Output 1.1

REVIVE FRAMEWORK FOR PILOT TESTING

Photo by Peter Zajfrid

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List of acronyms

BM= Business model

BMC= Business Model Canvas

BMI= Business model impact

GP= Good practices

ICC= Innovative Community Cooperative

M= Unit of measurement

MDIH= Mediterranean Digital Innovation Hub

n.=Number

TBM= Territorial Business Model

TI= Territorial impact

%= Percentage

1. INTRODUCTION

The REVIVE project aims to accelerate the transition toward competitive, sustainable and resilient ecosystems in the Mediterranean's internal areas through the implementation of innovative solutions. It seeks to fight depopulation, strengthen economic tissue by creating new jobs and enhance the heritage of internal areas. These common challenges threaten the economic, social and environmental survival of these territories.

The REVIVE project includes seven pilot areas across different Mediterranean countries situated in Tuscany (Italy), Istria County (Croatia), Larnaca-Famagusta (Cyprus), Podravska (Slovenia), South Aegean (Greece), Balearic Islands (Spain) and North Macedonia (North Macedonia). These areas were chosen because they all share the similar challenges in terms of low economic dynamism, depopulation, scarce job opportunities, low digitalisation and scarce accessibility. Therefore, each area is called upon to develop a business model (BM) that promotes balanced and sustainable economic development, leveraging local specificities and encouraging inclusive, resilient and innovative growth. The goal is to develop innovative solutions through participatory processes and co-designing sharing joint solutions across all seven Mediterranean areas. This approach facilitates the creation of the REVIVE cluster, a network of Innovative Community Cooperatives (ICC), that will test new collaborative business models in the project's pilot areas. These models must be tailored to meet the specific needs and opportunities of each territory, enhancing local resources and promoting economic activities that reflect the area's characteristics and traditions. In particular, these models should provide services to the community, addressing not only the specific needs of local populations but also strengthening communities by improving access to essential services. By focusing on community-driven solutions, these models promote inclusivity, resilience, and long-term growth, ensuring that the benefits of innovation and development are shared by all members of the community. Developing these BMs will foster closer cooperation among different territorial stakeholders (such as businesses, institutions, and communities), creating synergies for the growth of the entire region and among the different Mediterranean territories.

To support the revitalization of these areas, this document is designed to assist territories in planning a BM for a collaborative economy. The REVIVE

BM framework outlines the methodological approach and appropriate tools that will enable communities in the targeted internal areas of seven participating regions to contribute to BM innovation processes through pilot testing in successive phases. This framework serves as an operational tool to foster innovation by promoting emerging community-based collaborative economy BM and the adoption of advanced technologies. Each REVIVE area can adopt and adapt the framework to suit its specific characteristics, priorities and challenges. The transferability of the REVIVE framework at a transnational level will be enhanced by connecting the ICCs through the REVIVE cluster. The REVIVE business model will also be implemented through the introduction of technologically innovative solutions to support ICCs in responding to digital challenges. In particular, the model will be enhanced by a digital and innovative component through the improvement of the digital skills needed to provide innovative services and introduce the application of advanced technologies through the creation of the Mediterranean Digital Innovation Hub (MDIH). The connection among different pilot areas will promote the sharing of lessons learned and ensure the scalability and replicability of the tested solutions, not only among the project partners but also in other regions within the Mediterranean.
The document is structured as follows: section 2 explains how to use the defined framework and outlines the steps that will guide the territories in developing their BM. These steps are detailed in section 3, followed by brief conclusions (section 4).

2. HOW TO USE THE REVIVE FRAMEWORK AND GOALS

The REVIVE business model framework outlines a methodological approach and tools designed to develop community-based economy models through advanced technologies. It serves as an operational tool to support the revitalization of internal areas. This framework will help local stakeholders (e.g. entrepreneurs, politicians, citizens, administrative staff) to define the development of a long-term collaborative model and to make better management decisions.
Each REVIVE pilot area has unique characteristics, challenges and numerous opportunities for development and growth. Given this diversity, it is crucial for each area to create and refine a BM tailored to its specific needs and challenges. To assist these territories, the following section introduces the framework for developing the REVIVE business model, which each area can customize to fit its requirements (Figure 1).

The framework is structured into seven sequential steps. The first step focuses on understanding the concept of a BM, beginning with organizational and strategic solutions that provide a competitive advantage and extending to models specifically aimed at territorial revitalization. This initial step is vital as a thorough understanding of the BM and is essential for its successful development. The second step helps territories grasp both the benefits and challenges of the BM. The third step aims to explain the purpose of the Revive BM and to highlight how it differs from other models that have been developed. Specifically, we emphasize that the primary goal is to create a BM focused on the development and support of Innovative Community Cooperatives, which is, above all, a model of social innovation.

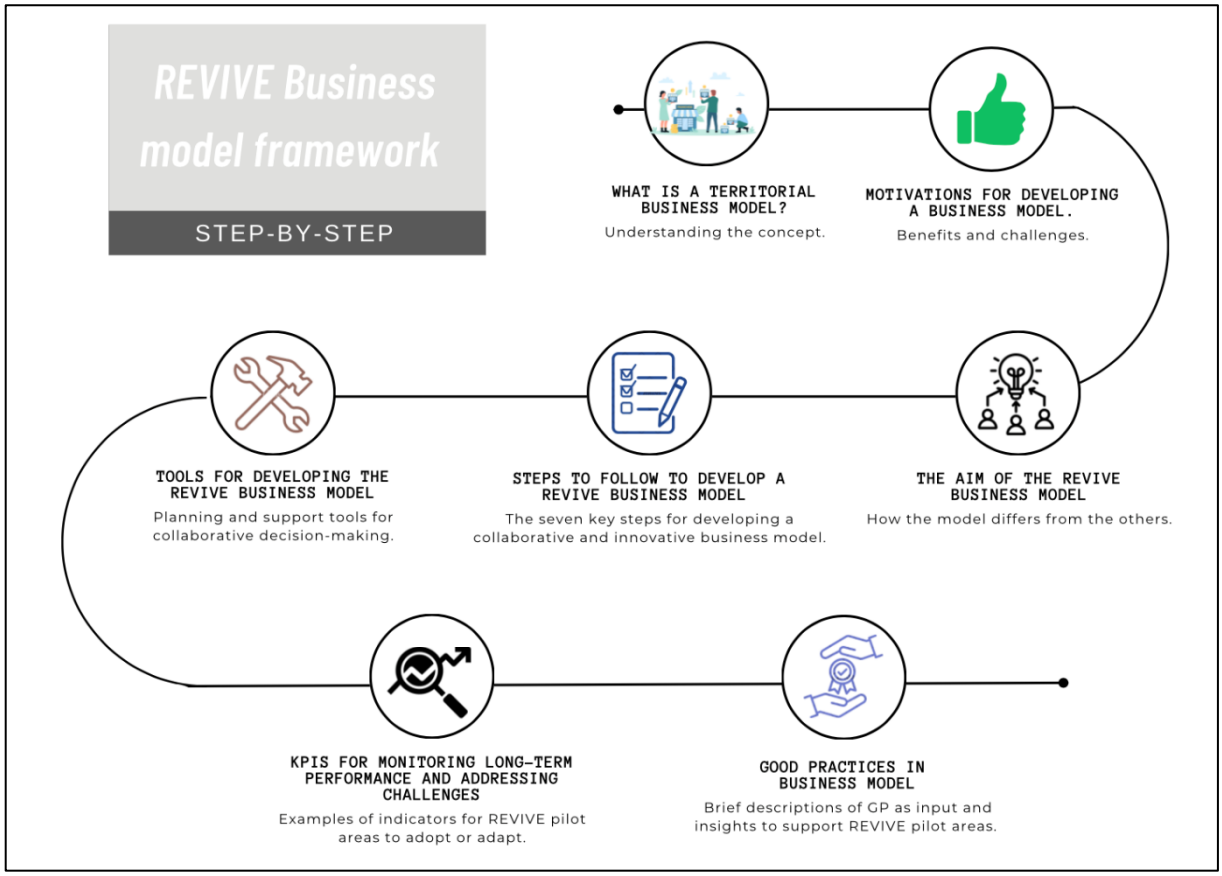

Figure 1. REVIVE business model framework.

The following steps outline the process for creating a competitive, innovative and sustainable BM over the long term. This involves seven useful phases that guide territories in developing their BM. The fourth step provides practical tools to support collaborative decision-making and encourage innovative approaches in developing internal areas. For this purpose, we have chosen to use and adapt the Business Model Canvas (BMC) as a planning and supporting tool to facilitate collaborative decision-making and

promote innovative approaches. The next step suggests straightforward KPIs to monitor and measure the long-term performance and impact of the BM, including its effects on the regional level. Finally, the last step offers brief examples of best practices that may be beneficial for the pilot areas.

3. REVIVE BUSINESS MODEL FRAMEWORK

3.1 What is a Territorial Business Model?

The concept of a BM has been a part of scientific discussions for over fifty years. The term first appeared in a document by Bellman et al. in 1957 (Osterwalder et al., 2005), but it wasn't until the 2000s that the concept began to be increasingly integrated into the study of strategic perspectives in business models.

A BM is a structured management tool that outlines how a company creates value (Osterwalder et al., 2005). It is associated with securing and enhancing competitive advantage (Johnson et al., 2008) and it is recognized as a crucial tool for success (Magretta, 2002). A BM provides a description of the value a company offers to one or more customer segments, along with the architecture and key partners required to create, bring to market and deliver this value, with the ultimate goal of generating a sustainable revenue stream. The key elements of a BM include value creation, distribution mechanisms, value capture, and the value proposition for target customers (Saebi et al., 2017; Zott & Amit, 2010). Therefore, the concept of a BM encompasses several components (Wirtz et al., 2015; Lorenz et al., 2024), including: (1) the value the company aims to offer its target customers (value proposition); (2) the mechanisms through which the company creates and delivers this value (value creation and distribution); (3) the methods by which the company captures value from these activities (value capture) (Saebi et al., 2017; Teece, 2010); and (4) the target customer (Gassmann et al., 2014).

The appeal of the BM concept lies in its applicability to different types of organizations, whether they are public, private, or a combination of both, and regardless of whether they are profit-oriented or not (Osterwalder and Pigneur, 2010).

Given its versatility, the BM concept has been extended and applied not only to different types of enterprises, but also to the development of territories and internal areas (Figure 2). The goal is to promote sustainable economic growth, improve citizens' quality of life, foster networks among various local stakeholders and enhance the unique resources of each region. As a result, BM is now used as a tool to orchestrate the success of entire territories. The concept of a territorial business model (TBM) is defined as a set of organized

strategic activities that create, distribute and capture value, thereby coordinating cooperation among local actors to drive economic development (Pisano et al., 2016).

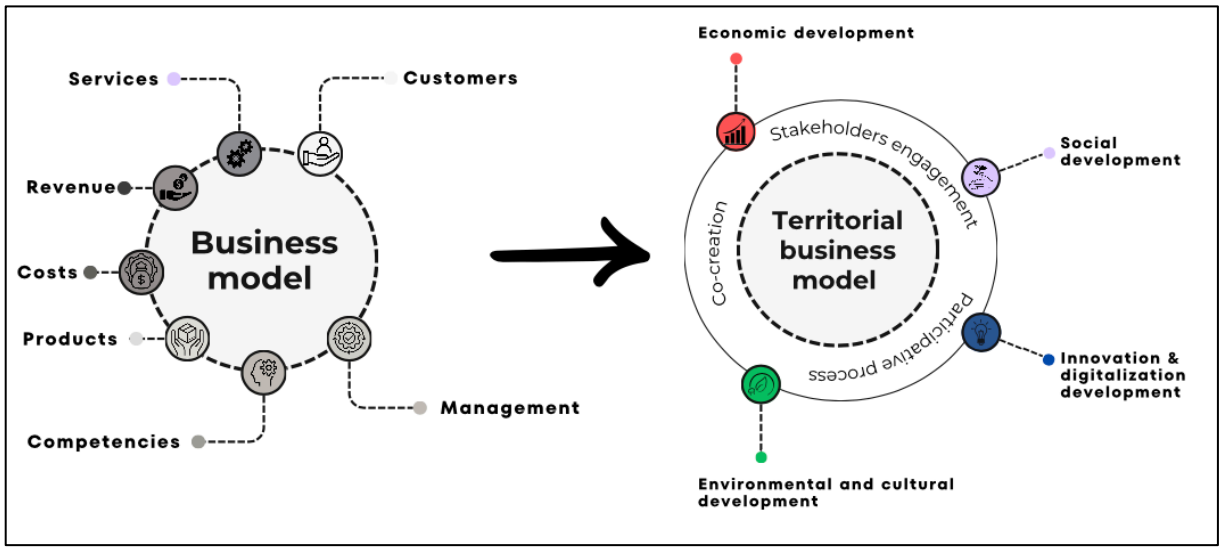

Figure 2. From business model to territorial business model.

The development of TBM provides a novel approach to supporting internal areas by helping regions to showcase their unique value and overcome economic, social and environmental challenges. These models facilitate the creation of a value system that spans different areas and sectors within a territory, promoting social cohesion and cross-sector collaboration. This integrated approach is vital for tackling the complex and interconnected challenges of territorial development (Ferri & Aiello, 2013). Creating a TBM is crucial for attracting external resources, such as human capital, financial investment and knowledge (Garcia-Muiña et al., 2018). These resources are essential for driving innovation and economic growth, creating a favorable environment for new entrepreneurial initiatives and investments.

TBMs have been applied beyond the corporate level, engaging different actors like universities, research institutes, enterprises and local authorities in systemic cooperation. The "triple helix" and "quadruple helix" models have been employed to illustrate how these interactions can support innovation and territorial development (Pisano et al., 2016). By defining these frameworks, TBMs foster cooperation among governments, educational institutions, and businesses, which is crucial for identifying and enhancing the unique specializations of a territory. This synergy enhances economic development and innovation (Pisano et al., 2016; Velter et al., 2020).

Thus, a TBM development must address the needs of different stakeholders, including investors, citizens, associations, tourists and all other local actors. Implementing development initiatives that offer practical benefits for

stakeholders ensures broader support and greater legitimacy for these projects (Ferri & Aiello, 2013). Each stakeholder plays a pivotal role in the development and implementation of the BM. Local governments are responsible for attracting capital and legitimizing entrepreneurial initiatives. A well-designed TBM can streamline this process by creating a regulatory and governance environment that fosters economic growth. Local universities and research institutes are crucial in training the human capital necessary to support new enterprises. Collaborating with educational institutions ensures that the local workforce is well-prepared and qualified for future challenges (Pisano et al., 2016).

In conclusion, territories and their stakeholders must develop strategies to leverage their intrinsic resources and promote the unique characteristics of each area. The purpose of BM is to help territories express and maximize their value, attract tourists, investors and talent to support the local economy. TBM must support not only financial or social development policies but also cultural, economic, environmental, and political ones. This holistic approach is essential for promotion of sustainable development that encompasses all dimensions of community life (Ferri & Aiello, 2013).

3.2 Why develop a business model for internal areas?

To develop an effective BM for territorial revitalization, it is crucial to have a clear understanding of the motivation behind its implementation, the benefits it can bring and the challenges that may emerge. A thorough grasp of these elements is essential for addressing and overcoming obstacles, thereby enabling the achievement of tangible and sustainable outcomes.

WHY: Developing a BM for the revitalization of internal areas is crucial for fostering economic growth, enhancing social cohesion, and advancing territorial value, sustainability and innovation. These models play a significant role in improving residents' quality of life while creating value for the region through effective value capture, creation, and delivery, thereby increasing its attractiveness and competitiveness (Pisano et al., 2016). Here are seven key reasons to develop BM for revitalizing internal areas:

1. Stimulate economic growth
2. Strengthen social cohesion
3. Address depopulation and aging
4. Promote innovation and technological advancement
5. Attract investment
6. Enhance sustainability
7. Preserve and showcase historical, natural, and cultural heritage

BENEFITS: The development of BM provides a wide range of benefits that impact internal areas across economic, social, environmental and cultural dimensions:

1. Boosting local employment by generating new businesses and strengthening existing ones.
2. Enhancing social cohesion through participatory processes and initiatives that foster a sense of belonging and community involvement.
3. Revitalizing internal areas by creating job opportunities, driving innovation and attracting investments, which helps mitigate depopulation.
4. Adopting new technologies to improve the region's efficiency and competitiveness.
5. Building a dynamic ecosystem that attracts investments in infrastructure (such as transportation, healthcare, and education), talent and new enterprises.

6. Promoting responsible environmental resource use, aiding in conservation efforts and reducing the ecological footprint of economic activities.
7. Preserving and enhancing historical, natural and cultural heritage.

CHALLENGES: Despite the clear motivations and benefits for developing BM in internal areas, several complex and interconnected challenges persist, necessitating well-planned strategies and coordinated interventions to address them effectively. Here are five major challenges:

1. Stakeholder alignment: Coordinating interactions among different stakeholders, both within and outside the territory, poses a significant challenge (Velter et al., 2017; Geissdoerfer et al., 2018). This difficulty arises from differing motivations, perceptions of value, objectives, and interests.
2. Scarcity of human capital and talent attraction: The issues of depopulation and an aging population create substantial difficulties in attracting and retaining skilled workers in these areas.
3. Lack of Training and Familiarity with Digital and Innovative Solutions: There is often a shortage of training and knowledge regarding new digital and innovative technologies, which obstructs the adoption of modern solutions.
4. Challenges in Securing Funding: Accessing financial resources can be problematic due to factors such as bureaucratic red tape, limited access to information, and high perceived risks.
5. Resistance to Change from Local Communities: Local communities may exhibit resistance to change, influenced by established traditions and reluctance to alter longstanding practices,

which can hinder the implementation of new initiatives.

RECOMMENDATIONS: To effectively address the challenges and maximize the benefits of developing BM for revitalizing internal areas, a strategic and multidimensional approach is essential. Based on the identified challenges, the following recommendations are proposed:

1. Engage local stakeholders through co-creation: It is crucial to involve a broad range of stakeholders in the process of co-creation. This requires identifying key participants and ensuring their voices are heard. Analyzing current practices and networks will facilitate meaningful engagement and participation (Leino & Puumala, 2020).
2. Foster a culture of innovation and technology: Promoting a culture that values innovation and technology will help attract and retain skilled professionals and new talent in the region. This cultural shift can drive economic growth and competitiveness.
3. Integrate digital technologies with key business factors: New digital technologies are increasingly spreading, supporting territories to redefine processes and practices for greater competitiveness. The need for an alignment of digital tools and key business factors emerges to obtain economic, social and environmental value (Broccardo et al., 2023).
4. Offer support and guidance for the development: Provide targeted assistance to help regions develop their economic and social fabric. This includes offering clear information on development opportunities, such as funding and resources. Organizing events to highlight key information sources and funding opportunities can support local development efforts.

5. Involve local communities in the co-creation process: Emphasize a multidirectional approach to co-creation that includes local governments, businesses, universities, citizens and other stakeholders (Broccardo et al., 2023). Organize workshops, events and awareness campaigns to engage communities, foster a culture of innovation and reduce hierarchical barriers.

The development of BM to support the revitalization of internal areas must consider three key elements: 1. Innovation and digitalization; 2. Collaboration; 3. Sustainability (Figure 3). These interconnected elements contribute to enhancing the competitiveness of territories.
Collaboration among different stakeholders (such as businesses, institutions, and government bodies) is essential for effectively implementing policies and strategies for economic development. This collaborative approach expands the traditional BM, which typically focuses on economic value, to include social and environmental aspects, as well as contributions to territorial development and preservation (Štverková & Pohludka, 2018).
A well-established network of stakeholders will foster a shared sense of responsibility, promoting greater attention to sustainability and innovation. This, in turn, enhances competitiveness and supports territorial preservation. Additionally, the integration of digital technologies and the synergistic influence of business activities within the territories are critical for dynamic transformation and adaptability (Aleinikova et al., 2023). This strategic approach ensures that BM not only drives economic growth but also advances social and environmental objectives, contributing to the holistic development of internal areas.

Figure 3. Key elements for the development of a territorial business model.

3.3 The aim of the REVIVE business model

Compared to the existing territorial BMs, the REVIVE business model stands out by prioritizing social and digital innovation. This approach places the community at its core, actively involving it as a key player in the production and consumption of goods and services. It aims to meet collective needs and enhance the overall quality of life. Unlike traditional models that often focus on maximizing profits, the REVIVE seeks to generate shared value, fostering collective well-being and long-term sustainability. This makes it a pioneering model aimed at contributing to the transformation of the economic and social fabric, supporting the revival and revitalization of inland areas.

In essence, the goal is to develop a social innovation model where community members organize to independently act as both producers and consumers through the implementation of innovative solutions. This model enables individuals, businesses, associations, and local authorities to collaborate effectively, addressing their needs and improving quality of life at both personal and communal levels. The aim is to encourage active participation in a cooperative effort for the common good, designing an economic model that emphasizes collective well-being over profit maximization. This approach facilitates the creation of the REVIVE cluster, a network of Innovative Community Cooperatives, that will test new collaborative business models in the project's pilot areas.

3.4 How to develop a REVIVE business model?

Previous studies and projects (Ferri & Aiello, 2013; Pisano et al., 2016; Garcia-Muiña et al., 2018; Štverková et al., 2018) have established a conceptual framework for developing business models aimed at enhancing and increasing the competitiveness of territories. Based on this framework, a series of steps have been identified to guide and support the creation, distribution and capture of value. Seven key steps have been identified for achieving long-term development (Figure 4).

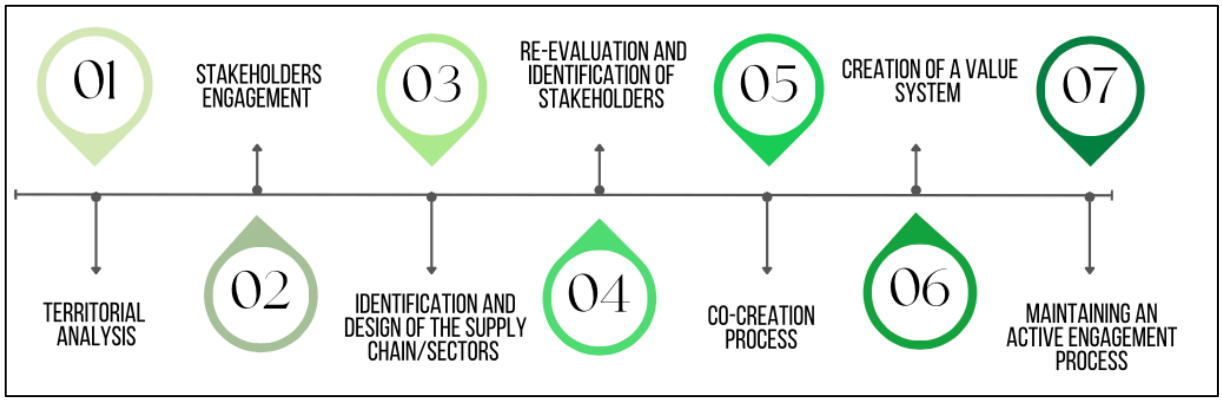

Figure 4. Steps identified to develop a TBM.

1. *Territorial analysis*: This step allows for assessing the business model potential of the territory and the available innovation policies. It includes mapping development opportunities, leveraging the territory's strengths, and identifying critical issues to design targeted mitigation strategies. Effective territorial analysis requires the involvement of stakeholders who possess in-depth knowledge of the area, its unique characteristics and specific challenges.
2. *Stakeholder engagement:* This initial step is crucial for laying the groundwork of an effective TBM. Engaging a different range of stakeholders (including businesses, associations, government entities and local citizens) is essential to ensure that the model addresses the territory's needs and has a lasting positive impact. Actively involving stakeholders in decision-making processes increases the project's legitimacy and aims to establish connections and alignment among all parties involved. In practical terms, this step involves engaging and contacting stakeholders.
3. *Identification and design of supply chains/sectors*: Following the territorial analysis, focus shifts to identifying key sectors for inclusion in the BM. The economic sectors that may be involved and included in the framework can vary based on the characteristics of the pilot area. These include, for example, food production, agriculture, tourism, as well as cultural and creative industries. Targeting these key sectors helps direct efforts and develop strategies that enable stakeholders to mutually benefit through collaboration and interconnections. These synergies can stimulate the local economy and foster a virtuous cycle of growth and development.
4. *Re-evaluation and identification of additional stakeholders*: Identifying and engaging new stakeholders ensures that all relevant territorial actors are involved in the BM development process. This

ongoing involvement captures a wider range of perspectives and expertise, enriching the model's effectiveness.

5. *Co-creation process*: This step goes beyond mere collaboration, aiming to create shared value through active participation from all stakeholders. It encourages exploring creative solutions and new approaches. Co-creation helps develop business models that not only drive economic growth but also align with the unique characteristics of the territories. Workshops, focus groups, and brainstorming sessions are examples of events that can facilitate the co-creation process.
6. *Creation of a value system*: The co-creation process leads to the establishment of a comprehensive value system that integrates different sectors and stakeholders. Defining this value guides decisions and strategies throughout the revitalization efforts, ensuring the BM effectively creates, distributes and captures value.
7. *Maintaining active engagement*: This final step highlights the importance of sustaining active engagement to ensure long-term success of the BM. It involves creating channels and strategies for ongoing, meaningful communication among all stakeholders. This approach ensures that stakeholders remain motivated and engaged, fostering a cohesive community actively involved in the territory's growth and development. It also allows for continuous updates to the BM as new skills, innovations and methods emerge.

3.5 What tools can support the development of REVIVE BM?

To develop a business model aimed at revitalizing the internal areas of the Mediterranean, it is recommended to use the Business Model Canvas (BMC). This tool has been developed and tested for both companies and territories. It is favored for its solid academic foundation, ease of application and effective content presentation (Palmaccio et al., 2021). The BMC facilitates comprehensive territorial planning by offering a clear overview of the area, objectives, activities and potential value added by each stakeholder (Hecham & Alioua, 2023). The BMC is an effective decision-making tool that helps map the different components of the territorial ecosystem and understand their interdependencies. Its use promotes an innovative and flexible approach to the territory, allowing for quicker responses to market changes and emerging technologies (Hecham & Alioua, 2023). Therefore, it is crucial to continuously update and refine the model as new skills, innovations and methods emerge.

Following the framework of the BMC defined by Osterwalder and Pigneur (2010) and subsequently adapted for business and territorial development

(e.g., Sort & Nielsen, 2018; Palmaccio et al., 2021; Hecham & Alioua, 2023), we propose tailoring this model in the frame of REVIVE project. This framework consists of ten building blocks, each designed to analyze components of the value creation, distribution and capture (Figure 5 and Appendix 1).

REVIVE
Development Model Canvas

Designed For:

Date:

Designed by:

Key Partners

Who are the main partners in the territory?
How can they be involved?
What added value can they provide?
What key resources are we acquiring from them?

Key Activities

What are the key activities necessary for territory development?
What are the required times for the completion of each activity?
Are there any recurring activities?

Key Resources

What resources are necessary for implementing the actions to achieve the objectives and results?
Which resources support the development of multiple actions?
What are the expected timeframes for obtaining the necessary resources?

Value Proportions

What specific features make the territory and the cooperation among multiple stakeholders unique?
What characteristics and elements can add value to each identified specificity?
What elements allow us to differentiate and be competitive?

Customer Relationships

What types of relationships do we aim to establish with customers?
Do we adopt different relational approaches?
How do these approaches integrate with territory and economic sectors?
How do we plan to engage potential customer? How do we loyalize them?

Channels

Which channels do we want to use to reach the customer segments?
What channels are more effectively to reach and engage these segments?
How do we plan to allocate our communication and/or marketing efforts across the various channels?
How can we integrate communication across the different channels used by stakeholders?

Customer Segments

For whom are we creating value?
Which groups of people do we want to reach?

Cost Structure

What are the major sources of costs?
To what extent are the costs covered by available resources, if available?
What are the strategic medium- and long-term investments?
What are the most expensive activities?

Community services

What services/products do we offer to the community?
What are our community's urgent needs? How well do we address them?
How do our services improve lives?
Do our services promote social cohesion and belonging?

Expected Results

What results/impacts do we want to achieve from our network/cooperation?
For what value are our customers willing to pay?

Figure 5. REVIVE Business Model Canvas.

Value propositions

For a territory, the value proposition encompasses the unique, distinctive and irreplicable elements that provide a competitive advantage when enhanced. Identifying these elements is crucial as they contribute to creating value beyond just the products and services within a single sector. Value is central to guiding strategic decisions, so it's essential to consider different aspects that can add value, such as unique user experiences, innovations, cost-effectiveness and accessibility. Several approaches can strengthen value propositions, including: innovation (e.g., blockchain in the agri-food sector), making products/services accessible (e.g., a single e-commerce platform for all local products), utilizing a well defined brand (e.g. developing a unique identity for the territory), enhancing performance (e.g., through interaction among multiple stakeholders and territorial supply chains). The main keys questions to address are:

- *What specific features make the territory and the cooperation among multiple stakeholders unique?*
- *What characteristics and elements can add value to each identified specificity?*
- *What elements allow us to differentiate and be competitive?*

Customer segments

The Customer Segments block is focused on identifying the different groups of people we aim to target. Each set of products/services should be tailored around the specific needs of each customer cluster. Studying and understanding their needs, preferences and behaviors enables informed segmentation, which in turn requires distinct marketing strategies. One method to identify customer segments is to customer segments based on their shared behaviors, needs and preferences. The main key questions to address are:

- *For whom are we creating value?*
- *Which groups of people do we want to reach?*

Channels

Following the identification of the value proposition and customer segments, the next step is to select the channels through which to communicate the proposition and reach the different target segments. The purpose of communication is not only to promote the product/service but also to build awareness and help customers evaluate the value proposition. Channels can be categorized as either direct or indirect. Direct channels include owned media such as the company's website or social media pages, while indirect channels involve external platforms used for communication, promotion, or sales, such as blogs or e-commerce sites. The choice of channel type should consider both its effectiveness for the specific objective and its associated costs. The main key questions to address are:

- *Which channels do we want to use to reach the customer segments?*
- *What channels are more effective to reach and engage these segments? Which ones are the most effective and cost-efficient?*
- *How do we plan to allocate our communication and/or marketing efforts across the various channels?*
- *How can we integrate communication across the different channels used by stakeholders?*

Customer relationship

This block focuses on establishing and maintaining relationships with different customer segments to attract new clients, retain existing ones and increase sales of products and services. It is crucial to monitor these relationships throughout various stages of the customer journey (pre-purchase, during the purchase, and post-purchase). Stronger relationships and higher quality offerings lead to better feedback, increased customer loyalty and a stronger association with the territory, enhancing the likelihood of repeat visits or purchases. The main key questions to address are:

- *What types of relationships do we aim to establish with potential customers?*
- *Do we adopt different relational approaches depending on the stage of the product/experience cycle (e.g. production, harvesting, sales)?*
- *How do these approaches integrate with the territory and other local economic sectors?*

- *How do we plan to engage potential customers? How do we loyalize them?*

Key partners

The purpose of this section is to identify and engage different stakeholders to create synergies. Every territory consists of an ecosystem of interrelated entities and elements that, through collaboration, can enhance the overall value of the area, its products and services. Potential partners may include enterprises, associations, universities, research institutions and local authorities. The main key questions to address are:

- *Who are the main partners in the territory?*
- *How can they be involved?*
- *What added value can they provide?*
- *What key resources are we acquiring from them?*

Key activities

This section outlines the strategic activities required to create and sustain the value propositions, reach customers, maintain relationships and generate revenues. Key activities serve as a checklist of essential tasks required to achieve objectives and desired outcomes. These key activities should be aligned with the steps outlined in each section of the canvas to ensure detailed organization of the work. The main questions to address are:

- *What are the key activities necessary for territory development?*
- *What are the required times for the completion of each activity?*
- *Are there any recurring activities?*

Key resources

The key resources section encompasses the strategic assets needed to create and sustain the BM. These resources can be categorized as follows: physical resources (essential for the production or sale of products/services and include assets such as facilities, equipment, and vehicles), intellectual resources (the intangible assets such as know-how, patents, partnerships, and databases), human resources (the skills, expertise, and qualifications of the personnel available for executing specific tasks and activities), financial

resources (the financial capital and accessible funding necessary for operations). The main questions to address are:

- *What resources are necessary for implementing the actions to achieve the objectives and results?*
- *Which resources support the development of multiple actions?*
- *What are the expected timeframes for obtaining the necessary resources?*

Community services

This block has been added to the previous BMCs to provide information on the community-developed services/products and their impact on the local area. Community services are essential for improving the quality of life for individuals and families. These services, which encompass a wide range of support and resources, are designed to address the diverse needs of community members, especially those who are vulnerable or disadvantaged. Business models being developed must integrate community services as vital components for fostering stronger, healthier, and more resilient communities. By addressing these varied needs, community services help to enhance social cohesion, reduce inequalities, and improve overall quality of life. The main questions to address are:

- *What services/products do we offer to the community?*
- *What are the most urgent needs of our community? How well do our services address them?*
- *How are our services improving the lives of community members?*
- *Do our services promote social cohesion and a sense of belonging within the community?*

Expected results

Expected results represent a strategic element essential for achieving the goals set out in the BMC. For REVIVE, which focuses on the revitalization of territories, results should be assessed not just in terms of economic impact but also considering physical, social, psychological, cultural, and political dimensions. The main questions to address are:

- *What results/impacts do we want to achieve from our network/cooperation?*
- *For what value are our customers willing to pay?*

Cost structure

Cost structure defines the expenses necessary to develop and implement the BM. This step is usually addressed last in the BMC because the cost structure is derived from other components, such as key activities, key partners, and resources. Additionally, defining the cost structure helps in determining long-term investments needs. The main questions to address are:

- *What are the major sources of costs?*
- *To what extent are the costs covered by available resources, if available?*
- *What are the strategic medium- and long-term investments?*
- *What are the most expensive activities?*

3.6 How to monitor long-term and respond to challenges?

Monitoring the developed business model is crucial to ensure that the adopted strategies are effective and responsive to the specific needs of revitalizing the area. This process allows for an assessment of whether the set objectives are being achieved and helps identify any critical areas that may require corrective actions. Monitoring will be conducted through the definition of specific indicators that allow for precise and objective measurement of the results, providing concrete data to support informed decision-making. The indicators will track performance over time, offering a clear and detailed view of the business model's progress and its impact on the territory.

To facilitate the activity and identify easily measurable indicators, a monitoring committee will be established to support data collection. The committee will include at least one representative from each pilot area and will be actively involved in Activity 2.5, "Pilot Evaluation."

Based on previous studies (Gilsing et al., 2021; van de Ven et al., 2023), we identified a set of indicators divided into four dimensions: economic, sustainable, social and innovative and digital (Figure 6).

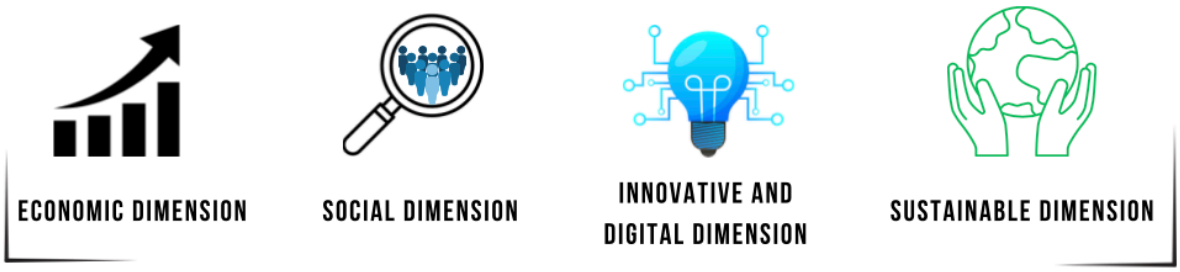

Figure 6. Dimensions of indicators.

These categories were chosen to ensure comprehensive and focused monitoring of the developed BM. Each pilot area within the REVIVE project has the flexibility to adapt and implement these indicators, tailoring them to the specific needs and characteristics of its territory. Each indicator, in addition to being classified within one of the four dimensions, also specifies the level at which its impact is monitored, indicating whether it pertains to the business model/cooperative (BMI) or the territorial impact (TI) – Table 1. During Activity 2.5, the proposed indicators will be thoroughly discussed and reviewed to identify those most relevant for each area, based on the developed business model. The aim is to support each territory in defining the most useful indicators. At the same time, mandatory indicators common to all areas will be established, in line with the project's objectives. Among these, the "Number of additional products/services offered to the community" will serve as a key indicator to assess the actual impact of the developed model on the territory and the community. Defining common indicators will also enable the evaluation of the transferability of the project's approach and methodology to other Interreg Euro-MED areas and other cooperation zones.

Table 1. Indicators divided by dimension.

Economic dimension			
Impact	*M.*	*Indicator*	*Description*
BMI	n.	Total sales generated over a specific period of time (e.g., monthly, bi-monthly, quarterly)	Measure the growth of the business model - compare sales across different periods
BMI	n.	The difference between revenue and operating costs, expressed as a percentage of total revenue	Measure the profit margin.
BMI	n.	Difference between profits generated and capital invested	Measure the effectiveness of investments (Return on Investment - ROI).
BMI	n.	Number of additional and value added services offered on top of	Measures the diversification of the offer and services

		the main product or service offering	
BMI	n.	Total expenses related to promotional activities	Measures the promotional investment
BMI	n.	Total costs of sales (e.g., distribution costs, marketing costs, wages, commissions)	Measures sales efficiency
TI	n.	Volume of investments from outside the territory thanks to the business model	Measure the economic attractiveness and the attraction of foreign investments
TI	n.	Number of people attending events organized in the territory	Measures the impact of events on the community
TI	n.	Number of tourist nights per month	Provides insights into the tourist flow in the area

Social dimension			
Impact	*M.*	*Indicator*	*Description*
BMI TI	%	Percentage of local workers employed directly or indirectly by the business	Measure the local employment rate reflecting the business's contribution to local employment.
BMI	n.	Customer satisfaction - qualitative scale from high to low.	Measure the customers' overall experience with the product or service.
BMI	n.	Number of complications per product or service use reported per time period (e.g., number of delays, bugs, defects, failures, billing errors), which can be measured by number of customer complaints or returned items (e.g. monthly, bimonthly, quarterly)	Measures the frequency of issues or complications encountered with the product or service
BMI	n.	Number of visitors to the website and social networks (e.g. monthly, bimonthly, quarterly)	Measure the online engagement and reach.
BMI	n.	Number of potential customers reached through marketing campaigns - communication strategies adopted.	Measures the number of potential customers exposed to the business's marketing campaigns, reflecting the effectiveness of communication strategies in reaching target audiences.
TI	n.	Number of associations involved in the business model	Measure the level of collaboration and partnership.
TI	n.	Number of social initiatives organized in collaboration with local entities	Measure the business's involvement in social responsibility efforts.

TI	n.	Number of additional products/services offered to the community	Measures the quantity of supplementary products or services provided to the community, reflecting the business's commitment to meeting local needs and enhancing its offerings.

Innovation and technological dimension			
Impact	*M.*	*Indicator*	*Description*
BMI	n.	Number of innovative products/services created	Measures the quantity of new and innovative products or services developed, reflecting the business's capacity for innovation and creativity.
BMI	n.	Number of collaborations with start-ups, universities, and research centers for the development of new solutions and technologies	Measure the business's engagement in collaborative innovation
BMI	n.	Number of courses attended for the development of new skills and technological know-how	Measure the the commitment to continuous professional development
BMI	%	Percentage of trained staff out of the total staff	Measure the extent of skill development within the organization.
BMI TI	n.	Number of businesses from other sectors involved in the territory	Measure the level of sectoral diversity and economic integration in the area.

Sustainable dimension			
Impact	*M.*	*Indicator*	*Description*
BMI TI	n.	Number of sustainable practices introduced (e.g., biomass, solar panels, etc.)	Measure the business's commitment to environmental sustainability through the quantity of new sustainable practices implemented.
BMI TI		Number of sustainable certifications (e.g. ISO 14001, EMAS)	Measure the business's adherence to recognized standards for environmental management.
BMI TI	n.	Number of environmental regeneration and recovery initiatives implemented in the territory due to the business model	Measures the impact on local environmental health.
BMI TI	%	Percentage of stakeholders involved in the cooperative who adopt sustainable practices (e.g., organic farming, sustainable fishing, etc.)	Measure the cooperative's commitment to environmental sustainability through the quantity of new

			sustainable practices implemented.

M: Unit of measurement; *n.*: number; *%*: percentage; *BM*: Business model impact; *TI:* Territorial impact.

3.7 Good practices on business models

This last section presents some examples of good practices (GP) in BM development and collaborative economy initiatives from the Mediterranean region. These examples, collected during activities 1.1 "Analysis of existing policies, innovation ecosystems and economic models in pilot areas" and 1.2 "Existing GP assessment and previous experiences output integration" of the REVIVE project, are summarized below to inspire and provide new ideas for internal areas. Each GP includes a reference website for further details. Additional information on these GP can be found in Deliverables D.1.1 "Regional context analysis" and D.1.2 "Compilation of capitalized policies, measures and tools" available on the project's website (https://revive.interreg-euro-med.eu).

CREAINNOVATION

A cluster, incorporating SMEs and regional & transnational stakeholders, will be built and will focus on the adoption of processes and methodologies of creativity for business innovation at all levels.

www.creainnovation.interreg-med.eu

ARISTOIL

Reinforcing the Mediterranean olive oil sector's competitiveness by developing and applying innovative production and quality control methodologies.

www.aristoilfamily.eu

CONSUMELESS PLUS

The ConsumeLess and ConsumeLess Plus projects aim to enhance sustainable tourism in selected Mediterranean coastal areas by reducing energy, water use, and waste..

www.consumelessmed.org

CARPE DIGEM

To foster more inclusive digital innovation ecosystems and services to meet the needs of their economies and society in peripheral and emerging regions.

www.projects2014-2020.interregeurope.eu/carpedigem/

PLOUTOS

Fostering the connection between technology and business and agri-food value chains. It encourages the larger agrifood value chain and promoting smart farming technologies.

www.ploutos-h2020.eu

ANIC

It aims to create knowledge and promote the adoption of digital technology in local communities, spanning areas such as education, health, environment and new technologies.

www.k2southaegean.gr

Figure 7. Examples of good practices on BMs

4. TRANSFERABILITY OF THE REVIVE FRAMEWORK

The REVIVE Business Model framework is designed to guide both the seven pilot areas involved in the project and for its implementation and transfer to other Mediterranean territories. The BM for developing community cooperatives, which will implement and validate common innovative solutions, will contribute to the large-scale adaptation of the REVIVE model, ensuring that the lessons learned can be applied in different contexts.
To enhance transnationality and the replicability of the insights gained, the project includes the creation of a REVIVE cluster composed of innovative community cooperatives across the Mediterranean. The main goal of this cluster is to facilitate collaboration between territories in different regions and promote the exchange of innovative and sustainable solutions that can be applied locally.
Aligned with the project's goals, the framework is designed to ensure that the results can be replicated beyond the pilot areas. To ensure the sustainability and transferability of the project's outputs, these will be designed to be easily adapted and implemented in other internal areas. The direct involvement of local, regional and national stakeholders, both as key partners and associated partners, will further facilitate the dissemination and application of the results in other territories with similar challenges and characteristics.

5. CONCLUSION

The REVIVE business model framework is a crucial tool for the development and revitalization of the Mediterranean's internal areas. This approach allows each territory to adopt and tailor the framework to its unique characteristics,

leveraging local resources and addressing specific territorial needs. The framework's flexibility enables the creation of BM that are not only economically sustainable but also contribute to the revitalization of local communities, ensuring that economic growth aligns with social development and the preservation of cultural and environmental heritage.
Given the rural nature of the areas involved, coordinated efforts among different stakeholders, such as businesses, institutions, and communities, is essential to driving this process forward. Strengthened collaboration among these actors will not only stimulate innovation and economic growth but also enhance community cohesion and resilience, helping to fight depopulation and economic decline.
In conclusion, the proposed REVIVE framework is not merely a set of methodological guidelines but a practical tool for fostering a collaborative and inclusive economy that supports the development of the Mediterranean's internal regions. Furthermore, the implementation of MDIHs will enhance business models with an innovative and digital component, providing greater support to business strategies and boosting their long-term competitiveness and sustainability. The goal is to assist the seven pilot areas of the REVIVE project in their revitalization, serving as a catalyst for other regions with similar characteristics and contributing to building a more resilient, innovative and sustainable future for rural/mountain communities across the Mediterranean.

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Appendix 1. REVIVE Business Model Canvas

REVIVE
Development Model Canvas

Designed For:

Date:

Designed by:

Key Partners	Key Activities	Value Proportions	Customer Relationships	Customer Segments
	Key Resources		Channels	

Cost Structure	Community services	Expected Results