Applying Creativity to UF Business Modelling in the New Reality

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Outline

Why creativity for urban farming (UF)? Creativity and UF business modelling.

Innovative funding and activities to increase alternative funding. Case studies.

Criteria & indicators for identification of successful business models and their impact to SDGs.

Conclusion.
Why Creativity for UF? Creativity, Design and UF Business Modelling.
Covid19 disruption in food supply provides a huge opportunity for UF

Covid19 disruptions in the food supply and food logistics (according to FAO Investment Centre Director Mohamed Manssouri):

- Restrictions on movement
- Quarantines
- Trade barriers
- Shipping delays have disrupted food supply chains, trade and logistics, with food supply chains in developing countries disproportionately affected

This set the ground for UF to provide food security and resilient supply chain in the face of uncertainty and (future) crises → Creativity is crucial to transform this potential into real opportunity.
Why Creativity for UF?

We are in the midst of an evolutionary shift toward Creative Societies -> This has implication into UF Business Models & Innovative Funding

Covid19 disruptions in the food supply and food logistics demands disruptive and innovative approaches to food security

Climate change and SDGs.

-> Creativity and digitization are crucial for crafting agile and effective solutions.
The role of Human Development, Digitization and Sustainability, Publication (April 2020):

- Constructed a creativity in Workplaces Index and Creative Society Index for EU28 (incl. UK)
- Analized more than 25 socioeconomic, business, digitization and sustainability indicators
Mapping Creativity in the EU: at a glance

At a Glance:

Designed an economic and societal model centred in human creativity underpinned by human development (education, healthy life and economic opportunity), digitization and sustainability to reconfigure life, work and citizenship, based upon:

- Constructed Creative Talent and Creative Society Indexes
- Performed a Mapping study for EU28 (inc. UK)
- Socioeconomic indicators analyzed
- Figures, charts, graphs and tables
- Infographics and mind maps

- Analyzed impact of creativity on productivity, business innovation and growth
- Use cases / case studies from across industries public sector, and civil society
- Examined digitization, platform economy and AI impact on human creativity
- Studied creativity contribution to sustainability and SDGs
- Explored EU’s creativity competitiveness in the world
UF can contribute to enhance different pillars of the **Creative Society Index**: Neighbourhood vibrancy, active living, participation in society, boosting economy, etc.

**Creative Society Index**

- Neighbourhood Vibrancy: 14.3%
- Active Living (Physical Activity): 14.3%
- Participation in Community and Society: 14.3%
- Digital Life: 14.3%
- Tolerance & Trust: 14.3%
- Satisfaction with Economy: 14.3%
- Welfare State + Transport Infrastructure: 14.3%

*Own elaboration:*
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Creative societies represent an ‘evolutionary shift’ centred in creative citizens & sustainable living (UF are -or can be- a key driver). Covid 19 is accelerating this transition.
The creativity mapping performed has identified four stages in the development toward creative societies. In the countries with higher CSI, it can be expected more awareness about UF.

Mapping Creativity in the European Union

- Scandinavian Countries
  - CSI 137,6
  - CTI 121,8

- Western Europe
  - CSI 117,1
  - CTI 106,3

- Southern Europe
  - CSI 86,3
  - CTI 92,8

- Central and Eastern Europe
  - CSI 84,9
  - CTI 93,1

Identified four stages in the development toward creative societies and workplaces in the European Union:

1. Scandinavian countries: Creative Leaders
2. Western Europe: Strong Creativity
3. Southern Europe: Moderate + Creativity
4. Central and Eastern Europe: Moderate Creativity

Own elaboration:
Antonio Carlos Ruiz Soria | Economia Creativa

Sources:
CSI: Own elaboration from EQLS 2016, Eurofound
CTI: Own elaboration from EWCS 2015, Eurofound
As an example, we compare UF models from two cities from countries with strong CSI / moderate - CSI:

<table>
<thead>
<tr>
<th>Ghent - Belgium (Strong Creative Society Index)</th>
<th>Warsaw - Poland (Moderate - Creative Society Index)</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Urban land and space is limited</td>
<td>● UA has not been adopted either in Polish agricultural policy or in the spatial development policy of Polish cities</td>
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<td>● The city has a stated goal to make itself climate neutral by 2050</td>
<td>● Spatial policy in Warsaw may facilitate the conversion of agricultural land into other uses</td>
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<td>● Socio-ecological problems are high on the policy agenda</td>
<td>● 28 % of Warsaw is categorised as green areas</td>
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<tr>
<td>● Strong municipal government support for UA</td>
<td>● Investors keen to build residential or service areas</td>
</tr>
<tr>
<td>● Idea of local food is popular and there is broad support for gardening projects in public spaces</td>
<td>● Absence of local government support for UA</td>
</tr>
<tr>
<td>● Dynamic network supports multiple UA initiatives</td>
<td></td>
</tr>
</tbody>
</table>

CSI: own elaboration, Mapping Creativity in the European Union, Antonio Carlos Ruiz Soria - Economia Creativa 2020
Human Development, Digitization and Sustainability, the forces shaping Creative Societies, are essential features for UF business modelling.

The forces shaping the Creative Society

Creativity
Life, work and citizenship

Continuous Learning
Health and Wellbeing
Decent Standard of Living
Economic Opportunity
Equality

Human Development

Digitization

Sustainability

Advanced Digital Skills / DQ
Integration of Digital Technology
Attention, Interactions and Engagement
Scalability, Network Effect
Augmented Intelligence / Virtual Reality

Ecosystem Vitality, Environmental Health and Sustainable Living

Own elaboration:
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Urban Farms as creative organizations with business models centred in *creative citizens-creative sustainability*, can play a key role into reconfiguring the way we live (produce food-eat), work and the very idea of citizenship in European cities.

**Creative Society: Reconfiguration of life, work and citizenship**

![Diagram](image-url)
Urban Farming is a key driver of Creative Societies, shaping the New Reality
Innovative funding and activities to increase alternative funding
Urban Farms can optimize funding with a multi-stakeholder and dynamic approach centred in **diversification, differentiation** and UX -> **creativity-digitization-sustainability**

**APPLYING CREATIVITY FOR DYNAMIC BUSINESS MODELLING AND INNOVATIVE FUNDING IN UF**

- **Define**
  - Farming Digitization & Ecommerce Business Models

- **Explore**
  - Logistics + Home Deliveries and personalized services

- **Create**
  - Supermarkets, Distributors Innovative Restaurants

- **Communicate**
  - Creative Citizens Consumers prosumers, participants

- **Act**
  - Creative Urban Farmers

- **Embed**
  - Investors, Financing and Funding Institutions (public/private)

- **Researchers & Developers**

- **Corporate Social Responsibility**

- **Own Elaboration**
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- **Policy makers and city planning**

- **Organic Waste Recycling and Circular Economy**

- **Civil Society Organizations**
Routes to Innovative Funding for UF Startups

1. Preparing for Funding
2. Design Innovative Funding Strategy
3. Take action (implement)

Communication + Storytelling + Pitching

Keep focus on sales and the market throughout the whole process
Raising awareness of the benefits UF across multiple stakeholders (understanding their different interfaces with / and interest in UF) is the base for successful and innovative funding strategies.
In which stage of the Startup Funding Cycle is your UF project?
Disruptive business models based in subscriptions-participation: The case of Peas & Love (Paris-Brussels)

Participate in the Change

My vegetable garden, managed by a pro

I harvest and I enjoy
Peas&Love business model is centred in *creative citizens*

Being a Peas & Lover is ...

- Have your own maintained vegetable garden
- Harvest delicious local vegetables
- Join an engaged community
- Learn about our beautiful nature
- Participate in workshops on the farm
- Express and share your values
- Eat healthier and in season
- Adopt a more responsible diet (SDGs)

Retrieved from Peas & Love website - () added
iFarm, a Finnish startup that provides innovative solutions for growing fresh greens, berries and vegetables, founded in 2017 in Helsinki.

iFarm has raised around €3.3 million in funding.

- The round was led by Gagarin Capital, who also previously invested in the project. Other investors include Matrix Capital, Impulse VC, IMI.VC and several business angels.
- iFarm has over 50 on-going projects with clients in Europe and the Middle East for 2020. That includes an industrial vertical farm based on iFarm’s tech. Its construction was funded through the company’s internal crowdfunding platform.
- “Investors can participate in the worldwide network of vertical farms and receive a rate of return well above bank deposit rates”, says Alex Lyskovsky, co-founder and President of iFarm.

Source:
Infarm based in Berlin, is one of the largest urban vertical farming network in the world. It is funded with a mix of equity and debt.

In 2020, in the midst of covid pandemic, infarm has formed new partnerships with the world’s largest retailers

- Including Albert Heijn (Netherlands), Aldi Süd (Germany), COOP/Irma (Denmark), Empire Company Ltd (Sobeys, Safeway, Thrifty Foods – Canada), Kinokuniya (Japan), Kroger (United States), Marks & Spencer (United Kingdom) and Selfridges (United Kingdom).

- Erez Galonska, Co-founder and CEO of Infarm said: “The coronavirus pandemic has put a global spotlight on the urgent agricultural and ecological challenges of our time. At Infarm, we believe there’s a better, healthier way to feed our cities: increasing access to fresh, pure, sustainable produce, grown as close as possible to people.

Image: InFarm website
Criteria & indicators for identification of successful business models and their impact to SDGs.
UF innovative business models can contribute to SDGs in three key dimensions: economic, social and sustainability.

Criteria and indicators for identification of successful and resilient UF Business Models in the Frame of SDGs

- Social Indicators
- Urban Farming
- Environmental Sustainability
- Business Profitability
- SDGs

Own Elaboration
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The SDGs provide a common denominator to showcase the impact and relevance of UF in the New Reality.

Aligning UF key performance indicators to the SDGs can set the ground for partnerships with multinational corporations and engaging with policy makers at different government levels and Civil Society Organizations.

In particular, The UN Sustainable Development Goals (SDGS) have highlighted the importance of agriculture and sustainable cities in SDG target 11.3, “countries should aim to work to enhance inclusive and sustainable urbanization for participatory, integrated, and sustainable human settlement planning and management in all countries”.
Conclusion
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*Creative societies* represent an ‘evolutionary shift’ -accelerated by Covid19- centred in creative citizens & sustainable living. UF are a key driver to reconfigure the way we live (produce and consume food), work and the idea of citizenship.

Covid19 disruption in food supply provides a huge opportunity for UF. Creativity is crucial for UF to transform this opportunity into a reality.

UF can optimize funding with a multi -stakeholder and dynamic approach centred in diversification, differentiation and UX, in the frame of the SDGs.
Thank you!

Questions welcome

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