

# The Green Entrepreneurship – White Paper

Wisam Shamroukh  
Information Technology Center of Excellence  
Hebron, Palestine  
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**Abstract— This paper introduces the definition of green business and green entrepreneur. It highlights the factors distinguishing the green business and what makes green entrepreneurship different. Ecopreneurship, Enviropreneurship, business sector and the domain in which entrepreneurs may apply or come up with feasible ideas are discussed. The focus is on entrepreneurial ideas and projects that have three major impacts; namely environmental, economic, and societal. The basic elements of a business plan and a marketing plan are outlined. The ideas here are based mainly on the authors experience in teaching entrepreneurship and innovation with the focus on green projects and ideas.**

**Keywords—Green Entrepreneurship; Ecopreneurship; Enviropreneurship; Sustainability;; Economy; Society.**

## I. THE DEFINITION OF GREEN BUSINESS AND GREEN ENTREPRENEUR.

Enterprising individuals strive hard and do a lot of efforts to transform their enterprising ideas into reality. Reality means creating businesses or forming a sort of organization that offers a service or sells a product. This is the essence of entrepreneurship; to come up with a sustainable organization that sells a product or a service, or an organization that offers non-for profit services (social entrepreneurship.) These enterprising people are found in all sectors of any society, they contribute to the economical growth, and they transform themselves from job seekers into job creators. They also expand from small businesses into large companies. However, entrepreneurs face risks and uncertainty while trying to achieve profits and growth opportunities, they apply creativity and innovation to needs and opportunities in the marketplace. Once enterprising people use their creativity and innovation in trying to solve problems or satisfy needs or wants, entrepreneurship arises. Entrepreneurship is the process of transforming the current situation into an opportunity or turn ideas into business reality. It is all about new opportunities and change.

## II. THE ROLE OF GREEN ENTREPRENEUR

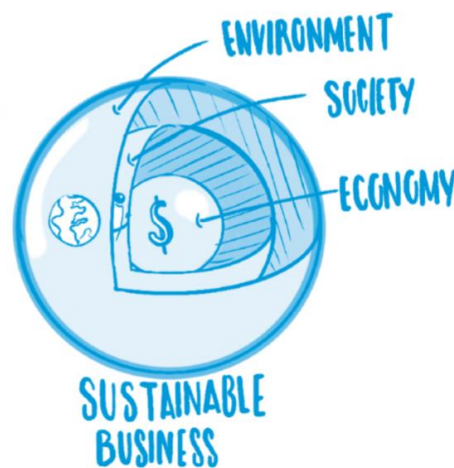
“Green entrepreneurs make their business green or enter green business; therefore the green entrepreneurship can be defined in terms of the technology used for production in any sector of the economy, or in terms of the sector firms are active in, in which case the attention is restricted to the parts of the economy producing specific types of output<sup>1</sup>.”

Here comes an important and a leading role for entrepreneurs when the business community tends to adopt green business practices, where they convince the business community in many sectors of the benefits and profitability of being

ecopreneurs and enviropreneurs. Ecopreneurs may not be easily distinguished from conventional entrepreneurs. Still, they can be described with some characteristics which are related to 'environment', and conventional entrepreneurs can be convinced to enter the green sector by encouraging ideas that are related to 'environment' that substantially have societal impact as well as an economic one. Simply targeting issues related to society makes entrepreneurs much closer to environment issues as long as they adopt the 'greening' of their business, solving specific environment problems, or satisfying environmental needs or wants. As the societal dimension of green business is vital and important, entrepreneurs need have passion about making society a better place in order to generate revenue.

## III. GREEN ENTREPRENEURSHIP DIMENSIONS: ENVIRONMENT, ECONOMY AND SOCIETY

Green entrepreneurs may realise that any business activity will have effects on the environment and society due to the use of resources, generation of waste and provision of goods and services. Accordingly, they will develop their business considering three dimensions: economy, environment and society. This has a clear consequence: whatever the business activity is, it will have an impact on society and the environment, and in return, anything that happens in the social and environmental spheres will impact on the business activity. That interdependence is a given fact for any business. If green entrepreneurs consider business design and planning to the full, they can take advantage of it and turn it into an opportunity!



*The three dimensions of a green business project.*

Considering the three dimensions –economy, environment and society–will give a business the best chance to achieve success in the long term!

<sup>1</sup> Giovanni Marin, Research about Green Entrepreneurship.

#### IV. THE GREEN CONTEXT

Companies operate in a specific context, which is primarily shaped by the country or region where a company is based, but it may also be affected by global factors. The forces of change are all those factors (Political, Economic, Social, Technological, Environmental and Legal) that can have an impact on business. From these, a particular emphasis should be put on environmental factors due to the nature of green business. Companies that take them into consideration are able to foresee opportunities and avoid potential threats caused by long term changes and trends in the business environment.

Some of the major global trends that affect today's businesses are found in areas such as: demography, energy production and demand, climate change effects, biodiversity, water access and supply, health and sanitation, human rights, governance, technology, natural resources, consumer behaviors, trade, economic development, etc. For a farmer, as an example, climate change may result in water scarcity, forcing him/her to use water more efficiently.

Political, Economic, Social, Technological, Environmental and Legal (PESTEL) aspects, at the local, regional and global level, exert an influence on businesses.



*The forces of change acting on our business.*

#### ENVIRONMENTAL ASPECTS

Environmental aspects are central to green businesses. The fact that natural resources are limited at the planet level, may constrain or restrict the development of businesses. For this reason, those businesses that deal with these contextual factors from the beginning (e.g. by avoiding dependence on fossil fuels) will gain competitiveness in the global economy. The main environmental limitations posed by the planet are described as:

1. Limited availability of resources. The pool of 'resources' from which business and companies can draw is getting smaller, as nature and the ecosystems are degraded at a rate faster than their regeneration possibilities. Example: over-harvesting, fossil fuels depletion, etc.
2. Increasing generation of waste and emissions. The pollution generated by businesses and society can cause problems when nature's ability to process it is

slower than its accumulation rate. Synthetic compounds are foreign to nature and often cannot be reintegrated within nature's cycles. Example: certain plastics, pesticides, etc.

#### ENVIRONMENTAL AND SOCIAL VALUE

Environmental value relates to the ability of a business to create value by protecting and preserving the environment through its activities and those of its customers and stakeholders. Social value creation, on the other hand, is about leveraging businesses to address social issues. Combining both angles, green businesses create environmental value by tackling environmental challenges (a key driver for their existence) through its business solutions and operations, and social value by empowering their stakeholders (including employees, suppliers, communities and future generations) and meeting the needs of their customers.

Environmental value is created when the environmental challenges we tackle permeate into the value proposition through the stakeholders and/or customers, meaning some of these players appreciate and demand action towards those eco-objectives.

#### V. GREEN BUSINESS PLAN

Green entrepreneur must prepare a business plan, where they express the three basic dimensions of green business; economic, societal and environmental, as well it is used for one or more of the three purposes:

1. As a roadmap for the implementation of the green project and its activities. They will decide on when to use certain resources and what for. Hiring new employees, renting offices or locations and any other activity will be outlined and known well in advance so that proper scheduling is produced. Entrepreneurs refer to the business plan all through their business operations, as well they evaluate the progress of their operations and measure success.
2. As a CV for the project so that to refer back to activities and events that have been completed. Entrepreneurs need to learn lessons from their failures, so referring to past activities helps them track all operations and make sure where the failure comes from, at what stage and in which part of the operations.
3. As a part of a proposal to investors who may be interested in supporting or financing green businesses. Angel ventures look for certain elements of their interest in the proposed project. They usually need to know about the financial plan. A good business plan contains financial plan, outlining all the expenditures and revenues. Venture capitalists always look for the amount of investment, the payback period and the return on investment.

#### VI. THE MARKETING PLAN

In the process of entrepreneurship, it is at the observation stage that the outside origins of the project take root, meaning

not only the environmental and social challenges that demand action, but also the unfulfilled needs of potential customers. They represent a market opportunity the entrepreneur may discover and address. If the contribution to a healthier environment and a fairer society make up the mission of the business, customers are the gears that make its economic engine turn.

Green entrepreneurs need gather preliminary information about markets trends and needs, and if possible, the needs expressed by specific sectors or individuals. The entrepreneur needs to discover and address markets needs in order to satisfy them and run the business.

The business plan needs include a proper marketing plan with the objective of creating the 'green' awareness among society and achieve financial stability or growth; as well the marketing plan needs a crafting of the competitive advantage and unique selling proposition so that it answers a customers basic question; "what's in it for me?"

In analyzing the competitiveness of their green projects, entrepreneurs need take into consideration the different forces of the competition such as current competitors, the new entrants, the suppliers and the clients. As well the change in the customer's attitudes towards their product or service together with the cultural dimension have to be clearly identified, if any.

#### **ADDED VALUE & INNOVATION**

The market research puts us in the right position to design a smart entry and positioning strategy, centered around the added value we are going to provide. It is all a question of differentiating ourselves with respect to existing alternatives, of adopting a unique approach. Innovation, in this regard, may come from any or all of stakeholder engagement, customer-centric design and relations, environmental integration, quality, business model, etc. Particularly, green business will have to demonstrate what 'green value' it brings to the customer. Furthermore, this comparison with competitors highlights those of the idea's strengths (and those of partners) that hold potential for a tailor-made opportunity. The time is right then to take those key business decisions, which of course may be changed over time as the project navigates and evolves with the market.

Accurate information on the market in which the project operates is essential to position the project in it by playing to strengths and tapping into existing opportunities, always in alignment with long term vision.

Initially, 'theoretical' value proposition can be built by means of market research and prior knowledge of the customers' needs and stakeholders' exchanges, as done when sketching initial business idea. Then, for the sake of validation, iterative market tests can be carried out to progressively check and improve value proposition, where real data and feedback from the players is involved. This is where cocreation is magnified, and where it should lead to the definition of an added value compared with competition, that is the value proposition that will make any project unique: the Unique Value Proposition.

#### **DELIVERING ENVIRONMENTAL VALUE**

The green project contributes to solving or tackling environmental & social challenges that are derived from the context, and need to be aligned with the founders' values as green entrepreneurs.

Moreover, it is highly advisable to support all these claims (existence and relevance of challenges) with data and/or evidence, the likes of statistics, scientific studies, peer-reviewed articles, visual proofs (pictures or videos), etc. Needless to say, the more reliable the sources, the better.

Environmental challenges lie at the core of a green business, which tackles them by empowering local communities from a social and economic point of view.

To give the best chances for a green product or service to be sold, it is important that it satisfies the needs of the targeted customers. The added value of green entrepreneurs, compared to other entrepreneurs, is that the business satisfies customers' needs and, in addition, addresses environmental challenges in an efficient way. This is a great opportunity to position the green entrepreneurs' brands in the market while reducing costs and making an efficient use of resources.

Two complementary orientations may be followed by a green entrepreneur to help him/her deliver environmental value:

1. Turning environmental challenges into business opportunities to create environmental value.
2. Eco-designing a product/service to reduce the environmental impacts created.

A green business is about business above all! Beyond delivering environmental value, green entrepreneurs have to satisfy market needs.

#### **VII. SUSTAINABLE GREEN ENTREPRENEURSHIP**

An important issue green entrepreneurs need to pay a big attention to is the issue of sustainability, where they have to think of the future of their green business as well as the environment, society or the economic or industrial sector. "Sustainable entrepreneurship is thus not only associated with the promise of more traditional concepts of entrepreneurship, but bears additional potential both for society and the environment."<sup>2</sup> Sustainable development is referred to as an ability to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. This indicates a unique balance between a focus on societal, environmental, and economic issues.

#### **VIII. GREENING AT PPU**

At Palestine Polytechnic University, there is an ongoing endeavor to spread the word about green entrepreneurship among and for students of related majors, particularly, potential entrepreneurs are getting advanced training on several issues of 'green entrepreneurship'. This training

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<sup>2</sup> Kuckertz, A. and Wagner, M., "The influence of sustainability orientation on entrepreneurial intentions"

includes idea generation, business planning and team formation, and pitching their ideas. They were able to come up with societal and environmental ideas that can be implemented in Palestine, some of which can be implemented regionally or globally. These ideas are presented in the ICEEP2016 conference and each of these ideas solves a problem in the society or responds to a need or want.

## REFERENCES

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