



Rubizmo

REPLICABLE BUSINESS MODELS FOR MODERN RURAL ECONOMIES



Deliverable No.1.3 Definition of criteria for
the selection of innovative business cases

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¹ PU = Public

PP = Restricted to other programme participants (including the Commission Services)

RE = Restricted to a group specified by the consortium (including the Commission Services)

CO = Confidential, only for members of the consortium (including the Commission Services)



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Introduction

The aim of this document is to finalise the deliverable in task 1.3 providing a final list of selection parameters that will be used for identifying successful business cases and business models.

This document integrates all the contributions received from May 2018 to December 2018 and contains the list of selection parameters and the related instructions for conducting the first interview (Interview 1) for the characterisation and selection of the identified Business cases.

The document contains a description of the task 1.3 and an overview of the overall adopted screening procedure for the identification, characterisation and selection of the most innovative business cases. This document has been updated after the Joint selection meeting that was held in February 28, 2019 in Copenhagen.

The document also contains a description of the relation between task 1.3 and the other Work packages and notably 2.2 and 3.1 and a detailed timeline and description of the activities undertaken by Zabala and all project partners within the scope of the task 1.3.

This document will be updated and extended, after receiving the validation by the National Stakeholder Panels (NSP) once they have been established.

When the document has been updated, all the partners will be duly informed about the updates and the changes made with respect to the previous version.



1. Description of the task 1.3

Task 1.3: Definition of Criteria for The Selection of Innovative Business Cases

Leader: Zabala; Participants: All

This task identifies the selection parameters that will be used for identifying successful business cases and business models. The range of parameters will encompass factors related to economic, environmental, and social aspects and provide a basis for the analysis of business cases targeted at sustainability and socio-economic impact.

The list of selection parameters has been presented in the form of questionnaire (Evaluation sheet) and will be used for the characterisation of the identified business cases during the interview 1 and for the comparison and selection of the business cases through the selection criteria, identified by the joint selection team.

The selection criteria that are targeting sustainability, rural job creation, innovation potential and resource conservation will be, once established, validated by the members of the National Stakeholder Panels.



1.1 Implementation of the Task 1.3

Zabala is the lead partner for this task and has developed a comprehensive evaluation sheet that will provide the basis for the initial selection within the project. The evaluation sheet has been designed by Zabala based on the experience of previous projects and in collaboration with the partners of the project. The design and content have been updated and adapted to fulfil Rubizmo's requirements.

- **Stage 1 First Validation by the core partners**

The core partners involved in the first call and validation of the adopted methodology (partners closely related with the usage of the criteria in accordance with what discussed during the kick off meeting) were the following:

Partner	WP number	Tasks
ZABALA	WP2	2.1 Database of European and national projects screened
UNIBO	WP3	3.1 Report on socio-economic and environmental analysis
WUELS	WP3	3.2 Report on benchmarking of business cases and models
RISE	WP4	4.2 Set of criteria and parameters for monitoring and evaluating business environments; 4.3 Assessment report of business environments success parameters
IFAU	WP5	5.2 Identification of requirements for Business tool 3
SLU	WP6	6.1 Report on Master Class Module system
G2G	WP7	7.1 Report on key pre-conditions and business support measures

At month 2 (June 2018) ZABALA sent the draft evaluation sheet to the core partners involved in the definition of selection parameters (G2G, RISE and UNIBO, WUELS, IFAU, SLU) for the definition of criteria for the selection of Innovative Business cases to be used in WP2 and WP3.

At month 3 (July) ZABALA sent the adopted parameters (previously validated by the core partners) to all the partners. Several virtual meetings took place in order to discuss the methodology to be adopted.

Outcome: The result of the first internal validation (Phase 1) was a first draft list of parameters.

- **Stage 2 - Second validation by the Data think tank**

At month 6 (October) during the Consortium meeting in Madrid in October 2018 ZABALA proposed a new methodology for the scoring and comparison of the different Business cases for the selection of the 40-50 most innovative business cases containing numerical



parameters/indicators in order to obtain an arithmetic and weighted average for the final scoring system.

During the consortium meeting at month 6 (October) in Madrid ZABALA proposed a new methodology and the evaluation sheet containing also a numerical scoring system in view to be able to compare the different business cases at the stage of selection of the 40-50 most innovative business cases. The presented evaluation sheet contained numerical parameters/indicators in order to obtain an arithmetic and weighted average for the final scoring system of each business case.

At month 6 (October) a data think tank of experts (among the partners) in the definition and identification of the selection parameters has been set up for the definition and fine tuning of the selection criteria presented in the evaluation sheet. The partners (ZABALA, G2G, RISE, UNIBO, WUELS, SLU, PROQUANTIS, ATB, CLUBE) met in order to find a common view on the final list of parameters to be adopted for the definition of the selection criteria for the final selection of innovative business cases. The partners had several conference calls organised by ZABALA in order to share the same approach for the definition of the tool.

During a conference call in November between the data think tank members, was decided by the majority of the members present in the call not to adopt such a numerical scoring system. Accordingly, a new simpler version of the evaluation sheet without a scoring system was agreed by the partners and designed by Zabala. The agreed structure of the evaluation sheet containing the selection parameters was circulated to all the partners in an Excel file template and included in Rubizmo Dropbox.

Outcome:

The final Evaluation sheet form containing the list of selection parameters (also provided to all the partners in an Excel file template) has been circulated in month 7 (November) among all the project partners.



- **Stage 3 - Final validation by the National Stakeholder Panels**

Following the feed-back received by the partners and the main concerns about the length of the evaluation sheet also considering the time constraint for conducting a phone interview (Interview 1) the evaluation sheet has been further improved and simplified at month 8 (December). The evaluation sheet containing the final list of selection parameters has been designed as a user-friendly tool, allowing the Interviewer to conduct a phone-interview and at the same time, to respond to the open question and fill in the tick-box table (detailed questions) for the analysed Business cases in a reasonable amount of time (from 30 to 40 minutes). The evaluation sheet has also been tested by some of the partners and by ZABALA in a practical phone interview (Interview1) in the 13th of December 2018. The final version of the Evaluation tool has been circulated the 21st of December 2018 to all RUBIZMO's partners for conducting the interviews. The selection parameters were narrowed down into selection criteria by the joint selection team during the meeting in Copenhagen that was held the 28th of February 2019. The selection criteria were used to compare and select the most innovative Business cases. The selection criteria will be also validated by the National Stakeholder Panels (NSP), once that will be fully established.

The outcome will be the validation of the selection criteria identified by the joint selection team by the National Stakeholders panels.



2. Screening process

RUBIZMO will look at the major challenges faced by entrepreneurs and support actors in rural areas and set a framework for the modern rural economy. The project have screened and analysed successful business cases and models from European projects funded under FP7, H2020, LIFE, and INTERREG, as well business cases and projects funded by the European Investment Bank, local innovation support actors and private funds (screening process) and from proven private initiatives/Business cases (Parallel process), according to criteria agreed upon in collaboration with the consortia.

From the RUBIZMO screening process, 40 to 50 different successful business cases and 10 to 20 innovative business models will be identified. The screening and analysis of these cases will be key to identifying ways of enhancing economic activity and employment possibilities in rural areas.

As business cases, RUBIZMO will consider the income generating activities of a specific enterprise, and as such, the success or failure of a business case depends on internal and external factors with an impact on that particular enterprise. The operation of an innovative business case is based on a clear business idea, supported by an innovative business model.

A business model defines the manner by which the business enterprise attracts and organizes its resources to deliver value to customers, entices customers to pay for the value, and converts those payments to profit. The same business model can be deployed for many different business ideas.

The objective of RUBIZMO is to stimulate the large-scale deployment of successful, localised and innovative business models in the food sector, bio-based value chains and eco-system services and support modernisation and sustainable growth in rural economies. The task 1.3 identifies the selection criteria that will be used for identifying successful business cases and business models.

RUBIZMO screening process for the characterization and selection of the identified Business cases (Table 1) is based on the selection of business cases from:

- 1) Past European funded projects on rural economic development and rural jobs that may have generated innovative business cases for rural economic development (Screening process);
- 2) Existing business cases identified by the partners of RUBIZMO as a parallel process from real Business cases (Parallel process).



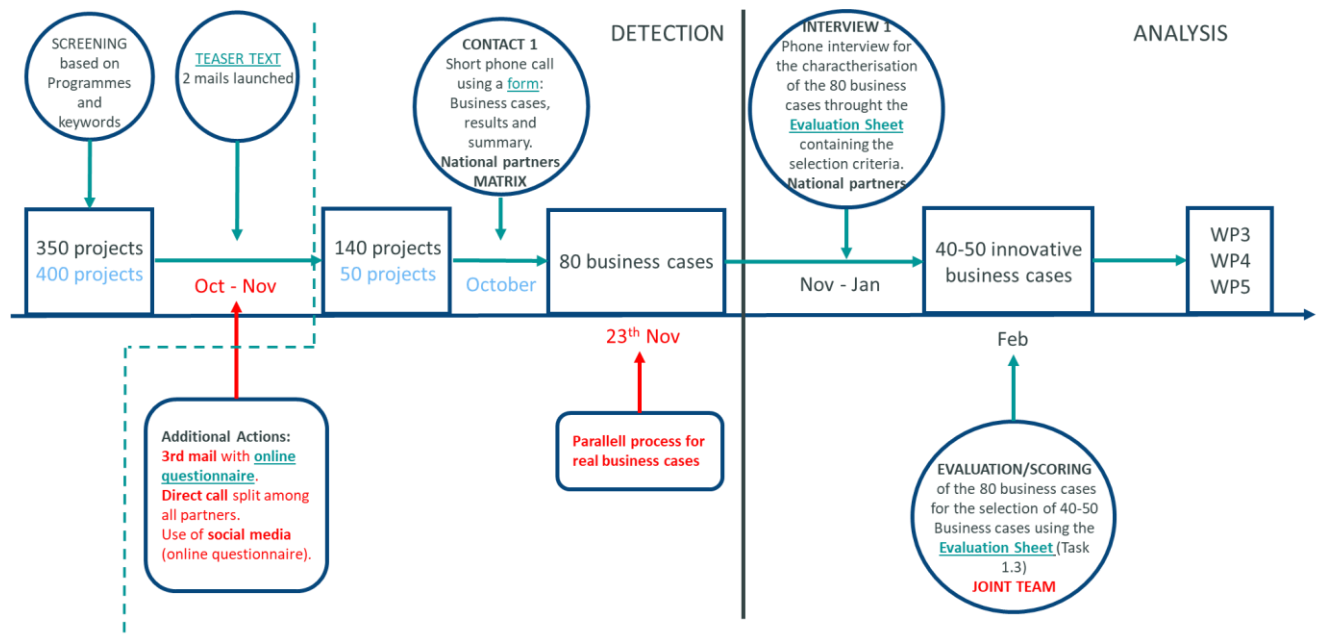


Figure 1 - Screening and parallel process

The data management tool BUSCO¹ was used for a in the screening process as a preliminary screening or pre-selection of available R&D results that may have generated innovative business cases for rural economic development in one form or another. The tool has a range of search functions and features and is linked to all FP7 and H2020 projects. The business cases will be identified by contacting and interviewing participants from those projects pre-selected through BUSCO. The identified business cases will be individually screened with the objective of identifying good and relevant examples which might have a potential for replication and inspiration. Some cases might even have a greater growth potential if they are realised under different economic or geographical conditions. In order to ensure that all relevant information is collected to identify potentially replicable business cases and/or business models, the individual cases will be described both from a value chain perspective and with respect to the standard ‘four circles model’².

For the parallel process existing business cases were identified by the partners using a qualitative selection and looking for the same screening keywords as the project screening (Rural, bio-product, biobased, bioeconomy, forestry, agrofood, (eco)tourism, transportation, recreation, ecosystem services

For the qualitative selection the following principles were adopted:

- Coverage of businesses from the various areas (keywords).
- Coverage of rural areas across the country including coastal, urban, and peri-urban areas.

¹ BUSCO is a software tool developed by ZABALA. It has been used successfully in other projects such as ProBIO to screen and extract information about European funded projects.

² Uffe Bundgaard-Jørgensen “How to attract investors, a personal guide in understanding their mindset and requirements” Pan-Stanford Publishing, 2016.

- Address the start-up scene, but not exclusively, proven business models could be of value as examples.
- Use officers of regional development, advice from NSP.
- Use of partner's specific regional knowledge.
- Use of partner's networks.

The countries that have been screened in the parallel process are the following ones:

- Germany, responsible partner: ESCI (coordination with ATB and ProQ)
- Ireland, responsible partner: IRL
- Denmark, responsible partner: G2G (coordination with IFAU)
- France, responsible partner: Greenflex
- Spain, responsible partner: Zabala (coordination with Spanish Co-ops)
- Romania, responsible partner: ARAD
- Greece, responsible partner: CLUBE
- Poland, responsible partner: WUELS
- Italy, responsible partner: Unibo
- Belgium, responsible partner: G!E
- Sweden, responsible partner: RISE (coordination with SLU).

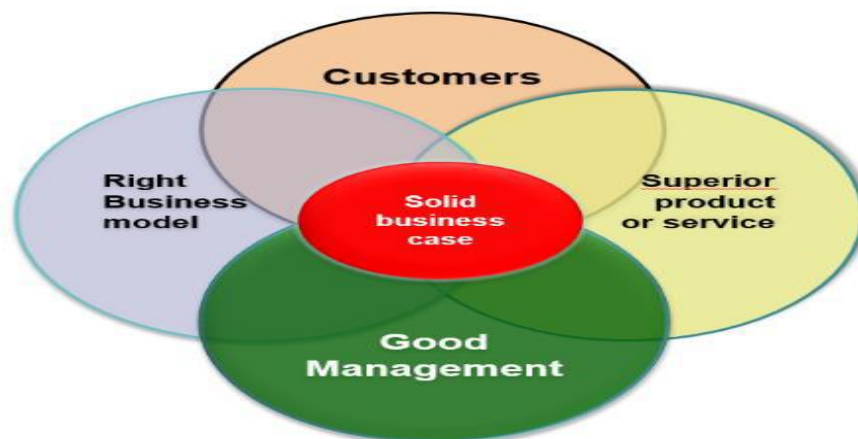


Figure 2 - Circles model' for a solid business case

Good business cases are typically those where the four circles overlap, or in other words when all four critical factors are present.

- The type of customers segment and the value proposition for the customers is described, including local or regional or global characteristics;
- The products and/or services delivered is described, including special local and/or regional special pre-conditions for their production, availability of raw materials, labour conditions, transportations and communication system;
- Broad characterisation of management type and key activities, including short company history if possible.

2.1 Implementation of the Screening Process

Both Past European projects (1) and Existing business cases (2) will be contacted through a harmonised and tested process, comprising a combination of emailing and interviews. Not all will be willing to cooperate with RUBIZMO nor all the past European projects will all have relevant results and related Business cases. Those that do comply with this parameter, will be further interviewed by the RUBIZMO team. In order to implement this task in a uniform manner, the same methodology will be followed by each partner when contacting the project coordinators:

- 1. Teaser: To ease the first contact, an introductory teaser text with background information will be provided to the partners. This will help to communicate important project items and will serve to highlight the main objectives of RUBIZMO, the reason for making contact and the benefits that they could obtain if they would choose to be part of RUBIZMO. It is expected that the teaser will raise the attention of at least 40% of the contacts, resulting in 140 interviews.
- 2. Short phone calls using a form will be arranged with those 140 contacts that have shown initial interest. The interviews will serve to gather more in-depth information about the project results and owners of these results and the related innovative rural business cases.
- 3. Short list of R&D results, owners and related business cases: After the first round of interviews a list of R&D results, owners and related business cases will be produced. It is expected that at least 80 results will be preliminary classified.
- 4. Interviews - round 2 (INTERVIEW 1): The 80 result owners willing to cooperate will be interviewed again in order to be categorised through the Rubizmo Matrix and to be characterised through the selection parameters questionnaire.
- 5. Database of results and respective characterised business cases. Each exploitable R&D result and its respective business case will be documented in a stand-alone piece of data following the Interview 1, and included in an offline database of business cases, to be used as input for WP3 activities. It is expected to gather information about 80 innovative rural business cases, including 5 business cases in each of the twelve 'boxes'.



3. List of Interview parameters

In the table below is described the general structure of the Evaluation sheet containing the Selection parameters in the 7 different Sections and the related General questions and the detailed questions in the Tick-box (Yes/Not/N/A questions) sections. The information gathered in the first round of Interviews will form the basis for the selection of innovative, successful business cases and for the first basic analysis within WP 3,4 and 5.

Sections	Parameters
PRECONDITIONS <i>GENERAL QUESTIONS + THICK BOX SECTION</i>	1. Labour conditions/environment 2. Availability of raw material 3. Transportation/roads system 4. Communication/broad-band infrastructures
BUSINESS ENVIRONMENT <i>GENERAL QUESTIONS + THICK BOX SECTION</i>	5. Technology and knowledge 6. Funding and credit 7. Regulatory environment
NOVELTY <i>GENERAL QUESTIONS</i>	8. Novelty 9. Value proposition
MANAGING THE MARKET SIDE <i>GENERAL QUESTIONS</i>	10. Customers segment
MANAGING THE PRODUCTION SIDE <i>GENERAL QUESTIONS + THICK BOX SECTION</i>	11. Key partners 12. Key resources
REPLICABILITY / UP-SCALING POTENTIAL <i>GENERAL QUESTIONS</i>	13. Scale-up measures and Replicability potential
IMPACT <i>GENERAL QUESTIONS + THICK BOX SECTION</i>	14. Social Impact 15. Environmental Impact 16. Economic Impact



The above-mentioned selection parameters were narrowed down into the selection criteria by the Joint selection team during the meeting in Copenhagen that was held the 28th of February 2019:

- Willingness to participate;
- Economic, Social and Environmental impact/interest;
- Uniqueness;
- Replicability;
- what is the value offer (Unique Value Proposition)
- who are the customer (Customer segment),
- Able to inspire other entrepreneurs;

These selection criteria were used to compare and select the most innovative business cases.



3.1 Description of the structure of the Evaluation sheet

SECTION: PRECONDITIONS

This section will be composed of the selection parameters and corresponding General and detailed (thick box) questions below that will allow the interviewed to describe the pre-existing condition that allow the analysed business case to thrive.

Notably will be described the:

1. PARAMETER : Labour conditions/environment:

General question:

Which is the level of access to qualified labour/workers in the region area?

This section is related to the access to qualified labour/workers in the region area, access to education, age range and it is relevant to better understand the type (if any) of professional qualification present in the area and the type of qualifications required for offering their product or service. It is also important to understand the level of skills and the training received by the persons that are working in the company.

2. PARAMETER: Transportation/roads system

General question:

Which is the general level of roads in the area, access roads, transportation vehicles in the area?

This section is useful to better understand the general transportation infrastructures system in the analysed area.

3. PARAMETER: Communication/broad-band infrastructures:

General question:

Which is the general level of internet access in the area, telephone lines? How is the communication made inside and outside the company?

This section is useful to understand the general level of Communication/broad-band infrastructures in the analysed area.

4. PARAMETER: Availability of raw material

General question:

Are you able to find the raw material in your area?

This question refers to the availability and access to raw material in the analysed region.



SECTION: BUSINESS ENVIRONMENT

This section will be composed of general and detailed (thick box) questions. The Business environment is the institutional, geographical, business/value chain as well as relational context in which the business operates. This is exogenous to the business and it may, directly or indirectly, influence the business performance depending on both situational and dynamic factors. The action situation of business environments includes the following criterion: Technology knowledge, Funding and credit and regulatory environment. The criterion below will be analysed according to the following general and detailed questions for each parameter:

5. PARAMETER: Technology and knowledge

General question:

Is there any Business cluster or institutions or initiatives who facilitate innovation or business development in your area?

This question refers to the availability or access to technology and knowledge in the area or nearby where the firm is located which enables the firm to make innovation and/or business development.

Detailed question (thick box): Have you received any technical support?

6. PARAMETER: Funding and credit

General question:

Does your business have access to funding or credit (Public or Private)?

This question refers to the availability and access to different sources of funding and financial schemes (public or private) or different sources of funding and financial schemes such as loans, grants, selling shares. etc.

Detailed question (thick box): Have you received any financial support?

7. PARAMETER: Regulatory environment

General question: Are there regulatory rules that facilitate (incentives) or discourage(barriers) your business?

This question refers to different rules and regulations which the business case has to follow in order to register and continue to operate as a business entity. These might refer to registering property, paying taxes, consumer protection, registering property, etc. It further requests for information whether these rules facilitate or hinder the business case. The rules and regulations could be local, regional and national.

Background Info - Lean Canvas

The sections of Novelty, Managing the market side and Managing the Production side will be analysed following the Lean Canvas approach methodology.

The Lean Canvas is a powerful tool that can be used to fine-tune, develop or analyse (like in the case of Rubizmo) the exploitation strategy of the analysed Business cases. Such a tool has been adapted by Ash Maurya from the very popular Business Model



Canvas by Alexander Osterwalder³. The Lean Canvas is created in the Lean Startup spirit (Fast, Concise and Effective startup). Lean focuses on problems, solutions, key metrics and competitive advantages. While conducting the interview for the section of Novelty, Managing the Market and Production side the focus of the interviewer will be on the main customer segments that our identified Business case is targeting, the novelty of the solution that they are providing, how it differentiates from competitors and how they intend to create value.

SECTION: NOVELTY

8. PARAMETER: Novelty

General question: What do you consider Innovativeness introduced?

This question refers to the level of Innovativeness is introduced by the analysed Business case (can be: a New or improved technology; Product service or solution that could represents the adoption of new activities; new ways of linking the activities/structure or governing the activities/governance etc.).

9. PARAMETER: Value proposition

General question: What does your company do better than any other companies?

This question refers to the Value proposition based on the today's alternative, that is what makes the analysed product/service more efficient for their customers. This section will be used to ensure that the analysed Business case clearly define how they differentiate themselves from alternative solutions, and why the customer will come to them.

SECTION: MANAGING THE MARKET SIDE

10. PARAMETER: Customers segment

General question: Which is your customer segment and on what markets do you operate? (local/regional/global)

This question refers to the community of customers or businesses that you are aiming to sell your product or services to. Customers can be segmented into distinct groups based on needs, behaviours and other traits that they share. For instance: Mass market, Niche Market, Segmented.

SECTION: MANAGING THE PRODUCTION SIDE

11. PARAMETER: Key resources:

³ For more information about this canvas, please refer to the blogpost explaining Lean Canvas and the ideas behind it on his website: <http://www.ashmaurya.com/2012/02/why-lean-canvas/>



General question: Which are the key resources your company uses to create its value proposition, service its customer segment and deliver the product to the customer?

Key resources deal with the operational end of the business spectrum and define what kind of materials you need, what kind of equipment is required and the types of people you need to employ. The quality and nature of an organization's key resources command how well the same organization is able to fulfil its value proposition.

Detailed questions (thick box):

1. Adequate Physical resources (could include equipment, inventory, buildings, manufacturing plants and distribution networks that enable the business to function)
2. Adequate Intellectual resources (Intangible resources like brand, patents, IP, copyrights, and even partnerships)
3. Adequate Human resources
4. Adequate Financial resources (Cash, lines of credit and the ability to have stock option plans for employees).

In these detailed questions the interviewer will analyse the main key activities of the identified Business case, the key partners with who the business cooperates with and the key resources in the company/business. The interviewer will easily check in the Yes or No Tick box section if the following form of partnerships and resources are present in the analysed Business/company.

12. PARAMETER: Key partners:

General question: Which are your key/most valuable partners with who you cooperate with and why?

This question refers to the company key partners (or Key Partnerships) that an entrepreneur needs to have to perform its key activities and ultimately provide its value proposition to its customer segment. Type of partnership can be: Public/private partnership, strategic alliance with non-competitors; joint ventures etc. The reasons for a company opting for a partnership are myriad, but healthy partnerships are instrumental in making a business success or a failure. Reasons for a partnership can be: optimize its resource utilization, create new resource streams or mitigate risks behind major business decisions.

SECTION: REPLICABILITY / UP-SCALING POTENTIAL

13. PARAMETER: Scale-up measures and Replicability potential

General question: Which measures are you taking in order to scale up your business? Do you see tangible potential opportunities to enhance your replicability opportunities?



SCALE UP: proportional growth especially of production or profit" and/or "a large market position. How are you planning to scale up or which measures are already in place? For instance: enhancing your company trust/reputation through the building of a public profile; Hiring new people, attracting investors and next round of investments;

REPLICABILITY: ability to consistently and reliably duplicate your product, service or business. Do you see tangible potential opportunities to enhance your replicability opportunities in the short term (next 1-2 year)? and why? (for instance: Capability to cover many service segments and international usage; High Market entry potential (Exclusivity of contents, network access, or customer relations); Capability for Market penetration at international/European level).

SECTION: IMPACT

14. PARAMETER: Social Impact

General question: How would you describe your company's' social impact?

Social impact is the effect your company have on your local society in terms of rural job creations and skills and qualifications.

Detailed questions (thick box):

1. Rural Job creation
2. Skill and qualification /training

15. PARAMETER: Environmental Impact

General question: How would you describe your company's' environmental impact and efforts to limit them?

Environmental impact is the effect that your activities have on the environment, possibly adverse, caused by development, industrial, or infrastructural projects or a pollutant.

Detailed questions (thick box):

1. Reduction of energy and water consumed and waste reduction
2. Resource conservation: use of renewable energy
3. Environmental certification/Pollution measurements
4. Contribution to circular economy/used material recycled

16. PARAMETER: Economic Impact

General question: How would you describe your company economic impact in the area?

This question refers to the company's economic impact (Return on invested capital). Economic impact is also the effect of your business on the economy in your area and the generation of economic value (Generation of economic value).

Detailed questions (thick box):

1. Return on invested capital
2. Generation of economic value.



3.2 How to conduct the phone interview for the characterisation of the identified 80 business (Interview 1)

The new version of the Evaluation sheet, containing the selection criteria, will allow the evaluator to easily conduct a phone-interview and, at the same time, respond to the general and detailed qualitative question and to select the Yes/NO/N/A answers in the Tick-box table of the detailed criterion in a reasonable amount of time.

General Questions/Answers

For each of the General and detailed qualitative open questions the interviewer will fill in the correspondent general and detailed qualitative answers section in accordance with the contents provided as an answer to the questions asked to the interviewed Business cases owner.

Tick -Box Section (Yes/No/N/A Answer)

For each of the detailed criteria corresponding to the Tick-box section, the interviewer will select the appropriate Yes, No or N/A answer, in accordance with the corresponding positive or negative presence or lack of each of the detailed questions on the analysed Business case. In case the answer is not available the N/A answer will be selected.

Before starting the phone interview (Interview 1) for the characterisation of the identified 80 Business cases, the interviewer will categorise the business case into the corresponding section of Rubizmo matrix and will normally try to get some general information from the identified business case's web site.

At the beginning of the interview (Interview 1) the interviewer will ask to the interviewed two general questions related to a short description of the type of business and since when the analysed Business is existing/operating in the market.

The interviewer will open the interview as with the following sentence:

“Thank you for allowing us to ask you some questions about your Business model/case. You have been selected from a set of companies across Europe because you have an interesting and innovative business going that we believe may inspire other entrepreneurs in rural areas. The interview consists of a set of open questions and a set of criteria to be matched (Yes, No and N/A question - Tick box section) and is expected to take from 30 to 40 minutes. We are first and foremost interested in the areas where you believe that you do things differently than other, where you think you have a competitive edge in relation to other actors on the market”.

The Evaluation sheet tool contains the RUBIZMO Matrix the will be already filled (in the previous screening process steps for each identified business case) and used by the Evaluators/interviewer at the very beginning of the interview in order to have a good insight on the categorisation of the analysed business case within the matrix. The Matrix contains



different sectors (FOOD SECTOR; THE BIO-BASED VALUE CHAINS; FOR VALORISATION OF ECOSYSTEM SERVICES) and different Pillars (REPLACE; UPGRADE; CIRCULATE; COLLABORATE) as shown in the table below.

The Matrix is foreseen to categorise the business cases increasing the likelihood of replication of the selected business ideas and models in the different sectors and pillars as, besides studying the development of innovative business cases in each of the different sectors, the project will also explore the interactions, collaborations and clustering of different sectors in some business cases. The business cases could either be sector specific or trans-sectoral. RUBIZMO will investigate the innovations embedded in both the sector specific business models and in these trans-sectoral interactions.

The matrix approach will therefore also take in consideration the general program fit of the business models and cases rooted in:

- the food sector;
- the bio-based value chains;
- for valorisation of ecosystem services.

The potential for diversification of business models is multiplied by the magnitude of combinations that are possible thanks to technological progress and the ability to process and re-process resources and the creativity of forming new partnerships for collaboration. For these reasons in the identification of the selection criteria the following four pillars will be taken in consideration:



- **CIRCULATE:** Identify high-value compounds in such waste streams and with the technological advancements profitability for new market opportunities for the producers as well requirements for changes in the supply chain, thus paving the way for a new business model.
- **UPGRADE:** Identify improved technologies that make valorisation of natural resources possible, e.g. processing of seaweed, wood, or paper waste into marketable products, fertilizers and energy; hence, technological developments and improved supply chain coherence are key components for a better exploitation of the possibilities for upgrading and replacing resources.

- **COLLABORATE:** Identify collaboration in new ways and for rural areas of consumers with producers that constitute the basis for creating new opportunities for ecosystem service provision.
- **REPLACE:** Identify recycling and upcycling activities as criteria for the identification of innovative business models in the food sector, the forest sector and for a number of bio-based value chains.



4. Link to the other Workpackages

The Outcome of the D 1.3 will be a list of selection criteria to be used in WP2, WP3 and WP4 for the socio-economic and environmental analysis, as well as the analysis of favourable business environments.

WP2 - Screening rural development and rural jobs projects will focus on the screening of 350 past European projects identified as related to rural jobs and rural development. The objective is to gather the outcomes of these projects to identify the 40-50 most innovative business cases already implemented in rural areas.

The objective of the WP2 are to:

To map FP7, H2020, LIFE, INTERREG (cross-border and transnational) and national projects on rural economic development and rural jobs.

To establish contact with project coordinators and R&D results owners to collect the project results and the business cases description, including their environmental and socio-economic impacts and replication and upscaling potential.

To gather, classify and benchmark the innovative rural business cases identified.

WP3 - Socio-economic and environmental analysis and packaging of innovative business models

WP3 collects the selected business cases and assesses their socio-economic and environmental impact. The benchmarking of the business cases will lead to the selection of the 10-20 most promising business models and to the creation of the first business tool, the virtual library. The virtual library will contain key information gathered into factsheets on the selected business models and business cases as well as videos to be produced in WP8.

The objective of the WP3 are to:

To select top 40 to 50 business cases and up to 10 to 20 business models

To develop a virtual library suitable for presenting the selected business cases and models

To analyse and evaluate selected business cases and models.

Relation to other Work Packages

Deliverable number	Deliverable name	WP number	Lead participant	Type	Dissemination level	Delivery date
D1.3	List of selection criteria for innovative business cases	1	ZABALA	Report	Public	M6



D2.2	Database of results and respective business cases	2	ZABALA	Other	Confidential	M10
D3.1	Report on socio-economic and environmental analysis	3	WUELS	Report	Public	M18



5. Annex I - Evaluation sheet containing the Selection parameters

The Excel file containing the Evaluation parameters here below can be found as an Annex of this document.

INTERVIEW 1 - EVALUATION SHEET CONTAINING THE SELECTION CRITERIA				
General info				
Matrix	Country			
		Replace	Upgrade	Circulate
	Food			Collaborate
	Biobased			
	Ecosystem			
General	Interviewed:			Phone number

General question	
<p style="color: red; text-align: center;">Interview 1 - OPEN QUESTIONS (General + detailed) + Tick-box section (Phone interview for the characterisation of the 80 identified Business model/cases).</p> <p>Introductory reading: Thank you for allowing us to ask you some questions about your Business case. You have been selected from a set of companies across Europe because you have an interesting and innovative business going that we believe may inspire other entrepreneurs in rural areas. The interview consists of a set of open questions and a set of criteria to be matched and is expected to take about 30 minutes. We are first and foremost interested in the areas where you believe that you do things differently than other, where you think you have a competitive edge in relation to other actors on the market.</p>	
General question	General answer
A	"How long is the buissness/company on the market?"
B	Shortly describe your Business Key activities.

Section: PRECONDITIONS		The following session is about the preconditions in your area related to Labour, transportation and communication.				
CRITERIA	General questions	General answers	(Instructions)	Detailed questions	Tick-box	
1	Labour conditions/environment	Which is the level of access to qualified labor/workers in the region area?	This questions could be if there is access to qualified labor/workers in the region area, access to education for example: Type and level of professionals/workers (Engineerrs/chemists/farmers). Age range (there are no young workers left in the area to hire, they all left abroad to get better jobs etc.).	Have you ever received any training or education in related to your product or service?	NO	
				Have you ever participate in a workshop or seminar in related to your product or service?	YES	
2	Availability of raw material	Are you able to find the raw material in your area?	This question refer to the availability and access to raw material in your region.			
3	Transportation/roads system	Which is the general level of roads in the area, access roads, transportation vehicles in the area?	Questions about general level of roads in the area, access roads., transportation vehicles in the area. This says a lot if there is only horses carriages in the area or the infrastructure is very developed, or recently developed.			
4	Communication/broad band infrastructures	Which is the general level of internet access in the area, telephone lines? How is the communication made inside and outside the company?	Is there internet access in the area, telephone lines, how is the communication made inside the company, how do they communicate with their clients and suppliers etc.			

Section: BUSINESS ENVIRONMENT		The following session is about the Business environment in your area (presence of clusters, Funding opportunities and regulatory rules at local, regional and national level)				
CRITERIA	General questions	General answers	(Instructions)	Detailed questions	Tick-box	
5	Technology and knowledge	Is there any Business cluster or institutions who facilitate innovation or business development in your area?		This question refers to the availability or access to technology and knowledge in the area or nearby where the firm is located which enables the firm to make innovation and/or business development.	Have you received any technical support?	YES
6	Funding and credit	Does your business has access to funding or credit (Public or Private)?		This question refer to the availability and access to different sources of funding and financial schemes (public or private).	Have you received any financial support?	YES
7	Regulatory environment	Are there regulatory rules that facilitate (incentives) or discourage(barriers) your business?		This question refers to different rules and regulations which the business case has to follow in order to register and continue to operate as a business entity. These might refer to registering property, paying taxes, consumer protection, registering property, etc. It further requests for information whether these rules facilitate or hinder the business case. The rules and regulations could be local, regional and national.		
Section: NOVELTY		The following session is about level of Innovativeness introduced by the analysed Business case compared to what already existing in the market as well connecting them to the problem in question				
CRITERIA	General questions	General answers	(Instructions)			
8	Novelty	What do you consider Innovativeness introduced?		This question refers to the level of Innovativeness is introduced by the analysed Business case (can be: a New or improved technology; Product service or solution that could represents the adoption of new activities; new ways of linking the activities/structure or governing the activities/governance.		
9	Value proposition	What does your company do better than any other companies?		The Value proposition is based on the today's alternative, what makes the analysed product/service more efficient for their customers, a single and compelling sentence that makes everybody understand why the analysed Business case is far better. (Can be: Better performance; Customization option (tailor the product/service to the consumer's preferences adds value for the customer); Price (cheaper than the existing options in the market).		

Section: MANAGING THE MARKET SIDE		The following session is about the MARKET SIDE is managed. We want to understand more about your customers segment.				
CRITERIA	General questions	General answers	(Instructions)			
10	Customers segment	Which is your customer segment and on what markets do you operate? (local/regional/global)		This question refers to the community of customers or businesses that you are aiming to sell your product or services to. Customers can be segmented into distinct groups based on needs, behaviors and other traits that they share. For instance: Mass market, Niche Market, Segmented.		
Section: MANAGING THE PRODUCTION SIDE		The following session is about how the PRODUCTION SIDE is managed. We want to understand more about the key resources in the company/business and the key partners with who the business cooperates with.				
CRITERIA	General questions	General answers	(Instructions)	Detailed questions	Tick-box	
11	Key resources	Which are the key resources your company uses to create its value proposition, service its customer segment and deliver the product to the customer?	Key resources deal with the operational end of the business spectrum and define what kind of materials you need, what kind of equipment is required and the types of people you need to employ. The quality and nature of an organization's key resources command how well the same organization is able to fulfill its value proposition	1. Adequate Physical resources (could include equipment, inventory, buildings, manufacturing plants and distribution networks that enable the business to function)	NO	
				2. Adequate Intellectual resources (Intangible resources like brand, patents, IP, copyrights, and even partnerships)	N/A	
				3. Adequate Human resources	NO	
				4. Adequate Financial resources (Cash, lines of credit and the ability to have stock option plans for employees)	NO	
12	Key partners	Which are your key/most valuable partners with who you cooperate with and why?		This question refers to the company key partners (or Key Partnerships) that an entrepreneur needs to have to perform its key activities and ultimately provide its value proposition to its customer segment. TYPE OF PARTNERSHIP can be: Public/private partnership, strategic alliance with non competitors; joint ventures etc. The reasons for a company opting for a partnership are myriad, but healthy partnerships are instrumental in making a business success or a failure. Reasons for a partnership can be: optimize its resource utilization, create new resource streams or mitigate risks behind major business decisions.		

Section: REPLICABILITY / UP-SCALING POTENTIAL		The following session is about the measure envisaged to scale up the Business and the likelihood of replication of the selected business ideas.in the short term (next 1-2 year).			
CRITERIA	General questions	General answers	(Instructions)		
13	Scale-up measures and Replicability potential	Which measures are you taking in order to scale up your business? Do you see tangible potential opportunities to enhance your replicability opportunities ?	<p>SCALE UP: proportional growth especially of production or profit" and/or "a large market position. How are you planning to scale up or which measures are already in place? For instance: enhancing your company trust/reputation through the building of a public profile; Hiring new people, attracting investors and next round of investments;</p> <p>REPLICABILITY: ability to consistently and reliably duplicate your product, service or business. Do you see tangible potential opportunities to enhance your replicability opportunities in the short term (next 1-2 year)? and why? (for instance: Capability to cover many service segments and international usage; High Market entry potential (Exclusivity of contents, network access, or customer relations); Capability for Market penetration at international/European level).</p>		
Section: IMPACT		The following section is about the company's impact on three different categories: environmental, social and economic.			
CRITERIA	General questions	General answers	(Instructions)	Detailed questions	Tick-box
14	Social Impact	How would you describe your company's social impact?	Social impact is the effect your company has on your local society in terms of rural job creations and skills and qualifications.	1. Rural Job creation	YES
				2. Skill and qualification /training	N/A
15	Environmental Impact	How would you describe your company's environmental impact and efforts to limit them.	Environmental impact is the effect that your activities have on the environment, possibly adverse, caused by development, industrial, or infrastructural projects or a pollutant.	1. Reduction of energy and water consumed and waste reduction	NO
				2. Resource conservation: use of renewable energy	NO
				3. Environmental certification/Pollution measurements	NO
				4. Contribution to circular economy/used material recycled	YES
16	Economic Impact	How would you describe your company's economic impact in the area?	Economic impact is the effect of your business on the economy in your area and the generation of economic value.	1. Return on invested capital	NO
				2. Generation of economic value	NO

TICK-BOX TOTAL		YES	NO	N/A
		5	9	2
One final Question to wrap this up:				
Where is your business going from here, what are your next steps? (For instance duplicate the production, penetrate other markets, diversify the customers segment etc.)				
			<i>Pls as an interviewer: make a summary statement and a closing remark about the business here below:</i>	