Case Study

Typical CE case studies in Vietnam
Effectuation
Learning Outcomes
Learning Outcomes

102 - Day 2

1. Obtain an overview of CE implementation in Vietnam
2. Understand and apply the Effectuation to projects
Agenda

102 - Day 2

1. Warm-up
2. Meet three companies exercising CE in Vietnam
3. The Effectuation
1. Warm-up
Listen

Close your eyes and try to guess what are the following 5 sounds.
Objective: Stimulate students' senses and imagination

Duration: 05 minutes

- **PREPARATION:**
  - The trainers need to prepare audio clips of 05 animals/animals related to the environment. Possible sound suggestions are: squeezing plastic bottles, drinking water through a straw, flood sounds, fans, blue whales.
  - Trainers can create questions on Menti for students to choose the correct answer corresponding to each sound.

- **CONCLUSION:** We can hear sounds from our surroundings every day. Every action as small as drinking a cup of water with a straw can affect and create loud sounds like a flood, etc. Try to slow down a bit and listen to the surrounding sounds and see how things are around now.
Presenting the content learned about today's guest

Suggested content:
- Products/services
- Business model
- Circularity potential
Objective: Test students to find out about the guest speakers so that the Lecturer can have questions to deepen in the interaction with the guest speakers later on.

Duration: 20 - 25 minutes

- Each group has max 2-3 minutes to present their assignment results.
2. Meet three companies exercising CE in Vietnam
Trainers should take the time to learn about the guests in advance

**Duration**: 45 - 50 minutes/guest speakers

1. **Guests introduce their business**: 10 - 15 minutes
2. **Q&A**: 35 - 40 minutes
   a. Suggested questions:
      i. Why did you start this project?
      ii. How do you see the potential of the circular economy?
      iii. What difficulties and failures did you encounter when implementing the project?
      iv. What support have you received?
3. The Effectuation theory
The Effectuation theory

Source: Sarasvathy (2001)
Introduction: 03 minutes

Key points: The trainers introduce the origin of Effectuation by Dr. Sarasvathy’s research.

1. She conducted research through interviewing, listening and observing 27 of the world's top CEOs since 1997. In 2001 Saras Sarasvathy introduced her research results under the name “Effectuation”.
2. Her research shows that up to 89% of these CEOs make decisions based on an effect-oriented mindset instead of a cause-oriented mindset. While cause-oriented thinking is often used in foreseeable futures where causes are also clearer and easier to understand, effectuation thinking is used a lot by CEOs in the context of everything changing in a fast and unpredictable manner.

References:
Principle 1

Bird in hand

Start with what you have in your hand, who you know
Duration: 03 minutes

Key points:

1. Students should start from this Principle for the Challenge and continually recall the 5 Rules as they work through the project. Start by answering these questions:
   
   a. What do you know?
   
   b. What are you good at/can do?
   
   c. What do you have?
   
   d. Who do you know?
2. **Explanation: Bird in hand**
   a. The adage “One bird in the hand is better than two in the bush”. It means making decisions based on goal setting and **starting with what you have**.
   b. Therefore, as soon as you wonder which idea to choose for a business, you have to consider between many startup options. With the above principle, maybe you will start from **your strengths, your passion, and the resources you have**. These will form the basis for you to take better control of your own future.
Principle 2

Affordable loss

Set an acceptable level of damage
Duration: 03 minutes

Key points:

1. The trainers ask the question:
   a. *In your opinion, when starting a business, what is the acceptable damage? How much would that be?*

2. Acceptable costs or acceptable losses should be set out in the first place, to avoid risks that are too great to bear. For example, instead of waiting for money to do market research, you can interview customers and learn the market yourself. If there is a failure, it will only take you a while to conduct the research and interview, without losing any more material or property.
Principle 3

Patchwork quilt
Collaboration is better than competition
Key points:

1. The trainers ask the question:
   a. In your opinion, is there a time when you need to cooperate with a competitor? Why cooperation instead of competition?

2. Everything is complementary, so keep looking for partners, negotiating and gaining commitment instead of competition. The founders of these companies told their employees to focus on their work instead of taking care of the competition. They turn customers and competitors into strategic partners.
3. In fact, **building customer relationships in the first place** forms the basis of many businesses. It doesn't take long to collect data on customers, gather information, they really focus on the few customers they understand very well. This is the basis for building your own customer segment and finding your own blue ocean.

4. Many start-ups, because they are too worried about competitiveness, have pushed themselves into price competition with existing competitors in the market. This mistake can lead to bankruptcy due to lack of financial resources and gradual death due to lack of differentiation. "Marketing wizard" Steve Rivkin pointed out that, **focusing on quality, differentiating and methodical strategies will be the key to success, low price is the enemy of difference.**
Principle 4

Lemonade

Turn challenges into opportunities
**Duration:** 03 minutes

**Key points:**

1. The adage "If life throws you lemons, make yourself a glass of lemonade", refers to being able to **turn challenges into opportunities**. This is considered the core mindset that leads to the success of entrepreneurs. Instead of asking what happens if to face the worst situations in life, they interpret the this surprise as an opportunity to create new markets.

2. **EXAMPLE:** Steve Jobs
   a. Failing to compete for power in the company he founded, Jobs had to leave Apple. Then he returned to Apple 10 years later in an executive role.
   b. When Steve Jobs ran Pixar, he failed to negotiate with Disney to co-produce some of the animated blockbusters, but then the acquisition of Pixar by Disney made him Disney's largest shareholder.
Principle 5

Pilot in plane

Design your life in your own way
Duration: 03 minutes

Key points:

1. The Lecturer begins with the question:
   - *Who do you think determines your future?*

2. **Take action, the future (market) is ours**: You are the pilot of the plane of your life and of your own company. This means that we can control the future without predicting what will happen.

3. The question is, how can I control what I don't know? The answer comes from where do your beliefs about the future come from? The traditional approach is that we control the future only as long as we can predict it. Effectuation-oriented entrepreneurs think the future is not there to be discovered, but is created from the strategies of those in the business game.
Wrap-up

Write down 03 takeaways from today’s lesson (05 minutes)
Assignments

1. Adjust the circularity potential of three case studies
2. Run CE project
The material was developed, tested and evaluated by KisImpact as part of the Circular Innovation Pilot Training program funded by the ICM Falk Foundation.

Copyright of the teaching materials belongs to the ICM Falk Foundation. The Teaching Materials Kit is licensed to you under [CC BY-SA 4.0](https://creativecommons.org/licenses/by-sa/4.0). This means that you are allowed to use, adapt, build your materials on this teaching material in any way with the following conditions: citation is required (See next page).

The certificate also allows you to use it for commercial purposes. If you adapt or build on the document, you need to use the same certificate.
For citation purposes, kindly use the following:

**In Vietnamese:**
- Short version: Quỹ ICM Falk (2022) [CC BY-SA 4.0]
- Full version: Bộ tài liệu giảng dạy năm trong Chương trình đào tạo thí điểm Khởi nghiệp Đổi mới sáng tạo trong Kinh tế tuần hoàn 2022 tài trợ bởi Quỹ ICM Falk, xây dựng, thử nghiệm, đánh giá bởi KisImpact

**In English:**
- Short version: ICM Falk Foundation (2022) [CC BY-SA 4.0]
- Full version: Lesson support was developed from Circular Innovations pilot program 2022, funded by ICM Falk Foundation and implemented by KisImpact