



O.2.2 Pilot testing of innovative circular business models

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1. Executive summary

The WE.Circular project developed and pilot tested six innovative circular business models to support women-led SMEs in the Danube Region in their transition towards more circular, digitally supported and resilient business practices. The models were developed through a structured process combining the Innovation Contest, co-creation activities in the WE.Circular Labs, expert input, peer review and pilot testing in real business contexts.

This output, O.2.2 Pilot Testing of the Innovative Business Models, presents how the six business models were tested, what type of feedback was collected, what lessons were learned and how the models were improved as a result of the testing process.

The six WE.Circular business models are: BM 1 Circular Design Accelerator, BM 2 Resource Champions, BM 3 Production Optimizers, BM 4 Smart Digital Enablers, BM 5 Market Educators and BM 6 Collaborative Ecosystems. Together, they cover different entry points for circular transition, including product and service redesign, resource efficiency, production and packaging improvements, digital tools, customer communication and partnership-based circular solutions. The models are designed as flexible pathways rather than fixed templates, allowing companies and support organisations to adapt them to different sectors, capacities, markets and levels of readiness.

The pilot testing was carried out through the WE.Circular Labs established in the participating Danube Region countries. It followed a Living Lab and “test before invest” approach, allowing women entrepreneurs to explore selected circular actions before committing to larger financial, technical or organisational changes. In total, 38 companies started the testing process and 29 completed it. The testing was adapted to the needs and capacities of each company profile, recognising that women-led SMEs differ in their business maturity, available resources, circular ambition and support needs.

The results show that the business models are relevant and useful for supporting women entrepreneurs in moving from general circular economy intentions to more concrete business decisions. The testing confirms that circular transition often starts with practical first steps, such as improving communication, redesigning a product, reviewing packaging, engaging customers, introducing a simple digital tool, mapping partners or testing a small circular service idea. These actions may be limited in scale, but they are important because they make circular transition more realistic, understandable and manageable for micro and small enterprises.

At the same time, the testing also shows that more advanced circular solutions require longer preparation and stronger support. Actions such as certification, technical validation, digital traceability, digital product passports, reverse logistics, return systems, shared infrastructure, complex partnerships or larger production changes are difficult to implement within a short pilot period. They remain important for future development, but they require phased implementation, access to finance, specialised expertise and stronger cooperation with ecosystem actors.

The pilot testing generated important learning for each type of business model result. It helped companies clarify their circular value proposition, identify practical first steps, improve product, service or packaging ideas, better understand materials and resource use, strengthen customer engagement, explore digital visibility and define partnership needs. In many cases, the value of the process was not only in one concrete change, but in clearer strategic direction, better understanding of feasibility and more realistic planning for future development.

Feedback from companies, experts, peer reviewers and project partners contributed directly to the improvement of the final business models. The revisions strengthened the phasing of actions, the distinction between basic and advanced steps, the role of digital readiness, the need for practical partnership guidance, the importance of customer validation and market trust, and the use of simple impact monitoring indicators. As a result, the final models are clearer, more realistic and more suitable for wider application by women entrepreneurs and support organisations.

The testing also confirmed the value of the WE.Circular Labs as supportive environments for circular business model development. The Labs provided space for co-creation, mentoring, experimentation, feedback and learning. They helped companies reduce the risk of future investment, connect circular economy principles with practical business questions and identify the kind of support needed for implementation and scaling.

The upscaling potential of the models lies in their flexibility and practical orientation. They can be used by women entrepreneurs to identify relevant circular actions, by mentors and business advisors to structure support, by business support organisations to develop services, and by policymakers to better understand what women-led SMEs need in order to advance circular and digital transition. Together with the CE Business Models Toolkit and the WE.Circular Labs approach, the models provide a practical basis for replication across the Danube Region and beyond.

2. Introduction

Circular economy and digital transformation are becoming increasingly important for the competitiveness, resilience and sustainability of small and medium-sized enterprises. For women entrepreneurs, these transitions can open new opportunities to reduce waste, use resources more efficiently, develop new products and services, strengthen customer relations and build more future-oriented businesses. At the same time, the transition from individual sustainability actions to a structured circular business model is often challenging, especially for micro and small companies with limited time, financial resources, technical capacity and access to specialised support.

DRP0200020 WE.Circular - Boosting digital and industrial capacity for sustainable circular transition of women entrepreneurs in the Danube Region is a project implemented under the Interreg Danube Region Programme. Its main goal is to **increase digital and business skills of women entrepreneurs for circular transition and to equip the main stakeholders with skills necessary to develop and implement smart specialization strategies**, supporting women entrepreneurs from the Danube Region for transition to industry 4.0 while fulfilling circular economy aspects. It will be achieved through better integrated policies and innovative practical solutions. By strengthening **digital, industrial, and circular competences**, WE.Circular builds an inclusive ecosystem that connects women entrepreneurs, business support organisations, academia, and policymakers through **training, innovation, and transnational collaboration**.

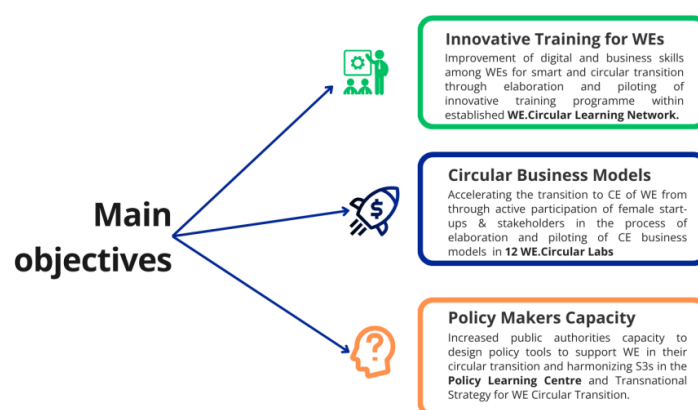


Figure 1: WE.Circular project main objectives

The project brings together **15 project partners** and **11 associated strategic partners** from **12 countries** who share the belief that women play a key role in shaping the future of sustainable innovation. Through a combination of **capacity-building, research, policy development, and transnational learning**, WE.Circular strengthens the regional ecosystem that supports women entrepreneurs in adopting circular business models and digital technologies.

Lead Partner:

Regional Agency for Entrepreneurship and Innovations – Varna (RAPIV), Bulgaria

Project Partners:

Varna Free University “Chernorizets Hrabar” (Bulgaria) • Innovation Region Styria LTD (Austria) • Technology Park Varaždin (Croatia) • IREAS – Institute for Structural Policy (Czech Republic) • BWCON GmbH (Germany) • Pannon Business Network (Hungary) • MGFU (Hungary) • Chamber of Commerce and Industry of Štajerska (Slovenia) • Slovak Business Agency (Slovakia) • Ropot Boutique (Romania) • Organization for Entrepreneurship Development (Moldova) • Foreign Trade Chamber of Bosnia and Herzegovina • University of Sarajevo (Bosnia and Herzegovina) • Association of Business Women in Serbia

Associated Strategic Partners:

SPIRIT Slovenia • Ministry of Economy and Industry (Bulgaria) • Ministry of Culture and Innovation (Hungary) • Circular Slovakia • Women Entrepreneurs Club (Hungary) • Ministry of Economy (Moldova) • Ministry of Science, Higher Education and Youth (Bosnia and Herzegovina) • Economic Chamber of Styria – Dep. founder and economic services (Austria) • City of Varaždin (Croatia) • Chamber of Commerce of Serbia • Viitor Plus (Romania).

The present output, **O.2.2 Pilot Testing of the Innovative Business Models**, focuses on the practical validation of the circular business models developed within WE.Circular. It presents how the models were tested through the WE.Circular Labs, what type of feedback was collected from companies, experts and stakeholders, and what lessons were learned from applying the models in real business contexts.

The document does not aim to present detailed company cases or disclose sensitive business information. Instead, it provides a transferable overview of the pilot testing process, using the code indexes and company profiles applied in Output 2.1 where reference to specific tested profiles is needed. The focus is placed on the relevance, feasibility and adaptability of the models, as well as on the key outcomes that can

support their wider use by women entrepreneurs, business support organisations, innovation actors and policymakers.

The output also shows how the pilot testing contributed to improving the final portfolio of six innovative business models: **Circular Design Accelerator, Resource Champions, Production Optimizers, Smart Digital Enablers, Market Educators and Collaborative Ecosystems**. By bringing together evidence from the testing phase, the document demonstrates how these models can help women-led SMEs move from general circular economy intentions to more concrete, practical and business-oriented transition pathways.

In this way, Output 2.2 serves as a bridge between the development of the innovative business models and their future application, replication and upscaling across the Danube Region and beyond.

3. WE.Circular Innovative Business Models

The WE.Circular innovative business models were developed to support women entrepreneurs in transforming circular economy ideas into practical business pathways. They show how women-led SMEs can create, deliver and capture value in a circular economy while strengthening their competitiveness, resilience and market positioning.

The models were developed through a step-by-step process combining the WE.Circular Innovation Contest, co-creation activities in the WE.Circular Labs, expert input, peer review and pilot testing. This process ensured that the models were not only based on circular economy theory, but also reflected real needs, challenges and opportunities identified by women entrepreneurs and stakeholders across the Danube Region.

The development process started from the Innovation Contest, which helped identify women-led businesses with promising ideas, products, services or technologies linked to circular economy. The selected profiles became an important source of practical information for the development of the models. Their business ideas covered different sectors and circular challenges, including sustainable materials, product redesign, packaging, reuse, repair, digital solutions, customer engagement, upcycling and waste reduction.

The WE.Circular Labs provided the working environment for turning these ideas into business model pathways. Through the Labs, project partners, experts, stakeholders and women entrepreneurs worked together to better understand the current business

situations, main barriers and possible circular solutions. The Labs followed a Living Lab approach, where ideas were discussed, tested and improved in real-life business contexts rather than developed only on paper.

Although the project initially planned to develop three circular business models linked to the three key areas of secondary raw materials, production and consumption, and waste management, the co-creation process showed that the needs of women entrepreneurs were more diverse. Some companies needed support with product or service redesign, while others needed better access to sustainable resources, improved production and packaging systems, digital tools, stronger market communication or more structured partnerships. For this reason, the partnership developed six innovative business models instead of three, allowing a more flexible and practical response to different company profiles and levels of circular maturity.

The six WE.Circular business models are presented as flexible pathways for circular and digitally supported business transformation. They are not fixed formulas or ready-made business plans. A company may use one model, combine elements from several models or adapt the proposed ideas to its own sector, size, resources, readiness level and circular challenge.

Business model	Main purpose	Key circular logic	Most relevant for
BM1: Circular Design Accelerator	To support companies in redesigning products, services or customer experiences according to circular economy principles.	Circularity is integrated at the design stage through durability, reparability, reuse, modularity, better material choices and lifecycle thinking.	Companies where design decisions influence product lifetime, material use, repair, reuse or customer behaviour.
BM2: Resource Champions	To help companies use materials more efficiently, reduce waste and turn secondary resources into business value.	Waste and underused resources become inputs for new products, services or production processes.	Companies working with recycled, bio-based, recovered or secondary materials, or companies aiming to reduce dependence on virgin resources.
BM3: Production Optimizers	To support companies in improving production, packaging and logistics processes through circular economy principles.	Circularity is achieved by optimising how products are made, packed, distributed, returned or refilled.	Companies that need better control over production, packaging, fulfilment, logistics or return systems.
BM4: Smart Digital Enablers	To help companies use digital tools and smart technologies to make circular operations more transparent, efficient and scalable.	Digitalisation supports circularity through traceability, data collection, dashboards, product passports, customer tools and platform-based solutions.	Companies that need better data, tracking, digital integration, customer engagement or impact measurement.
BM5: Market Educators	To support companies in raising awareness, building trust and educating customers or partners about circular solutions.	Circular products and services need informed customers and credible communication to support demand and behaviour change.	Companies whose circular solutions require stronger customer understanding, visibility, trust or market acceptance.
BM6: Collaborative Ecosystems	To help companies build networks of partners who jointly create, deliver and capture circular value.	Circular transition is supported through cooperation between companies, customers, communities, public actors, suppliers and support organisations.	Companies that need partnerships, shared resources, ecosystem support, joint services or stronger local and sectoral cooperation.

Figure 2: Overview of the six business models, credit: own illustration

BM 1: Circular Design Accelerator

The **Circular Design Accelerator** model supports companies that want to redesign products, services or customer experiences according to circular economy principles. It focuses on moving circularity to the beginning of the design process, instead of treating waste reduction or reuse as an additional activity after the product is already developed.

The model addresses challenges such as short product lifetimes, difficult repair, limited reuse options, mixed or unsuitable materials, weak end-of-life solutions and low customer participation in care, repair or return activities.

It is especially relevant for companies where design decisions strongly influence material use, product durability and customer behaviour. This may include fashion and textiles, accessories, packaging, cosmetics, furniture, crafts, hospitality products, design-based businesses and small-scale manufacturing.

The model encourages companies to work with several circular design principles:

- durability and longer product life;
- repairability and easier maintenance;
- modularity and adaptability;
- reuse, refill or take-back options;
- better material choices;
- clearer product information;
- customer involvement in care, repair or return.

Through this model, companies can create value by offering products or services that last longer, generate less waste and communicate their circular value more clearly. It can also support stronger customer loyalty, better brand positioning and new service opportunities, such as repair, customisation, rental, workshops or take-back activities.

The model contributes to all three WE.Circular thematic areas: it supports better use of materials, improves production and design logic, and helps reduce waste through longer product lifecycles.

BM 2: Resource Champions

The **Resource Champions** model supports companies that want to use materials more efficiently, reduce dependence on virgin resources and create value from secondary, recycled, bio-based, local or waste-derived inputs.

The model responds to challenges such as unstable access to sustainable materials, high costs of circular inputs, production waste, weak material recovery systems, limited supplier cooperation and difficulties in proving the environmental value of circular materials.

It is especially relevant for companies where materials are central to the business model. This may include packaging, textiles, recycling, upcycling, industrial materials, waste-to-product initiatives, furniture, cosmetics, social enterprises and production-oriented SMEs.

The model focuses on four main directions:

- securing sustainable and reliable material inputs;
- improving resource efficiency in production;
- reducing and reusing waste streams;
- strengthening cooperation with suppliers, recyclers and other partners.

Resource Champions helps companies move from resource dependency to resource resilience. This means that businesses become less vulnerable to material shortages, price increases and unstable supply chains. At the same time, they can improve their environmental performance and strengthen their market credibility.

The model can create value through lower material losses, better use of by-products, stronger supply chains, more sustainable products and improved readiness for funding or investment. It is especially useful for companies that want to demonstrate measurable circular impact, such as reduced virgin material use, waste avoided or resources kept in circulation.

The model mainly contributes to the WE.Circular thematic areas of secondary raw materials and production and consumption, while also supporting waste reduction and material recovery.

BM 3: Production optimizers

The **Production Optimizers** model supports companies that need to improve their production, packaging, refill, return or logistics systems in order to make circularity operational.

Many circular ideas fail not because the idea is weak, but because the operational system behind it is not ready. For example, reusable packaging requires collection, cleaning, storage, redistribution and customer participation. Refill or subscription models require planning, stock management, communication and reliable delivery. The Production Optimizers model addresses exactly this operational side of circular transition.

It is relevant for companies in household care, cosmetics, food and beverages, personal care, refill businesses, packaging-intensive sectors, e-commerce and subscription-based models. It can also be useful for companies that plan to invest in new production or logistics infrastructure, but first need to test what is realistic.

The model focuses on:

- improving production and logistics processes;
- testing reusable, returnable or refillable packaging;
- reducing packaging and operational waste;
- improving customer participation in return or refill systems;
- strengthening distribution and retail partnerships;
- testing circular operations before larger investments.

Through this model, companies can create value by reducing packaging waste, improving process efficiency and building stronger control over production and delivery. It can also support recurring customer relationships, especially when linked to refill, subscription or return systems.

The model is particularly useful for companies with a circular product idea that needs a stronger operational base. It helps them move step by step, starting with smaller pilots or selected product lines before scaling to more complex infrastructure.

The model mainly contributes to the WE.Circular thematic area of production and consumption, with strong links to waste management and packaging circularity.

BM 4: Smart Digital Enablers

The **Smart Digital Enablers** model supports companies that need digital tools to make circular activities more transparent, measurable, efficient and scalable.

Circular business models often depend on information. Companies need to know where materials come from, how products are used, whether packaging is returned, how much waste is avoided, what customers do, and what impact is created. Without reliable data, circular systems can be difficult to manage and difficult to communicate.

This model is relevant for digital platforms, circular marketplaces, retailers, manufacturers, fashion tech solutions, tourism platforms, reuse and repair services, food upcycling initiatives, rental models, refill systems and companies that need better traceability or customer-facing digital tools.

The model focuses on several digital functions:

- traceability of products and materials;
- digital product information;
- customer engagement tools;
- platforms and marketplaces;
- data collection and dashboards;
- lifecycle tracking;
- AI, IoT or other smart tools where relevant.

An important principle of the model is gradual digitalisation. Not every SME needs advanced technologies from the beginning. For many companies, simple tools such as QR codes, spreadsheets, online forms, customer databases, landing pages or basic dashboards can already support circular transition. More advanced solutions, such as digital product passports, AI, IoT sensors or blockchain, become relevant only when they respond to a clear business need and when the company has the capacity to use them.

The model creates value by improving transparency, reducing inefficiencies, strengthening customer trust and opening new digital service opportunities. It can also support compliance with future market expectations related to product data, traceability and sustainability information.

Smart Digital Enablers contributes to all three WE.Circular thematic areas because digital tools can support material tracking, production efficiency, waste reduction, reuse, return systems and customer participation.

BM 5: Market Educators

The **Market Educators** model supports companies whose circular products or services need stronger awareness, trust and customer understanding.

In many cases, the challenge is not only to develop a circular product, but also to explain why it matters, how it works and why customers should choose it. Circular solutions may be more durable, reusable, repairable, local, recycled or lower-impact, but this value is not always visible to customers. The Market Educators model helps companies make this value clearer and more credible.

It is relevant for companies in sustainable products, fashion, crafts, retail, education, upcycling, reuse, biodiversity, local production, community initiatives, hospitality and other sectors where customer behaviour and communication are important.

The model focuses on:

- awareness campaigns;
- storytelling and branding;
- workshops, trainings and demonstrations;
- transparent communication;
- proof-based sustainability claims;
- customer feedback and participation;
- partnerships with schools, NGOs, municipalities, media or experts.

The model helps companies build trust and reduce the risk of greenwashing. It encourages them to communicate circular value in a way that is simple, honest and supported by evidence. This is important for customers, but also for partners, public institutions, investors and support organisations.

Market Educators can create value through stronger visibility, customer loyalty, higher demand, educational services, workshops, sponsorships, public programmes or partnerships. For many SMEs, the first benefit may not be immediate revenue, but stronger recognition, clearer positioning and better customer confidence.

The model contributes to all three WE.Circular thematic areas because awareness and behaviour change are necessary for better material use, circular production and waste reduction.

BM 6: Collaborative Ecosystems

The **Collaborative Ecosystems** model supports companies that cannot implement circular solutions alone and need cooperation with partners, suppliers, customers, communities, institutions or other businesses.

Circular transition often requires more than the capacity of one small company. A business may need access to recycled materials, shared equipment, repair actors, logistics partners, digital expertise, market visibility, public support or customer communities. The Collaborative Ecosystems model responds to this need by placing cooperation at the centre of circular value creation.

It is relevant for SMEs working in reuse, repair, upcycling, rental services, sustainable fashion, local production, event services, circular marketplaces and community-based initiatives. It is also relevant for companies that need stronger access to materials, infrastructure, knowledge or partners.

The model focuses on:

- building partnerships and networks;
- sharing resources, tools, space or knowledge;
- creating local or regional value chains;
- involving customers and communities;
- organising joint initiatives, events or pilots;
- strengthening trust between ecosystem actors;
- gradually formalising cooperation where useful.

This model helps companies move from isolated circular actions to cooperation-based circular solutions. It can start with informal collaboration, such as joint events, shared promotion or contact exchange, and later develop into more structured partnerships, shared services, co-branded offers or joint projects.

Collaborative Ecosystems creates value by reducing individual limitations, sharing costs, improving access to resources and increasing visibility. It can also generate strong non-financial value, such as trust, knowledge exchange, community engagement and stronger local circular ecosystems.

The model contributes to all three WE.Circular thematic areas because cooperation is often needed to access secondary materials, improve production systems, organise reuse or repair, and manage waste as a resource.

The six WE.Circular business models are closely connected. They should not be seen as separate or competing options, but as complementary pathways that can support different stages or aspects of circular transformation.

For example, a company may start with the **Circular Design Accelerator** to redesign a product, then use the **Resource Champions** model to improve material sourcing, and later apply **Market Educators** to communicate the circular value to customers. Another company may combine **Production Optimizers** with **Smart Digital Enablers** to manage refill, return or reusable packaging systems. A third company may need the **Collaborative Ecosystems** model to build the partnerships required for scaling.

This complementarity is one of the strengths of the WE.Circular approach. It recognises that circular transition is rarely based on one isolated action. In practice, companies often need a combination of design, materials, operations, digital tools, communication and cooperation.

Together, the six models cover the circular value chain from design and resource sourcing to production, use, reuse, communication, digitalisation and ecosystem cooperation. They provide a flexible framework that can be adapted by women entrepreneurs, business support organisations, innovation actors and policymakers working to support circular transition in the Danube Region.

4. Pilot testing methodology and participation

The pilot testing of the WE.Circular innovative business models was carried out through the WE.Circular Labs established in the participating Danube Region countries. The purpose of this phase was to move from model development to practical validation and to assess how the six business models could work in real SME conditions.

The pilot testing was designed as a learning and validation process. It was not intended to measure only the performance of individual companies, but also to test the practical relevance, feasibility and adaptability of the business models themselves. The process helped identify which elements of the models could be applied immediately by women-led SMEs, which elements required further development, and what type of support is needed for wider application.

The testing was based on the Living Lab approach, combining co-creation, experimentation, expert support and feedback collection. It followed the “test before

invest” principle, allowing companies to explore and validate selected circular business model elements before making larger financial, organisational or technical commitments.

4.1 Purpose of the pilot testing

The pilot testing is the moment when the WE.Circular business models move from paper to practice. After being developed through the Innovation Contest, co-creation activities and expert input, the six models are tested in real business settings to show how they can support women entrepreneurs in their circular transition journeys. The purpose is not simply to check whether the models are “correct”. The aim is to understand how useful they are for different types of women-led SMEs, how easily they can be applied, and what kind of support is needed to turn circular ideas into realistic business actions.

For many women entrepreneurs, circular transition does not start with a full transformation of the company. It often begins with one concrete step: redesigning a product, reducing material waste, improving packaging, testing a refill or return option, communicating sustainability value more clearly, introducing a simple digital tool, or finding the right partner. The pilot testing explores exactly these entry points and shows how the models can guide companies from broad intentions towards practical decisions.

The testing also makes it possible to see which parts of the models are immediately understandable and useful, and which parts need to be simplified, better explained or adapted to the reality of small businesses. Some actions are suitable as quick first steps, while others require more time, investment, technical expertise or cooperation with external partners. This distinction is important for making the models more realistic and easier to use by future companies.

Another important purpose is to better understand the support needs of women entrepreneurs. The process shows that companies benefit not only from written guidance, but also from mentoring, expert advice, feedback, peer exchange and access to relevant networks. The pilot testing therefore highlights the added value of the WE.Circular Labs as supportive environments where companies can test ideas, receive guidance and reduce the risk of future investments.

In this way, the pilot testing becomes a practical learning process for both the companies and the project partnership. It helps refine the six business models and

strengthen their transferability, while also showing how they can be used as flexible pathways for circular and digital business transformation.

4.2 Methodological approach

The pilot testing follows the WE.Circular Living Lab logic. This means that the business models are not tested as abstract concepts, but as practical support pathways connected to real business needs. Women entrepreneurs, experts, project partners and stakeholders work together to explore how circular ideas can become more concrete, realistic and useful for business development.

The approach combines structure with flexibility. A common methodology guides the process, but each testing case is adapted to the company profile, sector, level of readiness and available resources. This is important because women-led SMEs do not all start from the same point. Some are ready to test concrete product or service improvements, while others first need to clarify their circular value proposition, identify suitable partners or understand which actions are realistic for the next stage of development.

A central element of the methodology is the **“test before invest”** principle. Instead of expecting companies to implement large-scale changes immediately, the pilot testing encourages them to explore selected elements of the business models first. This helps reduce risk and allows companies to understand what works, what needs adjustment and what kind of investment or support may be needed in the future.

The methodology is also strongly user-centred. The needs, ambitions and feedback of women entrepreneurs guide the testing process. The models are applied not as fixed templates, but as flexible frameworks that help companies choose suitable actions, reflect on their business logic and identify practical next steps for circular and digital transition.

Expert support plays an important role in the process. Mentoring, consultations and feedback help companies interpret the models, select realistic actions and connect circular economy principles with market, operational and financial realities. In this way, the pilot testing becomes not only a validation exercise, but also a practical learning process.

The methodological approach therefore combines co-creation, experimentation, mentoring and feedback. It supports companies in testing circular business ideas in a manageable way, while also providing the project partnership with valuable insights for improving the final business models.

4.3 Main steps of the process

The pilot testing follows a step-by-step process that connects the previous WE.Circular activities with the final refinement of the business models. Each step contributes to transforming the models into more practical, transferable and SME-friendly tools.

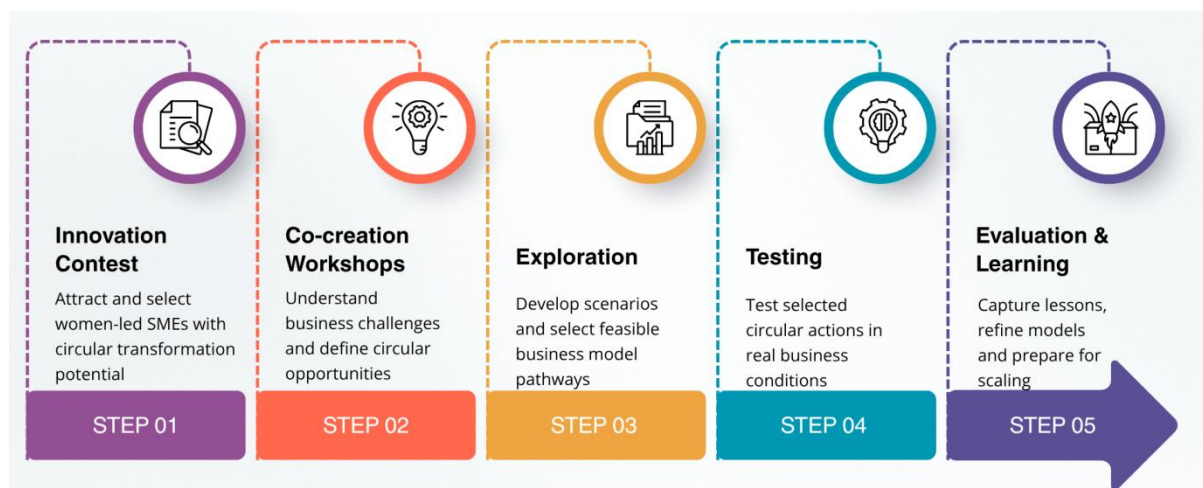


Figure 3: Main steps of the process, credit: own illustration

The process starts with the **Innovation Contest**, which identifies women-led companies with promising circular economy ideas, products, services or technologies.

The Innovation Contest was launched through a public call and applications are submitted through the dedicated online platform. The process was open to women-led SMEs active across the circular economy value chain, including solutions related to secondary raw materials, production and consumption, waste management and other circular innovation areas. The evaluation process assesses not only the circular relevance of the proposed idea, but also the company's innovation potential, feasibility, circular economy commitment, indicators, business model change strategy and readiness to participate in the WE.Circular process.

The response to the Innovation Contest confirms that women entrepreneurs in the Danube Region are already active in a wide range of circular economy fields. In total, **54 applications** are submitted from the 12 participating countries. After the eligibility check, **52 applications** continue to the quality evaluation stage. As a result of the process, **38 finalists** are selected for further involvement in the WE.Circular Labs and business model development activities, and **2 additional companies from Germany receive special recognition awards**.

The applications cover all three original WE.Circular key areas. Many applicants indicate more than one area of relevance, which shows that circular business ideas often combine several dimensions at the same time. Across all submitted applications, **14 applications relate to secondary raw materials**, **40 to production and consumption**, **23 to waste management**, and **7 to other circular economy areas**. This confirms that production and consumption challenges are the most frequently represented, while waste management and secondary raw materials also remain important entry points for circular transformation.

The sectoral profile of applicants also shows a strong diversity of circular economy ideas. The largest group comes from the **textile sector**, representing **23.1%** of applications. This is followed by **consumer goods** with **13.5%**, **agrifood** with **9.6%**, **waste management** with **9.6%**, **tourism** with **5.8%**, **manufacturing** with **3.8%**, and **IT** with **3.8%**. A further **25%** of applications fall under other sectors, confirming that circular economy innovation among women entrepreneurs is not limited to one field, but appears across different types of products, services and business activities.

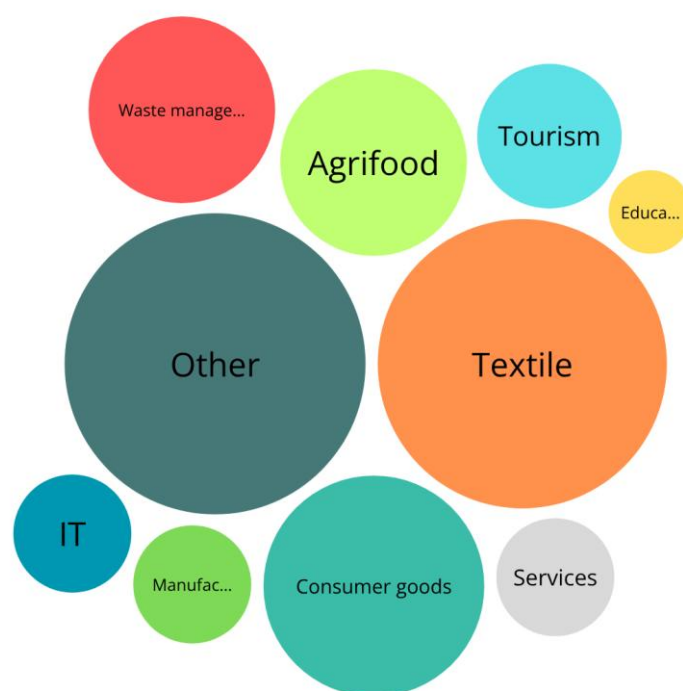


Figure 4: Distribution of applicants per sector, credit: own illustration

The applications and later co-creation activities show that companies are not only looking for general awareness about circular economy, but for practical support in applying it to their business reality. Common needs include support for product and service redesign, access to sustainable and secondary materials, more efficient use of

resources, improved production and packaging systems, better waste reduction and reuse approaches, stronger customer communication, digital tools for visibility and traceability, and partnerships that can help companies move from idea to implementation.

These needs later become the foundation for the six WE.Circular business models. The diversity of applications shows that the original three thematic areas are important, but too broad to fully reflect the real pathways of women-led SMEs. Some profiles need support to redesign products for durability, repair or reuse. Others need to improve material flows, packaging, logistics, digital tools, market education or ecosystem cooperation. This is why the project moves from the initial logic of three key areas towards a more practical portfolio of six circular business model pathways.

The Innovation Contest therefore plays a double role in the pilot testing process. On the one hand, it selects the company profiles that continue into co-creation, business model development and testing. On the other hand, it provides a rich evidence base on the circular economy challenges, ambitions and support needs of women entrepreneurs across the Danube Region. The selected finalists become active contributors to the development of the models, not only beneficiaries of support. Their experience helps ensure that the models are grounded in real business situations and can later be tested as practical tools within the WE.Circular Labs.

After the contest, **co-creation groups** are formed in the participating countries. These groups bring together women entrepreneurs, project partners, experts, stakeholders and associated strategic partners where relevant. Their role is to discuss company needs, identify circular challenges and explore possible solutions that can later feed into the development and testing of the models.

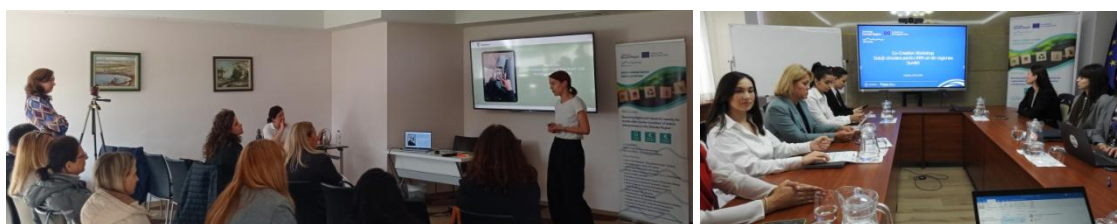


Photo 1: National co-creation workshops in Bulgaria and Moldova, (April – May 2025), photo credit: own resources

The next step is the **development of the six innovative business models**. The models are based on the challenges and opportunities identified through the Innovation Contest and the co-creation process. They reflect different entry points for circular transition: design, resource use, production systems, digital tools, market education and collaboration.

Before the testing phase, the models go through **peer-review validation**. The peer-review event took place on 17 September 2025 in a hybrid format, online and in person at Impact Hub Bucharest, Romania. It involved 27 participants and six peers with relevant experience in circular economy, policy, business support and ecosystem development. Experts and stakeholders reviewed the models and provided feedback on their relevance, clarity, feasibility, risks and transferability. This step helps strengthen the models before they are tested with companies. They also looked at how the models contributed to the three original thematic areas of the project: raw materials, production processes and waste management.



Photo 2: Peer-review meeting, Romania, 09.2025, credit: RAPIV

The feedback from peers was used to refine the models before the pilot testing phase. The recommendations focused mainly on making the models clearer, more realistic and easier to adapt by SMEs with different levels of readiness.

The pilot testing then continues with the **selection of testing scenarios**. Each company profile is linked to the most relevant business model or combination of models. The testing scenario focuses on actions that are realistic for the company's current stage of development and available resources.

The testing period lasts up to six months. In total, **38 companies start the testing process and 29 complete it**. The distribution across the models shows that the strongest testing concentration is in BM1 and BM5, while the remaining models are tested with smaller groups of company profiles: **BM1 – 13 companies, BM2 – 4, BM3 – 1, BM4 – 3, BM5 – 8 and BM6 – 3**.

The testing does not look the same for all companies. In some cases, it leads to practical outputs such as improved product or packaging concepts, clearer customer communication, digital improvements, workshops, service ideas or partnership steps. In other cases, it supports business clarification, helping the company understand what is realistic now and what requires longer-term support. This reflects the real conditions of

women-led SMEs, where available time, resources, technical capacity and market readiness differ from one profile to another.

The final step is evaluation and learning. Feedback from companies, experts, peer reviewers and project partners is used to understand what works well, what remains difficult and how the models should be improved.

This step captures one of the most important lessons from the pilot testing: for women-led SMEs, circular transition often starts with practical first steps. These may include better communication and storytelling, customer engagement, product redesign, packaging improvements, workshops and service offers, digital improvements or first partnerships. More complex actions usually require longer-term support, finance and cooperation.

The learning from the pilots also confirms the importance of the WE.Circular Labs as collaborative environments for testing and developing circular and digital business solutions. The process highlights several success factors: tailored support based on real business needs, the co-creation and Living Lab approach, the test-before-invest logic, practical outputs and business clarification, and shared learning through the network. At the same time, it reveals challenges related to organisational and time capacity, access to finance and specialised expertise, stakeholder cooperation and the need for longer-term support beyond the pilot phase.

Through this final learning step, the pilot testing contributes directly to the refinement of the six innovative business models. It helps make them clearer, more realistic and more useful for other women entrepreneurs, business support organisations and stakeholders interested in applying the WE.Circular approach.

4.4 Data collection and feedback tools

The pilot testing uses several tools and sources of evidence to collect structured feedback and practical insights. These tools help the project partnership understand how the models work in practice, what companies find useful and which elements need further improvement. The templates of the tools used are provided in the Annexes.

The **Application Form for the Innovation Contest** provides the first source of information. It helps identify the company profile, circular economy orientation, innovation idea, development needs and potential relevance to the business models.

The **Feedback Questionnaire for Companies** collects the views of the participating women entrepreneurs. It focuses on the usefulness of the testing process, the relevance

of the assigned model, the clarity of proposed actions, the support received, the challenges faced and the potential next steps.

The **Template for Peer-Review Experts** supports the structured validation of the models before pilot testing. It helps collect comments on strengths, weaknesses, risks, practical relevance and possible improvements.

In addition to these tools, project partners collect insights from mentoring sessions, consultations, working meetings and communication with companies. These observations are important because they capture the practical learning that happens during the testing process.

All these tools create a broad evidence base. They allow the pilot testing results to be analysed from different perspectives and supports the improvement of the final business models.

5. Key outcomes of the pilot testing

5.1 General outcomes

The outcomes are based on the national testing reports prepared by the project partners hosting the Labs. Across these reports, the pilots assessed the tested business models in relation to issues such as applicability under real SME conditions, feasibility of the proposed actions, relevance of the suggested partner ecosystems, realism of revenue streams, and the presence of structural gaps or over-ambitious assumptions within the model design.

The pilot testing confirms that the six WE.Circular innovative business models are relevant and useful for women-led SMEs that want to move towards circular and digitally supported business practices. The testing shows that the models work best when they help companies move from broad sustainability ambitions to more concrete decisions: what to change, what to test first, which partners are needed, and what kind of support is necessary for further implementation.

The outcomes of the pilot testing are not limited to individual company results. The process also generates important learning on how circular business model support should be designed for micro and small enterprises. It shows that circular transition is rarely a single large step. More often, it starts with a practical and realistic action: improving communication, redesigning a product, testing packaging changes, engaging customers, introducing a simple digital tool, organising a workshop or exploring a first partnership.

At the same time, the pilot testing makes clear that more advanced circular solutions require longer preparation. Digital traceability, certification, reverse logistics, formal return systems, larger production changes or shared infrastructure cannot usually be completed within a short pilot period. These actions remain important, but they need stronger phasing, external expertise, finance and cooperation with stakeholders.

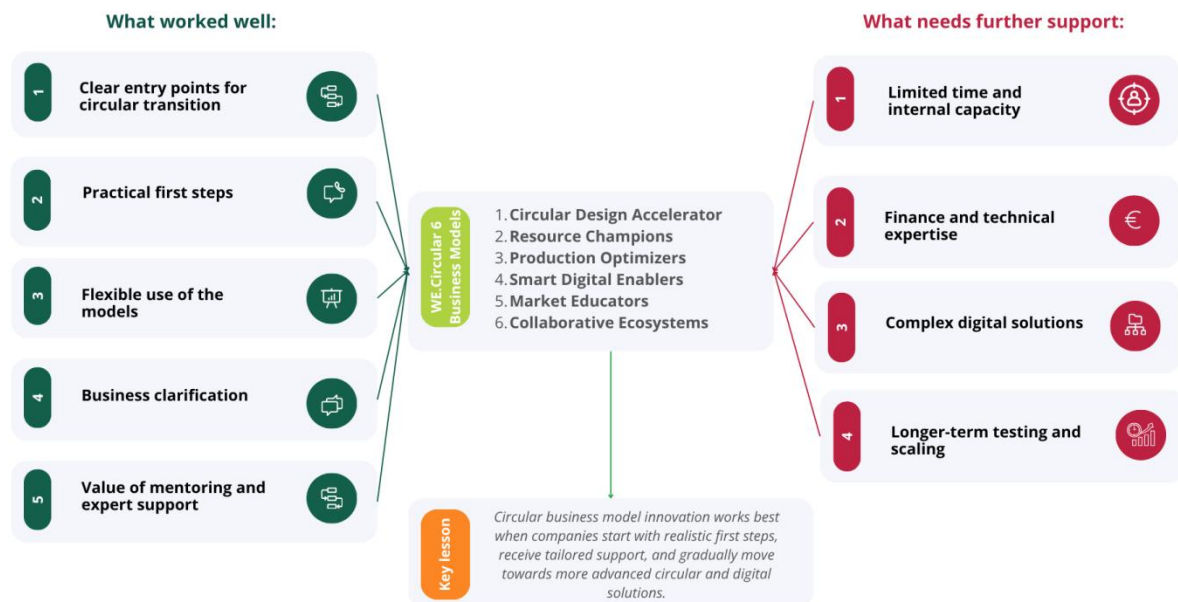


Figure 5: Lessons learnt from pilot testing of the Business models; credit: own illustration

The pilot testing provides several cross-cutting findings that are relevant for all six business models.

First, the business models are useful because they offer **clear entry points** for circular transition. Instead of presenting circular economy as a broad and abstract concept, the models help companies understand where they can start: with design, resources, production, digital tools, market communication or cooperation. This makes the circular transition more understandable and easier to connect with real business needs.

The models prove **most effective when they are applied flexibly**. Women-led SMEs differ in sector, size, maturity, internal capacity and available resources. For this reason, the models cannot be used as fixed templates. They work better as adaptable frameworks that help each company profile select actions that are realistic for its current stage of development.

Practical and low-barrier actions are the easiest to test. Across the pilot testing process, companies are most often able to work on communication and storytelling, customer engagement, awareness activities, product or packaging improvements, small service

adjustments, digital visibility and initial partnership discussions. These actions do not always require major investment, but they can create important progress because they help companies clarify their circular value and present it more convincingly to customers and partners.

The process also confirms the **importance of mentoring and expert support**. Companies benefit from guidance that helps them choose realistic actions, refine their ideas, better understand their business model and distinguish between immediate opportunities and longer-term ambitions. The pilot testing therefore functions not only as a validation exercise, but also as a practical learning and support process within the WE.Circular Labs.

Even incomplete or early-stage testing brings value. Some companies are able to test concrete actions, while others mainly clarify their future direction. Both results are important. For many small companies, a clearer understanding of priorities, risks, partners and next steps is already a meaningful outcome, because it creates the basis for future investment and growth.

At the same time, the pilot testing clearly shows that women-led SMEs face several common challenges when moving from circular ideas to practical implementation. **Limited time and internal capacity are among the most visible barriers**, especially for micro and small companies where daily business operations leave little space for testing new models. Actions such as certification, digital traceability, reverse logistics, return infrastructure, shared production systems, complex partnership models or larger-scale market validation cannot always be fully tested within a limited period. They remain important for the future application of the models, but they require phased implementation, continued mentoring and access to finance or specialised support.

Financial limitations also affect the ability of companies to invest in new materials, digital tools, certification, product redesign, production changes or more advanced circular systems.

Cooperation appears as a key condition for circular transition. Many circular actions depend on suppliers, recyclers, logistics providers, designers, digital experts, municipalities, business support organisations, customer communities or other companies. Where these links are easier to activate, companies are better positioned to move from idea to implementation. Where such links are missing, circular transition remains more dependent on the individual effort of the entrepreneur.

5.2 Outcomes by type of business model result

The pilot testing shows that the six WE.Circular business models create value in different, but closely connected ways. In practice, the models do not work as isolated options. A company may need to redesign a product, improve communication, test packaging changes, introduce a simple digital tool, engage customers and search for partners at the same time. For this reason, the outcomes of the pilot testing are best understood as a set of connected results that strengthen the circular transition pathway of each company profile.

One of the **most important outcomes is the clarification of the circular value proposition**. In many company profiles, circularity is already present through responsible materials, waste reduction, reuse, local production, repair, education, social value or community engagement. However, these practices are not always clearly structured or communicated as part of the business model. The pilot testing helps companies better understand what exactly creates circular value in their offer, why it matters for customers and partners, and how it can be explained in a simple and credible way. This is especially relevant for models focused on design, market communication and cooperation (**BM1 Circular Design Accelerator, BM5 Market Educators, BM6 Collaborative Ecosystems**).

Another strong result is the **identification of practical first steps**. The testing confirms that circular transition for women-led SMEs rarely starts with a full transformation of the company. It usually begins with one manageable action: reviewing a product, improving packaging, creating a clearer customer message, collecting feedback, testing a reuse idea, improving digital visibility or contacting a potential partner. These first steps may seem small, but they are important because they make circular transition concrete and achievable. This finding is relevant for all six models, as each of them can help companies choose a realistic starting point according to their sector, capacity and readiness level.

The pilot testing also leads to **better understanding of how products, services and packaging can be improved**. Companies are encouraged to look at their offer through a circular lens: whether the product can last longer, whether it can be reused, repaired, refilled or returned, whether packaging can be reduced or redesigned, and whether customers receive enough information to participate in circular practices. In some profiles, this leads to concrete improvement ideas, while in others it clarifies what needs to be changed before implementation is possible. This outcome is particularly relevant for models dealing with circular design, operational improvements and customer-facing

communication (**BM1 Circular Design Accelerator, BM3 Production Optimizers, BM5 Market Educators**).

A further outcome is **the stronger awareness of material and resource use**. The testing helps companies reflect on where materials come from, how efficiently they are used, what waste is generated and whether some resources can be reused, replaced or kept in circulation for longer. This is important not only for environmental reasons, but also for business resilience, cost control and market credibility. At the same time, the testing shows that material-related changes often require suppliers, recyclers, testing facilities, certification bodies or other technical partners. This makes resource efficiency closely connected with cooperation and ecosystem support (**BM2 Resource Champions, BM3 Production Optimizers, BM6 Collaborative Ecosystems**).

Customer engagement and communication also appear as key outcomes. Many circular solutions depend on the active participation or understanding of customers. Customers may need to know how to return packaging, how to repair or reuse a product, why a material is more sustainable, or why a circular product has a different value proposition. The pilot testing helps companies improve storytelling, awareness activities, customer feedback, product information and sustainability communication. This is especially important for women-led SMEs that often build their market position through trust, authenticity, community and close customer relations (**BM1 Circular Design Accelerator, BM5 Market Educators, BM4 Smart Digital Enablers**).

The testing also highlights **the role of digital visibility and simple digital improvements**. Digitalisation can support circular transition, but it needs to start from a clear business need. For many SMEs, the first useful step is not an advanced technology, but a simple tool such as a QR code, improved website information, digital catalogue, online form, customer feedback channel, social media content or basic monitoring of circular actions. These tools can help companies communicate better, collect information and prepare for more advanced digital solutions in the future. More complex digital tools, such as traceability systems, digital product passports, dashboards, AI-based tools or platform integration, remain relevant but usually require higher readiness, finance and specialised support (**BM4 Smart Digital Enablers, BM5 Market Educators, BM1 Circular Design Accelerator**).

Another important result is the **stronger partnership orientation of companies**. The testing confirms that many circular business models cannot be implemented by one company alone. Access to sustainable materials, reuse systems, repair services, return logistics, digital tools, customer communities, public support or market visibility often depends on cooperation with other actors. The pilot testing helps companies identify

which partners may be needed and what role they could play in future implementation. In some cases, this means first contacts and cooperation ideas; in others, it means a clearer understanding of the ecosystem that must be activated before scaling is possible (**BM6 Collaborative Ecosystems, BM2 Resource Champions, BM3 Production Optimizers, BM4 Smart Digital Enablers**).

The process also supports **business model clarification**. For many company profiles, the value of the pilot testing lies not only in one concrete change, but in a clearer understanding of priorities, risks, resources, customer needs, possible revenue logic and next steps. This is especially important for micro and small companies, where decisions about new materials, digital tools, certification, production changes or partnerships must be carefully assessed before investment. The pilot testing helps companies distinguish between what can be done immediately, what needs preparation and what should remain a longer-term ambition.

At the same time, the **testing identifies advanced actions that require longer-term support**. Certification, technical validation, complex material testing, digital traceability, reverse logistics, return infrastructure, shared production systems, formalised partnerships and larger-scale market validation are all relevant for circular transition, but they are not always feasible within a short pilot period. This finding is important because it helps make the final business models more realistic. It shows which actions can be presented as first steps and which should be positioned as advanced or scaling-stage actions requiring additional finance, expertise and cooperation (**BM2 Resource Champions, BM3 Production Optimizers, BM4 Smart Digital Enablers, BM6 Collaborative Ecosystems**).

5.3 Feedback from companies

The feedback from participating companies shows that the pilot testing is most valuable when it provides practical guidance, clearer structure and expert input. Companies appreciate the opportunity to look at their business ideas from a new perspective and to understand which circular actions are realistic in the short term and which need further preparation.

Many profiles benefit from the process because it helps them clarify their development priorities. Instead of trying to implement many circular ideas at once, companies are supported to focus on selected actions with higher feasibility and clearer business relevance. This is especially important for micro and small enterprises, where time and resources are limited.

Companies also value the mentoring and expert consultations. The support helps them connect circular economy principles with practical questions such as customer communication, packaging, digital tools, partner involvement, market positioning, revenue logic or operational feasibility.

At the same time, the feedback also points to common challenges. Companies often face limited time, limited staff capacity, financial constraints and lack of specialised expertise. Some actions require technical validation, certification, digital development, infrastructure or long-term partnerships, which are difficult to complete within the pilot period.

The feedback therefore confirms that women entrepreneurs need more than inspiration. They need practical tools, mentoring, access to expertise, first testing opportunities and networks that can help them move from ideas to implementation.

5.4 Feedback from experts and peer reviewers

Experts and peer reviewers confirm that the six WE.Circular business models are relevant and complementary. They recognise that the models cover different but connected dimensions of circular transition: design, resources, production, digitalisation, market demand and cooperation.

The expert feedback highlights the importance of keeping the models practical and adaptable. SMEs need clear language, realistic actions and examples that help them understand how a model can be applied in their own context. Overly complex or ambitious actions should be phased, so that companies can start with manageable steps before moving to more advanced solutions.

Experts also stress the importance of financial feasibility and risk management. Circular solutions may create environmental and market value, but companies also need to understand the costs, benefits, resources and possible risks of implementation. This is particularly important for actions involving new materials, production changes, digital tools or new partnership models.

Another important expert observation concerns digitalisation. Digital tools can support all six models, but they should be introduced gradually and only where they solve a real circular business problem. Simple tools may be sufficient for early-stage companies, while advanced technologies require stronger readiness and support.

Experts also underline that partnerships are critical. Many circular solutions depend on value-chain cooperation, shared infrastructure, public support, knowledge partners or

customer participation. Therefore, the models should not focus only on what the company does internally, but also on how it connects with its ecosystem.

5.5 Improvements made after pilot testing

The pilot testing contributes directly to the improvement of the six innovative business models. The testing does not only confirm the relevance of the models, but also shows where they need to become clearer, more realistic and easier to apply by women-led SMEs with different levels of readiness.

One of the **most important improvements is the stronger phasing of implementation**. The pilot testing shows that SMEs need to distinguish between actions that can be tested quickly and actions that require more time, investment, infrastructure or specialised expertise. Therefore, the revised business models place stronger emphasis on gradual implementation, helping companies start with simple and feasible actions before moving towards more advanced circular solutions. This improvement is reflected across several models, especially BM1, BM2, BM4 and BM6, where clearer guidance is introduced on short-term, medium-term and longer-term actions.

The models are also **strengthened by giving more attention to minimum viable actions**. These are practical entry points that companies can test with limited resources, such as storytelling, basic transparency communication, educational formats, customer engagement, first partner contacts, product review, packaging reflection or simple digital improvements. This is particularly visible in BM1 and BM5, where low-cost and easily testable actions are highlighted as important starting points for SMEs that are not yet ready for complex circular transformation.

Another improvement concerns the **prioritisation of actions**. The pilot testing shows that some actions are more suitable as first steps, while others require greater organisational capacity, technical infrastructure or longer preparation. The revised models therefore clarify which actions can be implemented at an early stage and which should be considered as advanced or scaling-stage actions. This adjustment is especially relevant for BM1, BM2, BM4 and BM5, where the action sets are refined to better reflect SME capacity and readiness levels.

The pilot testing also leads to **stronger partnership guidance**. Many tested circular solutions depend on external actors, such as material suppliers, reuse centres, recyclers, municipalities, packaging partners, digital providers, logistics actors, advisory organisations, schools, community actors or circular platforms. The revised models therefore provide clearer guidance on how companies can identify and gradually

activate relevant partners. BM1, BM2, BM5 and BM6 are strengthened in this respect, with more practical examples of first-step partners and more advanced ecosystem relationships.

A further important improvement is the **clearer treatment of customer participation and market behaviour**. The testing shows that circular solutions cannot rely only on sustainability motivation. Customers also respond to usability, comfort, price, trust, accessibility and clear communication. The revised models therefore place stronger emphasis on customer validation, feedback loops, awareness activities, market trust and practical customer engagement tools. This is reflected in BM1, BM2, BM3 and BM5, where customer participation, customer testing, market trust and behaviour-oriented communication are further clarified.

The models are also improved in relation to **technical and operational feasibility**. The pilot testing shows that some actions, such as returnable packaging, reusable packaging systems, technical product development, production changes or industrial application, require preparation before implementation. The revised models therefore include stronger reference to feasibility assessment, technical specification work, prototype testing, customer validation and preparation before infrastructure investment. This is particularly important for BM2 and BM3, where the revisions clarify the technical development pathway, production planning and packaging-related implementation steps.

Digitalisation is another area where the models are made more realistic. The pilot testing confirms that digital tools can strongly support circular transition, but they should be introduced according to **the company's digital maturity**. The revised models therefore clarify that companies should assess their digital readiness before applying more advanced digital solutions. In BM4, the revisions introduce a clearer distinction between conceptual preparation, minimum viable digital solutions and advanced digital integration. They also clarify that AI-based tools, platform integration, dashboards or advanced digital optimisation should be understood as advanced modules, not as baseline requirements for all SMEs.

The role of customer-facing digital tools is also strengthened. The testing shows that simple digital actions, such as website optimisation, digital visibility, customer communication tools, digital product information or basic monitoring, can already bring value to SMEs. This is reflected mainly in BM4 and BM5, where digital communication, online usability, transaction safety, visibility and customer-facing tools are presented as practical enablers of circular business development.

The pilot testing also leads to **clearer guidance on revenue streams and monetisation pathways**. Some circular revenue streams can be activated relatively early, while others require a stronger customer base, clearer service definition, pricing logic, market visibility or more advanced organisational maturity. The revised models clarify this especially in BM4, BM5 and BM6. For example, education services, subscription models, sponsorship-based revenues, white-label solutions, platform-based services or ecosystem-based activities are positioned more carefully according to company readiness and scaling potential.

Another improvement concerns **impact measurement and monitoring**. The pilot testing shows that SMEs need simple and accessible indicators, not only complex environmental metrics. The revised models therefore include more practical monitoring suggestions, such as customer engagement, event participation, repeat purchase, partnership growth, active partners, joint initiatives, shared resources used, or basic environmental indicators. This improvement is reflected in BM1, BM2, BM4, BM5 and BM6, where simplified impact measurement guidance is introduced to make monitoring more realistic for SMEs with limited resources.

The testing also helps strengthen the models from the perspective of **risk management**. Circular transformation may involve financial, operational, behavioural, partnership-related or technical risks. BM6 is strengthened with more practical guidance on collaboration risks, including the use of written cooperation agreements, pilot-phase testing of partnerships and simple conflict-prevention mechanisms. Similar risk-related logic is also indirectly reflected in other models through stronger phasing, feasibility assessment and readiness-based implementation.

The pilot testing shows that the models should not be used as fixed instructions, but as flexible pathways that can be adapted to the company profile, sector, capacity, market and national context. The final versions of the six models therefore become more practical, more phased and more suitable for wider use by women entrepreneurs, mentors, business support organisations and innovation actors.

6. Upscaling of the business models

The six WE.Circular business models are designed to remain useful beyond the pilot testing phase. Their purpose is not limited to the companies that took part in the project, but extends to other women entrepreneurs, mentors, business support organisations, innovation actors and policymakers looking for practical ways to support circular and digital transition.

What makes the models suitable for wider use is their flexibility. They do not prescribe one single route to circularity. Instead, they offer different entry points depending on the company's main challenge. A business may start by redesigning a product, improving material use, rethinking packaging, introducing a simple digital tool, strengthening customer communication or building cooperation with partners. In many cases, several of these pathways can be combined.

Upscaling should therefore be understood as an adaptive process. The models should not be copied mechanically from one company or country to another. Each company operates in a specific sector, market and support environment. Its available resources, level of readiness, customer base and partnership opportunities may differ significantly. For this reason, the business models are most useful when they are applied as flexible frameworks that can be adjusted to the real context of the user.

A key condition for successful upscaling is realistic phasing. The experience from the pilot testing shows that women-led SMEs benefit from starting with practical and low-barrier actions before moving towards more complex interventions. Such first steps may include a product review, circular storytelling, customer feedback, simple digital communication, partner mapping, small packaging improvements or awareness activities. These actions allow companies to test the relevance of a circular idea, understand customer response and build confidence before investing in larger changes.

More advanced actions require stronger preparation. Certification, traceability systems, digital product passports, reverse logistics, formal return systems, shared infrastructure or larger production changes usually need more time, finance, technical expertise and cooperation with external partners. These actions should therefore be treated as scaling-stage measures, not as immediate requirements for all SMEs. A step-by-step pathway is more realistic: first diagnose the challenge, then test a feasible action, then strengthen the business case, and only after that move towards broader implementation.

The WE.Circular Labs can play an important role in this process. They provide a supportive environment where companies can explore circular ideas, select the most relevant business model pathway, receive mentoring, test selected actions and connect with stakeholders. For upscaling, the Labs can continue to act as facilitators between women entrepreneurs and the wider ecosystem, including experts, business support organisations, public authorities, universities, digital providers, suppliers, recyclers, finance providers and customer communities.

Business support organisations can also use the models as practical tools in their regular services. The models can support mentoring, advisory sessions, workshops,

innovation contests, voucher schemes, training programmes and peer-learning formats. They can help advisors structure discussions with companies and identify whether the main need is related to design, resources, operations, digitalisation, market communication or cooperation. In this way, the models can be integrated into existing SME support activities without the need to create completely new structures.

The CE Business Models Toolkit further strengthens the upscaling potential of the models. While the business models define the main circular transition pathways, the Toolkit translates them into practical guidance, tools and examples. It supports diagnosis, pathway selection, readiness assessment, action planning, partner mapping, revenue stream reflection and impact monitoring. This makes the models easier to apply in workshops, mentoring sessions or internal company planning.

Partnerships are another essential condition for upscaling. Many circular solutions cannot be implemented by one company alone. Access to secondary materials, repair services, digital expertise, logistics, customer participation, certification, financing or shared infrastructure often depends on cooperation with other actors. The business models can therefore support not only individual company transformation, but also the development of stronger local and regional circular ecosystems.

Policy stakeholders can use the models to better understand what kind of support women entrepreneurs need for circular and digital transition. The testing experience shows that support should not focus only on general awareness or training. Companies need practical testing opportunities, mentoring, access to expertise, financial instruments, digital readiness support, market validation and cooperation platforms. The models can therefore inform future measures under regional action plans, SME support schemes, smart specialisation strategies, circular economy policies and women entrepreneurship programmes.

The transferability of the models is also supported by their sectoral flexibility. They can be applied in areas such as textiles and fashion, consumer goods, agrifood, waste management, tourism, manufacturing, IT, creative industries, education, services, packaging, reuse, repair and upcycling. However, each sector may require a different combination of actions and partners. This means that successful upscaling should always start with understanding the specific circular challenge of the company or sector.

Another important element is simple impact monitoring. SMEs need realistic ways to understand whether a tested action creates value. Indicators may include reduced waste, improved material use, number of repaired or reused products, customer engagement, number of partners involved, participation in awareness activities, digital visibility, repeat purchase, new services created or first revenue from circular activities.

Such indicators help companies decide whether an action should be improved, expanded or replaced by another approach.

Upscaling also requires space for learning and adaptation. Not every tested action will immediately lead to a successful business result. Some actions may need to be adjusted, postponed or combined with other measures. This is why the models support an iterative process: test, learn, improve and scale. Such an approach reduces risk and allows companies to make better-informed decisions.

In the longer term, the WE.Circular business models can contribute to wider regional impact. They offer a common language for discussing circular and digital transition of women entrepreneurs across the Danube Region. They can be adapted to national contexts, integrated into existing support systems and connected with future cooperation initiatives. Their upscaling potential lies in their practical orientation, flexibility and strong connection to real business needs identified through the WE.Circular process.

The wider application of the business models depends on three main conditions: the models must remain flexible, companies must receive tailored support, and the wider ecosystem must be involved. When these conditions are in place, the models can help women-led SMEs move from initial circular ideas to tested actions, from tested actions to stronger business models, and from individual improvements to wider circular transformation.

7. Conclusions

The pilot testing of the WE.Circular innovative business models represents an important step in transforming the project results from conceptual outputs into practical support pathways for women-led SMEs. Through the WE.Circular Labs, the six business models were tested in real business contexts, with different company profiles, sectors, levels of readiness and circular economy challenges. This process confirmed that the models are relevant, adaptable and useful for supporting women entrepreneurs in their circular and digital transition.

The testing showed that circular business transformation does not usually start with large-scale change. For most micro and small companies, it begins with practical first steps: clarifying the circular value of a product or service, improving communication, redesigning packaging, reviewing material use, engaging customers, testing a simple digital tool or identifying a first partner. These actions may appear modest, but they are

essential because they make circular transition more concrete, realistic and manageable for SMEs.

At the same time, the pilot testing also confirmed that more advanced circular solutions require stronger preparation. Actions such as certification, digital traceability, return systems, reverse logistics, shared infrastructure, complex partnerships or larger production changes cannot always be implemented within a short testing period. They remain important for the future, but they require phased implementation, access to finance, specialised expertise and stronger cooperation with ecosystem actors.

One of the main conclusions is that the six business models should be used as flexible pathways rather than fixed templates. Each model offers a different entry point for circular transition: design, resources, production, digital tools, market education or cooperation. However, in practice, companies often need to combine several models. A circular product may also need better storytelling, digital visibility, reliable suppliers and partnerships for reuse, repair or scaling. This complementarity is one of the strengths of the WE.Circular approach.

The pilot testing also demonstrated the value of the WE.Circular Labs as practical support environments. The Labs provided space for co-creation, mentoring, experimentation, feedback and learning. They helped companies move from general intentions to more concrete business decisions and supported the project partnership in understanding what type of guidance is most useful for women-led SMEs. The “test before invest” logic proved particularly important, as it allowed companies to explore ideas and reduce risks before committing to larger changes.

The feedback collected from companies, experts, peer reviewers and project partners contributed directly to the improvement of the models. As a result, the final versions of the business models are clearer, more realistic and more suitable for future application. The revisions strengthened the phasing of actions, the distinction between basic and advanced steps, the role of digital readiness, the need for practical partnerships, the importance of customer communication, and the use of simple monitoring indicators.

The testing also highlighted the main support needs of women entrepreneurs in circular transition. These include access to mentoring, expert advice, practical tools, market validation, digital support, financial instruments and stronger cooperation networks. Circular transition is not only a company-level process. It depends on the wider ecosystem, including business support organisations, public authorities, universities, suppliers, recyclers, digital providers, finance actors and customer communities.

The six WE.Circular business models therefore have strong potential for wider application by women entrepreneurs, mentors, business support organisations and policymakers. Together with the CE Business Models Toolkit and the WE.Circular Labs approach, they provide a practical basis for replication and upscaling across the Danube Region and beyond.

Overall, the pilot testing confirms that women entrepreneurs are active and motivated contributors to circular economy innovation. What they need is not only inspiration, but structured, practical and gender-sensitive support that helps them test ideas, build confidence, access expertise and connect with relevant partners. The WE.Circular business models respond to this need by offering adaptable pathways from circular ambition to business action.

The main added value of Output 2.2 is that it captures this testing and learning process in a transferable way. It shows what works, what needs further support and how the business models can be used in future initiatives. In this sense, the output contributes not only to the finalisation of the WE.Circular model portfolio, but also to the broader objective of strengthening women-led circular and digital entrepreneurship in the Danube Region.

8. Annexes

8.1 Template of Application Form for Innovation Contest



GAIN SUPPORT

Have a circular business idea? We are here to help you bring it to life!

**WE.CIRCULAR
INNOVATION CONTEST**

Join us!
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7. Please indicate the percentage of female ownership in the company*

Indicate the total percentage of ownership held by women (co-) owners in the company. If the company is entirely owned by women, please specify 100%. The applicant is eligible if the company is owned by a woman or by a diverse team in which at least one owner is a woman. Female ownership must constitute at least 30% of the total ownership share.

Legal representative details

8. Name*

9. Job title*:

10. e-mail*

Contact person

11. Name*

12. Job title*:

13. e-mail*

Information of the business model and purpose

14. Description of the business model*

Please describe briefly your business model, what you would like to improve/change in it, and current level of development of the model and required change.

How does your business model work?

Describe how your business generates revenue and the key activities required to do so.

max 500 words

15. Aim and purpose of the company*

Please, describe the products and services that you provide on the market.

Please, describe the specific problem linked to the circular economy that you are targeting to solve

max 250 words

16. Customer segments*

Who are your main customers? - max 250 words

17. Competitive advantage*

Who are your main competitors?

What differentiates your company from the competition?

Why should customers choose your product or service? –

max 250 words

Economic and circular impact created by the company

18.WE.Circular project works in three main predefined key areas of the circular economy. Which of them are targeted by your company? *

- ☐ secondary raw materials
- ☐ production and consumption
- ☐ waste management
- ☐ Other

19.Describe how your company aligns the specified key areas*

max 250 words

20.Impact on the circular economy*

Please define the current/expected benefits of your business on the market from the circular economy perspective based on your selected key areas (e.g. through waste avoidance, recycling, reuse of materials, etc.) - max 500 words

21.Metrics and KPIs*

What key performance indicators do you use to measure your company's economic and circular economy success? - max 250 words

22.Strategy for change/ improvement of the applied business model*

Please, describe how you plan to change/improve your business model (from linear to circular, or upgrade the existing circular model) and indicate the time frame of the specific steps.

Please indicate, if your company has already developed a Strategy Document for the circular economy transition.

(We want to understand in what direction you want your project/business to develop and how to achieve it. Please be specific and realistic in your descriptions.) - max 500 words

23.Innovation potential*

Please describe the innovative approaches/technologies that you plan to develop or apply during the implementation of the Strategy for change/ improvement of the applied business model.

*(We are looking for a general description, avoiding details, especially if your idea is unique and has no competition in the market so far, or if it is not yet protected by law. Details can include, for example, product specifications, designs, etc.)
max 500 words*

Description of the company's digital maturity

24.Use of digital tools and advanced technologies *

- ☐ manufacturing operations processes
- ☐ organizational management
- ☐ HR processes
- ☐ financial processes
- ☐ marketing and sales
- ☐ logistics
- ☐ Other

25.Digitalisation strategy*

Please, describe how you plan to change/improve the digital performance of your company and what digital tools or technologies do you plan to implement within your business to boost circular economy performance. Please indicate, if your company has already developed a Strategy Document for digitalisation.

(We are looking to understand the role of digitalisation of internal or external processes in the new/revised circular economy business model.)

max 500 words

26.Technological innovations potential*

Do you plan to develop your digital maturity using advanced technologies such as artificial intelligence, machine learning or blockchain?

Please, explain how you will apply them in your revised business model.

max 500 words

Declaration of consent

27.By entering the innovation contest, I agree to actively engage in all required activities, if selected as finalist or winner. I understand that this includes attending regional events and participating in a special Pop-Up Event in Slovakia in March 2026 where every winner has to present their own business model at the beginning and at the end of attending the project activities in English. The organizers will cover all reasonable expenses related to travel, accommodation, and participation in these events. Finalists and winners are expected to represent their startups and share their experiences and insights during these occasions as part of their commitment to the contest*

☐ Yes

Pitch Deck

28.You are welcome to provide us with a pitch deck of your company (optional)

8.2 Feedback Questionnaire for Companies

WE.Circular: Pilot testing feedback from companies

Thank you for participating in WE.Circular pilot testing activities! Your feedback is extremely valuable to us and will help us improve our services. This survey will take approximately 3 minutes to complete. Please select your answers from the options provided. You are also welcome to add any comments where applicable.

* Required

1. Please provide your company name: *

2. Before joining the initiative, did you have any experience in receiving support to develop your business? *

☐ Yes ☐ No

3. What type of organizations did you receive support from?

- ☐ not applicable
☐ Non-profit organizations - association, chamber, other similar
☐ Financial institution, fund
☐ Public organization - municipality, agencies under ministries and other similar
☐ University and/or research center
☐ Other

4. Please briefly describe what your expectations were before starting work with the experts on the WE.Circular project?

(for example: expected type of support - training, consulting, mentoring, networking, funding, etc.; expected specific activities; expected results of participation, both for the company and on a personal professional level)

5. How would you rate the expert services provided to your company within the initiative? (1 - very dissatisfied, 5 - very satisfied) *



6. How would you rate the communication with the expert and the team of during the implementation of the activities of the initiative? (1 - very dissatisfied, 5 - very satisfied) *



7. To what extent did the services provided within the framework of the initiative meet your expectations and the needs of your company? (1 - very dissatisfied, 5 - very satisfied) *



8.How relevant do you think the initiative was to its goals? (Goals = challenges/needs of your business) *

- ☐ Completely relevant
- ☐ Relevant to a considerable extent
- ☐ Somewhat irrelevant
- ☐ Completely irrelevant

9.Did you gain new knowledge or specific benefits from the initiative? *

- ☐ Yes, I gained a lot of new knowledge/specific benefits
- ☐ Yes, I gained a little new knowledge/specific benefits
- ☐ No, I did not gain any new knowledge/specific benefits

10.Were there any challenges or obstacles during your participation in the program?*

- ☐ Yes
- ☐ No

11.If you answered "Yes" to the previous question, please explain what and how you were able or unable to overcome them in order to continue your successful participation in the program. *

12.What did you like most about the initiative?*

13.What do you think could be improved?*

14.Do you have any additional comments or suggestions?*

8.3 Template Peer-review feedback from experts

Business Model No:

Question	Answer and notes
Relevance	
Is the business model clearly explained and easy to understand?	
Does it address real problems/needs of women entrepreneurs in the circular economy?	
Value proposition	
Does the model create clear value for companies, customers, and partners?	
What elements could be strengthened?	
Feasibility	
Are the proposed actions realistic given the resources, skills, and readiness levels of the companies?	
Scalability	
Could the model be scaled across more companies, sectors, or countries?	
What might limit scaling?	
Partnerships	
Are the right partners identified?	
Which additional stakeholders should be engaged?	
Revenue Streams	
Are revenue opportunities clear and viable?	
Are there overlooked income possibilities?	
Impact	
Does the model convincingly generate environmental, social, and economic	

benefits?	
How could impact measurement be improved?	
Risks	
What key risks or barriers do you see in implementation?	
How can they be mitigated?	
Readiness & Adaptability	
Are companies sufficiently prepared to adopt this model?	
What support would they need?	
Recommendations	
What are the top 2–3 improvements you suggest?	
Special questions	
Are the proposed digital approaches realistic for small-scale and early-stage companies?	
Is there any important digital channel or method missing that could strengthen Market Educators?	
Does the model suggest clear ways to measure the impact of digital awareness campaigns?	

8.4 Pilot Testing Coverage by Country, Sector and Business Model

Annex 8.4 provides an aggregated overview of the companies that completed the pilot testing process across the participating countries. The table presents the countries in alphabetical order, the number of companies that completed the pilot testing, the sectors represented and the business models tested. The information is presented in a consolidated way and does not include sensitive company-level details.

Country	No of piloting companies	Sectors represented	tested business models
Austria	2	Textile & fashion; natural cosmetics	BM1
Bosnia and Herzegovina	3	Fashion / upcycling; food; circular marketplace/ community exchange	BM1; BM 5
Bulgaria	2	Digital solutions / fashion-tech; food	BM4; BM5
Croatia	2	Tourism/ sustainable accommodation; textile	BM1; BM5
Czech Republic	3	Packaging; reuse/repair/ retail; education	BM3; BM5; BM6
Germany	1	Textiles / material innovation	BM2
Hungary	4	Creative industries; food; education; textile & fashion	BM4; BM5; BM6
Moldova	2	Tourism / hospitality; fashion / textiles	BM1; BM2
Romania	2	Tourism; waste management	BM1; BM2
Serbia	3	Cosmetics; textile & fashion	BM1
Slovakia	2	Slow fashion; circular products / design / reuse	BM1; BM6
Slovenia	3	Waste management; cosmetics; circular consumer products	BM1; BM2
total	29		BM1 - BM6