

Building a sustainable business model as a function of the company's strategy and specific characteristics

Aneta Marichova *

Department of Social Sciences, University of Architecture, Civil Engineering and Geodesy, 1 Hristo Smirnensky, 1046 - Sofia, Bulgaria.

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Abstract

Purpose: Sustainable development requires a radical change in strategic company behavior and the creation of a completely new business model, a problem that in recent years occupies an increasingly large place in theoretical research. The purpose of the research is:

- Defining a sustainable business model, a function of company strategy,
- Development of different sustainable business models, as a function of the strategy and specific characteristics of the company.

Method: The research uses a method based on data collection and processing in an open and standardized way.

Results: The results of the empirical study should demonstrate the relationship between building a sustainable business model, as a function of the strategy and specific characteristics of the company, and realizing competitive advantages.

Empirical research was conducted among 45 companies with different characteristics, operating in different markets.

Conclusions: The study and conclusions summarize several possibilities for building a sustainable business model, as a function of strategy and company specifics: 1) Transformation of the current business model into a sustainable business model in large, market-established companies, 2) Building a new sustainable business model in start-ups where an entirely new organization is created, 3) Through transfer and diversification in small and medium-sized companies, as a result of participation in strategic alliances.

Keywords: Sustainable Development; Dynamic Capabilities; Company Strategy; Sustainable Business Model; Competitive Advantages

1. Introduction

Sustainable development (and its three aspects - social, economic and environmental) requires a radical change in strategic company behavior, implementation of new management processes and organization of production, which stimulate the process of development of new technologies and new products, as well as the development of a new business model in which the concept of sustainability is a driving force for the company and decision-making. The new challenges show that expanding the traditional definition of the business model, which is designed only around the customer value proposition with social and environmental aspects, cannot create sustainability for the firm. Every

* Corresponding author: Aneta Marichova

organization has complex connections, relationships with a large number of directly and indirectly stakeholders, which should not be ignored, excluded, but on the contrary - it is necessary to create a sustainable model that offers additional environmental, economic and social value not only for customers and shareholders, but also for the whole society.

Managers are faced with new challenges related to the need to modify, significantly change or create a completely new business model that can help maintain or even increase economic prosperity by reducing negative or creating positive externalities for the natural environment and society [1]. For these reasons, in recent years, the analysis of the problem - a sustainable business model of the company has taken an increasing place in theoretical research. From such a point of view, the purpose of the study is:

- Defining a sustainable business model, a function of company strategy,
- Development of different sustainable business models, as a function of the strategy and specific characteristics of the company.

2. Material and methods

Common to all concepts of defining a business model is that it focuses on the way a company connects resources, distinctive competencies and their development with opportunities to offer and realize additional value for the customer, which is a factor in building competitive advantages. In addition, it shows the degree of interaction, synchronization between the different parts of a given system (company reputation, cultural values, organization) with customers, stakeholders in order to realize company goals [2].

Each business model is the economic basis of the firm's strategic behavior and relates to the way the firm organizes, produces and sells its product. Its essence boils down to defining the way (the design or architecture of the mechanism) in which additional value is created, offered and realized, enticing customers to pay for this value, and the organization turns these payments into benefits and profit (revenue-cost model). In other words, the business model should explain how the company works and answer the following questions - Who is the customer? What is the customer looking for? How can the company be more successful in this business? How can it deliver the desired value to customers at the right price?

An important place is the analysis of the relationship and influence of dynamic capabilities and strategy on the business model, which are closely related and dependent [3]. Dynamic capabilities related to monitoring the external environment, evaluating alternatives, company positions and development directions facilitate the innovation process and determine the speed and extent (and associated costs) of reconfiguring the firm's resources, including the business model, to responded to the expressed new wishes of customers, which guarantees its long-term market positions.

The processes of integration, coordination, learning and knowledge transfer develop and enrich the organizational and management skills of managers for timely assessment of the necessary reconfiguration of resources and competencies and change in the business model. This allows the company to improve its daily activities, its operational capabilities by adapting to the dynamics of the external and internal environment, which provides it with stable long-term competitive positions in the market.

On the other hand, the firm's strategy (a function of dynamic capabilities) and its behavior is related to the way it intends to compete in the market with the aim of building and realizing competitive advantages [4]. The main components of this framework are the specific company mechanism of creating, offering and realizing higher added value to its customers (compared to competitors). On the other hand, the business model is also related to identifying actions, with the aim of the practical implementation of the strategy [5]. It describes how to collect and analyze market information, develop, improve the product, add new services, facilitate the customer, which increases the created and realized added value for the company. In this process, the defined strategic goals, the dynamics of the market and the competitive environment must be taken into account in order to achieve the main task - building competitive advantages [6].

Each business model: 1) reveals the logic of company organization and management of system elements and their interaction, 2) includes actions, decisions aimed at realizing the developed company strategy, and 3) is based on effective use and reconfiguration of the company's resources and competences, close connections, relationships with the participants in the vertical chain, which allows creating, offering and realizing additional value for the client and thus provides market advantages. Therefore, skillful coordination and synchronization between dynamic capabilities, strategy and business model (with its elements) is required to outline how the firm will compete in the market, differentiate its product and offer, attract customers, increase its market share. If the firm has a less developed system

of dynamic capabilities, it will find it more difficult to identify new development alternatives and use familiar models without a change in resources and organization. If it has a strongly built system (overall) of dynamic capabilities, this will allow it to carry out more quickly the process of reconfiguring resources and the model, and successfully adapting to new alternatives and/or eliminating threats. Clear formulation of vision, creation of organizational culture, system of incentives, loyalty and last but not least the leadership skills of the top management team (all listed are elements of dynamic capabilities) are an important factor for building the business model [7].

The goal of any business model is to build competitive advantages by providing additional value to customers, and for a sustainable business model, it is crucial to create and offer additional value, both to individual customers and to society, i.e. it integrates private and public benefits and interests [8]. Therefore, the main task is to apply an extended approach that includes not only the customers of the company itself, but also everyone directly and indirectly stakeholders.

In addition, it should include new forms of management, collaborative partnerships, interaction between all participants in the vertical chain from the beginning to the end of the production process (integrated vertical chain), the expansion of social business, overcoming existing models to maximize profit and to achieve measurable positive economic effects (market share, growth, consumer satisfaction, profit), and also voluntary or mostly voluntary supporting activities that solve or reduce social and/or environmental problems [9].

Therefore, it can be summarized that the sustainable business model includes actions and decisions of the company that allow building competitive advantages and realizing company goals, by offering and realizing additional economic, social and environmental value for the customer, stakeholders and society as a whole, the result of monitoring the external and internal environment, learning and transfer of knowledge, effective use and reconfiguration of the company's tangible and intangible resources, creation of an integrated vertical chain (dynamic capabilities) and implementation of a sustainable strategy (fig.1).

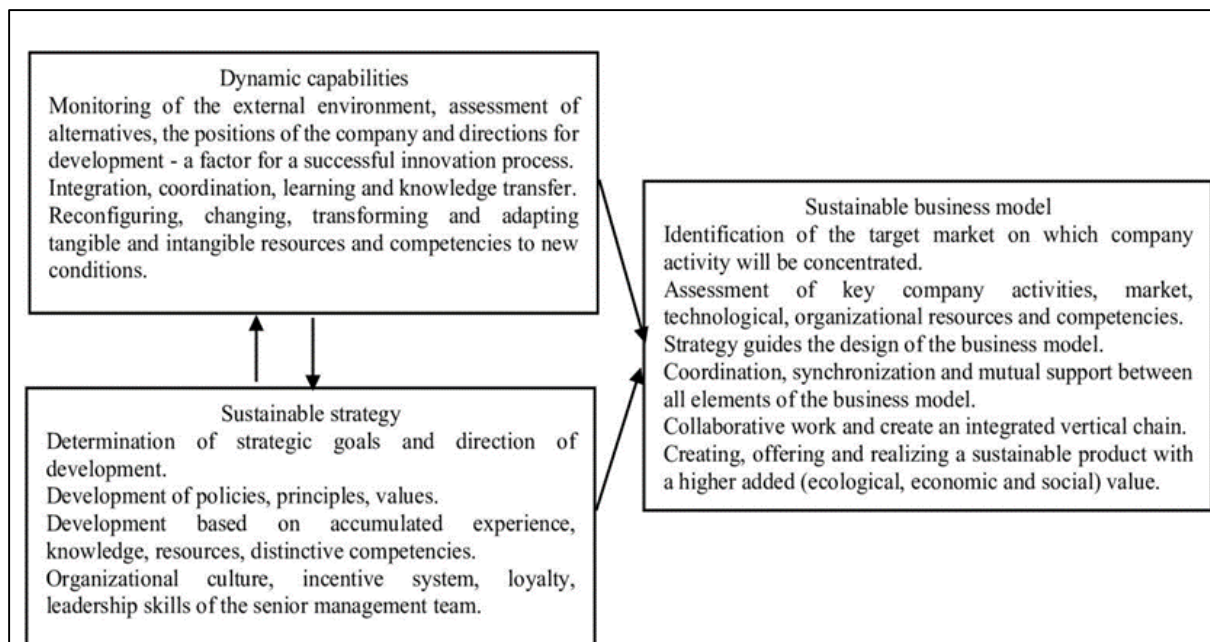


Figure 1 Theoretical model "Dynamic capabilities – Strategy – Sustainable business model"

In practice, however, building a sustainable business model is a challenge for managers, because this process and its results are strongly influenced by the characteristics and dynamics of the market in which the company operates and by its own characteristics (size, history, experience), which is the object of the empirical study.

The information was collected through an online survey among senior managers, selected on a random basis. Due to the specificity of the research problem, the survey includes one respondent from each company, who, however, is assumed to have complete information and knowledge about the company he leads. Since most of the respondents expressed a desire for confidentiality and anonymity (referring to company secrecy), respondents were given the opportunity to submit the survey without indicating their name or the name of their company.

Of the questionnaires sent to 70 companies, 59 were returned, 14 of them were rejected due to lack of complete answers, which ultimately resulted in a sample of 45 companies and 45 managers (of which 30 have been working for more than 5 years and have enough accumulated experience in a dynamic environment and the rest are startups). The research includes an equal number of small, medium and large companies operating in different markets in Bulgaria (pharmaceuticals, civil engineering, building construction, manufacturing industry, transport, mobile services, trade, services, tourism, etc.). They have different specialization, history, territorial location, resources and competences, dynamic capabilities, apply a different sustainable strategy and business model, so that generalizations and conclusions can be made with the necessary objectivity (table 1).

Table 1 Main directions of the study

Main directions of the study	Summary of survey results
Type of organization	Single entrepreneurs – 30 Stock companies - 15
Size of the organization (small, medium, large)	Small companies – 18 Medium companies – 15 Large companies - 12
Age of the company	More than 5 years -30 Startups - 15
Market segment	Pharmaceuticals (production and distribution) – 4 Mobile services – 3 Civil engineering – 3 Manufacturing industry – 10 Tourism – 5 Trade, services – 14 Building construction - 6

The survey card includes four groups of questions, constructed as statements, on which the surveyed managers are asked to express their opinion (agree/disagree) and make additional comments resulting from their experience. They are formulated comprehensibly, the necessary explanations for certain terms have been added, but they do not exclude the influence of the subjective factor in the assessment made as a function of the specifics of the company and the market in which it operates.

The questions included in the survey (Appendix 1) allow to determine the impact of the defined key factors on building a sustainable business model, taking into account the following aspects of the company's activity:

In order to investigate the influence of dynamic capabilities on the construction of a sustainable business model, the survey paid special attention to the following issues: monitoring, analysis of the collected information and evaluation of alternatives for company development, active communication with direct and indirect stakeholders, absorption capacity and creating new knowledge, skills, new combinations of resources.

The impact of the developed sustainable strategy is evaluated on the basis of the opportunities it creates for solving environmental and social problems and tasks, engaging the company with the idea, principles and goals of sustainable development, integrating people, capabilities, resources and synchronizing relationships throughout the company.

The role and importance of the created sustainable business model as a factor for building the company's competitive advantages includes an assessment of the created relationship between the company's resources and distinctive competencies with the possibilities of offering and realizing additional value for customers and stakeholders, the new company organization and management, development of innovations.

The evaluation of the own operational capabilities/competencies (market, technological, innovative, management and organizational) outline the necessary changes in order to build a sustainable business model and prove the author's thesis that the specific company characteristics and strategy determine different options for implementing this process.

3. Result and discussion

The general conclusion from the conducted surveys and the summarized results is the following: building a sustainable business model is a function of the company's strategy and specific characteristics and can be realized in the following three ways:

3.1. Transforming the current business model into a sustainable business model in large, market-established companies

In the conditions of a dynamic external environment, the transformation of the existing business model in sustainable (summary of researched 19 large established companies working in the pharmaceutical market, mobile services, civil engineering, manufacturing industry, trade, services) requires and forces managers to get out of the familiar schemes and patterns of behavior, to make significant changes in organization and management – creation of a decentralized company structure, specialization, more active formal and informal cooperation. This process is difficult to implement and often fails because the senior management team cannot timely identify the appropriate business model for the new technology or new product improvement solution, or it conflicts with the current business model and organizational structure.

New coordination and allocation of resources required, change in assets (release of some, acquisition or reconfiguration of others), especially in an unstable environment, which is accompanied by conflicts with their managers (at lower levels). In company activity, one can notice inertia, the result of objectively existing obstacles to organizational and structural changes, but also passivity of the senior management team, fear of jobs, contradictions, conflicts of interest, opportunism at different company levels, which hinder implementation of a new sustainable business model. In other words, there are a number of challenges that prevent the firm from implementing its innovative business model, due to insufficient development and justification of the idea, its transformation into concept and implementation, and ultimately, the result is market failure. In addition, in the conditions of digitalization, the creation and realization of additional value for customers and stakeholders involves many more companies. This means that their strategies and business models are not independent, but intersect and interact. They are becoming increasingly rich and multi-layered as a result of the increasing dependence and interdependence of firms, which must also be accounted for by all [10].

In order to overcome these problems, a reassessment of the company's actions and management is necessary. The senior management team must create a sense of the need for change, a function of the analysis of the external and internal environment (market dynamics, competition, threats and opportunities) and accurate risk assessment. The main task is clearly defining a vision and strategic goals aimed at the desired and necessary change and developing strategies for their realization. It is especially important that they are shared, understood by everyone in the company and included in the performance of the tasks. Achieving the desired results requires changing (or eliminating) systems and/or structures that contradict the new vision, encouraging risk-taking and supporting unconventional ideas, new behaviors, activities and actions. Any opposition to the efforts to change must find its categorical resistance, through active actions and decisions. In order to convince and stimulate the participants in this process, it is desirable at the beginning to define goals and tasks that can be successfully implemented in the short term (without excluding the role of chance and luck) and to widely publicize the achieved results, and those who have merit for it - rewarded.

Successful reconfiguration in organization, structure and behavior creates incentives for development by developing new approaches in which a central place is occupied by the leader who brings new social norms and values that determine company success. In other words, the process of transforming the business model into a sustainable one proves the need for deep structural changes in company activity, which are a function of managerial skills, values and leadership. They should be aimed at building dynamic capabilities and change in order to adapt to the dynamic environment that starts inside the company itself, making it different and creating conditions for advantages. The end result of these decisions and actions is: an increase in the additional environmental, social and economic value offered, measured by a long-term (objective) assessment of society, stakeholders and customers, which takes into account: 1) built-in new, additional features, facilities, 2) solving a problem in a new way, different from competitors, 3) reduced (or zero) negative environmental impact of company activity, and 4) solving social problems (fig. 2.).

The dynamics of the external environment, unexpected environmental, economic and social problems require the implementation of a constant process of innovation (technological, organizational and social) in the sustainable business model. They should be aimed at analyzing the gap between the actual and the desired state and planning the development of an entirely new business model or the transformation of an existing business model to a more sustainable one, or from one sustainable business model to another.

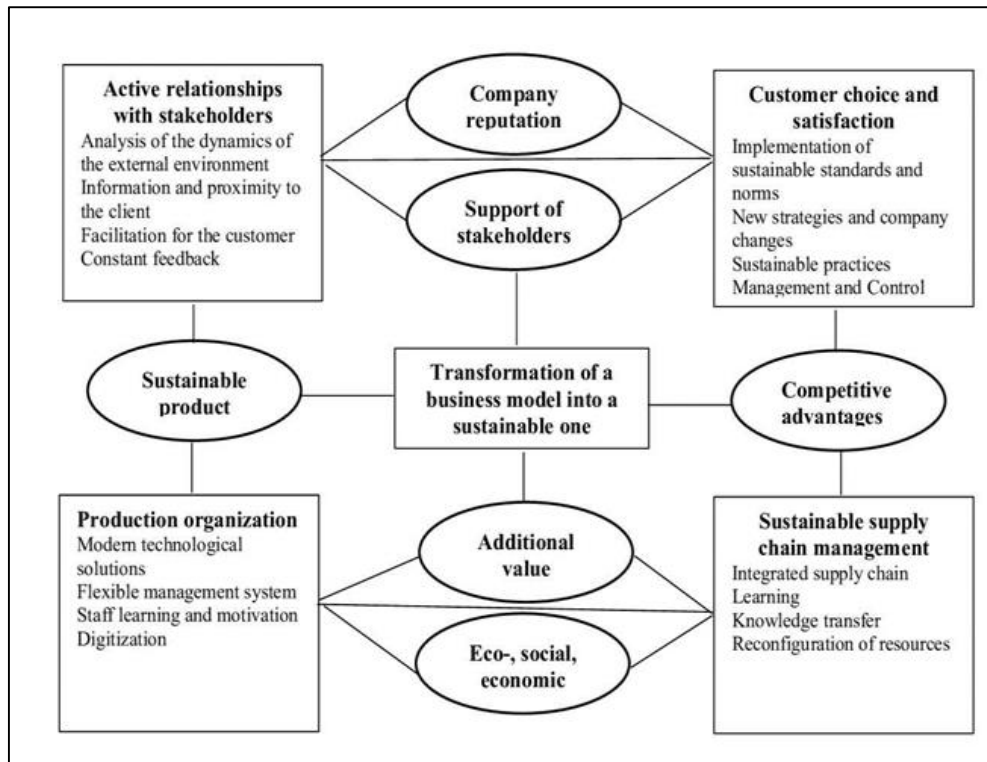


Figure 2 Basic directions of transformation of the business model into a sustainable one in large companies established in the market

3.2. Building a sustainable business model in a start-up company

At the heart of the creation of any company is an entrepreneurial initiative and a desire to implement new ideas aimed at solving a real-life problem with an innovative product or service (summary of researched 18 start-up company working in the manufacturing industry, trade, services, tourism, building construction). These ventures are usually implemented by the owner/entrepreneur, with a limited resource, which is provided either by himself or by a group of investors who believed in the presented entrepreneurial concept.

The orientation towards sustainable development of the start-up company requires, first of all, to evaluate the correspondence between the idea of sustainability with the mission, vision and strategy and how much the idea facilitates the realization of the goals. The goal is not only to define a clear, compelling mission and vision, but to implicitly incorporate the principles of sustainable development into the overall company activity. Built into this model are the specific sustainable practices that are a function of the influence of specific external and internal factors.

External factors are related to the influence of stakeholders, vertical relationships with suppliers, investors, local structures, company ethics, safety, health, etc. Internal factors are related to the entrepreneur's business values, personal characteristics, knowledge, motivation and organizational experience [11].

The reputation, trust, and legitimacy of the entrepreneur are key intangible resources for the start-up firm and the basis for long-term results. On them, relations with stakeholders are developed, which are highly personalized, close, unique, aimed at gathering information about their wishes and expectations. However, they are realized through informal and unplanned mechanisms (random meetings, information from websites, the social network), which deprives them of the opportunity to learn in a timely manner about new events, changes and unforeseen circumstances that are important to them [12].

Limited resources and time do not allow the implementation of an active information and advertising campaign. A key driver for the start-up is personal relationships and the accumulation of social experience through involvement in voluntary social and environmental causes, donations, collaboration in the digital network and platforms within the own market and between different markets.

Internal factors influencing choice – sustainable firm development is a function of individual and organizational characteristics that define what a firm does and how it does it. They refer to the following five specifics - autonomy (owner's ability and will to use available opportunities), innovativeness (engagement and support of innovations - new ideas, experiments, creative processes, technological processes), risk-taking (making decisions that involve a large part of the assets), proactivity (assessment of prospects for market development and stakeholders) and competitive aggressiveness (competitive policies, actions with an existing and potentially new competitor) [13].

The most essential characteristic of the new, start-up company is the limited capacity and lack of history, experience, knowledge, routine, therefore the main task and goal is learning and integration of external skills and knowledge with internal resources. In the conditions of a changing external environment, managers in new companies cannot do all this at once, but are faced with the challenge of constantly changing their internal resources, looking for different ways of new configuration and reconfiguration of resources. At the center of this complex process are entrepreneurial abilities and activities that focus on [14]:

- Assessment of external information, knowledge, assimilation, dissemination and application (absorptive capacity).
- Analysis of changes in the environment, revealing the possible alternatives and solving the problem (adaptive ability).
- Changing the way the problem is solved (innovative capability). The development of any innovation is the result of the adaptive and absorptive firm's ability to discover, evaluate external, new knowledge and information, assimilate and integrate it with its internal knowledge, thus in effect creating new knowledge.

Developing an effective, working business model in a new start-up has a significant role in achieving sustainable results. The main specificity is related to the identification of the processes and activities that promote and stimulate innovation. In a dynamic environment, these efforts must also be supported by all stakeholders. Particularly valuable is their participation (and especially the customers) in the process of creating the new product, offering ideas, constructive suggestions, conducting tests, providing tangible or intangible resources for developing and creating offers, distribution [15]. In the conditions of digitalization of processes, when information is easily accessible, the joint activity of the start-up company with the stakeholders is a factor for popularizing the ecological, social aspects of the offered products, services, brand, which is a factor for attracting customers. Criticisms, suggestions, comments or expressed wishes from stakeholders can be easily and quickly received within the company and used to implement changes. Therefore, innovation and stakeholders are the link between the business model in the start-up and sustainable development [16]. The internal processes in the company, related to its organization, culture, personnel selection, employees, encourages the personnel and their motivation to develop and implement new innovations. The inclusion of potential customers in the development of the new product, cooperation with established organizations, allow easier and faster adaptation to changes in the external environment and changes in internal resources (fig. 3).

As stated, all start-ups start work with the idea of creating something newer, better, faster, to offer a solution to at least one problem of the interested parties, to be able to balance between the realization of economic, social and environmental goals. Unfortunately, the reality is different. The pressure of investors, who first of all want a return on their investment and only then can think about new investments with an ecological and social effect, actually put the realization of economic goals in the first place. The increase in profit, financial stability are factors for the start-up company to focus on solving the social and environmental problems of society at the next stage.

The problems faced by the start-up company suggest the need for a serious and targeted support policy from the state. Moreover, its activity is usually in spheres that are not attractive to the public sector, and at the same time it performs a number of social (creates employment, develops innovations, improves products, services) and environmentally oriented actions - it reduces pollution by introducing new, environmentally friendly technologies, applies the principles of the circular economy.

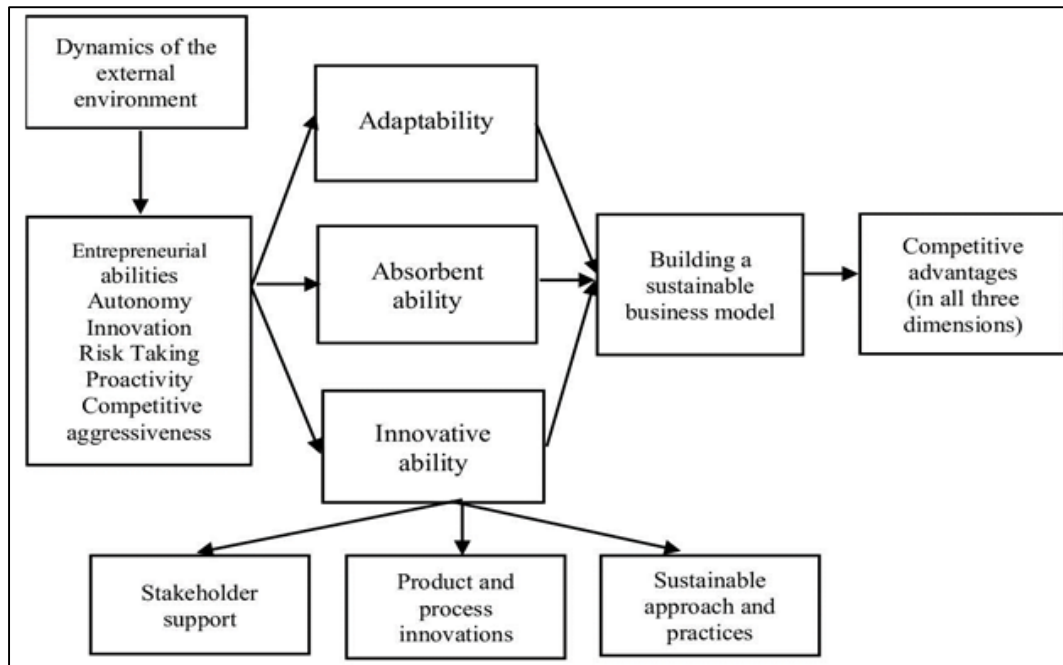


Figure 3 Building a sustainable business model in a start-up company

3.3. Building a sustainable business model in small and medium-sized companies, participants in a strategic (industrial) alliance

A common characteristic of a number of markets is the large number of operating small and medium-sized companies, with limited internal, own resources and potential for sustainable development. Under these conditions, companies have one essential opportunity for development - creation of a strategic (industrial) alliance, by voluntarily uniting with other companies (and leading company, key player) on the basis of contractual relations while preserving their relative independence [17].

The main goal of creating a strategic alliance is the development of innovation activity, more efficient distribution and use of scarce resources and the realization of a synergistic effect in one or more companies, as well as successful adaptation to external changes by integrating external resources based on know-how, exchange of knowledge, information, technology and products, which increases overall productivity [18]. These processes allow managers to use existing physical, human (experience, knowledge) and organizational (managerial knowledge, vertical connections, etc.) resources more effectively and to implement strategic changes that are the basis for creating, offering and realizing more high added value (summary of researched 8 small and medium-sized companies, participants in a strategic alliance, working in the manufacturing industry, trade, services, tourism, building construction).

The digitalization of processes in the strategic alliance through the sharing of digital assets expands the scale of activity in areas, and creates new opportunities for building competitive advantages. The building of specific, unique connections, relations between the companies participating in such associations, allows development of their own resources, access to different, new markets, including territorial ones, creation of new business models for management, which is a factor for more high reputation and stabilization and/or expansion of market positions.

A key factor for the success of the strategic alliance is the clear definition of the external conditions (market, technological, standards, environmental norms, social requirements, etc.) in which it will develop and, on this basis, defining the tasks and competencies of each participant. The key player company collects, analyzes and provides other companies with information from the external environment, describes how to develop, improve the product, add new services, facilitate the target customers, which increases the created and realized added value within the entire strategic alliance. This requires building an effective internal structure and system of knowledge transfer, information from one company to another and successful business behavior, which develops the adaptive ability of each individual company and the union as a whole.

The correct integration and coordination of external and internal resources ensures the development of effective collective strategies and in the conditions of sustained competition between the participants, which ensures the desired

final result. The activity in the strategic alliance takes place in a constantly changing external environment, which requires common actions to reconfigure the internal assets of the participating companies in order to adapt to external changes. This is an essential factor in reducing risk, ensuring company growth and improving the bottom line.

With the general "rules of the game" thus defined, the main task of small firms is to deepen specialization and create a differentiated product intended for customers from a clearly defined target market. This requires, first of all, the integration of resources and competences, of the acquired sustainable business model in the internal structure and organization of the company, participation in open innovation, exchange of technology, information, knowledge and search for new ways of using resources, their reconfiguration and creation of a new resource base that increases the level of competencies. The realization of the set tasks is the result of managerial competencies and their constant development through learning, building a culture of persistence and the ability to perceive different ideas (fig.4.).

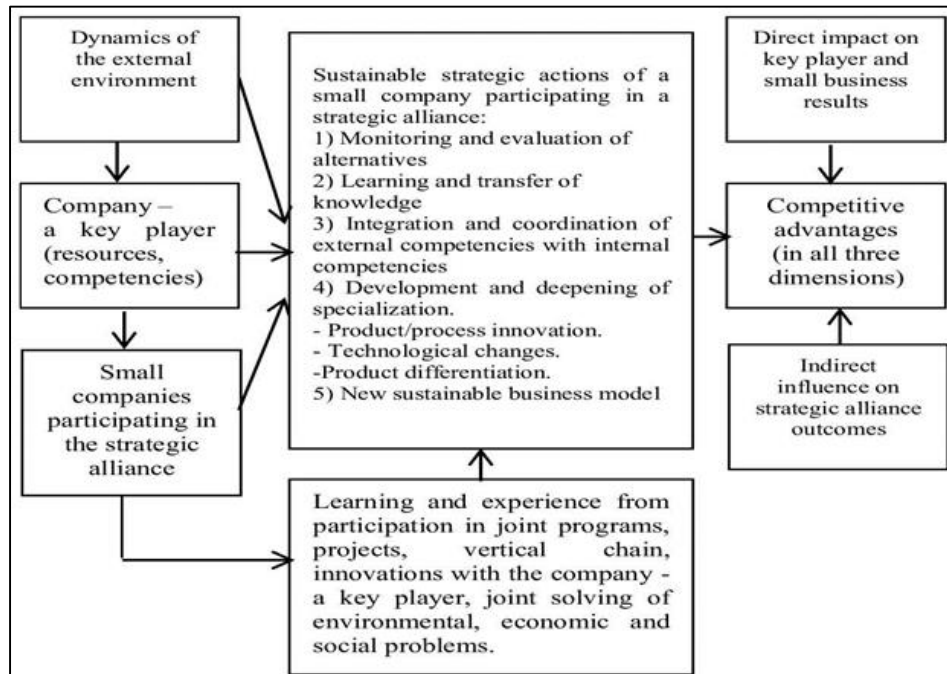


Figure 4 Building a sustainable business model in small and medium-sized companies, participants in a strategic (industrial) alliance

The realization of the common goal in the strategic alliance requires maintaining formal and informal relations between individual companies and individuals on the basis of the created common resource, through the acquisition of various assets. A key success factor is access to information, experience and their exchange in order to solve current problems. Building effective relationships at all levels, formal and informal, of trust between all entities is critical for any association.

4. Conclusion

The complex solution of environmental, social and economic problems requires significant organizational and management changes in the company and the creation of a new sustainable business model, the result of monitoring the external and internal environment, learning and knowledge transfer, effective use and reconfiguration of the company's tangible and intangible resources, creating an integrated vertical chain (dynamic capabilities) and implementing a sustainable strategy that allows building competitive advantages and realizing the company's goals by offering and realizing additional economic, social and environmental value for the client, stakeholders and society as a whole. This requires skillful coordination and synchronization between dynamic capabilities, strategy, and the business model (with its elements) to outline how the firm will compete in the marketplace, differentiate its product and offering, attract customers, and increase market share.

In practice, however, building a sustainable business model is a challenge for managers, because this process and its results include general practices that should be applied specifically (taking into account the characteristics and dynamics of the market in which the company operates and its own characteristics – size, history, experience, strategy).

The conducted empirical research proves the connections "Dynamic capabilities - Strategy - Sustainable business model", and allows the author to derive several possibilities for building a sustainable business model, as a function of strategy and company specifics:

- In large, established companies on the market - transformation of the current business model into a sustainable business model through significant change, reconfiguration and development of new sustainable practices, actions and solutions.
- In start-ups - creation of a new sustainable business model and a completely new organization.
- In small and medium-sized companies, participants in strategic alliances - diversification, or without major changes to the existing model, an additional, sustainable business model for individual units is created, which is successfully identified and integrated into the union.

The sustainable development of the company affects all aspects of its activity and requires a fundamental rethinking of the role and function of resources and company competences, of development alternatives, of ownership and shared consumption, and on this basis offering additional value to customers and stakeholders, which in practice it means forming a new thinking and pattern of behavior.

Compliance with ethical standards

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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Appendix 1

<p>Appendix 1.</p> <p>In order to investigate the role and importance of the sustainable business model (a function of dynamic capabilities and the developed strategy) for building competitive advantages of the company and realizing the goals, the surveyed managers were asked to express their opinion (agree/disagree) on the following specific issues and to make additional comments arising from their experience.</p>
I. Assessment of the influence of dynamic capabilities on the building of a sustainable business model:
(a) Monitoring, analysis of collected information and evaluation of alternatives for company development.
(b) Active communication with direct and indirect stakeholders and periodic assessment of the likely effect of changes in the business environment on their behavior.
(c) Capacity to acquire, assimilate and create new knowledge, skills, new way of thinking.
(d) Discovery of new resource combinations and development of programs and plans to change and reconfigure existing operational competencies.
II. Assessment of the impact of the developed sustainable strategy on the building of a sustainable business model:
(a) The company's sustainable strategy supports and facilitates the solution of environmental and social problems and tasks, and at the same time is a strong factor in building competitive advantages and realizing the company's goals, measured by non-financial and financial results.
(b) Sustainability strategy is a strategic management framework.
(c) The principles of sustainable development are integrated into the overall philosophy of the company strategy and company policy (such as mission, vision, goals).
(d) The sustainable strategy of the firm is determined by the characteristics of the market structure, the specifics of the industry and by the competitive company policies.
(e) Sustainable strategy involves not only the firm itself but also extended firm - a complex of connections, relationships between internal strategic business units and their value delivery systems.
(f) The company's sustainable strategy engages people with the idea, principles and goals of sustainable development and supports the building of knowledge, competences and actions necessary for the transformation.
(g) Sustainable strategy is a function of the owner/manager's culture, personal value system, and desire for high social standing.
(h) Sustainable strategy integrates people, capabilities, resources and synchronizes relationships across the firm and all related parties and activities.
III. Assessment of the role and importance of building a sustainable business model for realizing the company's competitive advantages:

(a) A sustainable business model defines how a firm creates and delivers value to its customers.
(b) The sustainable business model shows the relationship between the company's resources and distinctive competencies with the possibilities of offering and realizing additional value for customers and stakeholders.
(c) Dynamic capabilities, developed strategy and sustainable business model are closely related and dependent.
(d) The sustainable business model reveals the logic of company organization and management, which aim to realize the developed company strategy.
(e) Creating a sustainable business model requires a change in the thinking and attitudes of the management team.
(f) The main task of creating a sustainable business model is to apply an extended approach that includes not only the customers of the company itself, but also society as a whole (stakeholders).
(g) The main principles of building a sustainable business model are: resource efficiency, social significance of the activity, environmental commitment, sustainability, ethics and enrichment, expansion of the activity.
(h) The sustainable business model includes actions and decisions of the company that enable the realization of a sustainable strategy, through the effective use and reconfiguration of the company's resources, interaction between all participants in the vertical chain and all stakeholders.
(i) The process of creating or transforming the business model into a sustainable one is extremely complex and difficult and proves the need for deep structural changes, a function of the skills of the management team to build dynamic capabilities and make adequate decisions for change in order to adapt to the dynamic external environment.
(j) Innovation and stakeholders are the link between the business model and the sustainable development of the company.
IV. Assessment of operational capabilities/competencies that outline the necessary changes in order to build a sustainable business model:
(a) Assessment of market competencies: Market dynamics; product market; customer preferences; marketing practices used by competing companies; degree of renewal of products and additional services offered.
(b) Assessment of technological and innovative competences: Dynamics of technological changes and the innovation process; opportunities and threats for company development; the need to develop new products through new technologies; creating ecological product design; an integrated approach to analysis and strategic management of the product life cycle.
(c) Assessment of management and organizational competencies: Development of management capacity; adequate and rapid actions and decisions to stimulate innovation; updating marketing programs in accordance with changes in the environment; participation of managers in innovative groups and control over the performance of relevant tasks and functions; improvement of the organization (decentralization of company structure and development of specialization, system of incentives and motivation, management and resolution of conflicts).
Please specify:
1.Type of organization
2. Size of the organization (small, medium, large)
3. Age of the company
4. Market segment