

Toolkit

Circular Economy Toolkit for Tourism Entrepreneurs

A toolkit on how to get started with circular entrepreneurship.



Colophon

Facilitate the adoption of circular entrepreneurship in tourism and leisure sector (FACET) is an Interreg 2 Seas 2014 - 2020 project. Interreg 2 Seas is a European Territorial Cooperation programme. FACET has received funding from the Interreg 2 Seas programme 2014 -2020 co-funded by the European Regional Development Fund.

More about the project: <http://www.facetwiki.eu>

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THE TOOLKIT

The [Interreg 2Seas project FACET](#) (Facilitating the Adoption of Circular Entrepreneurship in the Tourism and Leisure Sector) seeks to support tourism entrepreneurs in the 2Seas region of Europe to implement circular economy solutions in their business operations.

The 2Seas region includes coastal destinations of the United Kingdom, France, Belgium, and the Netherlands. An important part of the project is to support tourism entrepreneurs in identifying, planning for, and implementing circular economy solutions. Therefore, it was important to develop circular economy tools for tourism entrepreneurs. To ensure wider accessibility, the tools were developed, tested, and refined before becoming part of this toolkit for tourism entrepreneurs. The toolkit was tested, and it is particularly targeted to tourism small and medium-sized enterprises.

HOW TO USE THE TOOLKIT

The toolkit consists of **five interconnected steps** which can be followed by tourism entrepreneurs and their teams willing to identify and adopt circular economy solutions.

- **STEP 1** – Conduct an initial **business assessment** to identify the needs and opportunities.
- **STEP 2** – Develop an initial **action plan** for the identified and selected circular strategies.
- **STEP 3** – Finalise the **circular design proposal** of the selected circular strategies.
- **STEP 4** – Visualise the proposed **new business model**.
- **STEP 5** – **Monitor** progress and achievements.

The toolkit can be used by tourism entrepreneurs and their teams and provide guidance to internal decision-making regarding circular economy strategies.

In **STEP 1**, an initial business assessment is conducted. In this assessment, the needs and opportunities for the implementation of circular economy solutions can be identified. This is achieved by mapping the current business operations. The circular economy opportunities that are identified in STEP 1, will inform STEP 2. In fact, as an outcome of STEP 1, one or more circular changes will be selected for the business. In **STEP 2**, an initial action plan guiding the implementation of the selected circular change/s is developed. The action plan covers all phases of a circular transition, from idea generation to implementation and operation. For each phase, the needed activity for implementing or operating the circular solution is described along with the partners involved and achievement date.

In **STEP 3**, the circular design proposal of the selected circular strategies is specified in accordance with the 9-R strategies of a circular economy. In **STEP 4**, the triple-layer business model canvas is used to visualise the proposed business model by considering the environmental and social impacts of business operations in addition to economic considerations. **STEP 5** provides a tool to monitor the implemented circular economy solutions to identify the short-, medium and long-term achievements.

STEP 1 – CONDUCTING AN INITIAL BUSINESS ASSESSMENT

The first step for a business transition to a circular economy is to conduct an initial business assessment to identify needs and opportunities.

The initial assessment allows the entrepreneurs and the rest of the team to:

1. Identify the needs and aspirations of implementing circular solutions.
2. Compare aspired circular solution ideas with non-circular current practices.
3. Gather initial baseline data on existing non-circular practices.

To conduct the initial evaluation an **Evaluation Template** can be used. The Template is therefore used at the very early stage of the circular transition of the business. This first tool can be used by the entrepreneurs and the team, or by a consultant to guide initial evaluation meetings and workshops.

The template on the next page simply provides several guiding questions (COLUMN 1) to be asked during the meeting/s and brainstorming sessions which help build the visualisation of the current situation and potential “circular” directions in COLUMN 2. In every template we left you some room to make notes for yourself if needed.

Evaluation Meeting Template

PART 1 - Value Proposition	
COLUMN 1 - Guiding questions for your team	COLUMN 2 - Note your answers and ideas
Here, you can understand your aspiration in adopting circular practices and in improving the performance of your operations. At the end of PART 1 you should be able to identify the problem/s to be solved, what needs to be achieved and how changes may affect the customers.	
1. What is the value(s) you are offering to your customers? e.g., sea view, friendly environment?	
2. What are the “circular” changes that you aim to make on your operations, products, or services?	
3. What is the added value(s) you want to provide to your customers in the future? And are these new values likely to meet current and future customers’ needs?	
4. Do you foresee any difficulties in satisfying these needs or making those changes?	
Notes	

PART 2 - Key resources used in business-as-usual

In this section you can understand a bit more about your current business-as-usual operations that are relevant to consider in light of your ambitions. E.g., if the intended change or circular solution is about food waste, then let's focus the discussion on operations related to food waste.

- | | |
|--|--|
| 1. What are the key resources used for the existing operations that are relevant to consider in light of your ambitions? | |
| 2. Which are the "problems" or disadvantages of the above baseline - regarding your existing operations, resources/materials? Which elements are not circular? | |
| 3. Provide details, e.g., kg of waste/week, kWh electricity, m3 of water per month, and their seasonality. (Existing collected data, estimations, or able to collect some data in near future) | |
| 4. What are the Human resources involved in that operations (in relation to the identified potential circular strategy)? Or other resources in addition to Human? | |

Notes

PART 3 - Key activities in business-as-usual-case

In this section you can identify and describe which activities needs to be changed to implement your circular solution

1. Describe the current activities that need to be changed.

2. Describe and specify the key steps or activities related to the intended circular changes that are to be changed to circular operations.

Notes

PART 4 – Key partners

In this section you can identify the key partners in relation to the circular solution you intend to apply and any challenges to their involvement.

1. Who are the key partners involved under the current arrangement? e.g., Waste collector? Raw food suppliers? Coffee bean suppliers? Provide name of companies, if possible?	
2. What are their key interests and/or responsibilities?	
3. Are these partners willing to be involved in your aspired circular practices? <i>(Please state why /why not)</i>	
4. When adopting circular solutions, would any challenges occur with these partners? Could these challenges be resolved? If yes, How?	
5. What attributes / characteristics / motivation do the partners need to join and support your circular solution/s?	

Notes

PART 5 - What is your existing and potential new customer segment?

In this section you can understand your existing and new customers, their characteristics, how you reach and build a relationship with them.

- | | |
|---|--|
| 1. Who are your target customers? Describe their age/gender/ethnicity, social class, income group, etc.? | |
| 2. Where are they come from? transport? Group? Individual? Couple? Their booking/purchasing behaviours and methods? | |
| 3. Do the potential new customers to attract based on the circular solution differ (e.g., in their needs, viewpoints, ...) from existing customers? If yes, please how? | |

Notes

PART 6 - What are your existing customer channels?

In this section you can describe the customer channels you are using in business-as-usual

1. How do you reach out to/ communicate with / recruit your target customers? E.g., Via tour agents? Social media? Online platforms?

2. Do you use different channels to reach different groups of customers? If yes, please describe.

Notes

PART 7 - How do you currently build customer relationship

In this section you can describe how relationship is built with the customers.

- | | |
|---|--|
| 1. Are your customers mainly one-off customers or returning customers? | |
| 2. Is building customer relationship important for your business? Why? | |
| 3. How do you currently build customer relationship with existing customers? Royalty card? Discount? Social-media engagement? | |

Notes

PART 8 - Costs (of the existing operations – which will be changed to circular solution)

In this section you can look at the costs and revenues related to your existing operations – not everything about your operations but the elements you intend to change to be more circular

1. What are the costs in relation to the existing operation? Can you provide some estimations? Weekly? Monthly? Or annually? Any seasonality? e.g., cost of water consumed per month or per year? Costs of waste collection and disposal (per collection? Per months? Per kg?), cost of the plastic cup?

2. Do you have any capital investment on the existing operations (which is to be changed to circular)? e.g., I have invested in a non-circular solution 5 years ago – XXX million.

Notes

PART 9 - Revenue streams

In this section you can detail the revenue streams and any changes that these revenue streams may incur as a result of the circular solution

- | | |
|--|--|
| 1. Do the current operations (which is to be changed to circular) involve any revenue? | |
| 2. Which part of your revenue might be affected (decrease or increase) if you implement the proposed circular solution? e.g., what is the average price of the accommodation in your campsite? (for normal accommodation, not green or circular accommodation) | |

Notes

STEP 1 should have provided a detailed overview of the business-as-usual practices and helped identify one or more circular economy solutions that can be applied in the future, along with any challenges that may be encountered. Having identified the circular actions, in STEP2 an action plan for their implementation can be made.

STEP 2 – DEVELOPING AN INITIAL ACTION PLAN

The initial assessment should help entrepreneurs identify the circular solutions that will be implemented. In this second step, an Action Plan should be developed for the implementation of the selected circular initiative.

The Action Plan Tool, therefore, aims to identify the actions to be undertaken based on the identified potential circular strategies and baseline. The actions to be undertaken are subdivided into **5 phases** to ensure that an action plan is constructed to guide circular solutions from their initial conceptualisation to their implementation and management.

The 5 phases are:

PHASE 1 - Idea Generation

PHASE 2 - Idea Confirmation

PHASE 3 - Detailed Design

PHASE 4 - Implementation or Construction

PHASE 5 - Operation

For each phase, the team should identify the actions to be undertaken to implement the selected circular solution. In order to identify and plan for the actions, **the tool provides 5 columns**, each to be compiled throughout the 5-implementation phase of the circular solution.

1. **Type of action:** where to specify the type of action implemented based on the selected circular solution. This can be e.g., an action related to building, permits or finance.
2. **Action:** where to specify the action to be undertaken based on the selected circular solution. This can be e.g., applying for permits, applying for loans, and organise training.
3. **Involved partners:** where to identify existing and/or new partners to be involved for each of the identified action throughout the 5-implementing phases
4. **Description:** where to describe in detail the nature of the actions and other relevant notes.
5. **Plan date:** where to set a date for when the action should be achieved.

ACTION PLAN TOOL TEMPLATE



Type of Action	Action	Involved partner(s)	Description	Plan Date
PHASE 1 - Idea generation e.g., brainstorm, find & check basic facts, talk to potential suppliers, generate options				

PHASE 2 - Idea Confirmation e.g., finalise options, form alliance/joint purchase/contracts, obtain relevant approvals & permits, obtain finance				

PHASE 3 - Detailed Design e.g., detailed design of the circular initiative, circular furniture design				

PHASE 4 - Implementation/ Construction
e.g., actual implementation of the initiative

PHASE 5 - Operation
e.g., trainings, regular maintenance, promotional activities

In STEP 2 of the transition, specific actions that are needed to implement the circular economy solution were specified along with any key partner to be involve. Each action was described, and key achievement dates set by the team.

In STEP 3, there is an optional tool to be used when a list of material inventory should be made to plan for the implementation of a circular solution. For example, when constructing circular economy building.

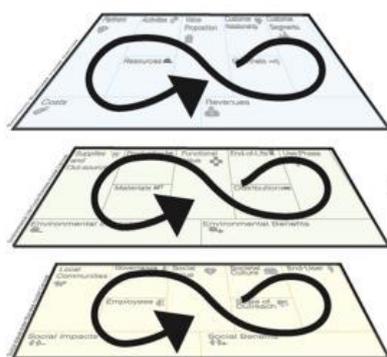
CIRCULAR DESIGN PROPOSAL

Material	Business as usual practices	Circular design proposal	(9)R-Strategy

STEP 4 – VISUALISING THE PROPOSED NEW BUSINESS MODEL

During FACET, various new business models have been put to the test to implement circular initiatives. To guide that process, it can be helpful to put your circular business ideas onto paper on a business model canvas. For circular business models we recommend using the Triple Layered Business Model canvas, in addition to the economically focused layer, you will add an environmental layer based on lifecycle perspectives of your product as well as a social layer based on stakeholder perspectives. By taken together the three layers show you how your business is impacting the world in the broadest sense.

Horizontal coherence

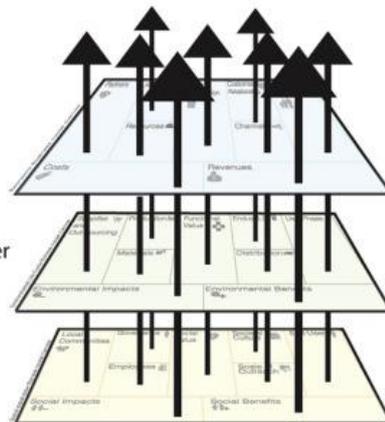


economic layer

environmental layer

social layer

Vertical coherence



The triple layered business model canvas creates two new interaction dynamics: horizontal and vertical coherence (Joyce and Paguin, 2016).

The tool

The pages below, is for you to use creating your business ideas and exploring what the actual value is on the economic, environmental, and social layer. The tool is prefilled with guidance questions and examples based on a circular tourism accommodation project.

Economic Layer

Value Propositions	Customer Segments	Channels	Customer Relationships
<p>What value do we deliver to the customer? Which customer needs are we satisfying?</p>	<p>For whom are we creating value for? Who are our most important customers?</p>	<p>How to reach the target customers? Existing ways? And potential ways?</p> <ul style="list-style-type: none"> - Create brand awareness - Help customer to evaluate the value - How to purchase, delivery? After sales? 	<p>What customer relationship to build and maintain? How to integrate into the business model? Co-creation?</p>
<i>Ex. Provide a circular accommodation</i>	<i>Ex. Conscious holidaymakers who love nature</i>	<i>Ex. Own website</i>	<i>Ex. Provide educational information on circular design</i>
Key Partners	Key Resources	• Key Activities	
<p>Who are our key partners? What are the mutual motivations? Who are our key suppliers? Which key resources are they provide? Which key activities do partners perform?</p>	<p>What key resources to provide the value proposition Physical? Intellectual (brand, patents, data)? Human? Financial?</p>	<p>What key activities do our Value Propositions require? & Schedule? Pre-implementation During implementation • Post-implementation</p>	
<i>Ex. Circular builders/construction companies</i>	<i>Ex. Sustainable business case, supported by grants.</i>	<i>Ex. To explore options for circular building – with value chain suppliers of pre-fabricated accommodation.</i>	
Cost/negative impacts		Revenue/positive impacts	
<p>How much capital investment required? Over how long (short term, one off or a few years) Source of financing the capital investment? What are the operation costs? Fixed costs? Variable costs? What is the break-even point?</p>		<p>Any reduction in operating costs? Any increase in revenue? What value our new customers are willing to pay? What do they currently pay? Pricing mechanism? Expected volume of sales and contribution to bottom line Estimated returns (pay-back period?)</p>	
<i>Ex. Capital investment: 1 million euro, expected payback in 5-8 years</i>		<i>Ex. Increase in rent / price per night</i>	

Environmental Layer

Supplies & Outsourcing	Production	Function Value
<p>Which activities and materials are used but not considered as 'core' to the business model?</p> <p>Which actions are unique to the organisation/ which are common for circular accommodations?</p> <p>Which actions are outsourced</p>	<p>What actions are taken to create value in daily life usage?</p>	<p>How is a positive ecological value achieved? (Reduction of residual waste streams/ energy consumption reduction)</p>
<p><i>Ex. Consideration of investing in external contractor to supervise work ongoing at the suite, as this is time-consuming</i></p>	<p><i>Ex. Terraces are considered to build with stone or wood</i></p>	<p><i>Ex. Surplus soil is reused</i></p>
Materials	Distribution	End of life
<p>Which circular material has been used? (e.g. biodigester, special waste bins...)</p>	<p>Are the current logistics processes related to the incoming and outgoing flows? Flows include purchasing of goods, waste, etc. – how many kilometres are made for this?</p>	<p>Are there any waste streams that are not reusable?</p> <p>What happens with waste streams that are non-reusable?</p> <p>Can all products be reused? What happens to the non-reusable at the end of life?</p>
<p><i>Ex. Circular furniture</i></p>	<p><i>Ex. Disposal of soil nearby (less Co2/ transport reduction)</i></p>	<p><i>Ex. Lego concrete blocks can be reused</i></p>

Environmental Impacts	Use Phase	Environmental benefits
<p>What are the burdens associated with functional value? How does the business model negatively affect the environment?</p>	<p>How are the guest contributing to the circular system?</p>	<p>How is environmental value created (beyond financial value)? Any reduction of negative effects?</p>
<p><i>Ex. Potential adjustments of surroundings</i></p>	<p><i>Ex. Waste separation</i></p>	<p><i>Ex. Usage of land which was lying idle before</i></p>

Social Layer

Local communities	Governance	Social value
Which partners are involved to realize social values?	Which core activities and core processes are self-appointed regarding social values?	What are the social benefits for stakeholders and society?
<i>Ex. Insect hotel was produced by a local social enterprise</i>	<i>Ex. Only on website</i>	<i>Ex. Indirect employment to local community.</i>
Employees	Social culture	Scale of outreach
What is the role of the employee as a core stakeholder of the organization in relation to the circular business model?	What is the potential impact of the organization on the society as a whole? E.g. culture of individuality by making the product offered per piece.	What is the relationship between the company and the stakeholders and how does this relationship characterize? Longterm/ short term relationship; geographical area.
<i>Ex. Enhanced awareness of circularity among staff members</i>	<i>Ex. The building strengthens the local community and raise awareness of circularity by ...</i>	<i>Ex. Networks created between the holiday park, architects and building companies.</i>

Social Impacts	End user	Social benefits
<p>What 'costs' emerge in realising social value? (necessary monetary aspects, social discomfort)</p>	<p>How does the value proposed addresses the needs of the end-consumer (in this case the guests)? How is the value proposed /the value consumed by end users contributing to their quality of life?</p>	<p>What are the positive social aspects created?</p>
<p><i>Ex. Ongoing exchange with local councils and the community about possible overcrowding.</i></p>	<p><i>Ex. Ultimately it is a holiday which brings relaxation to guests.</i></p>	<p><i>Ex. It attracted more holidaymakers to the region, and had a positive impact to the local community.</i></p>

STEP 5 – MONITORING PROGRESS AND ACHIEVEMENTS

During the FACET project, various pilot projects have been established on the local level to implement circular solutions. To evaluate the success and impact of those pilots, it was helpful to quantify the circularity of each pilot. To guide small and medium enterprises in the evaluation process we developed the Evaluation and Monitoring Tool.

SR Strategies	What solution are you monitoring?	Which KPIs (indicator) did you select to monitor your solution?	Unit of measurement (to adjust based on KPIs)	What is the current value? BASELINE BEFORE APPLYING THE SOLUTION (to adjust based on KPIs)	Date	Target you want to reach?	Target date	How often will you monitor the KPIs?	1st Monitoring Value	Date	Progress (% change) since baseline
RETHINK	SOLUTION 1:			0%				Monthly	100%		100%
				0%				0%		100%	
	SOLUTION 2:			0.00				0.00		100%	
				0%				0%		100%	
REUSE	SOLUTION 3:			0%				0%		100%	
				0%				0%		100%	
				0.00				0.00		100%	
REDUCE	SOLUTION 4:			0%				0%		100%	
	Additional			0.00				0.00		100%	

The format of the monitoring tool

This basic excel file, that can be found on the website page of this toolkit, is made to monitor the success of your circular initiatives over time, take the following steps to fill this document:

1. List your circular solutions (f.e. improved recycling of paper; reuse of water; saving energy)
2. Which R strategy does this initiative refer to (view list on the second tab "KPI selection list")
3. For each initiative list the possible quantifiable indicators (f.e. kg of paper collected, m3 of water reused, Kwh energy saved)
4. Determine the monitoring length in time (f.e. montly or annualy)
5. Insert your baseline data (f.e. how much paper did you collect before separating waste, how much residual waste did you have in those months/year?)
6. Insert the target you want to reach (f.e. 100% paper recycled, 3000m3 of water reused, 50% of energy saved).
7. The following months/years after implementing your solutions, insert your new KPI indicators under the first monitoring data, and add the date of your monitoring day.
8. The second monitoring moment the following month or year insert your second values.
9. The tool should auto-calculate your quantified results in the progress % column.

ADDITIONAL RESOURCES AND TOOLS

Within the FACET project, several resources and tools have been developed to help stakeholders in the tourism sector with the transition to a circular economy. Some examples found under the heading 'resources' on our website:

- **Information on collaboration in CE for entrepreneurs** - As an entrepreneur, how do you work with other actors in the value chain on circular economy solutions? This page offers you all you need to get started!
- **Joint purchase** - How to apply circular economy solutions through joint purchase initiatives.
- **Whitepaper on financing** - How Can Tourism SMEs Use Reward-Based Crowdfunding to Finance Circular Solutions?
- **Practical toolkit circularity** - A concept has been developed together with a communication agency that allows organisations to communicate in a positive way about waste and the circular handling of waste.

Want to know more about these resources and tools? Then visit <http://www.facetwiki.eu>

References

Joyce A. and Paquin R. L. (2016). The triple layered business model canvas: A tool to design more sustainable business models. *Journal of Cleaner Production*, v. 135, p. 1474-1486.

Potting J, Hekkert M, Worrell E and Hanemaaijer A, (2016). *Circular Economy: Measuring innovation in product chains*. PBL Netherlands Environmental Assessment Agency, The Hague.

ABOUT THE FACET PROJECT

The EU Interreg 2 Seas FACET project implements measures to encourage entrepreneurs in the tourism sector to apply circular solutions within their companies, thereby creating new sustainable revenue models. With a strong consortium of project partners from Belgium, England, France, and the Netherlands, experiments are being conducted with circular applications in the fields of accommodation, waste reduction, and circular operations.

As a coastal region, the 2 Seas region (covering the coastal areas of Belgium, England, France, and the Netherlands and connected by the Channel and the North Sea) has traditionally been a tourist destination with a strong impact on the regional economy. However, tourism also entails the mass consumption of raw materials and puts pressure on their limited availability in the region, where industry, agriculture, and tourism are already competing. Circular solutions are needed to ensure that tourism remains economically beneficial. Moreover, the COVID-19 pandemic has induced a crisis in the tourism and leisure sector; many tourism firms have suffered – many businesses are in stagnation or facing survival challenges. Now is the time to look at how we have organised our society and economy and how we want to build our systems more sustainably, in the post-COVID era.

Throughout the 2 Seas area, FACET locally develops various practical, accessible, and small-scale pilot and demonstration projects to help entrepreneurs gain practical knowledge and experience to make circular business models. FACET provides expertise and support in setting up these pilots.

Interreg 2 Seas 2014-2020 is a European Territorial Cooperation Programme for England, France, the Netherlands, and Belgium. The Programme is co-financed by the European Regional Development Fund (ERDF). The objective is to develop an innovative, knowledge and research-based, sustainable and inclusive 2 Seas area, where natural resources are protected, and the green economy is promoted.

Project partners



Norfolk County Council

Looking for contact or more information about the project? Visit our website www.facetwiki.eu or follow us on [LinkedIn](#).