CBA CASE-STUDY WORKSHOP WITH

RILKE LABS

„Innovation beyond waste"

Thursday, 3rd June 2021 at 11.30 CET

CIRCULAR BUSINESS ACADEMY

WELCOME TO THE TRAINING PROGRAMME COMPETENT SLOVENIA

1. A PART OF THE PROJECT COMPETENCE CENTERS FOR DEVELOPMENT OF HUMAN RESOURCES (KOC 3.0).

2. PROJECT FINANCED BY THE EUROPEAN SOCIAL FUND AND THE MINISTRY OF LABOUR, FAMILY, SOCIAL AFFAIRS AND EQUAL OPPORTUNITIES.

3. IN COOPERATION WITH OUR EXPERT PARTNERS IMPLEMENTING TRAININGS, WE PROMOTE SOFT SKILLS AND ENTERPRENEURIAL KNOWLEDGE .

4. PARTICIPATION AT THIS TRAINING PROGRAMME IS <u>FREE OF CHARGE</u>!

KOC 3.0
Kompetenčni centri
za razvoj kadrov

Javni štipendijski, razvojni, invalidski in preživninski sklad Republike Slovenije

REPUBLIKA SLOVENIJA
MINISTRSTVO ZA DELO, DRUŽINO, SOCIALNE ZADEVE IN ENAKE MOŽNOSTI

EVROPSKA UNIJA
EVROPSKI SOCIALNI SKLAD
NALOŽBA V VAŠO PRIHODNOST

Business case challenge

Defining Rilke's service portfolio based on THERESA's technology by taking into account opportunities arising from diversified market expansion into new value chains and a composite revenue model

Group work
Four working groups will be consisted of a maximum of 6 people each, including a group leader (CBA Circular Expert practitioner) and one representative from the host firm's management team.

Specific challenges to be addressed:
- Target market, target segments and value-chains and early adopters
- Revenue model, IP
- Designing a business proposition

Group focus:
Process specification (groups 1, 3) led by Bojana Omersel-Weeks and Tičo Zupančič
Service organisation (groups 2, 4) led by Martina Puc and Vesna Lavtižar

Business case challenge

"As a startup, a number of challenges lie ahead. We have so far demonstrated the usability of the technology in the sorting of municipal waste streams. However, we are looking for other specific areas of application. Furthermore, finding a suitable revenue model (e. g. technology transfer, subscription, etc.) for that specific market is a crucial step in the commercialisation. Ideally, you would help to design a portfolio of Rilke Labs' services enabling a circular economy based on THERESA's technology."

Rilke Labs' Management Team

PROGRAMME

11.30	**Opening of the programme: Outline of the workshop** **Jurij Giacomelli, Founder, Managing Director, Gm & Circular Business Academy (CBA)**
11.45	Presentation of Rilke Labs Aljoša Hafner, CEO, Rilke Labs
12.00	Q&A
12.10	Case study challenge: Instructions for participants
12.20	Group work initiation Part I: **Identification of Problem – Solution fit**
13.00	Lunch Break
14.05	Group work Part II: **Designing a service**
14.45	Plenary Checkpoint and further instructions
14.55	Group work Part III: **Go-to market strategy**
15.44	Submission deadline for Solutions by the working groups
15.50	Presentations
16.35	Feedback, discussion and synthesis
17.00	End of Programme

Introducing RILKE LABS

A prosperous startup providing data and analysis that can turn scart into valuable resource.

Rilke Labs' Management Team:

Aljoša Hafner

Georgios Kourousias

Peter Šušnjar

Niko Carl

The Value Hill
Source: Achterberg Elisa,, Jeroen Hinfelaar, Nancy Bocken: The Value Hill Business Model Tool: identifying gaps and opportunities in a circular network, 2016

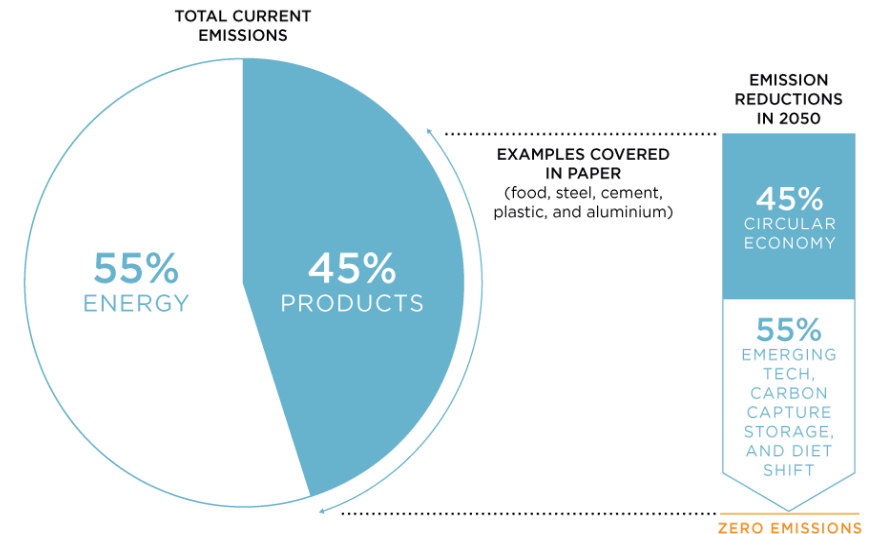# Half of the overall contribution to carbon neutrality must come from the circular economy.

Enormous potential for the wealth creation, but the world in 2019 was only 9% circular, and in 2020 it's down to 8.6%.

The Circularity Gap Report 2020, 2019 and 2018 finds that the global economy is only 8.6%, 9% and 10%circular (respectively), every next year the same measurement was further reduced. That means, only 8.6% of the 92.8 billion tonnes of minerals, fossil fuels, metals and biomass that enter the economy are re-used annually.

Climate change and material use are closely linked. Circle Economy calculates that **62**% of global greenhouse gas emissions (excluding those from land use and forestry) are released during the extraction, processing and manufacturing of goods to serve society's needs; only **38**% are emitted in the delivery and use of products and services.

Yet global use of materials is accelerating. It has more than tripled since 1970 and could double again by 2050 without action, according to the UN International Resource Panel.

COMPLETING THE PICTURE: TACKLING THE OVERLOOKED EMISSIONS

TOTAL CURRENT EMISSIONS

55% ENERGY

45% PRODUCTS

EMISSION REDUCTIONS IN 2050

EXAMPLES COVERED IN PAPER
(food, steel, cement, plastic, and aluminium)

45% CIRCULAR ECONOMY

55% EMERGING TECH, CARBON CAPTURE STORAGE, AND DIET SHIFT

ZERO EMISSIONS

Underpinned by a transition towards renewable energy, a circular economy can help tackle the overlooked 45% of emissions by transforming the way goods are made and used.

ELLEN MACARTHUR FOUNDATION

Ellen MacArthur Foundation, *Completing the Picture: How the Circular Economy tackles Climate Change* (2019)

European Green Deal

Climate change and environmental degradation are an existential threat to Europe and the world. To overcome these challenges, Europe needs a new growth strategy that will transform the Union into a modern, resource-efficient and competitive economy, where

- **there are no net emissions of greenhouse gases by 2050**
- **economic growth is decoupled from resource use**
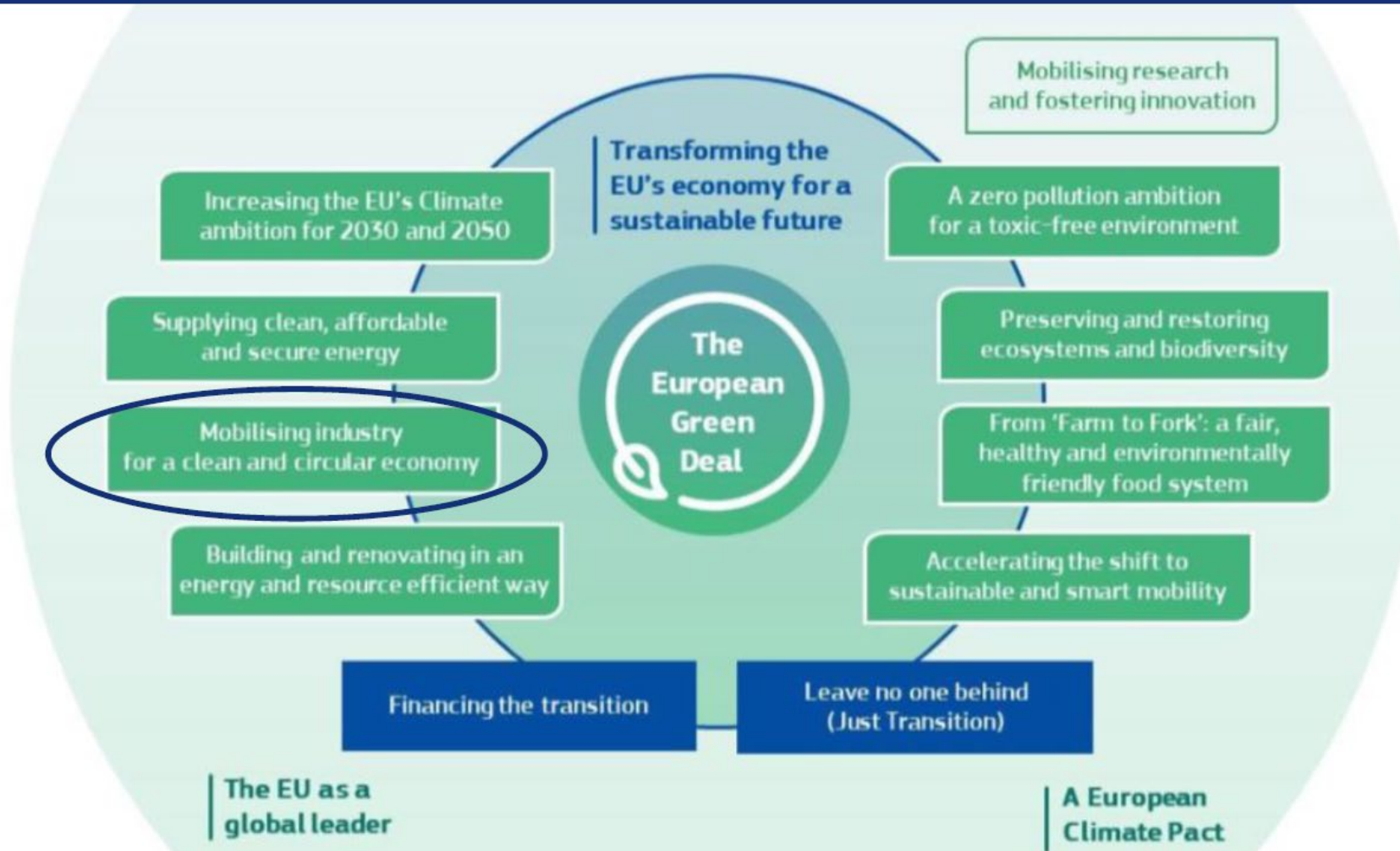- **no person and no place is left behind**

The European Green Deal is our plan to make the EU's economy sustainable. We can do this by turning climate and environmental challenges into opportunities, and making the transition just an inclusive for all.

European
Commission

https://ec.europa.eu/info/node/123797

From the EU Green Deal to Action

European Green Deal

Mobilising research and fostering innovation

Transforming the EU's economy for a sustainable future

Increasing the EU's Climate ambition for 2030 and 2050

A zero pollution ambition for a toxic-free environment

Supplying clean, affordable and secure energy

Preserving and restoring ecosystems and biodiversity

The European Green Deal

Mobilising industry for a clean and circular economy

From 'Farm to Fork': a fair, healthy and environmentally friendly food system

Building and renovating in an energy and resource efficient way

Accelerating the shift to sustainable and smart mobility

Financing the transition

Leave no one behind (Just Transition)

The EU as a global leader

A European Climate Pact

HIGHLIGHTS

Carbon (climate) neutrality by 2050

R&D, innovation

Sustainable mobility

Resource and energy efficiency, transition to sustainable energy sources

Financial framework for financing the green transition
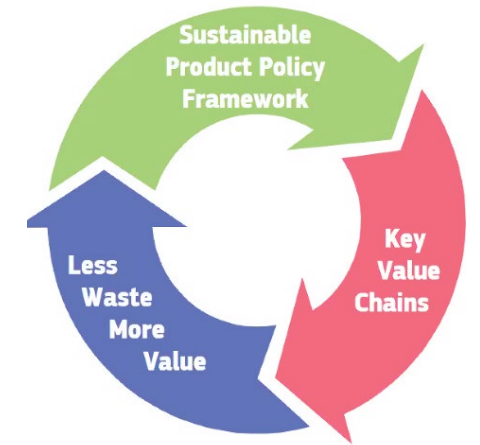
A fair transition

EU Regulatory framework for action

The „what":

CE Action Plan 2020
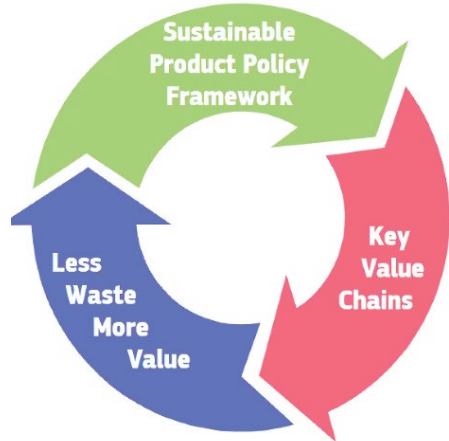
- new industrial and innovation mindset

The „how":

Update of the 2020 Industrial Strategy: towards a stronger Single Market for Europe's recovery

- digitalisation, „Industry 4.0"

- boosting resilience

- decreasing dependency

Goals of the CE Action Plan

Circular Economy Action Plan
For a cleaner and more competitive Europe

Sustainable Product Policy Framework

Key Value Chains

Less Waste More Value

CEAP Tracking Table:
https://ec.europa.eu/environment/circular-economy/pdf/implementation_tracking_table.pdf

35 activities aiming at:

- Design of sustainable and circular products (circular design)

- Strengthening consumer choice

(Consumer protection, right to repair, enforcement of the carbon footprint of organizations and products)

- Enforcement of circular principles in public sector procurement (14% of all procurement in the EU; reporting obligation)

- Reducing waste

(Promotion of the secondary resource market; 40% of operating costs are material costs)

- European leadership in the field of sustainable and circular transition and increasing the competitiveness of the economy (e. g. global agreement on plastics)

- A fair transition at the level of cities, regions and countries

(4 million jobs in the EU are linked to the circular economy, potential for 700.00 more by 2030)

- Focusing the non-core value chains (8):

- - electronics and information technology

- - batteries and vehicles

- - packaging

- - plastics

- - textiles

- - construction and buildings

(Over 50% of all extractions, 35% of all waste in the EU)

- - food

- - water

The Circular Economy Action Plan

*35 actions along the entire life cycle of products, to:*

- Make **sustainable products** the norm in the EU

- **Empower** consumers and public buyers

- **Focus also on key product value chains**: electronics and ICT; batteries and vehicles; packaging; plastics; textiles; construction and buildings; food; water and nutrients

- Ensure **less waste**

- Make circularity work for **people**, **regions** and **cities**

- **Lead global efforts** on circular economy

Towards a Sustainable Product Policy Framework

Our response

- Many **products** break down too quickly, cannot be easily reused, repaired or recycled, and many are made for single use only.

- **Consumers** do not repair products, find too many labels and green claims.

- **Production processes** in Europe are not resource efficient and can pollute our air, water and soil.

Product design

More sustainable production processes

Empowering consumers
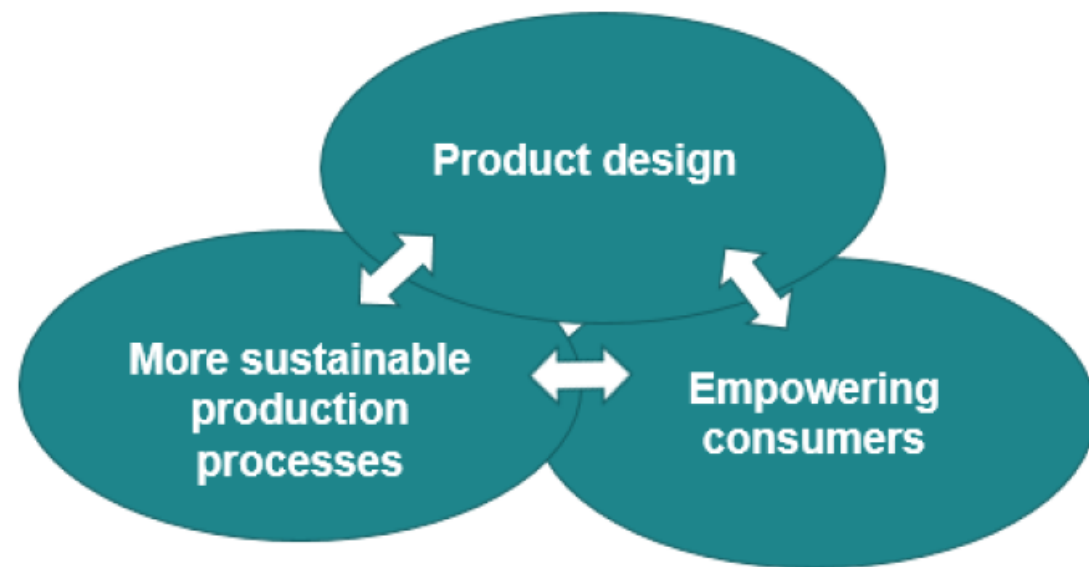
A new **overarching framework** addressing all products placed on the EU market, supporting more sustainable patterns of consumption and cutting waste by e.g. promoting better design

European Commission

Empowering consumers and public buyers

- Revision of the **consumer law**: consumers to receive trustworthy and relevant information on products at the point of sale

- Establishing a new "**Right to repair**"

- Legislative proposal to ensure companies substantiate their **environmental claims** using Product and Organisation Environmental Footprint methods

---

Public authorities' purchasing power represents

14%

of EU GDP

- Proposal for **mandatory Green Public Procurement** (GPP) criteria and targets in sectoral legislation

- Phasing-in **mandatory reporting** on GPP

European Commission

Less waste, more value

- Preventing waste from being created in the first place is key
- Once waste has been created, it needs to be transformed into high-quality resources

- **Specific waste reduction targets** for more complex streams

- Enhance the implementation of the requirements for **EPR schemes**

- Continue **modernising EU waste laws** (e.g. batteries, packaging, end-of-life vehicles, hazardous substances in electronic equipment)

- Propose to harmonise separate **waste collection systems**

- Review rules on **waste shipments** facilitating recycling or re-use within the EU; with also the aim to restrict exports of waste that cause negative environmental & health impacts

Key product value chains

Food, water & nutrients

Electronics and ICT

Batteries & vehicles

Construction & buildings

Circular Economy Action Plan

For a cleaner and more competitive Europe

Packaging

Textiles

Plastics

Making circularity work for people, regions and cities

A joint agenda, a transition where no one is left behind ✅

Main actions:

- Revision of the Skills Agenda

- A new Pact for Skills

- Cohesion policy funds
  (to help regions implement CE strategies & reinforce their industrial fabric)

- Just Transition Mechanism

4 million jobs
linked to the
circular economy
in the EU

European
Commission

Taxonomy and financial intermediation

In order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, a common language and a clear definition of what is 'environmentally sustainable' is needed. This is why the **action plan on financing sustainable growth** called for the creation of a common classification system for sustainable economic activities, or an "EU taxonomy".

EU taxonomy is a classification system, establishing a list of **environmentally sustainable economic activities**. By providing appropriate definitions to companies, investors and policymakers on which economic activities can be considered environmentally sustainable, it is expected to create security for investors, protect private investors from greenwashing, help companies to plan the transition, mitigate market fragmentation and eventually help shift investments where they are most needed. An **IT tool** that will facilitate the use of the taxonomy - to be available in early 2021.

Platform on Sustainable Finance: an advisory body subject to the Commission's horizontal rules for expert groups, **enabling dialogue and close cooperation among a wide range of stakeholders from the public and private sector** - crucial to deliver on the aims of the **EU Taxonomy Regulation.** The platform assists the Commission in developing its sustainable finance policies, notably the further development of the EU taxonomy.

The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It establishes the framework for the EU taxonomy by setting out four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable.

The Taxonomy Regulation establishes six environmental objectives:
- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems
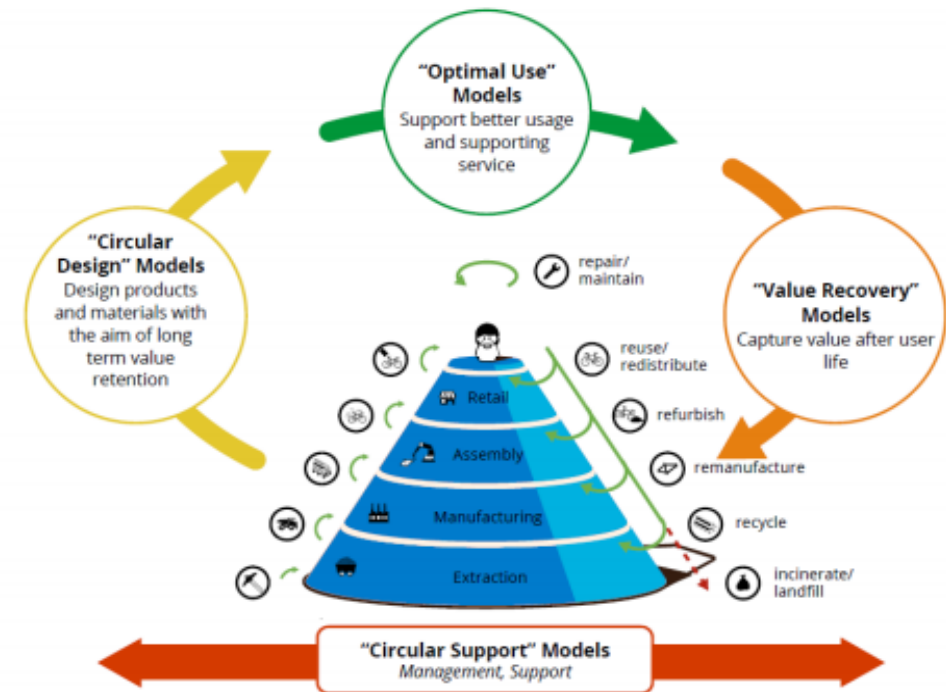
The RILKE LABS dilemma

Potential service value:

- Smart sorting facilities with advanced process control

- Higher sorting efficiency by using advanced detection methods

- Automating manual sorting labour

What is Rilke Labs' positioning, USP?

- How to structure their service?

The Value Hill
Source: Achterberg Elisa,, Jeroen Hinfelaar, Nancy Bocken: The Value Hill Business Model Tool: identifying gaps and opportunities in a circular network, 2016

Meet the group leaders

Bojana Omersel-Weeks

Circular Expert Practitioner
Institute Jožef Štefan

Tičo Zupančič

Circular Expert Practitioner
Growfield

Martina Puc

Circular Expert Practitioner
Res-Pons

Vesna Lavtižar

Circular Expert Practitioner
IGES, Japan
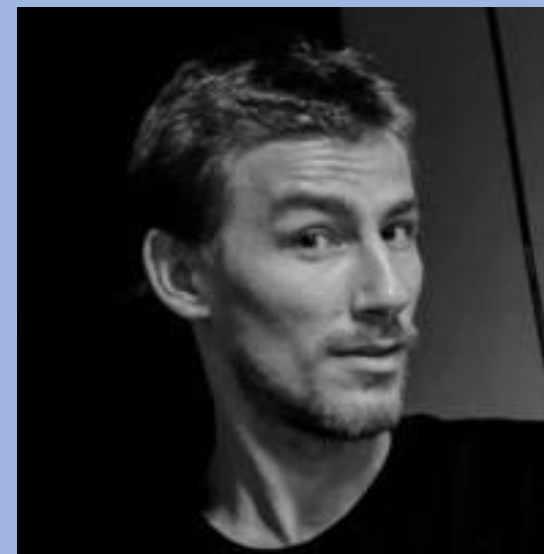
Support team of facilitators

Jurij Giacomelli

Founder
Circular Business Academy

Sebastian Žužek

Project Manager
Circular Business Academy

Ram Dušić Hren

Business Consultant
CBA /Bright3r

Group work instructions

Four working groups will be consisted of **a maximum of 6 people each**, including a group leader (CBA Circular Expert practitioner) and one representative from the host firm's management team.

At the beginning of the workshop you will be assigned to one of the four groups.

Group work will consist of three parts each focused on a different segment of the challenge. You will be using business model canvas tool to design the business solution for Rilke Labs.

Key finding will be presented in a form of a short 5minute presentation.

SUBMISSION DEADLINE: 15.45

Group work: Content

Part I: Identification of Problem – Solution fit
Target market identification and quick analysis
Value chains and early adopters
Unique value propostion

Part II: Designing a service
Channels, partners
Revenue modelPricing

Metrics and milestones

Part III: Go-to market strategy
Risks identification
L-T Financing issues and options
Next steps recommendation – service design and organisation

PROBLEM	SOLUTION	UNIQUE VALUE PROPOSITION	UNFAIR ADVANTAGE	CUSTOMER SEGMENTS
List your top 1-3 problems.	Outline a possible solution for each problem.	Single, clear, compelling message that states why you are different and worth paying attention.	Something that cannot easily be bought or copied.	List your target customers and users.
	KEY METRICS		**CHANNELS**	
	List the key numbers that tell you how your business is doing.		List your path to customers (inbound or outbound).	
EXISTING ALTERNATIVES		**HIGH-LEVEL CONCEPT**		**EARLY ADOPTERS**
List how these problems are solved today.		List your X for Y analogy e.g. YouTube = Flickr for videos.		List the characteristics of your ideal customers.

COST STRUCTURE	REVENUE STREAMS
List your fixed and variable costs.	List your sources of revenue.

THANK YOU FOR PARTICIPATING AT THE TRAINING PROGRAMME COMPETENT SLOVENIA!

YOU WILL RECEIVE AN EMAIL WITH A SURVEY ON SATISFACTION WITH TODAY'S TRAINING.

WITH YOUR HELP WE WILL BE ABLE TO CONTINUE ORGANISING EVENTS WITH HIGH QUALITYCONTENT .

THE KOC 3.0 PROJECT TEAM WISHES YOU SUCCESSFULL APPLICATION OF NEWLY ACQUIRED KNOWLEDGE AND SKILLS!