

NEWS

PROJECT

UFIL - Urban Forest Innovation Lab

📍 Cuenca, Spain

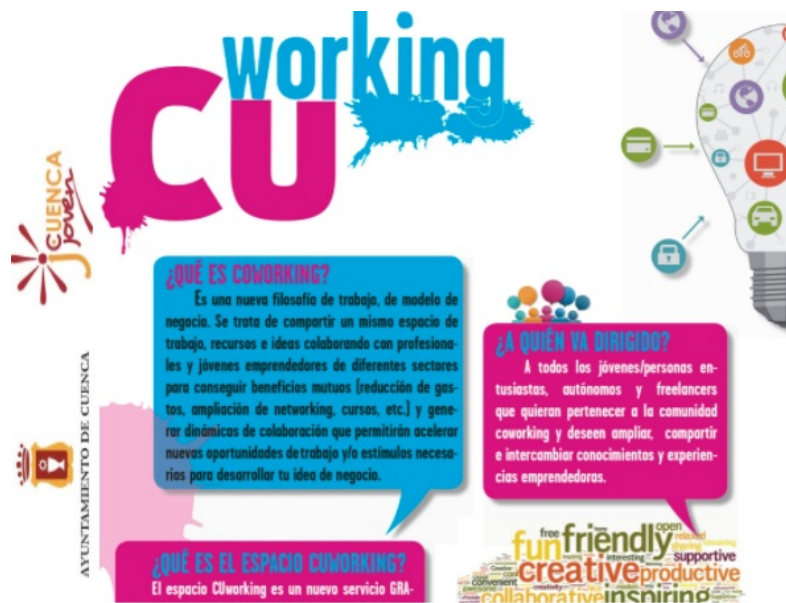
TOPIC

Jobs and skills in the local economy

EDIT 31 MARCH 2022  
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## Zoom-in #2 - Business and job creation in UFIL: sustainability mechanisms

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The Urban Forest Innovation Lab project is a Jobs and Skills Urban Innovation Action. Through its innovative training, the project is expected to help create jobs and develop green skills, primarily in Cuenca and its province. The project targets the creation of both direct and indirect jobs. Direct jobs are a primary output of the project’s activities. These jobs include the self-employed derived from the new businesses launched through the UFIL innovation lab. Indirect jobs derive from the project’s outputs. For example, participants in UFIL innovation lab who afterwards find a job because of their enhanced skills or connections with local businesses count as ‘indirect jobs’.

This zoom-in #2 looks at the project’s preliminary plans to ensure additional support to the entrepreneurial ideas shaped in the UFIL innovation lab, after the project’s training is completed. The final aim is to create direct jobs that are sustainable. It also reports on the perception of the participants in the first edition of UFIL with respect to this additional support.

### 1. Project’s results indicators related to the creation of local businesses and jobs

The project is planning to measure its performance in terms of business and job creation by means of two result indicators:

1. Number of businesses created in the bioeconomy/forestry sector.
2. Number of participants in the project’s training who are employed or develop new businesses after 12 months from the end of the training.

A couple of other indicators try to determine whether these businesses and jobs are located in Cuenca and its province, or not.

3. Percentage of bioeconomy/forestry businesses created that are located in Cuenca province.
4. Number of participants from outside Cuenca that decide to create their businesses in Cuenca.

Territoriality is very important in UFIL as the project is meant to impact on the socio-economic development of the whole province, thus indicators number 3 and 4 are key in understanding whether the geographical focus has been achieved or not.

In line with the above expected results, in its Work Package 7, UFIL has to design a **model to support forest bioeconomy businesses** and thus the development of a forest-based bioeconomy sector actively contributing to the wealth and growth of the territory. As a first step of the development of this support model, the project compiled an inventory of existing mechanisms for business establishment and support, some of which were then implemented in UFIL to validate their effects.

## 2. UFIL preliminary options to support forest businesses

One of the deliverables of the project presents the mechanisms theoretically available to retain forest-related business ideas in Cuenca. Some of these mechanisms are rather general and relate to the active employment policies of the city, or even of the regional government. Some other mechanisms, especially those concerning office space, business incubation and opportunities for continuous training, are more interesting for UFIL's participants.

- **Direct aid.** In Cuenca, financial support is provided in several forms such as unemployment benefits and one-off contributions for the unemployed towards self-employment; subsidies to facilitate the transfer of the business activity and generational renewal; aid for the hiring of full-time staff; reduction or bonus for the payment of social security contributions; regional incentives for specific activities (i.e., production and processing companies as well as for the tourism industry); industry 4.0 support for the digital transformation of businesses (targeting specific [NACE](#) activities); aid for the mobility of the self-employed; innovation support through the Innova-Adelante programme; support for the modernization and promotion of retail traders; support towards e-commerce and digitalization of SMEs and of artisan/craft companies.
- **Investment support.** Two of the most important mechanisms available to entrepreneurs are the regional programme for the provision of financial guarantee for investment loans (addressed to SMEs and self-employed); and the 'Business Angels network' of Castilla-La Mancha launched in 2008 by the Business and Innovation Centres of Albacete, Ciudad Real, Talavera de la Reina-Toledo and Guadalajara, with the support of the Region and the co-financing of the European Regional Development Fund.
- **Office space.** The Cuenca Business Centre of the Cuenca Provincial Council provides office space and other shared services to selected entrepreneurs proposing technically and financially viable projects (fees apply). The Business incubator of the Association of Young Entrepreneurs of Cuenca provides shared facilities and offices to young entrepreneurs of the province wishing to implement their projects (fees apply). The Municipality of Cuenca provides the free use of co-working facilities in its Youth Centre (see cover image).
- **Training opportunities.** The [Confederation of Entrepreneurs of Cuenca](#) (CEOE-CEPYME, one of the project's partners) regularly provides free courses to enhance employability and professional skills. The [Chamber of Commerce of Cuenca](#) is also a major provider of training opportunities (fees may apply). At the regional level, the [Training Service of the Ministry of Economy, Business and Employment](#) manages different lines of professional training for employment.

The **mechanisms tested so far in the project** to support UFIL entrepreneurial ideas are only marginally inspired by the above rather general portfolio of opportunities and include:

- Incorporating the entrepreneurial projects into the CEOE business association (CEOE-CEPYME, partner in the project) so as to benefit from their initiatives.
- Granting access to the UFIL laboratory after the completion of the training and incubation provided by the University of Castilla-La Mancha (UCLM, partner in the project). **The headquarters of the laboratory have been included in the network 'space ideas' of the university;** this allows entrepreneurial teams that have completed their participation in UFIL to continue using the facilities.
- Providing additional (i.e., 6 months) mentoring services by the business partner of the project (CEOE experts).
- Providing tailored mentoring services (for 3 months) by GLOBALCAJA to the best business projects. UFIL has a cooperation agreement in place with GLOBALCAJA and its foundations (see [here](#)).
- Providing working spaces in a business incubator through the Association of Young Entrepreneurs (AJE) and the Provincial Council of Cuenca.
- Purchasing by the project of materials and supplies for the entrepreneurial teams to continue developing their prototypes.
- Contracting by the municipality of Cuenca of works and/or services to companies created through UFIL. These works/services include, for example, forest inventories, audits for FSC certification, design of wood furniture for urban spaces, etc.
- Involving entrepreneurial teams in ongoing initiatives such as a study on the potential of the agro-forestry land owned by the municipality of Cuenca, or a project to restore the banks of the Jucar River. The regional government (JCCM, partner in the project) also facilitates the inclusion of UFIL companies in initiatives related to the forest sector, such as a study on the structure of forest property in Cuenca and the updating of the inventory of forest houses in the province.
- Providing advice related to forest certification processes (through the FSC project partner), available grants and subsidies for supporting entrepreneurial initiatives (through CEOE and the municipality of Cuenca) and business opportunities in rural areas (through the regional government JCCM and PRODESE Local Action Group).
- Making available wood working machines as well as raw material and advice through the project partner ACMSA (i.e., the

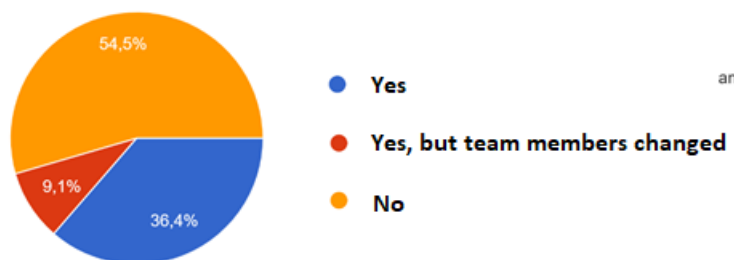
municipal wood company) to those UFIL entrepreneurial ideas related to wood manufacturing/processing.

### 3. Feedback from the participants in the first edition of UFIL's innovation lab

The monitoring system of the project was set with delay (see UFIL Journals N°2 and N°3) and interim results achieved against job-related indicators are not available. In November 2021, I carried out a short online consultation among the 33 participants of the first edition of UFIL training. Such edition run from March 2020 to January 2021. Thus, after 10 months, I was expecting to get an idea on the sustainability of the support provided by the project. In fact, I received only a total of 11 replies, which is equivalent to a rather modest response rate of 33%. Still, these 11 replies are coming from 10 out of the 17 entrepreneurial ideas (and corresponding teams) created within the first edition of the UFIL lab, meaning that the feedback was received from 59% of the entrepreneurial teams.

The first question of the consultation was about the existence - 10 months after the end of the UFIL training - of the teams that worked together on an entrepreneurial idea (within the innovation lab, entrepreneurial ideas are put forward individually or, preferably, by teams of two or more people). The majority of the participants (55%) replied that the team does not exist any longer. For those teams still existing, 9% of them changed members. Only 36% of the teams created within UFIL had at the time of the consultation the same team members.

#### UFIL supported you in creating an entrepreneurial team. Does the team still exist today?



Some of the still existing entrepreneurial teams are actively looking for investments, but others are progressing slowly in developing their business either because they say they have to do everything by themselves (i.e., without the support of the project), or because the setting up of the business took longer than expected and sales started stagnating after a while due to the lack (and cost) of a marketing campaign.

Among those teams not existing anymore, the lack of interest and/or support from the project is mentioned twice as the cause of their give up. Another reply is worth to be quoted as it elaborates on the reasons why the team did not manage to survive after the end of the training:

It was very good to form a team, although we did not manage to continue with the company. It allowed us to generate an idea, learn to work together with others, experience the difficulties and joys that this whole process entails. Perhaps we realized late that our idea needed much more work to bring it down to reality..... We lacked working together with our target customers to arrive at a well-targeted value proposition.....But above all, we realized that much more communication and understanding was required within the team.

**Three of the still existing teams are now registered as companies and additional three are not registered but are planning to do so** in the near future. The three registered companies are registered in Cuenca. **Only four teams state to receive support from the project.** Two teams say to have access to the project's lab and machines, one team receives information and another one networking support. A fifth team states that it keeps in touch with the project through the social media.

When asked if they were positive or negative about their future as an entrepreneur, **most of the replies (73%) were 'positive'**. Among the three negative replies, one participant states that *'Although UFIL has opened my mind, I still don't have a clear idea to launch myself'*, and another one feels that the lack of institutional support will result in the closure of the business. Positive attitudes are not necessarily framed into the project's context, as among the replies one participant says that: *'I am very positive about my future as an entrepreneur and about my project, which I continue to develop. But completely outside of UFIL.'* Finally, positive attitudes go beyond the fact of having succeeded or not in developing an entrepreneurial idea within the project: *'(I am) Positive. When the team broke up, I wanted to bring the idea forward and I still feel that I have to continue with a project related to that idea. The illusions have not been lost';* and *'UFIL has given me some tools and an overview of what entrepreneurship is today. It was the push. Now it's up to me to put it into practice'*.

### 4. Conclusions on the matching of UFIL's offer to new entrepreneurs' needs

The short consultation run among the participants in the first edition of the UFIL lab provides mixed results on the capability of the project to create and nurture new entrepreneurial ideas. A critical point seems to be the organisation of participants into teams that not always appear to be cohesive enough to bring forward their business ideas. A second weakness appears to be the motivation (and/or idea) of some individuals, that sometime looks immature, or not sufficiently focused. These two critical areas are in turn linked to the project's selection of participants and of their ideas.

The consultation highlights that not all participants consider enough the support received from the project. On the other hand, a general positive attitude of UFIL lab's participants towards their capacity to succeed in the future as entrepreneurs is evident. The preliminary actions put in place by the project to support those business ideas that are still growing/maturing look **comprehensive**. In addition, these actions **reflect the commitment of all project's partners from Cuenca** to support the effort made with UFIL to start shaping locally a forest-based economy. It is important for the future of the innovation lab to have the post-lab support for entrepreneurial ideas be **organised into a more structured package**, since now it looks comprehensive but a bit fragmented and offered only to selected entrepreneurial ideas/teams.

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