

# Chapter 1

## Introductory Chapter: Prospects for Sustainable Business Development



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**Abstract** In the introductory chapter the editors describe the dimensions of sustainable business development from a fundamental and international perspective and encompass aspects of environmental efficiency, social equity, and economic profitability. In addition, they give a short overview of all chapters and the authors.

**Keywords** Sustainable business development · Managing change · Start-up cultures

### Sustainable Business Development

With this first volume, we are launching a new book series on sustainable business development. This book series aims to analyze the state of the art of sustainability and entrepreneurship in an international, comparative context and to illustrate it with examples of good practice. In doing so, we address both a scientific and a practice-oriented audience seeking recommendations for building sustainable business development and stimulating further scientific discussion.

Annual reports, business plans, and mission statements often contain the claim of a particular company to operate sustainably. On closer inspection, however, it becomes clear that many companies, especially small and medium-sized ones, are overburdened with the task of developing a sustainable approach. The question also arises on a societal level. Are we going to switch the economy of post-industrial societies to CO<sub>2</sub> emission-free production and services in the foreseeable future, or are we going to remain stuck in sustainable rhetoric?

The editors of this book series have a vision. They want to be the intellectual link between the socially postulated demands of sustainable development and the

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optimum of what is achievable in everyday business. For us, sustainable business development is a strategic approach in which companies align their business models, operational processes, and decision-making to achieve long-term economic success while minimizing negative environmental impacts, assuming social responsibility, and achieving positive impacts on society and nature at the same time. It is about integrating environmental responsibility, social equality, and economic profitability into a company's core business.

In political and scientific discussions, we hear time and again that, mathematically and climatically speaking, small advances are of little use as long as total emissions of harmful greenhouse gases continue to increase because the most emitting nations are too sluggish in switching to a sustainable economy. We believe this attitude is dangerous because, after all, substantial changes can only be prepared and implemented in detailed steps. We believe in the law of critical mass.

The law of critical mass, the tipping point theory, can also be applied to the field of sustainability from a sociological perspective. It describes the point at which a certain number of individuals take actions and make changes that lead to broad, systemic change. In the field of sustainability, this means that many small changes over time can lead to a broad, consensus-based change process with lasting impact (Ritchie et al., 2021).

The following parameters have a catalytic effect:

- The rule of diffusion of innovations: Developed as early as the 1960s, the concept of diffusion of innovations states that new ideas and practices spread through a population or community. If many people make small sustainable changes and share their experiences, these practices can gradually be adopted by others. This process can eventually lead to a consensus and help sustainable practices become the norm. This diffusion is valid for many settings and cuts across sectors (Brown & Cox, 1971; Kaminski, 2011; Oldenburg & Glanz, 2008; Robertson, 1967).
- The impact of social movements and activation mechanisms: Social movements that address an issue or a social calamity can gain a critical mass of supporters to effect change at the political, social, or economic level. Collective action, whether in the form of demonstrations, petitions, or campaigns, raises awareness of sustainable issues and forces society to look. When a sufficient number of people are mobilized, this has a significant impact on policy makers and the business community through dissemination in media and social networks (Amenta & Polletta, 2019; Lopes, 2014; Zald et al., 2005). Social movements create new social norms over time because they change collective behaviors. Broad social change through norm-building, morality, and social pressure: At the same time, social pressure for political action is increasing (Gunningham, 2017; Stern et al., 1999).
- The increased responsibility of educational institutions: Elementary schools, secondary schools, as well as higher education institutions play a critical role in shaping a sustainable society. By integrating sustainability into institutional practices, policies, and decisions, many small changes can help sustainable

approaches become the norm and lead to institutional change (Wals & Benavot, 2017; Žalėnienė & Pereira, 2021).

## **Managing Change in an International Context**

In our view, a very effective and sustainable parameter is the international development and maintenance of networks and cooperations. This is our core business. The build-up refers to cooperations with universities as well as those with companies. The exchange of knowledge between different actors such as companies, NGOs, governments, and civil society on different continents drives sustainable change. By sharing knowledge, resources, and best practices, many small changes are coordinated on a broader scale. These forces reinforce each other and create intellectual potential for action. It is about mutual learning and knowledge sharing: Encouraging a learning culture and facilitating knowledge sharing across different places enhance the effectiveness of change management efforts. Sharing best practices, lessons learned, and success stories from various regions will be bundled.

Managing change in an international context presents unique challenges and requires careful consideration. Change initiatives must take into account cultural differences and sensitivities in different countries and regions. What works in one cultural context may not work in another. Understanding and respecting cultural nuances is crucial to successful change management in an international context. Therefore, we work with our scientific partners around the world and in particular in Asia, North and South America, and Europe

We consider that effective communication is vital when managing change internationally. Language barriers and different communication styles have an impact for the understanding and acceptance of change. Clear and consistent communication, tailored to the cultural context, is essential for engaging stakeholders and conveying the rationale behind the change.

We will focus our research on different local contexts and its adaptation: change initiatives should be adapted to the local context. This involves considering local laws, regulations, and business practices, as well as the social and economic conditions in each country. Adapting the change strategy and implementation approach to fit the specific needs and expectations of each location is mandatory for success.

Let us now look at the thematic fields of the present book series. The advantage of a series is that we can describe the dimensions of sustainable business conduct in all its facets. In addition, a periodically published medium enables us to publish long-term studies.

We will look at the social dimension of sustainable business development: How can sustainable human resources management and employee engagement be established? How do we build a culture of stakeholder engagement in dialog processes? How can entrepreneurship fulfill its role of social responsibility and toward the common good? We will also focus on sustainable supply chains and procurement

measures, the role of entrepreneurship in development processes and related topics in the coming years.

Our institute and our partners have a lot of experience and expertise in the assessment and development of sustainability reporting and transparency. We will present standards and guidelines for sustainable reporting and describe corresponding trends.

Sustainable business development refers to a holistic approach in which companies align their economic activities with the environmental and social needs of society. The aim is to reconcile long-term economic success with protecting the environment and promoting social well-being.

## **Start-Up Cultures in Times of Global Crises: Sustainable and Innovative Approaches**

This volume deals with start-up cultures in times of global crises and asks for sustainable and innovative approaches.

Startups should aim to create a corporate culture of resilience and adaptability, especially in times of global crises. In view of global crisis phenomena such as pandemics, economic turbulence, or environmental crises, it is important that startups are able to adapt quickly to new circumstances and respond flexibly to change. Important insights in this regard were gathered in the COVID 19 pandemic (Kuckertz et al., 2020)

We describe startups that focus on sustainable business models and take social and environmental responsibility into account. Innovative approaches that aim to solve global challenges such as climate change, poverty, or inequality can not only have a positive impact, but also have the potential to achieve sustainable economic success.

A larger proportion of our startups are dealing with digitization in their business models. Digital solutions, platforms, artificial intelligence, big data, and blockchain are technologies that are being used to open up new markets.

In times of global crisis phenomena, startups can benefit from collaboration and networking. Collaborations with other companies, research institutions, government organizations, or NGOs help to create synergies, share resources, and develop innovative solutions.

It is important to note that the specific approaches and strategies for startups depend heavily on their industry, market segment, and individual goals. There is no universal recipe for success, but the above aspects are clues to succeed in a rapidly changing global environment.

## A Look at the Contributions

This volume contains two parts. The first deals with basic and principal findings on startups and entrepreneurship and studies from a Swiss perspective. This has resulted in seven chapters. The second part of the book in turn focuses on six chapters with case studies in which the international dimension has been included. Corresponding country examples round these off. An epilogue and an outlook conclude this volume.

In Chap. 2 of this book, Arie Hans Verkuil and Angela Milesi address the central question of what pro-socially oriented entrepreneurs need to meet today's challenges. Along the educational mission statement of the School of Business, University of Applied Sciences Northwestern Switzerland, it is defined what is meant by innovative, responsible professionals and managers. Subsequently, exemplary challenges of the twenty-first century are named under the keywords "networked" and "dynamic" world. Finally, the answer to the guiding question of the essay follows. With its fundamental character, this essay addresses at the same time the students and teachers in the education and training of the School of Business and wants to stimulate them to think about and discuss the orientation and the benefit of their "mission based" education.

In Chap. 3, Uta Milow and Arie Hans Verkuil shed light on pro-social and other motivations of innovative startups. They postulate that startups help to increase the sustainability of activities in our society. They describe the Swiss Innovation Challenge, a business plan competition, and examine participating startups in terms of their motivations for starting a business. They also develop a detailed analysis of their sustainability orientation.

Chapter 4 by Christoph Steinebach and Christian Bucher examines resilience patterns of startups and presents corresponding tools to develop resiliently. When coping with general and specific risks, the resilience of the participants as well as the company as a whole ensures optimal development. From a systemic perspective, conditions for successful coping can be named. It becomes apparent that the development of suitable strategies and plans is just as important as the consideration of one's own needs and the development of one's own competencies.

In Chap. 5, Barbara Eisenbart and Patrick Klotz examine the use of a digital maturity model for SMEs in the context of digital transformation. While digital transformation is widespread in large companies, there is great potential for startups and SMEs that have yet to take advantage of this opportunity. This paper aims to raise awareness of digital transformation among startups and SMEs by developing a digital maturity model specifically designed for internationally distributed work. The model serves as a framework for startups and SMEs to understand which dimensions influence and are important for digital transformation and which specific questions are relevant for each of the dimensions.

In Chap. 6, Dario Meyer and Rolf Meyer examine the situation of people with a migration background in Switzerland and their share of entrepreneurs. They ask who the entrepreneurs with a migration background in Switzerland are and what

their motivations and challenges are. This chapter is based on data from the Swiss Federal Statistical Office and a written survey of new entrepreneurs who started their business between 2014 and 2019. In the overall sample, 63 entrepreneurs with a migration background were interviewed. The knowledge gained can help providers of entrepreneurial support services to better target their offerings and attract both native and immigrant entrepreneurs to the same offerings, as they are all entrepreneurs first and foremost.

In Chap. 7, Rolf-Dieter Reineke and Oliver Gottschall examine the sustainability of entrepreneurship in an international context in a comparative study. Globally, the focus on ESG (environmental, social, and governance) issues has increased significantly in recent years. This is also true in Asia, where more and more Asian countries are committing to setting emissions reduction targets. They emphasize that sustainability reporting has an impact on companies' operational, financial, and market performance, although this varies widely by industry.

In Chap. 8, Volker Schulte and Andreas Hinz interviewed Ukrainian and Russian migrants who have either already founded a startup in the diaspora or intend to do so. The two diasporas are compared in terms of their opportunities in the international labor market and where they can be entrepreneurial. They have combined this with extensive source research. Individual statements are quoted. Due to the delicate nature of statements and at the request of the interviewees, they have been anonymized. The new waves of migration are analyzed and classified in this article in a historical context with earlier waves of migration.

In Chap. 9, Volker Schulte and Beat Birkenmeier deal with the international subsidy and promotion policy of state actors in favor of startups. In doing so, they identify the advantages and disadvantages of such subsidy policies. The comparative study considers European, Israeli, and Asian perspectives.

In Chap. 10, Roselina Ahmad Saufi and her colleague Wai Hong Tan analyze social entrepreneurship in Malaysia as part of an empirical study. Social entrepreneurship plays a central role in the economic well-being of the country. It promotes job creation, encourages innovation, and provides community development and collaboration. The authors identify the key drivers of social entrepreneurship and describe key factors such as attitude, subjective norms, and awareness.

Truong Minh Chung wonders in Chap. 11 why he thinks there are few innovations in Vietnamese startups and SMEs. Entrepreneurship and innovation are topics that have also attracted a lot of interest in Vietnam in recent years. They are expected to develop national economies. The Vietnamese government has made many efforts and policies to develop E&I and achieved some good results, but not as high as expected. Innovation in Vietnamese startups and SMEs is still limited. This paper will explain the reasons for this fact. To understand the overall picture of Vietnamese innovation, data published by the World Bank, OECD, and GMI were analyzed. Then, two studies on Vietnamese startups and SME innovation are presented.

Leo Aldianto and Grisna Anggadwita examine how effective story telling is in increasing entrepreneurial motivation among visually impaired people in Chap. 12. People with visual impairments are limited in performing socioeconomic activities. Entrepreneurship is an attempt to promote the active participation of visually

impaired people in improving their socioeconomic status. Managing motivation is critical to enhancing the self-confidence and potential of people with visual impairments. Storytelling is one method that is considered suitable to cognitively stimulate visually impaired people to generate entrepreneurial motivation. Therefore, the purpose of this study is to determine the effectiveness of the storytelling method in increasing the entrepreneurial motivation of visually impaired people. This study used a quasi-experimental design comparing treatment and control groups. Pretest and posttest results were statistically analyzed. This study was conducted in a social institution for the visually impaired in Indonesia.

In Chap. 13, Thomas Thiessen and Gerrit Neuhaus use the example of the future field of urban farming to address the question of how startups and companies can tap into new markets through innovative capabilities in the face of massive social challenges. The focus is on urban farming as an innovative business model for the food sector and possible criteria for sustainable urban development. Using current practical examples, the urban farming market will be made tangible and the interface of the topic area with sustainability will be discussed. In this way, potentials for newly emerging markets and the broad spectrum of actors involved will be made visible. At the same time, the challenges for sustainability-oriented innovations are described.

Volker Schulte and Ivan Köhle have written an epilogue in Chap. 14. In it, they develop an analogy of economic crises over three millennia and ask how people dealt with the crises of each era.

In Chap. 15, Arie Hans Verkuil ventures an outlook. With reference to the previous Chap. 14, he states that different epochs were confronted with different economic, social, and ecological challenges. The challenges of our time—as described in his second chapter—are demographic, technological, and ecological. Just as each epoch tried to solve the specific challenges of its time with the methods available to it, the solution approach of our time is pro-social sustainable business development, which can lead to the solution models described in this volume as examples.

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