highlighted that employees, consumers and even retailers share same values.

The following categories describing the necessary business skills and knowledge in green entrepreneurship emerged from the data of green entrepreneurs:

- cooperation in value chains;
- digital marketing communication and sales,
- value-added product development;
- consumer communication and brand development;
- financial management.

The findings suggest that green entrepreneurship is a combination of natural resources, society, and economy. Green entrepreneurs base their business on their environmental and ethical values, which are also reflected in their products and services. Physical and mental well-being, entrepreneurship. Thus, most salient characteristic of green entrepreneurship is the focus on the development of entrepreneurship to produce holistic well-being to environment and society as well as profitable business. Educating and inspiring society by giving people perspectives on how to create a sustainable lifestyle and enhance well-being in nature is a vital component of their business's identity. Employees, consumers, and even retailers should share the same green values.

**Sweden.** All interviewees seemed to have good knowledge of their core business (e.g. growing), but other kinds of knowledge concerning the entrepreneurship varied. However, three areas of needed business skills emerged in the interviews, including marketing, financial management and organization. As for marketing, the interviewees that represented some of the more sustainable businesses talked more about how they based their work on customer needs and customer experience.

Most of the organizations' support efforts seem to be about marketing, brand building and other relationship building activities. The entrepreneurs are described as very knowledgeable within their field of production and business, but that their time is often insufficient, and that the profitability is many times poor in the micro-enterprises. They see a need for improved skills that can help to increase profitability and that is why some of them arrange or convey different kinds of guidance and courses for their members in this respect. The interviewees emphasize that, as their member organizations have different maturity levels, are of different sizes, and produce and offer different offerings, they have different needs for knowledge and skills development.

In the interviews it was clear how the entrepreneurs' practical craftsmanship was important, in which a kind of qualitative knowledge also emerged. The importance of different types of sustainability aspects was also emphasized, however both perspectives and knowledge varied when it came to this topic. Finally, the importance of understanding the customer, the market, and being able to manage their own company was emphasized.

**Latvia.** During the interviews all entrepreneurs showed clear understanding and interest in participating in project, particularly in the survey, and later on in training sessions. Survey participants showed extreme satisfaction with their business and therefore many answered that they do not want to grow or to increase their companies' turnover. They seemed to be satisfied with business development at the reached level.



Most of the respondents pointed out a need of such training including the subject marketing – how to reach customer (at existing local and potential international market) and management in general, because some of them are without special managerial knowledge or experience. Many persons also mentioned that courses in English would be challenging and they would need translation service.

The entrepreneurs mentioned that they would primarily like to have hands-on training opportunities – more practical case studies and real storytelling than theoretical knowledge. They would also like to meet face-to-face instead of online training. When asked about special knowledge they need more trainings in order to use more natural resources, few mentioned that their priority would be masterclasses on certain product / service and some need more information about certification and licencing procedures. Mostly the respondents are ready to spend 1-2 days on the training once in a month.

Business development organisations, sectorial cooperatives and associations suggested following training needs (more practical training than theory): packaging, labelling; team building; online sales worldwide through B2C platforms; marketing; digital marketing; sales, selling; marketing segmentation; market research; accountancy; product energy content.

Industry representatives identified a certain need to change local municipalities' thinking – from global products sales to local goods promotion. Consumers also deserve education/ introduction to well-being of local products and services. Education of potential customers is emphasized as a key point in local micro-sized business promotion.

**Estonia.** The topics of the courses that would interest micro-entrepreneurs are:

- specific natural material related topics;
- trends in customer behaviour and marketing;
- product development;
- law related aspects;
- language skills.

Courses have to be practical – learning by doing, mentoring is also very important. The entrepreneurs need somebody whom they trust and who understands the field, motivates and helps.

Representatives of the organisations involved in green entrepreneurship thought, that the main aspects that need to be considered when educating their members, are:

- sustainability in using natural resources;
- ability to see the big picture – how the whole supply chain is built up and what is the role of the entrepreneur in it;
- overall knowledge about environment, green economy and circular economy;
- waste management; and from tourism point of view how ecological toilets should be installed in the natural environment;
- best practices (what others have done, what went well, what went wrong).

Next chapter will combine all the data from four Central Baltic countries and align the skills needed for green micro-entrepreneurs using nature's gifts for their business purposes.

## 4. Summary of skills and knowledge needed for micro entrepreneurs using natural resources in Central Baltic area

As a result of the secondary data analyses and information received by interviews, skills and knowledge matrix for green micro entrepreneurs was created (see appendix 1). The findings suggest that green entrepreneurship is a combination of natural resources, values of the society and economy. Green entrepreneurs base their business on their environmental knowledge and values, which are also reflected in their products and services. Physical and mental well-being, both of people and animals and nature in general, is their primary motivation to be engaged in green entrepreneurship.

Thus, most salient characteristic of green entrepreneurship is the focus on developing entrepreneurship as a holistic well-being concept - considering and being useful both to the environment and the society as well as being a profitable business at the same time. Educating and inspiring society by giving people perspectives on how to create a sustainable lifestyle and enhance well-being in nature, is a vital component of their business's identity. Employees, consumers and even retailers should share the same green values.

The demand for natural, healthy and ecological products and various nature experiences is increasing. In **Finland**, for example, the current trends provide growth opportunities for special, interesting value-added products that are produced by further processing local natural and wild raw materials. The findings highlighted berries, mushrooms and herbs as well as other non-wood forest products as raw materials. Natural cosmetics, eco-clothing, food products promoting healthy lifestyle, linking natural products with horticulture, and productising the well-being effects of nature in nature experiences are examples of products and services that appeal to consumers.

The following categories, describing the necessary business skills and knowledge of green entrepreneurs in developing local natural resources into small-scale business activities, product and service offerings, emerged from the data:

- value-added product development,
- consumer communication,
- supply chain management,
- brand management,
- digital marketing communication and sales,
- financial management.

In **Sweden** the focus is on entrepreneurs' knowledge in business, country report proposes four modules that begin with general knowledge about quality and sustainability linked to entrepreneurship:

- Quality and sustainability for the green micro entrepreneur.
- Financial, legal and organizational management for the green micro entrepreneur.
- Marketing, value creation, offering design and development, and green branding for the green micro entrepreneur.
- Production, supply chains, relationships and green networks for the green micro entrepreneur.

In **Latvia**, key topics to consider when educating micro entrepreneurs who use natural resources, are presented in skills and knowledge matrix (Country report, p 16, 17), that is also used as a framework in their report (Appendix 1). The main themes Latvian report brought out were:

- general knowledge, change of attitude, thinking;
- company management, managerial skills;
- product development;
- marketing and
- exporting.

Based on the analysed documents, interviewed entrepreneurs and support organisation representatives in **Estonia**, the key topics to consider when educating micro-entrepreneurs who use natural resources are:

- big picture about the environment, green economy and circular economy (also developing a supply chain);
- important topics to cover are also sustainability in using natural resources, waste management;
- trends in customer behaviour and marketing, how to get to know the customer;
- product development and specific natural material related topics;
- (joint) product development and marketing activities (with virtual marketing it is important to have a mentor).

As it can be seen from the listings above, wider understanding about the concept of green business and changing the attitude of consumers is needed in Estonia and Latvia but in general the knowledge needs for green micro entrepreneurs are similar in all four countries.

Based on the results of the country reports from Finland, Sweden, Latvia, Estonia and the discussions during the project meeting in Valmiera (Minutes of the meeting Valmiera, 21.-22.11.2018), the decision was to develop eight (not four, as was the preliminary idea of this project) modules.

Most important modules necessary for the green micro entrepreneurs to develop their skills related to the green business are:

1. Running green microbusiness.
2. Quality management, eco labels.
3. Market knowledge (trends, who is your customer, competition, USP, sales).
4. Brand management.
5. Sales and consumer communication.
6. Green product development and design management (service design, holistic approach).
7. Supply chain management.
8. Exporting (international aspects), entering the neighbouring markets.

It is important to many entrepreneurs that something practical would be an outcome of these courses and that new courses would be organized in a form “HOW TO DO” instead of “WHAT TO DO”. Entrepreneurs also want to learn from each other. That should be taken into consideration when developing the courses.

## Conclusions

The aim of this Central Baltic area report was to combine research results from country reports of Finland, Sweden, Latvia and Estonia, identifying the needed skills and knowledge of green micro entrepreneurs for them to use natural resources and gain from green economy growth. Most of the researched strategic documents concentrated on general green business and management skills and aspects how the companies should be more sustainable with natural resources. Micro entrepreneurship was not an important matter in the documents. The reason could be that the survival of green micro entrepreneur depends heavily on the condition of the nature around it.

All respondents valued sustainable management and were considerate of nature in their business activities. The core challenges of green micro entrepreneurs are similar. Even though the green micro entrepreneurs know the field they are working at, they frequently lack resources – financial, time and human. Running green microbusiness often means doing everything by themselves. Several of the researched micro-entrepreneurs need to start developing natural resources into designed holistic green products that consumers would buy.

To provide products with high quality, it is important to know how to manage the supply chain. Some of the micro-entrepreneurs already have a good product but they do not know how to market it as a green product supported by a brand story. Market knowledge in general should be improved and the knowledge, how to create and manage strong green brand around the products and the company, is needed. Sales and consumer communication skills could be improved for most of the green micro-entrepreneurs, and for the companies with a wish of exporting to the neighbouring markets quality management and knowledge about accepted eco labels is necessary.

We hope that the results of this report have a valuable input for interested parties but also for achieving the NatureBizz’s objectives, among them developing important education modules for green micro entrepreneurs and wider development of green business.

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## Appendix 1. Matrix of identified skills and knowledge needed for green micro entrepreneurs

|  | <b>National, regional, and sector-related reports, strategies and plans</b>  | <b>Opinions of micro-entrepreneurs</b>   | <b>Opinion of business development organisations and sectorial associations, cooperatives, agencies</b>   |
|--|--|--|---|
| <p><b>Sustainable development and green economy</b> (what it means, why it is important), containing also topics related to circular economy, waste management, saving water and electricity).</p> | <ul style="list-style-type: none"> <li>• Knowledge of sustainability's three building blocks, ecological, social and economic sustainability</li> <li>• Sustainable strategies and production (e.g. for food and tourism), logistics, transparency, local value creation, climate smart, service strategies, LCA</li> <li>• Improving animal wellbeing</li> <li>• Sustainable principles and circularity, effective energy management, water usage and waste management</li> <li>• Effective energy management</li> <li>• Repeated water usage</li> <li>• Waste management/minimization</li> <li>• Sustainability and nature protection measures</li> <li>• Stressing water resources as a source of growth</li> </ul> | <ul style="list-style-type: none"> <li>• Different types of sustainability aspects</li> </ul>  | <ul style="list-style-type: none"> <li>• Sustainability in using natural resources; ability to see the big picture – how the whole supply chain is built up and what is entrepreneurs role in it</li> <li>• Overall knowledge about environment, green economy and circular economy</li> <li>• Waste management and from tourism entrepreneurs perspective: ecological toilets should be installed in natural environment</li> <li>• Sustainability as an urgent and important knowledge</li> </ul> |
| <p><b>Management of green company</b> (business plan/model; objectives; resources, among them financial and human resources).</p>  | <ul style="list-style-type: none"> <li>• General business knowledge on a micro-business level, e.g. Managing and organizing networks, clusters, new business forms</li> <li>• Business Creation (Innovation &amp; Entrepreneurship, Business Models &amp; Business Development)</li> </ul>   | <ul style="list-style-type: none"> <li>• Collaboration pays an important role in their activities, yet few admit that it can be hard sometimes</li> <li>• They will not be mass production company but hope they earn a decent living</li> <li>• Law related aspects</li> <li>• Language (English) skills</li> </ul> | <ul style="list-style-type: none"> <li>• Best practices (what others have done, what went well, what went wrong)</li> <li>• Legislative advice and skills how to operate according to the laws</li> <li>• Team building</li> <li>• Accountancy</li> <li>• Networking skills, ability to cooperate and outsource activities</li> <li>• They are pursuing individual rather than</li> </ul>   |

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|   | <ul style="list-style-type: none"> <li>• Management and leadership (including HR) for micro-entrepreneurs</li> <li>• Developing quality plans</li> <li>• Project writing skills</li> <li>• Accounting, financial management, planning the budget</li> <li>• Company development plans</li> <li>• Cooperation and co-working</li> </ul>   | <ul style="list-style-type: none"> <li>• Management in general, because some of them are without special managerial knowledge or experience</li> <li>• Financial performance analysis</li> <li>• Analysis of profitability of operations and products</li> <li>• Understanding of consumers' willingness to pay</li> </ul>   | <p>common or collective interests</p>  |
| <p><b>Design of green products and services</b> (having an overview of supply chain and knowing that suppliers also follow the green principles).</p> | <ul style="list-style-type: none"> <li>• Quality and environment as business resources</li> <li>• Green certificates, licences, procurements</li> <li>• Low added value</li> <li>• shortening the supply chain</li> <li>• Problems regarding creation of synergy and collaboration</li> <li>• New product development</li> <li>• Use and implementation of scientific achievements in product development</li> <li>• Development, use and implementation of innovations</li> <li>• Using natural, historic and cultural heritage in product development</li> <li>• Using more natural materials instead of artificial in product development</li> <li>• Use of natural, wild raw materials offering health benefits as food products, wellness products (spa, sauna, beauty treatments), natural cosmetics, and herbal medicines.</li> <li>• Production of high value-added</li> </ul> | <ul style="list-style-type: none"> <li>• Ask directly from the customers and change/develop the products according to the feedback, clients are used to innovations</li> <li>• Trends in customer behaviour and product development</li> <li>• Product differentiation, customer segmentation</li> <li>• Creative product packaging design and sustainability of product packaging</li> <li>• Value-added product development</li> <li>• Development of profitable, interesting consumer products by further processing of natural, raw materials</li> <li>• Extending the product range by further processing of products, diversifying resource use</li> <li>• Understanding the domestic and foreign markets</li> <li>• Management of raw material in supply chains: raw material availability and delivery, raw material sourcing, suppliers training</li> <li>• Cooperation in product packaging, product distribution and sales</li> </ul> | <ul style="list-style-type: none"> <li>• (Joint) product development activities</li> <li>• Packaging, labelling</li> <li>• Product energy content</li> <li>• Raw material availability and delivery</li> <li>• Production of high-value added products</li> <li>• Profitability and pricing</li> <li>• Creative product packaging design</li> <li>• Product safety and legislation</li> <li>• Micro sized entrepreneurs cannot produce enough products to satisfy the demand because the supply of raw materials is not optimised and consistent.</li> </ul> |

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|   | <p>products and services</p> <ul style="list-style-type: none"> <li>• Use of significant forest resources, non-wood forest products (NWFP)</li> <li>• Product development of nature experiences: nature-based tourism and well-being services.</li> </ul>  | <p>with different retailers</p> <ul style="list-style-type: none"> <li>• Specific natural material related topics</li> <li>• Practical craftsmanship is important</li> <li>• Level of education entrepreneurs is high, even up to doctor degree holders in businesses where deep understanding of chemical processes in food production industries are essential</li> </ul>  |   |
| <p><b>Creating the green brand</b> (USP, stories)</p>                             | <ul style="list-style-type: none"> <li>• “From non-processed-goods supplier to value creating market actor” (value creation, logistics, organizing &amp; networking, negotiating)</li> <li>• Service, hospitality and experience management and marketing (concept and service design &amp; development, marketing, sales, quality, relations)</li> <li>• Differentiating from others and finding their USP</li> <li>• Well-being services based on natural values and promoting good health are a growing sector. Services will have more emphasis in the future.</li> <li>• Visual identity for company</li> </ul> | <ul style="list-style-type: none"> <li>• Market is in need of natural and pure products</li> <li>• Motivation for working comes from the values that they believe in and want to share with the world</li> <li>• Product provides wellbeing to their customers</li> <li>• Attitude to natural resources is very careful – their businesses depend on it. IT IS A LIFESTYLE!</li> <li>• Packaging, branding,</li> <li>• Distributing information to consumers on the business activities, products, raw materials used, and well-being</li> <li>• Refreshing the existing branding to increase sales and reach new markets</li> <li>• Use of storytelling to strengthen the brand and give the enterprise and its products an identity</li> </ul> | <ul style="list-style-type: none"> <li>• Consumers also deserve education/ introduction to well-being of local products and services</li> <li>• Use of storytelling as a method: informing consumers about the origin and telling compelling product stories</li> </ul> |
| <p><b>Marketing</b> (knowing the client and important target groups, pricing,</p> | <ul style="list-style-type: none"> <li>• Understanding markets and customers (trust, behaviour, insights, business intelligence, trends and trend tracking)</li> <li>• Place marketing</li> </ul>  | <ul style="list-style-type: none"> <li>• Interested on going to international markets,</li> <li>• Customers should come to buy the products directly from them</li> <li>• Trends in customer behaviour and</li> </ul>  | <ul style="list-style-type: none"> <li>• (Joint) marketing activities (virtual marketing it is important to have a mentor or someone who would “hold their hand” and that</li> <li>• How to get to know the customer</li> </ul>   |

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| <p>sales, communication, packaging)</p>  | <ul style="list-style-type: none"> <li>• Collaborating, digitalization, exportation, pricing, value creation, negotiations and building business relations</li> <li>• Distributing the products, distribution channels of products and services</li> <li>• knowledge about social networks use for busies purposes, digital marketing</li> </ul> | <p>marketing</p> <ul style="list-style-type: none"> <li>• Importance of understanding the customer, the market</li> <li>• Competing mostly on local market</li> <li>• Sales promotion, direct sales, online sales</li> <li>• How to reach customer (at existing local and potential international market)</li> <li>• Planning and monitoring sales</li> <li>• Teachers should be also field experts who has practical experience from direct sales and online sales.</li> <li>• Online sales of products, development of online stores</li> <li>• Participation in international trade fairs</li> <li>• Creation of appealing virtual marketing content, high quality virtual materials</li> <li>• Social media use</li> </ul> | <ul style="list-style-type: none"> <li>• Digital marketing</li> <li>• Sales, selling</li> <li>• Marketing segmentation</li> <li>• Market research</li> <li>• Understanding of markets and competition, trends in consumer behaviour, cultural sensitivity, identify and reach diverse domestic and international target groups, segmentation</li> <li>• Knowledge of different sales channels and online sales</li> <li>• The special characteristics of people from different cultures and buyer sensitivity to product offerings.</li> <li>• Skills in segmentation are required to respond to the changing needs of the consumers.</li> <li>• They should know their competitors and be able to analyse competition, which helps them to understand the current offering, distinguish their business, and to communicate with their target audience.</li> <li>• How to work with insights about trends, the business environments, and the consumers experiences, needs and wants</li> </ul> |
| <p><b>IT solutions</b> for green entrepreneur (webpage, buying/booking, feedback, links)</p> | <ul style="list-style-type: none"> <li>• Digitalization &amp; IT as business resources</li> <li>• Knowledge how to use (latest) IT solutions</li> </ul>  | <ul style="list-style-type: none"> <li>• Mentor from who they could get mostly advice related to virtual marketing</li> </ul>  | <ul style="list-style-type: none"> <li>• There should be a strong focus and priority on the skills and knowledge in digital marketing communication such as the use of various digital channels and multi-channelled sales.</li> <li>• Online sales worldwide through B2C platforms</li> <li>• Visibility of the products in digital channels</li> <li>• How to profit of the ongoing digitalization in the different business activities</li> </ul>  |