

Business Models of Born Globals in a Forest-based Bioeconomy (BIOBM)



Major trends, such as *policies for mitigating climate change*, support the development of new wood products and services to substitute fossil materials and are also applicable to the emerging bioeconomy. Many new bioeconomy products are in the early stages of development and the market conditions for them are unknown. Novel value offerings in the forest and wood-based sector are being explored and business models that activate the bioeconomy should be understood and evaluated in terms of their content and the challenges they pose. Pro-active entrepreneurial ventures are creating new business opportunities by reinventing business models and reaching global markets. These ventures are often described under the term ‘born global’.

In Finland the bioeconomy is very much connected to the forest sector and forest-based resources. In our research we challenge the idea of sector-based thinking and adopt the perspective of innovative firms offering new products, solutions and channels for the emerging bioeconomy, which can come from two directions: outside the traditional forest-sector and from abroad, our **“Outside-in” perspective**, and established forest sector companies and their value networks which are being built around local biorefineries, our **“Inside-out” perspective**.

Within the outside-in perspective, a multiple case study was conducted in 2018 and 2019 with 40 case firms in New-Zealand, Sweden and Finland. The research revealed that the bio-economy is operationalized differently in different countries. For instance, in New Zealand, the emphasis is on technological elements and innovations, i.e., biotechnology, whereas, in Sweden the emphasis falls on sustainability and particularly the circular economy. However, in Finland the emphasis remains on the forest-based bioeconomy. The business models were found to deviate from theoretical assumptions in which the role of entrepreneurial orientation has not yet been acknowledged. Furthermore, the potential role of social media in facilitating both the internationalization process and the B2B sales process was found to be significant. Finally, the potential of brand personification and humanization has clearly been underestimated.

Within the inside-out perspective, a large comparative qualitative study including 32 interviews with industrial organization representatives and experts was conducted in 2018 and 2019 concerning the forest-based bioeconomy of Uruguay. The study explored value networks and the results have been contrasted with the corresponding Finnish ones. The findings prove that in regard to its development stage Uruguay is still lacking behind the Finnish forest-based bio economy concerning generating value from non-wood-based products and services. However, from a sustainability perspective the country has been an exemplary case that should be replicated also in other countries. The forest plantations that have been grown within a short period have created a carbon sink that is significant and yet from business model point of view highly profitable and societally beneficial.

The project is working on creating an overall framework on how the outside-in and inside-out perspective merge, and it seems that the platform economy lies at the core of future development.

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