



# Defining the barriers and drivers for startups to implement a CBM in their pre-market entry phase

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## Background

This study is conducted for ReFurnished, a startup in their pre-market entry phase. I am one of the co-founders and our goal is to provide international students with an all-in furniture subscription. By doing this, we hope to reduce furniture waste, reduce consumption and to eventually create a sustainable, long-lasting furniture line.

## Objective

This paper investigates the barriers and drivers of startups regarding the adaptation of CBM's with the aim to contribute to a better understanding of the difficulties startups face, and to provide a guideline for the implementation of a CBM for future startups.

## Introduction

The concept of circular economy is often opted as a possibility to sustainable development, which leads to a decrease in demand of natural resources and energy and their accompanying negative environmental impacts by extending the value of all type of resources. However, research shows that businesses face multiple barriers regarding the transition to a circular business model. Limited research is conducted that evaluates the adoption of circular strategies and CBMI by (sustainable) startups.

## Methods

To better understand the underlying mechanisms that drive a startup to choose or not to choose a circular business model before entering the market, I adopted a qualitative cross-sectional study approach with the use of semi-structured interviews. This approach is suited, because a cross-sectional research design involves the collection of data on more than one case and at a single point in time to eventually analyze the data to detect patterns of association (Bell, Bryman, & Harley, 2019: 59). I studied the existing barriers and drivers for the circular business model approach for seven startups and I added more barriers and drivers to the theoretical framework that are currently not enclosed.

Interview	Industry	Location
Interviewee 1	Packaging/ Food and beverage industry	Leeuwarden
Interviewee 2	Skin care products	Den Haag
Interviewee 3	Packaging/Logistics	Leeuwarden
Interviewee 4	Consultancy	Wageningen
Interviewee 5	Care products and cosmetics	Leeuwarden
Interviewee 6	Food and beverage industry	Breda
Interviewee 7	Online platform for services	Meerkerk
Interviewee 8	Lifestyle items/craftmanship	Leeuwarden

Table 1 Interviewees and accompanying industry and location

## Results

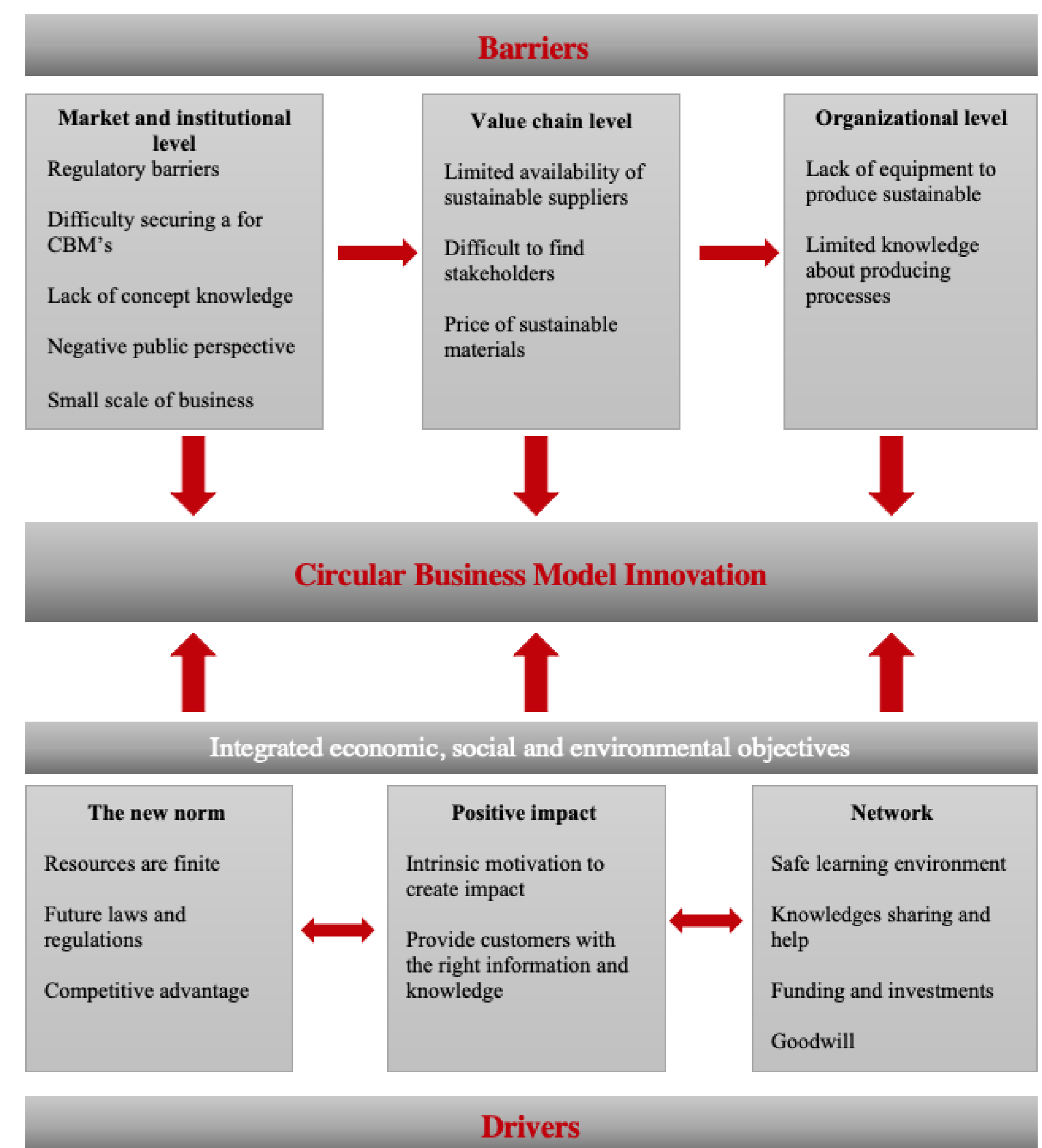


Figure 2 New theoretical framework including barriers and drivers for CBMI

## Conclusions

The results of the study are combined and seen in Figure 2 and shows that concept knowledge, the public perspective, price and suppliers all create difficulties for startups to implement a circular business model. These barriers were categorized into the three overarching barriers, namely market/institutional level, value chain level and organizational level. However, the intrinsic motivation, the new norm and good network are three strong drivers to pursue a sustainable approach. The companies located in Leeuwarden experienced a stronger feeling towards the good network that the sustainable entrepreneurial environment provides than the startups located in other parts of The Netherlands. Moreover, it shows that the barriers and drivers not only influence the CBMI, but they also influence each other. In addition, the business modeling approach resulted in interesting findings, as almost none of the startups used theoretical frameworks before starting their business. At last, the findings show the importance of context, as the public perspective is different within the Netherlands and for the Dutch market compared to other countries regarding the international expanding of their startups.

## Acknowledgements

I would like to thank Maaïke de Jong for supervising me through this process and all interviewees that participated. I gained some interesting new perspectives about price discounts, and I also appreciated all the input I was given. In addition, I was also glad to help the participants by sharing my own knowledge and contacts with them and to help them as well. This is another example of the good network and goodwill the sustainable entrepreneurial environment of Leeuwarden provides. I am so glad that I chose to do this program, as it has challenged me on a personal and professional level, and I cannot wait to share my knowledge with the rest of The Netherlands.