The guide provides an overview of things to think about if you wish to start or expand a green business.
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This guide and the associated training course draw heavily on the Lean Startup methodology.¹ The information on businesses given as examples are drawn from material that is publicly available online, and any misrepresentation is truly regretted. Inclusion in this guide does not constitute endorsement by GGGI or the authors. Information provided in the guide has been adapted by the authors and any mistakes are the authors’ own. Readers should always check the latest information with the relevant authorities in Vanuatu as regulations and requirements change over time.

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Cover photo: At Yasur View Lodge on Tanna island, bungalows are made from local materials, and a solar-powered freezer is used to keep food fresh (Photo credit: Kristin Deason)

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Foreword

Vanuatu, like many island nations, is under immediate threat from climate change and other environmental issues, and also faces challenges in creating good career opportunities for young people and others. In an effort to address these issues in Vanuatu, as well as in Fiji and Kiribati, the Global Green Growth Institute (GGGI) embarked on a new programme in 2018 known as Pacific Greenpreneurs. This programme was designed to help prospective entrepreneurs develop green business ideas, and help them develop the skills they need to bring these ideas to fruition and make an impact on green growth in their country. GGGI believes that harnessing the energy of the young – and the “young at heart” – through private sector innovation is crucial to developing strong, sustainable economies and addressing environmental issues. Vanuatu has ambitious goals for the future, and will need all hands on deck to meet these goals through innovation, creativity, and hard work.

In Vanuatu, the Greenpreneurs Jumpstart Your Green Business Workshop was held in September 2018, organised jointly with the Pacific Centre of Excellence for Renewable Energy and Energy Efficiency. Over twenty participants engaged with trainers and local business mentors to learn about trends in agriculture, waste, and low-impact tourism; requirements for starting a business in the country; and examples of existing successful green businesses in Vanuatu and the Pacific region. This guide is based on the information covered in the workshop, and aims to assist other potential green entrepreneurs in developing new, innovative green business ideas that will help Vanuatu meet its environmental and developmental goals and ensure a clean, prosperous future for the country.

Group photo of participants at the Greenpreneurs Jumpstart your Green Business Workshop in Port Vila, September 2018
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1: Introduction

If you are reading this guide, you share a passion for sustainability and a belief in the ability of the private sector to help solve some of the major environmental and social problems of our time. The guide provides an introduction to why and how entrepreneurs can make a difference – no matter how big the environmental or social problem may be. Remember that from little things, big things grow.

The guide provides an overview of things to think about if you wish to start or expand a green business. It explains what “green” entrepreneurship is and describes some key sustainability principles to think about. It also outlines the process of starting a business in Vanuatu, and provides tips and information to help you along the way.

What is an entrepreneur?

An entrepreneur is someone who starts a business. They are generally change-makers and risk takers. Dictionary.com defines an entrepreneur as: “a person who organises and manages any enterprise, especially a business, usually with considerable initiative and risk.”

A green entrepreneur is an entrepreneur with a business idea that addresses an environmental challenge or problem. They can help shape the future and steer society towards more sustainable products and lifestyles. Today, Vanuatu needs green entrepreneurs more than ever!

Vanuatu is facing various environmental challenges – an increasing amount of waste is finding its way into rivers and oceans, forests and mangroves are under pressure from economic development, the energy system is heavily dependent on fuel imports, and climate change impacts are affecting coral reefs, water, and food security.

New and innovative businesses are needed to develop solutions to these problems. Many solutions, such as solar energy, hybrid vehicles, and reusable bags already exist, and are becoming more cost-effective and widespread. Some ideas are in their infancy – and some have not even been thought of yet!

Vanuatu needs you – new and emerging entrepreneurs and business owners – to be part of the solution to solving our planet’s environmental and social challenges.

Here are three suggested steps to get you started, and the rest of this guide provides additional information and resources to support you along the way!

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2 This guide focuses on green entrepreneurship and does not attempt to provide an introduction to entrepreneurship/business in general. There are resources in Annex 1 that may be helpful to those wanting to know more about starting a business.

Step 1: Finding your WHY

All businesses stem from a passion. They arise because someone has wondered why something is not being done, and have decided that they will be the person to do something about it. Or perhaps they have seen something elsewhere and want to bring the idea home.

Have you found yourself wondering why there aren't better recycling programmes, more locally-owned low-impact tourism properties, more cafes that specialise in local food, or why there is so much plastic waste and whether there are ways in which it could be repurposed into something useful? If so, you have taken the first step towards taking the plunge and realising that maybe you are the person to do something about it!

The first things to think about before starting to outline your business idea are:

- What are you passionate about?
- What problems do you want to help solve?
- Why do you want to start a business?

There are plenty of problems to pick – it may be the amount of plastic waste in the ocean, the fact that fresh and healthy food is more expensive than junk food, that coral reefs are under threat, or that clean water and proper waste management solutions are not available to many communities.

It is important to clearly understand the reasons why you are doing this. What are you hoping to achieve by starting a business? Are you hoping to turn a passion or a hobby into your day job? Are you hoping to spend more time with your family? Are you hoping to learn more about a particular subject? This will help you identify what success means for you – and it will likely be broader than just making a profit.

WATCH: This TED talk by Simon Sinek talks about how great leaders inspire action. As an entrepreneur, you are a leader and you’ll need to inspire action!

Step 2: Deciding to take the plunge

Most business ideas do not just magically appear. They emerge from your experience of the world – from months or sometimes years of wondering why something has not been done – and questioning whether there is a business opportunity there that can be filled. Sometimes the decision to be the one to fill the gap in the market comes easily, and sometimes it takes years.

Whatever your business idea, when you do decide to take the plunge, your business will become your life for the first few years. You had better be passionate about your vision, because you are going to need to draw on that passion during the hard times and celebrate it when things go well. If you don't believe in what you are doing, it will be difficult to convince others that they should believe in it too – whether they are your customers, a bank that you are trying to persuade to lend to you, suppliers you want to do business with, or companies you want to partner with.

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Once you have decided to take the plunge, set yourself some realistic goals for what information you need, what steps you need to take, and how you will go about taking them.

**TIP:** Starting a business can seem overwhelming. Break the steps down into achievable goals over the next six months. Using a business planning tool can assist with this step (see Section 5). There are also several introductory business training courses available through the Vanuatu Chamber of Commerce and Industry⁵ and other providers (see Section 6).

### Step 3: Getting started – Jack and Jill of all trades

Green business owners are creators, they are managers, and they are motivators. They are also drivers, cleaners, bookkeepers, diary managers, and fundraisers!

During the first few years of operating your business, you will do everything for a while. You will learn more about accounting than you thought you’d ever need to know. You will learn what you are good at – and what you are not so good at. You will learn that surrounding yourself with people that can provide advice is one of the ways you’ll succeed.

**TIP:** Don’t be afraid to ask for advice and help from other business owners. Most are more than happy to help others.

Identify your weaknesses and be prepared to contract out support in those areas (e.g., marketing, accounting, etc.). It is often cheaper than you think, and it can save you time to concentrate on other areas. There are also a number of free tools available online⁶ that can help, and other businesses can make recommendations and let you know what tools they use.

Be prepared to do everything for a while – and to be uncomfortable. You will not have all the answers, but still need to have a go at doing what needs to be done. Don’t be afraid to start small and build.

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2: What is Green Entrepreneurship?

A business is the activity of buying and selling goods and services to make a profit (i.e., having an income or revenue that is greater than costs). All businesses must be financially viable. Without this basic pre-condition they cannot sustain themselves, pay their staff, and continue to produce products or offer services to the market.

Some businesses ONLY care about this. Or they may only care about their staff’s well-being or their environmental impact where it affects their production, reputation, and sales, and therefore, their profits.

So where does sustainability fit in?

Sustainable development (and sustainable business development) has been defined in many ways. A frequently quoted definition is: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” In the past, development of businesses, and the economic growth they drive, have generally been unsustainable from an environmental perspective.

Fossil fuels, including oil, diesel, kerosene, and natural gas, which the current economic system depends on, are finite. Burning them for energy damages the environment and contributes to climate change. Extractive industries, such as logging and mining, remove resources in minutes that took hundreds of millions of years to form. Almost everything we buy is packaged in plastics that do not decompose, but will stay in landfills, or worse, in oceans, long after the person who used them is gone.

Businesses must be part of the solution to these problems.

A sustainable business strives to balance the economic (financial), social (people), and environmental (biodiversity, ecosystems) benefits of the business as part of its core business objective. For a business to be sustainable, it must not exploit resources or people to improve profit margins.

A sustainable business knows that if it depletes the resources that it is using faster than they can be generated, it cannot go on indefinitely. Similarly, viewing itself as part of the broader community, it ensures that its staff are paid fairly and have a good quality of life.

The three pillars of sustainability

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8 Graphics by Margaret Seruvatu, GGGI.
What is a green business?

There is no single definition of a green business, but generally, it’s a business whose core business model addresses an environmental or social issue – this is, it improves energy or resource efficiency, reduces greenhouse gas emissions, decreases waste or pollution, protects or restores ecosystems, promotes local culture, or supports communities.

A green business will typically do any or all of the following:

- Incorporate principles of sustainability into its business decisions and actively monitor them.
- Pay staff a fair wage for the work they do and ensure that they are able to maintain a good work-life balance.
- Distribute benefits equitably across the value chain.
- Maximise the social benefits of the business (e.g., by employing marginalised groups). Some businesses set up foundations to assist with this – but a sustainable business doesn’t confine its social activities just to charitable donations – it looks for every opportunity to increase the social benefits of the business in its day-to-day operations.
- Supply environmentally-friendly and/or local products and services that replace demand for non-green or imported products and services.
- Help its community become more sustainable (e.g., by reducing energy use or water use, or reducing waste or pollution).
- Make efforts to reduce resource use (energy, water, materials), and replenish, enhance, or substitute an environmental resource that is used by the business (e.g., replanting trees, enhancing soil fertility, using renewable energy).
- Make an enduring commitment to environmental principles in its business operations. These will often be detailed in a publicly available and regularly updated Sustainability or Environmental Policy.
What is a social enterprise?

A social enterprise exists to generate revenue (and sometimes profits) to sustain socially-beneficial activities. A social enterprise can be for profit or non-profit. At its core is a purpose to improve lives and/or the environment. It has determined that it can best do that by creating a stream of revenue from producing and selling products or services to sustain its activities and programmes.

The difference between a social enterprise and a green business largely stems from the motivations behind their existence rather than what they do.

As a hypothetical example, two businesses that produce construction material from crushing recycled glass have been established with different motivations. Business A has seen the amount of glass going to the landfill and decides to explore ways to address this issue. They have looked at various uses for recycled glass – repurposing the glass into other products such as vases, lights, and jewellery, and crushing it for use as an aggregate in the construction sector. Weighing these different options, Business A decides that crushing glass for construction is the best business solution to this waste management issue.

Alternatively, Business B developed because the founders wanted to find employment for young unemployed labourers in their neighbourhood, and developing a glass crushing business is a viable option.

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9 Green Banana Paper, [https://greenbananapaper.com/](https://greenbananapaper.com/)
These motivational differences mean that the two businesses may make very different strategic decisions. For instance, if the demand for construction material changes so that crushing glass for construction products is no longer viable, Business A may consider repurposing recycled glass into other products, but Business B may decide to stop recycling and crushing glass, and look for other options to employ labourers. In this example, Business A is mainly a green business, while Business B is a social enterprise.

Aelan chocolate makers, owned by the ACTIV Association, is a socially responsible business that produces chocolate bars from locally-grown cocoa.

**EXAMPLE:** The Alternative Communities Trade Association (ACTIV Association) is an example of a social enterprise that is addressing the livelihood needs of rural communities through cocoa and chocolate production.

**Standards and certification programmes**

Many certification programmes exist to help companies distinguish themselves as green and/or sustainable (see Box 1). However, the costs involved with certification can prevent smaller sustainable businesses from becoming accredited. The Pacific Organic Standard is addressing this by developing a standard, accredited by the International Federation of Organic Agriculture Movements, that can be used as part of Participatory Guarantee Schemes in which members of a group assess each other’s compliance with the standard. If you are considering getting certified, it is important to look at which certifications are most well-known by your target customers when choosing which one to apply for.

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Links to Standards and Certification Programmes

- The Forest Sustainability Council (https://ic.fsc.org/) offers certification to forest owners and managers, as well as to businesses manufacturing or trading forest products, showing that they are responsibly managed.
- The Marine Stewardship Council (https://www.msc.org/) has an ecolabel and fishery certification programme that recognises and rewards sustainable fishing practices.
- The Global Sustainable Tourism Council (https://www.gstcouncil.org/) is a global accreditation body for certification programmes that certify hotels/accommodations, tour operators, and destinations with sustainable policies and practices. Certified programmes include Earth Check (https://earthcheck.org/) and EcoTourism Australia (https://www.ecotourism.org.au/).
- The Pacific Organic Standard (https://lrd.spc.int/pacific-organic-standards) provides a mechanism to define the expectations for organic production. It enables producers to label their products as organic if they comply with the standard. The standard does not cover procedures for verification, such as inspection or certification of products.

The language of business

If you have never run a business before, you may not be familiar with the standard terms that the private sector uses regularly. Box 2 explains some of the most commonly-used business terms.

Common Business Terms

- **Business-to-Business** – Trade between businesses, e.g., a tour operator booking a hotel on behalf of their client.
- **Business-to-Consumer** – Trade between a business and the end user, e.g., a traveller booking a tour.
- **Capital** – Money invested in a business by the owner(s) to generate income.
- **Contract** – A legal document outlining the intent to buy or sell a specific product or service.
- **Financial Statement** – A formal record of business finances, including all revenue and costs, showing profit or loss.
- **Invoice** – A legal document issued by a seller to a buyer that identifies both the trading parties; lists, describes, and quantifies the items sold; gives the date of shipment and mode of transport; shows prices and discounts (if any); and provides delivery and payment terms. Tax authorities usually specify what information must be included in an invoice.
- **Marketing** – Activities you undertake to promote (or market) your product.
- **Product** – The good or service you are selling.
- **Profit** – The amount by which revenue or income exceeds costs or expenses.
- **Purchase Order** – A buyer-generated document that authorises a purchase transaction. When accepted by the seller, it becomes a contract binding both parties.
- **Revenue** – The money that you earn when you sell your product. This is sometimes described as income or turnover.
- **Supplier** – A person or firm that supplies a product to your business.
- **Terms (stated in a contract)** – Payment details and any other requirements of the buyer or seller. For example, many companies will only pay for goods and services up to 30 days after the delivery of those goods and services. They can also include any prerequisites for completing the sale (e.g., insurance provision for tour operators, delivery conditions, and quality conditions).
- **Value Chain** – The breakdown of the value (in dollar terms) of the final selling price of a product to all those in the chain that benefitted from that sale. Also all of the steps that are taken to manufacture or deliver your product or service.
- **Wholesaler** – An entity that buys a good or service with the intention to sell it to another business (a retailer) that sells (retails) to a final customer.
3: Key Sustainability Principles

What are some of the most important environmental issues in Vanuatu that green businesses can help address? We’ve mentioned some of these above, but in this section we’ll take a closer look at why these problems exist, and explore some examples of existing green businesses that are addressing them.

Land and soil degradation

In many areas across Vanuatu, land is managed in an unsustainable way. The shift away from traditional agroforestry practices to more commercial agriculture has resulted in increased chemical fertiliser and pesticide use, which can harm river ecosystems and reduce soil fertility. Use of excess chemical fertilisers can also lead to increased emissions of nitrous oxide, which contributes to climate change. Burning remains a common method of clearing land, despite the long-term damage to soil health, air pollution, and carbon emissions that this can cause. Taken together, these practices have increased soil erosion, river and stream contamination, sedimentation, pollution, and flooding in low coastal and coral reef areas.

Green businesses that are working to restore and protect landscapes and soil health include those making organic compost to sell to farmers as an agricultural input, nursery and land management businesses, organic farms, and tourism-related businesses that are actively protecting land through their operations.

Venui Vanilla\footnote{Venui, “Member of the IFOAM,” https://www.venuivanilla.com/venui-vanilla/161-organic-certification.} is a company in Santo focused on organic farming of vanilla beans and products, ginger, pepper, and coconut oil.

One of Venui Vanilla’s organically-grown products\footnote{Source: Venui, https://www.venuivanilla.com/}.

Environmental degradation and biodiversity conservation

Ecosystems such as forests and mangroves are important natural resources. In addition, Vanuatu has an exclusive economic zone of over 680,000 km\(^2\) of ocean resources. Conserving these areas and the biodiversity of the plants and animals that live there is important because these natural resources provide food and support industries, including tourism and fisheries. Mangroves, for instance, play a vital role in regulating the climate and water, and protecting coastlines from erosion. Mangroves are also habitats for important animal species and sources of medicinal plants.

Green businesses that help to protect ecosystems and conserve biodiversity include timber companies that ensure forests are replanted faster than they are extracted, businesses that treat wastewater before returning it to the ecosystem, and tourism operators that educate others about conserving ecosystems and biodiversity. An increasing number of green businesses also focus directly on mangrove replanting and forest rehabilitation. Vanuatu’s tourism sector depends on healthy oceans for its sustainability, and can play a role in promoting sustainable marine practices.
Climate change

Climate change is already changing rainfall patterns and causing increased temperatures and sea-level rise. These impacts will be felt differently across the country, across different sectors and communities.

Green businesses that can help address the causes of climate change include those that reduce greenhouse gas emissions and the use of fossil fuels (see below), and those that produce local products to replace things that are currently being imported (as importing goods requires the use of fossil fuels to transport them to Vanuatu).

Green businesses will also be needed to address the impacts of climate change, for example by making infrastructure less susceptible to flooding (e.g., by planting mangroves to protect shorelines) or by providing increased water security through new water management techniques and/or technology. Businesses could also include services to enhance the resilience of communities and businesses (e.g., with weather information services for the agriculture and tourism industries).

In Fiji, Na Draki provides weather- and climate-related services to various clients, including those in the tourism industry.

Fossil fuel dependency

Vanuatu is heavily dependent on imported fossil fuels like petrol and diesel for transport and electricity. Fossil fuels contribute to air pollution and to global climate change, and pose a serious environmental hazard in the event of an oil spill. While Vanuatu’s greenhouse gas emissions may be relatively small, the Government of Vanuatu is committed to decarbonising the economy, and shifting towards cleaner transport and energy generation systems.

Solar panels at the Vanuatu Ministry of Climate Change demonstrate the government’s commitment to reducing Vanuatu’s greenhouse gas emissions.

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18 Photo credit: Katerina Syngellakis.
Green businesses that help reduce fossil fuel use include those supplying solar hot water and solar electricity systems, energy audit services that support businesses in saving energy, and providers of low-emission transport (e.g., bicycles, traditional sailing, electric cars and scooters, sail- and solar-assisted vessels).

Transforming transport and energy systems will also require many associated services – such as solar technicians, battery recycling, electric scooter and car technicians, e-transport charging infrastructure, traditional sailing experts, and information and communication technology experts.

**PCS** is an alternative energy company that provides solar-powered solutions for communities, businesses, and residential customers.

PCS’s shop in Port Vila offers a variety of solar products for sale.

**Waste and the circular economy**

The proper disposal of waste is a challenge in Vanuatu. Rubbish that is thrown on the ground or into the sea can contaminate water supplies, threaten wildlife, and just doesn’t look very nice!

When waste makes it into a rubbish bin in an urban area, it generally goes to a landfill. Although it is better for the rubbish to be in the landfill than on the ground or the sea, there are still some issues because the landfill can also contaminate water supplies, generate methane (a greenhouse gas) when organic waste breaks down, and take up valuable space. Sometimes, waste is burned, but this is not a good solution because it causes air pollution and releases carbon emissions.

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The best solution is to first reduce waste as much as possible, reuse any waste that you can, and then to dispose properly of the rest. It is particularly important to reduce single-use plastics such as straws, water bottles, and styrofoam containers, along with composting organic waste instead of sending it to the landfill.

Green businesses can help with the waste issue by using reusable instead of disposable items (like cups and plates), composting their organic waste, finding ways to reduce the amount of waste they produce, and making sure they dispose of their waste properly. Some business are fully established around addressing the waste issue – they may make or sell alternatives to single-use plastics (such as plates or food containers made from leaves or paper, or biodegradable plastic bags). Recycling companies that support the disposal and reuse of waste products can also help reduce the amount of waste going to landfill.

RecycleCorp Vanuatu provides a recycling service to Port Vila residents by recycling scrap steel, lead acid batteries, used beverage cans, used gas bottles, machinery, end-of-life vehicles, and electronic waste, and exports them offshore.

Azure Pure Water runs a recycling programme that pays for plastic bottles returned to the company.

Since 2015, Rainbow Gardens in Port Vila have been collaborating with the Port Vila Municipality Council to reuse green waste from the Port Vila Market for composting. This waste management initiative has seen a huge reduction from the usual 90m$^3$ daily waste tonnage being deposited at Port Vila's only landfill.

Another way that green businesses can address waste is by creating a more circular economy – that is, by using the waste products of another industry or business as their input. Currently, our society is mostly linear – we use raw materials to make products and then dispose of them at the end of their useful life. This has been described as the “Take – Make – Dispose” economy. To create a more sustainable circular system, green businesses can make new products from existing waste products, reducing overall waste. For example, Wan Smol Bag offers training on making wallets from plastic waste material.

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21 RecycleCorp Vanuatu, [https://recyclevanuatu.com/](https://recyclevanuatu.com/).
The linear economy vs the circular economy

This short video describes the evolution of thinking about the environment and the business world.

HoneyWrap in New Zealand makes a variety of honey products, including beeswax wrappers that can be used in place of disposable plastic wraps.

Sole Rebels is an Ethiopian company that makes shoes from recycled materials.

Sole Rebels manufactures shoes from recycled products and describes itself as “Green by Heritage”.

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24 Graphics by Margaret Seruvatu, GGGI.
26 Honeywrap, https://www.honeywrap.co.nz/.
Addressing challenges the Pacific way!

Many of the traditional ways of farming, fishing, carrying and packaging items, and constructing homes and boats are inherently sustainable and use natural materials such as leaves, vines, grass, wood, and bamboo.

As Vanuatu has become increasingly part of the global system, people have shifted away from using local resources to being dependent on mono-cropping in agricultural systems, and to using imported goods such as plastics from around the world for packaging and decoration. A move to a more sustainable economy and society may mean learning from the past, and re-introducing or re-adopting some of Vanuatu’s traditional practices.

Replacing packaging with locally-sourced biodegradable material can reduce the volume of non-biodegradable waste and provide income-generating opportunities locally.
4: Sustainability Across the Supply Chain

You are likely to have done a lot of thinking about what makes your business sustainable at its core. This section provides guidance on some additional things to consider in all areas of your business to maximise its positive impacts on the environment and the community.

**Sustainability in practice**

At each stage of the business, green entrepreneurs will consciously think about how their business can increase positive impacts on people and the environment, measure the negative impacts, and determine how they can address and reduce them.

The first steps for any business in thinking about sustainability are developing an awareness of how the business affects people and the environment, assessing the current status, and setting goals for improvement. As a new business owner, you have the opportunity to shape the direction of your business from the outset – and to make sustainability a core part of your business operations and not an afterthought.

It is often useful to break down the value chain of the business into specific components to help assess the impact your business has on the environment and society. Don’t just recognise the things that you do on a regular basis (e.g., recycle paper, conserve energy and water, use ecologically-friendly cleaning products), but also consider the policies and structures you have that ensure these practices continue into the future.

The following are some questions to ask yourself to help make your business greener:

**Supply chain and procurement**

- Do you source your materials from local, environmentally-friendly businesses?
- Do you have a specific procurement policy to ensure that suppliers conform to environmental and social best practices?
- Do you require suppliers to meet any environmental/social standards?
- Have you banned single-use plastics?

**Production/Service delivery**

- Will you be constructing anything as part of the business? How will you ensure that it conforms to environmental best practices?
- How is waste minimised across the production chain?
- Do you actively look for ways to substitute materials to reduce waste?
- How do you manage the waste that is created?
- Do you use transport as part of your product or service? What measures have you taken to minimise fuel consumption?
- Do you have measures in place to conserve water and energy?
- Do you use sustainable packaging materials?
Retail/Customers

- Does your product actively solve an environmental or social issue?
- Does your marketing include information on how your customers should behave in line with your policy (e.g., what to bring, what not to bring, things to do)?
- Is your product sold and marketed in a way that reduces environmental impact (e.g., by using sustainable packaging, or by marketing online only rather than printing out brochures)?

TIP: Think about sustainability from the outset. Develop a simple sustainability policy (see Box 3) as one of the first guiding policies for your business. Revisit it regularly to check that you are on track, and continue to add and improve as you go! Engage all employees and partners in the process to ensure that everyone involved in the business is on the same page. And, don’t forget to think about how sustainability adds appeal or value to your product or service!

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**Developing a Sustainability Policy**

In developing a sustainability policy for your business, here are some elements that you may want to include:

- **Vision** – What is the vision of the business and the type of world it wants to operate in? How does it contribute to creating that world?
- **Principle and values** – What are the main principles and values that the business adheres to? This helps articulate why sustainability is important to the business.
- **Key issues** – What are the important environmental and social challenges that are relevant to the business?
- **Commitment and scope** – What things can the business influence and is committed to doing something about, and what things are beyond the ability of the business to influence?
- **Objectives/Aims** – What are the environmental and social objectives of the business? This section of the policy should include specific measures, targets, and indicators. Targets should be achievable, and performance indicators should be measured and tracked. Think about incorporating sustainable practices across areas related to the environment, culture, and community.
- **Monitoring, improvement, and reporting** – How will you report on the measures outlined in the policy? How will you ensure that you are improving every year? Can your sustainability credentials be used in your marketing material to attract customers with these values?

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5: Getting Started – The Lean Startup Model

While something remains an idea, it is romantic. One of the hardest things to do is to transform that idea into something real and tangible. This section focuses on the steps you can take to turn your idea into a real business.\(^{30}\)

You may have been told that you need to do a lot of planning before you get going. But, most small businesses do not start up that way. Most new business owners dive right in – perhaps running their business alongside another job to start – learning and refining the product as they test the market and get feedback. Many entrepreneurs start by turning something they love doing in their spare time into something they do a bit more often, to something they do every day. You can start by selling your products to your friends, or once a month at a craft market, to get an idea of whether you have a viable business.

The good news is that you may not need a detailed business plan to get started! The exception to this may be if you are wanting to raise capital for investment or if this is required by a regulatory authority.\(^{31}\)

One tool that can help you think through all the different aspects of your business before you get started is the Social Lean Canvas.\(^{32}\) This is essentially a business planning tool that can fit on one piece of paper. The canvas consists of eleven sections that outline all the major aspects of your business. By completing each section, you'll get an idea of the areas where your idea is strong and those that need further work.

**TIP:** Spend an hour completing the canvas with those involved in the business without thinking about it too deeply. Pin it on your wall and revisit it each week for the first few months to see if you have changed your mind about your initial ideas. For example, you may initially decide to use social media as your main selling channel. Over time, you may become aware of retail outlets that are interested in selling your product and adjust your selling channels.

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\(^{31}\) Foreign investors are usually required to submit a business plan to the relevant regulatory authority to assess and ensure that the business is beneficial for the country.

\(^{32}\) The Social Lean Canvas ([https://socialleancanvas.com/](https://socialleancanvas.com/)) is adapted from The Lean Canvas ([https://leanstack.com/leancanvas](https://leanstack.com/leancanvas)), which is in turn adapted from the Business Model Canvas ([https://strategyzer.com/](https://strategyzer.com/)), and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-Ported License.
Business Planning Tool – The Social Lean Canvas

Use this tool to start planning! Working through each section can help ensure that you’ve thought through all the major aspects of your green business.

Problem
What are the specific problems each of the different customer types face?
In thinking about your customers, have a go at putting yourself in their shoes (see "Identify Your Target Audience" below).

Existing alternatives
How are these problems currently being solved?
Spend a bit of time doing some market research on the alternatives to your product. What is already out there? What kind of products are selling well? Where are the gaps?

Solution
What is your product or service?
What is it and how does it meet the customers’ wants or needs? This may sound simple, but clearly articulating your product or service is a critical part of being able to sell it! Try writing what you are offering in 100 words, 150 words, and 200 words until you are happy with all three versions. Once you’ve done that describe it to family members and friends, and ask for feedback.

Key metrics
What are the numbers that will show your business model is working?
What numbers represent success to you? Number of customers? Number of glass bottles recycled? Annual revenue? Whatever your measure of success, make sure the business is set up to track these metrics so you can see if you’re on track.

Unique value proposition
What is the unique combination of benefits your product or service will offer to overcome problems the customer has?
What are you doing that is unique? What are you offering that no one else is doing? You may have a unique product, but more likely you’ll have a new approach to something that’s been tried before, or you’re introducing something to a new market. Don’t be shy about your point of difference!

Distinct advantage
Why will this venture succeed ahead of the competition?
What do you think you have that will help you succeed? This could be extensive established contacts in the industry, proximity to customers, traditional knowledge of how to build your product, etc.

Channels
How will you reach your customers in a scalable way?
What are your main selling channels? How do your target customers normally buy things? What will you use to reach your customers? Will you have a website with an online sales platform?

Customer segments
Who do you need to convince or influence to make your business model work?
Who are your main customer types? (See "Identify Your Target Audience" below)

Early adopters
Which customers will move first?
Who are your champions and your influencers? Who will buy your product or service first?

Cost structure
What are the major costs associated with running this green business?
Think about all the costs involved in setting up and running the business. Don’t forget some of the following main categories:
- Fixed assets – Vehicles, computers, chairs, tables, equipment
- Variable costs associated with each product/service delivery – Product inputs
- Legal and accounting fees
- Marketing – This could be as small as finances used to boost social media posts, or as large as attending international trade shows
- Your time and others’ time – You may be happy to give your time for free to get your business started, and friends and family may volunteer to begin with, but to be sustainable your business will sooner or later need to pay for the time people put in... including yourself!

Revenue
What are the ongoing flows of income that will create financial sustainability for this venture?
What are you selling? How much are you selling it for? What are your projections for your sales in Year 1, Year 2, etc.

This is based on information and resources available at Social Lean Canvas, https://socialleancanvas.com/
Identify your target audience

This subsection explores customer concepts and can be used to help you complete the “Customer Segments” and “Early Adopters” sections in your canvas. Spending time thinking about your customers is a critical part of business planning.

You are likely to have made assumptions about the type of person that is your target audience – but it is crucial to test those assumptions at the outset as you can waste a lot of time and resources marketing to someone who is not interested in what you’re selling.

The easiest way to identify your audience is to develop a few customer personas and put yourself in your customers’ shoes. Imagine a person you know in real life, map out their demographics (age, gender, income, education level, marital status, etc.), and delve deeper by completing an empathy map for them. This helps you think about what motivates them, what interests them, what frustrates them, and what inspires them, so that you can design and market your business accordingly. Make sure you think about what environmental issues they care most passionately about.

Remember, stay curious! The end goal is to truly understand your potential customer, which makes all the difference when you’re trying to convince them to buy your product or service.

Have customer conversations

What next? Start talking to people!

This one can be a little scary, particularly for emerging entrepreneurs. Getting feedback on your concept, something you hope for and believe in, may feel like a vulnerable position. What if they don’t like it? What if they think it’s a silly idea? What if someone steals my idea? These concerns are certainly understandable! But having these conversations early and often can evolve your business from average to amazing. Not only can insights lead you in fresh, creative directions, it can help tweak your direction and messaging, and who knows where a conversation may lead.

As a green business, you’ll be particularly interested in your potential customers’ values about environmental issues and ethical purchasing. This may include their willingness to change their current purchasing behaviour to substitute something that is more environmentally friendly, or their willingness to spend more on products that meet higher environmental standards. Try not to drive the conversation but listen for insights you haven’t considered.

Here's a quick guide to help you get rolling:

- Wherever possible, have conversations with those outside your personal network. You want honest, constructive inputs, and while those close to you are fantastic supporters, in an effort to be nice they may not be 100% honest.

- Conduct your conversations like a funnel. Start with broad, overarching questions and then, as the dialogue continues, narrow in for more detail.

- Begin with a question that provides context for the conversation but doesn’t hit on the problem directly, such as, “as a fisherman, what do you find frustrating about fishing hooks?”

- Encourage your potential customers to describe their current reality. Lead them to describe their frustrations. The goal is to learn as much as possible about their current state of affairs.

- You can delve deeper into –
  - **Facts:** "Can you tell me more?" or "Can you expand on that?" or a simple "Why is that the case?" will encourage the potential customer to keep talking.
  - **Time:** "How long have you been dealing with XYZ?" or "When was the last time that happened?" will show you how long the problem has existed (which may indicate the level of frustration), and how frequently or infrequently the problem crops up for the customer.
  - **Money:** "How much has that cost you?" or "How much have you spent trying to find a solution?" will help you understand how motivated customers are to solve this problem. Remember, to have a business, you need something people are willing to pay for!

- Then shift direction. Ask questions around the customer’s ideal scenario. "If you could wave a magic wand, what would you like to see? What would make you happy? What would be different?"

- Listen for insights you haven’t considered, gems of wisdom you haven’t thought of.

- Enjoy yourself! Once you relax into it, these conversations can be an exciting and fun experience.
Next steps

When you have a clear idea of your business plan and you’ve challenged your own assumptions about your future customers, it is worth setting yourself some goals for the next few months (see Box 5). These goals are designed to break down the daunting prospect of setting up or expanding your business into manageable steps, and give you something concrete to work on each month.

Sample Seven-Month Startup Plan

Month 1: Research what other similar products are available on the market and where the gaps are. Look at pricing and what people are prepared to pay for similar products.

Month 2: Complete a simple business planning exercise (such as the Social Lean Canvas) to determine the viability of the business.

Month 3: Discuss the idea with all the partners that you need involved. Get their input and feedback, and reshape the idea if necessary.

Month 4: Decide on a name to use to register the business. Getting input from partners on this can be a good way to involve them from the beginning, so that the partners see themselves as part of the group who will champion your product once your business is up and running.

Month 5: Research what is needed to start a business in Vanuatu (see Section 6) and start the process of registration. You may decide to use the services of a lawyer to assist with this.

Month 6: Decide how you will market your products in the first few months. Many businesses use social media and/or small monthly or weekly markets to get the word out at first, before they invest too heavily in marketing.

Month 7: Start producing and selling, and test the market!

TIP: Pin your startup plan up somewhere visible to act as a reminder. Share it with a mentor or a friend, and ask them to check in with you each month to discuss your progress.
6: Setting Up a Business in Vanuatu

This section provides guidance about setting up a business in Vanuatu. At each step you will be directed to the websites of various organisations that can provide further advice. Note that rules and regulations change, and you should check for the latest information with the Vanuatu Chamber of Commerce and Industry (VCCI) and the relevant authorities highlighted below.

Once you’ve decided to open a business you’ll need to decide what type of business to set up. This process can seem confusing. Don’t worry if you don’t understand all of the options right away. Law firms can often provide some advice for free to help decide whether you need their services. Most companies use lawyers to draft their company documents.

**TIP:** Seek advice from other business owners or a mentor to see what process they followed. Don’t get disheartened! As a business owner, being resilient is a key skill that you’ll learn from the outset. Remember, be resilient to small setbacks and celebrate milestones!

**Business structures in Vanuatu**

Businesses in Vanuatu can operate as the following legal entities: Sole Trader, Partnership, or Company (local or overseas company registered in Vanuatu). The simplest type of business is a sole trader in which there is only one owner of the business. The owner is solely liable for any debts incurred by the business.

A partnership is where two or more people contribute their own resources – cash, property, or even their time. They then have an agreement about how they share the profits between them. A partnership is usually used by professionals, like accountants and lawyers.

A company has a separate legal entity from the owners of the company and any shareholders or members, and can therefore limit their liability and be protected from liability incurred by the company. You may want to incorporate a company and restrict the liability that you will personally face in the event that your company goes bankrupt or a client tries to sue the company for damages.

If you are setting up a social enterprise, you may want to look at non-profit options, such as a charitable association or a community company.

The Vanuatu Financial Services Commission (VFSC) has guidance available that describes the different types of companies and provides further information to help you decide what type of company to register.

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37 [Vanuatu Chamber of Commerce and Industry](http://www.vcci.com.vu).


If you haven’t already decided what type of company to open, VCCI advises consulting a professional business advisor, such as a lawyer, chartered accountant, or business consultant in Vanuatu, on setting up a legal structure that suits the specific nature of your business. This will help you understand the different rights and responsibilities that each type of structure involves. VCCI also suggests contacting a professional business advisor to understand the associated requirements for setting up your business.

Once you’ve decided to start a business there are a number of steps you’ll need to take. Some of these steps can be completed online by registering as a user with the VFSC at https://www.vfsc.vu/.

- **Step 1:** Check availability of business name with the VFSC
- **Step 2** (for foreign investors only): Apply for foreign investment approval with the Vanuatu Investment Promotion Authority
- **Step 3** (for companies only): Apply for a permit to form an incorporated company with or without limited liability with the VFSC
- **Step 4:** Register your business name with the VFSC and obtain a Business Name Registration Certificate
- **Step 5:** Apply for a business license with the Rates and Taxes Office, Department of Customs and Inland Revenue
- **Step 6:** Register with the VAT Office, Department of Customs and Inland Revenue
- **Step 7:** Register as an employer with the Vanuatu National Provident Fund

### Summary of the steps and procedures for starting a business in Vanuatu

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Time to complete</th>
<th>Cost to complete</th>
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<tbody>
<tr>
<td>Step 1: Check availability of business name with the VFSC</td>
<td>1 day</td>
<td>No charge (VUV 2,000 to reserve business name)</td>
</tr>
<tr>
<td>If you have access to the Internet, you can check the availability of your business name on the VFSC website by registering at <a href="http://www.vfsc.vu/how-to-register-a-company/learn-what-a-company-is/1498-2/">http://www.vfsc.vu/how-to-register-a-company/learn-what-a-company-is/1498-2/</a>. Once registered, you can conduct an online search of existing and previous business names at <a href="https://www.vfsc.vu/vanuatu-master/viewInstance/view.html?id=a5c1e83ff0a6678b4255157f07ee7d302bf500f9c1510589&amp;timestamp=5283339760831045">https://www.vfsc.vu/vanuatu-master/viewInstance/view.html?id=a5c1e83ff0a6678b4255157f07ee7d302bf500f9c1510589&amp;timestamp=5283339760831045</a>. When you have decided on a business name, it is possible to reserve the name for VUV 2,000. This is required by foreign investments before applying for a Foreign Investment Application Certificate (see Step 2).</td>
<td>1 day</td>
<td>No charge (VUV 2,000 to reserve business name)</td>
</tr>
<tr>
<td>Step 2 (for foreign investors only): Apply for Foreign Investment Approval with the Vanuatu Investment Promotion Authority</td>
<td>15 business days</td>
<td>VUV 25,000</td>
</tr>
<tr>
<td>Foreign investors must obtain a Foreign Investment Application Certificate before starting a business in Vanuatu. The Vanuatu Investment Promotion Authority authorises all new investment into Vanuatu and checks that your business fits within Vanuatu’s investment guidelines. Once approval is granted, business license, residency permit, and work permit approvals become largely automatic. Find out more at <a href="https://www.investvanuatu.org/">https://www.investvanuatu.org/</a></td>
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Step 3 (for companies only): Apply for a Permit to Form an Incorporated Company with or without Limited Liability in Vanuatu with the Vanuatu Financial Services Commission (VFSC)

Pursuant to the Companies Act [CAP. 191], an application for a company incorporation permit must be filed with the Minister of Finance via the VFSC. The steps for company formation depend on whether the company is a local, overseas, or international company. The VFSC website (https://www.vfsc.vu/) outlines these steps in more detail. As part of these steps you will need to determine what rules you will use to run your company. Find out more at http://www.vfsc.vu/how-to-register-a-company/learn-what-a-company-is/what-are-company-rules/. It is advisable to take legal advice to assist you in the preparation of documents for company registration. Model rules are available at the link above.

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<tr>
<th>Step</th>
<th>Description</th>
<th>Timeframe</th>
<th>Fees</th>
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<tbody>
<tr>
<td>Step 3</td>
<td>Apply for a Permit to Form an Incorporated Company with or without Limited Liability</td>
<td>10 business days</td>
<td>Incorporation fees of VUV 30,000 - 250,000</td>
</tr>
</tbody>
</table>

Step 4: Register your business name with the VFSC and obtain a Business Name Registration Certificate

An individual must register every business name that is in any way different from his/her own surname, with or without his/her forenames or initials. A partnership or group of persons must register every business name that does not consist of the names of the persons in the partnership or group. A company registered under the Companies Act [CAP. 191] must register any business name that differs from its full company name.

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<tr>
<th>Step</th>
<th>Description</th>
<th>Timeframe</th>
<th>Fees</th>
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<tbody>
<tr>
<td>Step 4</td>
<td>Register your business name with the VFSC</td>
<td>Same day if paid with cash or online</td>
<td>VUV 10,000</td>
</tr>
<tr>
<td>Step 4</td>
<td>Obtain a Business Name Registration Certificate</td>
<td>Same day if paid with cash or online</td>
<td>VUV 10,000</td>
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Step 5: Apply for a business license with the Rates and Taxes Office, Department of Customs and Inland Revenue

Under the Companies Act [CAP. 191], business licenses are valid for one year and are subject to renewal on or before 31 January of the new licensing year. The Rates and Taxes Office of the Department of Customs and Inland Revenue issues the business licenses for commercial activity in the municipalities of Port Vila and Luganville. The provincial councils of Shefa, Senna, Malampa, Penama, Tafea, and Torba are responsible for issuing business licenses to businesses operating in their respective provinces. You can download the Business License Application Form at https://customsinlandrevenue.gov.vu/images/Forms/rates_taxes_forms/2015_New_BL_Application_Form.pdf.

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<th>Step</th>
<th>Description</th>
<th>Timeframe</th>
<th>Fees</th>
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<tbody>
<tr>
<td>Step 5</td>
<td>Apply for a business license with the Rates and Taxes Office</td>
<td>5 business days</td>
<td>VUV 20,000 - VUV 1,000,000 dependant on business activity and annual turnover</td>
</tr>
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</table>

Step 6: Register with the VAT Office, Department of Customs and Inland Revenue

A company must register with the Value-Added Tax (VAT) Office if it anticipates turnover of at least VUV 4 million per year. The Application for VAT Registration is available at https://customsinlandrevenue.gov.vu/images/Forms/VAT/Application_for_Registration_English.pdf. This form is also available in Bislama.

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<th>Step</th>
<th>Description</th>
<th>Timeframe</th>
<th>Fees</th>
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<tbody>
<tr>
<td>Step 6</td>
<td>Register with the VAT Office</td>
<td>3 business days</td>
<td>No charge</td>
</tr>
</tbody>
</table>

Step 7: Register as an employer with the Vanuatu National Provident Fund

It is compulsory for an employer to register with the Vanuatu National Provident Fund (VNPF) and pay its contributions. Under the law, an employer must register with this fund 7 days after incorporation of the business (or 7 days as soon as the first employee is recruited). Payment of contribution is made directly at the National Provident Fund. Find out more at https://www.vnpf.com.vu/employer_resp.

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<th>Timeframe</th>
<th>Fees</th>
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</thead>
<tbody>
<tr>
<td>Step 7</td>
<td>Register as an employer with the Vanuatu National Provident Fund</td>
<td>1 week</td>
<td>No charge</td>
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</table>
In addition to the requirements above, a municipal permit (Port Vila, Lagoonville, Lakatoro, or Lenakel) is required for any of the services listed below:

- Sale of liquor
- Sale of kava
- Restaurants and take-away outlets
- Cinema and video operators
- Motor vehicle repair workshops
- Night clubs, dancing halls, and bars

A public vehicle permit is required from the Land Transport Authority for businesses providing public transportation, and a tourism permit is required from the Department of Tourism for businesses that engage in tourism-related activities.

Annual renewal fees apply for many of the above procedures after successfully starting up a business. Non-payment of the annual renewal of licenses, patents, and permits, as well as fees for issued registration or certificates, will incur penalty fees. Non-payment may also result in the total cessation of the company, as well as prosecution.42

Business advisory services

There are many business advisory services around to help you through the startup phase and beyond. Below is a summary of the types of services you are likely to need as a new business – but because things change quickly you should do your own research to determine the service providers that are right for you.

Banking

All businesses will need a business bank account. Even as a sole trader, it’s advisable to have separate bank accounts for your business and your personal use.

When you open your account, talk to your account manager about online banking facilities, transaction limits for bill payments and transfers (this can save you a lot of time!), bank charges, whether they will provide a dedicated account manager to act as a liaison point, and mobile payment machines if you know that you’ll need one.

If you need a loan to start your business, discuss this early with various banks to understand your options.

Legal advice

Law firms, chartered accountants, and business consultants can help register your business name, write your articles of association, and provide other support to set up your business. Using the services of a lawyer to set up your business can save a lot of time and effort, and help you understand the legal documents you are required to sign.

Accounting

You may decide that you are able to manage the day-to-day bookkeeping for the business, at least initially. Financial statements are likely to require the support of an accountant – unless you are one yourself! But don’t confuse the day-to-day tracking of your income and expenditures with the preparation of financial statements.

The day-to-day bookkeeping will allow you to know whether you can pay your bills, yourself, and your staff. For this, you may want to use an accounting software. There are a number of free and paid accounting software programs available – ask other small businesses what they use and if they have any recommendations.

If you need the advice of an accountant for bookkeeping and in preparing annual financial statements, VCCI can suggest suitable accounting firms that are familiar with providing advice to small businesses. You may also want to contact Vanuatu Financial Centre Association members – they provide accounting and other business support services.

Website creation, design, and maintenance

There are many easy-to-use, do-it-yourself platforms for creating websites (such as WordPress), but since your website will be with you for a number of years, you want to get it right, and it can be worth spending a bit of money for a professional and effective website for your business. Make sure that website providers develop a solution that is low-maintenance and does not rely on their ongoing support for every update. Don't think of a website as a one-off task. You’ll need to keep it updated with fresh content and ensure that it is secure.

Employer bodies/associations

When you are starting out as a business you may not know many people in the industry. Your business license includes membership with VCCI and they should be your first call for any business advice and guidance. Joining an industry association can be a good way to network with other business owners, receive ongoing advice, and promote your business. Annex 1 lists some options, but you can also ask around to learn about other associations.

Further training and advice

VCCI runs a variety of training courses, including courses certified by the International Labour Organization (ILO) such as “Generate your Business Idea” and “Start and Improve Your Business”.

VCCI also acts as the focal point for Business Link Pacific that subsidises contracted services for small businesses. In addition, VCCI has several partnerships that provide business incubation services and business resilience advice, and manage subsidy schemes for business advisory services.

You may also consider contacting Pacific Trade and Invest, an organisation that supports businesses in the Pacific in exporting products, digital marketing, and trade show attendance.

47 Including with the United Nations Development Programme and Business Link Pacific.
7: Company and Employers’ Obligations

Here comes some more of the mundane stuff! Once you’ve set up the business, it’s worth familiarising yourself with your ongoing legal responsibilities.49

The legal requirements for employers and reporting obligations of companies can seem overwhelming at first – but it is better to be fully aware of all of these requirements at the outset and understand which of them you’ll have to comply with, than be faced with non-compliance penalties later! The VFSC50 and VCCI51 have many helpful resources online that provide guidance.

Remember, as complicated as some of this seem, all businesses are in the same canoe and can often provide you with advice about how to navigate your way through. If you need advice, contact a friend or a mentor with a business, or seek the professional advice of a business consultant, chartered accountant, or lawyer. Professional business networks provide a useful forum for learning from other businesses.

Ongoing reporting

Companies are required to file annual returns. This can be done online via the VFSC website or in person.52

If you or your company’s details change before the annual return period, you should update your details online or in person at a VFSC kiosk. Failure to submit an annual return on time will incur late fees. If you fail to submit an annual return for six months, your company will be removed from the register.

There are no annual return filing dates in December or January due to the holiday season. If your company is incorporated in December, the annual return filing date will be November. If your company is incorporated in January, your annual return filing date will be in February.

Your company incorporation documents will outline other rules and obligations for directors and shareholders. Further guidance is available on the VFSC website.53

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Your legal obligations as an employer

VCCI has an employer guidebook available online[^54] that helps employers understand their legal obligations. The guidebook is filled with many useful resources for employers, including templates that can be used to meet various requirements. The guidebook also provides advice in the areas of employment contracts, hours of work, payment, leave, and termination. VCCI emphasises that this guidebook is not designed to replace legal advice, and encourages employers to consult with the Department of Labour for advice.

The Employment Act[^55] only applies to employees. VCCI provides a useful reference on the difference between an employee and a contractor.[^56]

It is compulsory for all employers to register with the Vanuatu National Provident Fund. An employer employing any person(s) earning VUV 3,000 or more per month is required to register with the fund within seven days of starting a business. To register, the employers must fill in Form E, which can be obtained from the Vanuatu National Provident Fund Office or online at [https://www.vnpf.com.vu/vnpf_forms&publication/Form%20E.pdf](https://www.vnpf.com.vu/vnpf_forms&publication/Form%20E.pdf).[^57]

8: Sustainability as Part of Your Story – Branding 101

Now, that you’re all set up and ready to go, you can get back to the fun stuff and the reason you started this adventure – to serve your customers!

If you are a small sustainable business with a great story but are short on time and limited in resources, branding can be a powerful tool in helping you distinguish yourself from others, reach customers, and drive sales. With some proper thought and development at the outset, branding can help you launch strong, underpin your core message about sustainability, and potentially reap rewards for years to come.

What is a brand?

Branding is a notion that can be tricky to comprehend. That’s because a good branding definition is hard to come by. Is branding your logo? Your product? Is it the colours you use for your marketing materials? Is it how your business talks to people through social media or where you advertise? It’s actually none of these things. And yet, it’s all of these things.

A brand is a feeling. What? A feeling? Yup, that’s right! It’s the emotional response people have when they hear your business mentioned. Your name, logo and values, your design, products, and messaging – all the ingredients that make up your business fuse together and create an impression.

Another way to think about a brand is to imagine it as a person. Much like an individual, a brand is an identity, with its own voice, values, personality, story, and style. And the process behind how we perceive a brand is very similar to how we form opinions about people. When encountering someone for the first time, we observe what they say, and how they act and present themselves, all before subconsciously forming an opinion of them. In the same way that we cultivate a gut instinct about a person, the marketplace cultivates a gut instinct about your business – this is your brand.

As Amazon’s CEO, Jeff Bezos says, “your brand is what people say about you when you’re not in the room.”

Your brand is the feeling that your business inspires in others, and ultimately influences whether a potential customer engages with you.

As a green business, it is important that the values of environmental responsibility and social inclusion are included in your branding strategy, and that customers identify your brand with these values. This will attract consumers that share these values, and these are the consumers that you can enlist as champions to help promote your brand and build your business.
Branding 101

Whether you’re big or small, established or emerging, the underlying pillars of great brands stay the same.

Great brands...  
...know what they’re really selling.

Great brands express an authentic perspective, lifestyle, or idea. They drive desire and encourage loyalty by developing a strong emotional connection with their customers.

Sure, they’re selling a product or service, but this isn’t their sole focus. As acclaimed business coach, Marie Forleo says, “the best way to close sales is by opening hearts.”

- **Nike** sells feelings of courage, ambition, and achieving greatness – alongside running shoes\(^{58}\)
- **Fiji** sells feelings of happiness, connection, and peace – alongside a travel destination\(^{59}\)
- **Apple** sells feelings of creativity and innovation – alongside digital devices\(^{60}\)

...focus on their why.

Great brands are super clear on their purpose. Not only is it the core mission, guiding their culture, decisions, hiring, partnerships, and more, it influences every aspect of how they represent themselves to the world. When expressing themselves, great brands lead with their why, and always incorporate it into their messaging and materials.

As a green business, your brand should identify your business as one that is part of the solution to the particular environmental or social challenge you are helping to solve.

...highlight their humanity.

Have you heard of the old business adage that people buy from those they "know, like, and trust"?

Great brands transform what would otherwise be a faceless business entity, into a living, breathing personality that consumers can resonate with. Great brands draw back the curtain and tell their story. They attach faces to names, purpose to products, and vision to history. They share and celebrate their wins, are transparent about their challenges, and honest with their mistakes.

Great brands apply the words of renowned thought leader, Seth Godin, “marketing is no longer about the stuff that you make, but the stories you tell.”

If your story is about repurposing waste and transforming it into a new product, this becomes a key part of the story you tell.

...zig, when others zag.

In a crowded, loud marketplace, consumers are subjected to thousands of brands and ads every day, and as a result, have become very good at putting on blinders to shut out the noise. Great brands know they need to stand out and get noticed. Rather than join the onslaught of copycats and lookalikes, they get crystal clear on


what makes them different. Then they embrace this distinct edge like a superpower. In a sea of sameness, human beings are hardwired to only notice what is different...

As a green business, a key point of difference is likely to be the way in which your product actively strives to solve environmental challenges and achieve the higher environmental standards that you’ve set for the business. Ensure that you spend time crafting these messages and using them consistently.

...are consistent.

Each interaction a potential customer has with you – every social media post they read or storefront they pass, every comment they hear or brochure they see – are “straws and scraps” getting woven together into your brand. Being consistent helps great brands stay sticky, memorable in the minds of their audience.

As a green business, your sustainability credentials must permeate through all your marketing messages. For example, if you are selling a substitute to plastic plates made from compostable material, producing throwaway glossy brochures undermines the credibility of your brand.

Cultivate a brand toolkit

A brand promises relevant, different, and desirable benefits. Everything a business does should focus on enhancing the delivery of its brand’s promise. Brand management aims to ensure that these impressions are consistent, attractive, and returning old and gaining new customers, hence promoting business growth.

The best way to achieve consistency is by putting together a handy toolkit of brand assets. As a small business, you may not have much to start with. Don't worry, your toolkit can grow as you do.

At a minimum your brand toolkit should contain the following:

- **Logo** – You may want to have your logo in several versions (full colour, black and white, vertical/horizontal versions, and social avatars). The different versions of the logo should be available in multiple formats (JPEG, PNG, EPS, and PDF).

- **Stationery** – Your electronic stationery design is an important part of consistent communication and is generally derived from your logo. Colour choices that have been made roll through into your stationery and other materials. Most small businesses start with a business card design, but depending on your needs, you may also decide on additional items such as letterhead.

- **Email address** – At first glance this may seem insignificant, but it is important to have a professional, easy-to-remember email address. This helps with building credibility and trust, and branding your business. For example, which legal practice would you choose to contact given the following email addresses: info@smartlawyers.com or tom_thelawyer_78@gmail.com?

  The good news is that getting a good email address is inexpensive! One of the most common ways to setup a branded email address is via G-Suite, the business arm of Gmail. For more information, head to [https://gsuite.google.com/](https://gsuite.google.com/).

- **Website** – Your business website is an important part of your brand identity and it shouldn’t be overlooked. Facebook and other social media platforms are excellent tools. They help you get started and as you progress, extend your brand reach and following. However, keep in mind that these are third-party services and you have no control over their platforms. If Instagram’s algorithm changes and suddenly restricts the reach of your posts, you can’t do anything about it. If Twitter closes down...
tomorrow, you’ll lose the fan base you’ve built there.

As soon as you’re able, be sure to get your website live and start growing visitors. Writing regular blog posts or news articles, and sharing them with relevant social media groups or news outlets, is a good way to promote your website.

- **Images** – We live in a visual world. From Facebook to Instagram, websites to brochures, even the smallest of businesses will find that photography comes into play. Having a ready-made collection of professional photographs will save you time when you have to promote or feature your product or service, online or offline.

  If you have some budget, investing in a professional photographer can do wonders for presenting your brand in an authentic, professional, and consistent manner. Or find that friend who is passionate about photography and keen to help! But since having access to a professional photographer isn’t always achievable, there are some useful links in Annex 1 on do-it-yourself photography.

- **Brand guidelines** – Last but not least, put together your brand guidelines. This is a document or page on your website outlining exactly how your brand assets should be used – an effective resource when you’re working with creative contractors, media outlets, or partners.

  To start, this may just include your logo, its use cases (preferred sizing, layout, etc.), colour palette, and if you’re using a distinct typeface, your font choices.

  But remember this is a live document! As you progress, you may add other considerations such as your favourite hero images, details on photographic or language style, and any other elements that are important to you. Refer to Annex 1 for some examples of brand guidelines.
9: Top Tips for Staying Sane and Getting More Advice!

If you’ve made it this far, congratulations!

Starting or expanding a business can be both an incredibly rewarding and an incredibly frustrating process. But, once you’ve had a taste of running your own business it’s hard to imagine working for anyone else ever again!

You will need ongoing support from those around you – your family, friends, and business advisory service providers. It is often worth asking how much professional advice will cost as it can often save you a lot of time and can be less expensive than you imagine.

Here are some key messages from existing business owners who are keen to see you succeed.

Key message 1: Stay true to yourself and your vision

Once you have identified what you want to do and how you want to do it, stay true to that vision. If people try to persuade you to adjust your business model and you’re not comfortable with it, don’t!

Trust your own judgement and research. If you think there is a market waiting for your product or service, be sure that you’ve tested that market before you decide to change direction. Things may not work immediately, and it will take a while for people to hear about you and what you are doing.

Remember the branding messages? It is important to be consistent and know what you are selling, so don’t be tempted to change this too early even if others are telling you that you should.

Key message 2: Change course if you need to

However, if in your market research or early days of doing business, you discover that your assumptions about your customers, selling channels, or any other critical part of the business model are not correct, you can adjust your business model quickly so that you don’t waste too much time or money on a model that won’t work. Deciding whether to stick or twist is a key entrepreneurial skill!

Key message 3: Identify your strengths, and know your weaknesses and how to deal with them

You will not be good at everything! There will be some aspects of running a business that you will need support in managing. Identify early the aspects of the business that you are good at and those that you will need support to do.

If you are hopeless with paperwork and numbers, you can hire an accountant to help manage your accounts. If you don’t understand social media but know it is important for your business, you can contract someone who can set up and manage your social media platforms.
In the early days of your business, you may rely on friends and family for assistance and guidance – but knowing when you have exhausted their willingness to help and when it is time to contract professional help is a key judgement for all new business owners. Remember never to abuse an offer of support – particularly if it is coming from another small business. And it is always worth spending a bit more money contracting the help to safeguard a friendship.

There are some common tasks that you are likely to want to contract out to ensure that they are done professionally, including legal advice, accounting and financial statements, design work for your logo and other branding materials, and website design and maintenance.

**Key message 4: Grow slowly**

If things are going well it is tempting to want to push ahead and grow quickly.

When you go from the only person working in the business to managing a team, you’ll realise that there is a lot of information on the company structure and policies that is in your head. Anyone else joining the team is not necessarily going to be on the same page as you about the business. As you grow, you’ll need to start documenting many things that you take for granted to ensure that your suppliers, customers, and staff have reference documents they can refer to.

Don’t underestimate how much time managing staff can take, and make sure you have the ability to stay on top of things and continue to deliver consistent quality as you expand.

**Key message 5: Take others with you**

All successful businesses and brands have many champions who support them in ways most businesses probably never see – they are the people that refer you to others, the people that put in a good word for you when others wonder if you’re too small or too new to trust, the people who share your social media posts, the people who talk about you at events you’re too busy to attend. Your champions are your fairy godmothers. Taking them along as part of your journey, appreciating them, and recognising their support is an important part of thanking them and ensuring they stay as champions. This can be as simple as providing them with personalised updates every six months or sending them a Christmas card.

In small countries, word of mouth and your reputation goes a long way.

**Key message 6: Celebrate your successes humbly, be grateful, and say thank you**

It is easy to get weighed down by the amount of work to do, but when something important happens make sure you take the time to celebrate your success and achievements – and make sure that all of the people that helped you get there are part of that celebration. This can be as simple as a Facebook post acknowledging their role or inviting everyone round for celebratory drinks!
Key message 7: Don’t forget your friends

Your business will become your life. For the first few years, you’ll be turning down dinner invitations, missing birthday parties, giving up your weekends, and it is easy to find yourself doing nothing but work. Make time to socialise with your friends and make sure you are not just talking about the business – this is as important for you as it is for them!

Key message 8: Never stop learning

As a business owner you will learn something new every day of your career – and you need to be open to that. You will have to keep in touch with market developments, work out how to motivate a team member, fix a glitch on your website, check out a bit of terminology you’ve never heard before... it’s a necessity, but it’s also a joy!

Key message 9: Separate your business and your life

Your business is not your life and it does not define you. If you work from home for the first few years it is easy to slip into bad habits of bringing work out into the living room. If you can have a dedicated office space that you can close the door on and forget about when you finish work, do it – otherwise you’ll find that you never really finish!

Key message 10: Ask for help when you need it and work hard!

There are many organisations out there able to assist and willing you to succeed. The key to success, however, is you! Your commitment, dedication, energy, and drive is the key to a successful sustainable business.

Good luck Greenpreneurs!
Annex 1: Additional Resources and Contacts

Sustainable businesses
- The Pacific Green Business Centre – http://greenbusiness.solutions/

Developing a business idea
- The Social Lean Canvas – https://socialleancanvas.com/
- The International Labour Organisation has various courses to support new and existing entrepreneurs. Their “Generate your business idea” manual is available at https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/instructionalmaterial/wcms_436192.pdf

Setting up a business

Empathy maps

Branding and marketing
- For more by Seth Godin, his website is bursting with resources – https://www.sethgodin.com/ See also his Top 100 articles – https://seths.blog/top-100/
- For more by Marie Forleo, including MarieTV – https://www.marieforleo.com/marietv/
- On do-it-yourself photography see:
- For examples of brand guidelines see:
Business advisory services

- Pacific Trade Invest – [https://pacifictradeinvest.com/](https://pacifictradeinvest.com/)

Employer and industry associations


Sector-specific resources

**Tourism**

- Department of Tourism – [https://tourism.gov.vu/](https://tourism.gov.vu/)
- Vanuatu’s tourism sector profile by the Vanuatu Investment Promotion Authority – [https://www.investvanuatu.org/wp/industries/tourism/](https://www.investvanuatu.org/wp/industries/tourism/)

**Energy**

- Vanuatu’s energy sector profile by the Vanuatu Investment Promotion Authority – [https://www.investvanuatu.org/wp/industries/energy/](https://www.investvanuatu.org/wp/industries/energy/)

**Agriculture**

The Regional Pacific NDC Hub is implemented in partnership with:

In Contribution to: