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Sustainable Business Models literature and practice  
review: a case study with Social Enterprises

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# Table of Contents

<b>Acknowledgments</b> .....	3
<b>Index of figures</b> .....	4
<b>Index of tables</b> .....	5
<b>Introduction</b> .....	6
<b>Literature Review</b> .....	8
Business Models: Basic Concepts .....	8
Sustainable Business Making.....	18
Sustainable Business Model frameworks and practices.....	27
Social Entrepreneurship .....	42
<b>Methodology</b> .....	72
Systematic Literature Review Research Methodology .....	73
Interviews.....	77
<b>Data Analysis and Results</b> .....	79
Systematic Literature Review analysis and results .....	79
Interview analysis and results .....	87
<b>Conclusions</b> .....	91
<b>Appendix</b> .....	93
Transcript of interviews.....	93
<b>Bibliography</b> .....	104

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## Index of figures

FIGURE 1. COMPONENTS OF A BUSINESS MODEL, (SHAFER, SMITH AND LINDER, 2005) .....	11
FIGURE 2. COMPONENTS OF STRATEGIC VISION, (WILSON, 1992).....	12
FIGURE 3. DIRECTIONS FOR SUSTAINABLE BUSINESS MODEL INNOVATION (SCHALTEGGER, LÜDEKE-FREUND AND HANSEN, 2016) .....	29
FIGURE 4. ANALYTICAL FRAMEWORK OF EVOLUTIONARY PROCESS OF SUSTAINABLE ENTREPRENEURSHIP PROCESS BY SCHALTEGGER, LÜDEKE-FREUND AND HANSEN (2016). .....	30
FIGURE 5. CONSTITUENTS OF BUSINESS SUSTAINABILITY BY SVENSSON AND WAGNER (2015).....	36
FIGURE 6 COMPONENTS OF AN SBM FOR COOPERATIVES .....	40
FIGURE 7 VENTURE TYPES BY GANDHI AND RAINA (2018).....	49
FIGURE 8 TYPES OF VENTURES AND BALANCE BETWEEN THE SOCIAL AND THE MANAGERIAL LOGIC (GANDHI AND RAINA, 2018) .....	51
FIGURE 9 A TYPOLOGY OF SOCIAL ENTREPRENEURSHIP BY SAEBI, FOSS AND LINDER (2019).....	61
FIGURE 10 A MODEL OF ENTREPRENEURSHIP (WOLFGANG GRASSL, 2012).....	65
FIGURE 11 SOCIAL BUSINESS DESIGN ACCORDING TO DACHIS GROUP (WOLFGANG GRASSL, 2012).....	67
FIGURE 12 BUSINESS MODELS OF SOCIAL ENTERPRISE (WOLFGANG GRASSL, 2012).....	67
FIGURE 13 POTENTIAL SPECTRUM OF LEGAL FORMS FOR SOCIAL ENTREPRENEURSHIP VENTURES (ZEYEN, BECKMANN AND AKHAVAN, 2014) .....	69
FIGURE 14 THE FREEMIUM BUSINESS MODEL (ZEYEN, BECKMANN AND AKHAVAN, 2014) .....	70
FIGURE 15 THE CATALYST BUSINESS MODEL (ZEYEN, BECKMANN AND AKHAVAN, 2014) .....	72
FIGURE 16. SEARCH STRINGS .....	75
FIGURE 17 START SOFTWARE. THE SCREENSHOT FROM THE AUTHOR'S DESKTOP .....	80
FIGURE 18 WORD CLOUD GENERATED FROM START SOFTWARE (PERSONAL ELABORATION) .....	81
FIGURE 19. NUMBER OF THE RELATED ARTICLES ON JOURNALS, TIME FRAME: 2010-2020 (SOURCE: PERSONAL ELABORATION).....	81
FIGURE 20. NUMBER OF RELATED PAPERS BY YEARS 2010-2020 (SOURCE: PERSONAL ELABORATION) .....	82
FIGURE 21 DATA OBTAINED FROM JOURNAL CITATION REPORTS DATABASE .....	82
FIGURE 22 THE NUMBER OF CITATIONS BY YEARS FOR JOURNAL OF CLEANER PRODUCTION (OBTAINED FROM JCR - JOURNAL CITATION REPORTS) .....	83

## Index of tables

TABLE I. SOME DEFINITIONS OF BM.....	10
TABLE II A SOCIAL RESOURCE-BASED VIEW (TATE AND BALS, 2018).....	37
TABLE III. SLR PROTOCOL DESCRIPTION.....	76
TABLE IV INTERVIEW STRUCTURE .....	77
TABLE V THE NUMBER OF CODED PAPERS BY CATEGORY (AUTHOR'S PERSONAL ELABORATION) .....	85
TABLE VI SUSTAINABLE BUSINESS MODELS AND PRACTICES ARCHETYPES (AUTHOR'S PERSONAL ELABORATION) .....	86

## **Introduction**

As globally social and environmental issues are always in a big debate, all businesses adjust the way they operate. Doing the “business as usual” does not sound fancy nor is considered smart anymore, and companies all over the world rethink their strategies, tactics, and most importantly their business models. From big companies to small companies nowadays it seems like being a good citizen becoming gradually a challenging yet rewarding process. Not only it is about being a good citizen, but it also about doing the right thing. The right thing is yet ill-defined for businesses, nevertheless, there are a quite number of guidelines and rules to keep the organizations responsible and on track. CSR, green practices, and zero carbon footprint are some of the practices that companies nowadays strictly take into consideration. Not only these endeavors make the companies a good citizen, but it also actually impacts the competitiveness, brand image and financial health of those organizations. Therefore, firms have no other choice than to be a good citizens if they want to survive in the business world.

The UN agenda 2030 clearly states the goals to achieve for a better sustainable future and the role of the businesses is tremendously important to achieve these goals. Businesses are the places where the economy grows, society gets involved and impact is being created. This impact, therefore, has to be assessed and qualified in order not to steal from future generations their resources and chances to survive. If a business wants to stay sustainable first and foremost it has to reconsider its business model. Because the business model is the basis of every strategy and action that is going to take place during its operation. Without a business model, simply the business itself would not be capable of being run. With this being said, a business model is the way a business creates, captures the value through its value network while making its strategic choices. So, it is the beginning of everything. Thus, it is not possible to imagine a business becoming sustainable without addressing its business model. When building a business model every aspect is being discussed from customers to suppliers. It means that if a company considers itself to be sustainable, firstly its business model should be sustainable.

This study was aimed to analyze sustainable business model (SBM) literature to see how in the last decade the SBM phenomena have been studied in the literature in the

management and business field. The systematic literature review (SLR) has been conducted as a study method. The SLR has been conducted via the tool called stArt<sup>1</sup>, where all the relevant papers were imported. Later all papers were analyzed and only the most relevant papers have been chosen to continue the research process. It was found out that there is a positive trajectory in terms of papers being published on SBM literature. This is surely a good indicator of how this area became important as it should be. Mostly some journals were dominant on published papers, however, a variety of journals publish articles relating to sustainable business practices. After synthesizing the data four categories for sustainable business models have been created namely, social, technological, environmental, and organizational. This categorization helped us identify the main practices and archetypes of SBM.

After reading papers, to narrow the study and make it specific one type of business with SBM has been chosen to further conduct the thesis. Social entrepreneurship was chosen as a sample to study. The social entrepreneurs in Azerbaijan have been interviewed and the environment for social businesses in Azerbaijan has been analyzed. Even though social entrepreneurship in the particular country is fairly new, it still has the potential to grow and the study's purpose was to analyze the current picture. From legislative nature to organizational structure the social businesses were thoroughly conducted and insights have been collected. It was concluded with some necessary observations.

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<sup>1</sup> [lapes.dc.ufscar.br/tools/start\\_tool](http://lapes.dc.ufscar.br/tools/start_tool)

# Literature Review

## Business Models: Basic Concepts

Over the last two decades, the concept of a “business model” has appeared as one of the most used terms in management literature, and is frequently discussed on business presses, on assessing the competitive advantage between firms, and so on. The term has been conducted in a huge span after the Internet- “dot.com” era has started. Mainly, the reviewed literature includes the areas of interest such as e-commerce, value creation processes, strategic choices in firms, business model innovation, and technology management (Zott, Amit, and Massa, 2011). Currently, due to different approaches and practices, the concepts remain ambiguous, as there is no commonly accepted or dominant theory or definition of business models (Saebi, 2016). Therefore, some definitions and practices are reviewed in this chapter to understand the term’s development process on its definition and its execution in diverse scenarios.

David W. Stewart and Qin Zhao (2000) simply define a “business model” as a statement of how a firm will make money and sustain its profit stream over time. This definition is rather simple and cannot give a reader a piece of detailed information or a big picture of a business model.

By breaking down the two separate definitions of words “business” and “model”, Shafer and Linder (2005) define a business model as “a representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network.”

Hedman and Kalling (2003) propose a business model that integrates firm-internal aspects that illustrates the transformation process between factors and resources, through activities, in a structure, to products and offerings, to market. This model also includes longitudinal process components such as dynamics of the business model and other possible managerial (e.g., cognitive, cultural) implications that can occur over time.

Michael and Minet (2006) break down the model as three levels of hierarchy starting from the economical level to the organizational and strategic level. Moreover, they describe the business model as a platform for innovation as it is an architecture of key variables in the identification of a company.



Newth (2012) has further supported the idea of a business model consisting not only of variables but also of the relationship between variables in the book “Business Models and Strategic Management: A New Integration” (2012). He argued that a business model does not only consist of the value proposition, financial flow, business opportunities, or cost design. It is the right blend of all those things and relations between those things.

Similarly, Foss, Nicolai J., Saebi, and Tina (2015) argued that a business model cannot be limited and described by its elements or variables. It goes beyond by including relationships and interaction between those elements or variables, which are argued to be organizational relations.

There are four parts of a business model that describes its formula. They are Customer Value Proposition (CVP), Profit Formula, Key Resources, and Processes. When all of these elements are managed properly the company can build its business model. CVP and Profit Formula are about how a business will create value both for itself and its customers, while Key Resources and Processes are about how and by which means the value is being transformed. Any interventions in these elements can have an impact on the whole business model. Therefore, it is crucial to managing the elements within the model (Johnson, Christensen and Kagermann, 2008)

For continuing the research process, the definition presented by Newth (2012) is considered as a major concept of understanding the business model term as it does not only describe key elements of the business model but also emphasizes the importance of alignment between key elements. Furthermore, different authors made similar arguments about the importance of seeing the model as a sustainable set of variables and using the cross-dimensional relationships to manage operations and create an innovative platform on organizational dimension.

As described from definitions above it is obvious that many authors give different interpretations and definitions to the business models; and there is a lack of clarity on definitions, which creates confusion on the research of the term. (Zott, 2011).

Table I describes a summary of definitions in different years.

Table I. Some Definitions of BM

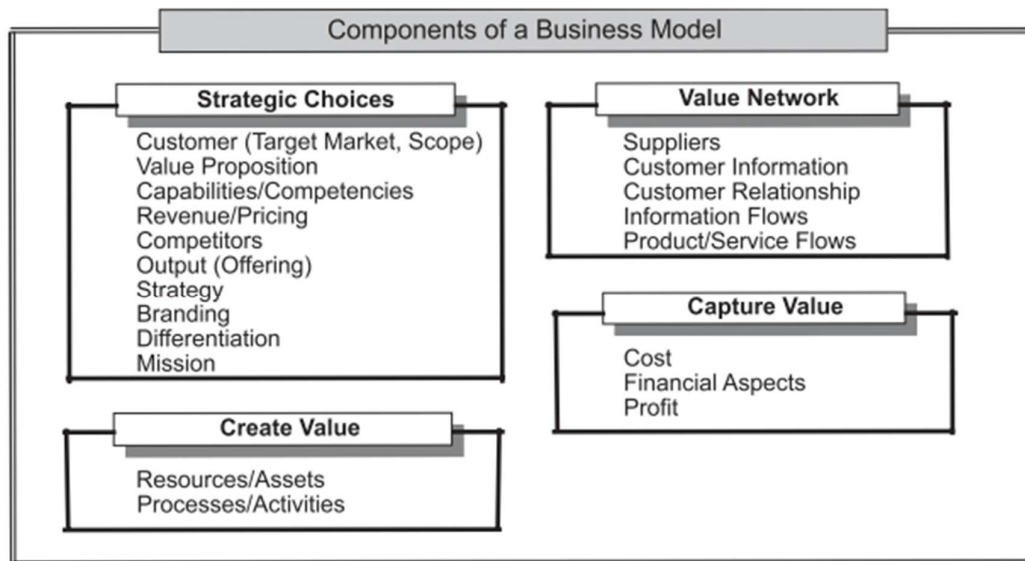
<p>"A representation of a firm's underlying core logic and strategic choices for creating and capturing value within a value network" (Shafer, Smith, &amp; Linder, 2005)</p> <p>"A statement of how a firm will make money and sustain its profit stream over time." (David W. Stewart, 2000)</p> <p>"The method by which a firm builds and uses its resources to offer its customers better value than its competitors and to make money doing so" (Afuah and Tucci, 2001)</p> <p>"We would propose a generic business model that includes the following causally related components, starting at the product market level: (1) customers, (2) competitors (3) offering, (4) activities and organisation, (5) resources, and (6) supply of factor and production inputs. These components are all cross-sectional and can be studied at a given point in time. To make this model complete, we also include a longitudinal process component (7), to cover the dynamics of the business model over time and the cognitive and cultural constraints that managers have to cope with." (Jonas Hedman, 2003)</p> <p>"In the technology and innovation management field, the business model is mainly seen as a mechanism that connects a firm's (innovative) technology to customer needs and/or to other firm resources (e.g., technologies)." (Zott, 2011)</p> <p>"Business models "consist of four interlocking elements, that, taken together, create and deliver value" (p. 52). These are customer value proposition, profit formula, key resources, and key processes." (Johnson &amp; Suskewicz, 2009)</p> <p>"..., business models are fundamentally about the activities under the control of the firm that allow it to exploit an identified opportunity in the marketplace, and therefore also the structures and relations between the firm and its multiple stakeholders that support the value creation and value-capturing processes of the firm." (Foss &amp; Saebi, 2015)</p> <p>"A sound business model offers unique value (value proposition), builds barriers to entry through a bundle of resources (dynamic capabilities and competencies), and aligns the internal cost structure to the external revenue streams to achieve sustainable profits (financial viability)" (Newth, 2012)</p>
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According to Shafer et al., (2005) there four components of a business model: Strategic choices, value network, create value, and capture value (see Figure 1).

#### 1. Strategic Choices

For making a strategic choice a company must understand what decisions it should take along the way, because they can influence the future state of the firm, its finance, and can have an impact on its stakeholders and competitors. (Shafer, Smith and Linder, 2005)

Figure 1. Components of a Business Model, (Shafer, Smith and Linder, 2005)



More specifically strategic direction has four key components: a company’s strategic vision, business mission, performance objectives, and its strategies.

For building a business model, the analysis of the market and competitors is significantly important to know the opportunities and threats for your company. From this point of view, the firm can understand potential shifts or difficulties in the marketplace to navigate better while making its decisions. If a company can make a successful competitive analysis it will have better positions to capture the shifts and architect its business model within the industry it operates.

To understand the dynamics of the industry companies, use different frameworks but the most impactful one remains Michael Porter’s Five Forces Article. Businesses should take a gander at the five serious powers— the threat of new entrants, bargaining power of suppliers, bargaining power of customers, rivalry among competitors, and the threat of substitutes —that can give them knowledge into the drivers of rivalry in the industry to enable to comprehend what impacts gainfulness to create techniques to improve the productivity of the business. (Porter, 1996).

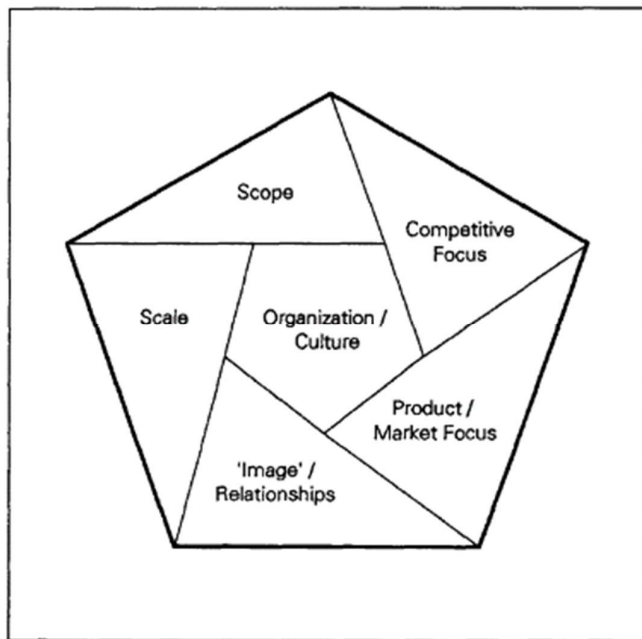
Another key element of strategic choices is setting a strategic vision. A company can or should change its strategies or tactics over time but it cannot alter its core ideology. (James C. Collins and Jerry I. Porras.)

According to Wilson et. al (1992), there are six key elements to interpret the strategic vision for a company described in Figure 2.

*Business scope*- The company chooses its business area for not only categorizing the business lines within the industry but also taking strategic choices to fit with the cores of its business (Wilson, 1992). A greater business scope can help a company to gain a greater competitive advantage because it helps the company to cope better with industrial and market changes. So companies with a broad business scope can have better survival in a long-term period (Carnahan, Agarwal, and Campbell, 2010).

*Business Scale*- Growth per se is a vital objective for a company's vision. The company needs to decide how much it will expand or decrease over time (Wilson, 1992). As for scope, the scale also is important for the survival of a business. It could be also scope and scale that could be the most useful organizational capital for turbulent and uncertain circumstances. (Carnahan, Agarwal and Campbell, 2010)

Figure 2. Components of Strategic Vision, (Wilson, 1992)



The increasing scale could be different for companies with diverse aims. For financially motivated businesses scale is about more profit, on the other hand for social businesses scale could be about increased social value (Bamburg, 2020).

*Product and Market Focus-* Each company defines its market niche or product lines within its scope (Wilson, 1992).

To find their market place or niche, firms need to look up for market segments. The aim of doing segmentation research is to find niche opportunities, to find shifts in the industry, and gain a competitive advantage over other companies. Although some firms can look to introduce offers for a whole market, it is desirable to look for a diverse customer base within the marketplace to improve marketing performance (Weinstein, 2010). (Iyer, 2014)

*Competitive Focus-* Competitive forces approach by Porter (1980) was one of the first dominant theories explaining how to build a competitive strategy based on the environment it operates. Industry rules have a significant impact on competition strategies for firms.

The business environment can affect business and its competitiveness. Factors such as social, economic, technological, political, international, and governmental can have its undeniable impact on how the business will react and survive.

Moreover, a firm should have core competencies and abilities over its competitors to be successful. Those core competencies can be high-quality service or production, low manufacturing costs, innovation technology, fast service, etc. (Rao, PS 2009).

*Image and Relationships-* The company's reputation is hugely influenced by the fact that how a company can communicate with its stakeholders internally and externally. Moreover, communications are overly crucial during changes. Every firm has a history of its brand that is unchangeable. It is very important to have consistency between your strategy, mission, and vision and how the company communicates any changes. After getting opinions and thoughts on feelings of its stakeholders' company can communicate a change based upon those insights (Hannington, T 2004).

Customers are nowadays most likely to purchase products or use services of the companies with better reputations considering differences in price, packaging, or

quality. So, the company's brand or corporate reputation becomes more important day by day (Burke, RJ, & Martin, G 2011).

*Organization and Culture*- Culture is something such as values, beliefs, behaviors, traits, rules, and morals that individuals and communities learn to communicate, act or feel, or share. Culture is something that passes from generation to generation and the person with the specific cultural background will do its business and communicate any deal from his/her cultural background. One important and simple assessment in doing business in an international environment is to know whether a country has an individualistic culture and is task-driven or has a collectivistic culture and is relationship-driven (Mitchell, C 1999).

An organization can simply be described as a system consisting of a group of people aiming for a particular goal. But of course, it is also important to emphasize that the organizational system has also inputs, outputs, processes, and activities between them to achieve a goal (Bhattacharyya, DK 2008).

Four objectives are important while designing an organization which is: sound definition of objectives, identifying the activities and clustering them, define a structure, revise the system based on assessing current human and capital resources. But it is not always one practice to follow and other variables should be considered. Business strategy and practices, internal and external conditions, human capital should also be considered during this process (Bhattacharyya, DK 2008).

## 2. Value Network

As any business model deals with capturing and delivering value, this process does not happen in a vacuum. It happens in a value network, which includes suppliers, channels, partners, and coalitions which all are part of a company's resources (Shafer, Smith and Linder, 2005).

The supply chain plays a significant role in the competition between firms. The transaction between a firm and its suppliers has a great effect on the profitability of the firm. The coordination between suppliers and customers is a key point for success and if the company fails in the coordination the cost may be high (Farooqui, 2010).

The supply chain can be described as architecture and explained by the concept of four Cs of Supply Chain Management. These four Cs include chain structure and ownership, capacity, coordination, competitiveness (Iyer, 2014).

There are several supply chain structures such as serial, assembly, distribution, etc. The structure of a serial chain consists of several upstream and downstream entities. Usually, supply is delivered by upstream bodies, while demand is set by downstream bodies. In this kind of supply, a chain product goes from a series of steps to reach the final customer. On an assembly structure different products are combined from different suppliers made into several subassemblies, then forwarded to the final assembling process for making a final product by combining those subassemblies (e.g., automobile production). However, for a network structure supply chain the process is different, the production plants and suppliers and warehouses, customer centers can work interdependently on different locations and components flow through this network. The main advantage of these networks is the flexibility of operations to manage the whole process (Iyer, 2014).

The competitiveness of a supply chain can be explained by its performance. There are several benchmarks to measure supply chain performance. But there are individual measures that are considered such as quality, time, flexibility, and cost (Cai *et al.*, 2009). However, due to strategic issues, some other metrics have been implemented and used over time. Balance Scorecard (BS) and Activity-based Costing (ABC) are some of the tools used to evaluate and measure supply chain performance (Liberatore, 1998).

The Supply Chains Operations Reference (SCOR) model was introduced from a process perspective (Cai *et al.*, 2009). There are four main processes of the SCOR model which are source, make, deliver, and plan. This model is used for evaluating, benchmarking, positioning, and applying the supply chain framework (Huan, Sheoran, and Wan, 2004).

The capacity of the supply chain is the maximum amount of work flowing through the facility over a specific period. Capacity availability depends on software (scheduling and forecasting constraints) and hardware (physical capacity constraints) decisions (Iyer, 2014).

A supply chain manager is responsible for communicating with individuals within the supply network effectively and manage the demands of different entities. Coordination

of flows in the supply chain has become challenging since there are independent individuals within the chain. Therefore, the coordination between these individual bodies is a key point for the performance and competitiveness of the supply chain. Collaborative mechanisms, tools, sharing rules, and coordinating agreements may be very useful for the performance between supply chain entities (Iyer, 2014).

Customers are also a part of a business model's value network (Shafer, Smith, and Linder, 2005). Customers not only purchase a product or a service, they expect the value that they will consume from the whole offer that the company makes. This relationship between supplier and customer and how customers' needs are met by suppliers through some activities defines the value proposition itself (Yi, 2014).

Customer Relationship Management (CRM) or recently named "customer management", is a business approach that deals with creation, development, and managing relationships with customers to create and capture value with targeted customers and therefore increase shareholder value (Payne, 2005). Looking from a technological point of view, CRM can be considered as information systems that create companies an opportunity to communicate with customers, make offers, collect data, and study that data to create a whole view about the customers (Khodakarami and Chan, 2014). Customers are, therefore, part of the value creation process, as they play the role of delivering and capturing value from suppliers (Yi, 2014), sellers, distributors, and the company as a whole (Khodakarami and Chan, 2014).

### 3. Creating Value

Whenever a customer receives more benefits from sacrifices the value is created (Rintamäki, Kuusela, and Mitronen, 2007). Value is also created when a customer and a product come together for a particular situation and when the transaction happens, it is rated from dissatisfaction to satisfaction depending on what value the customer received (A. Weinstein, 2012).

Every business model is built around the value proposition which is designed to create value for the customers. Value is not something that a firm can decide by itself, and sometimes customers' perception of benefit may vary from the firm's perception of benefit. Therefore, value is something that cannot define the relationship between a customer. The value proposition is like a design, and the firm needs to test and analyze



how it works and how value is delivered and received by customers over time. After this process company can work on how it will create and deliver an exceptional value to the customer and how the relationship will be built (Spencer, 2013).

Achtenhagen, Melin, and Naldi (2013) propose their framework of the value creation process. The framework explains three strategic actions for relevant value creation fueled by three types of capabilities. The strategies include growing organically with possible relevant acquisitions, strategic expansions in a different dimension of the business, as well as combining high quality with cost-efficiency. To achieve these strategies framework also suggest three necessary types of capabilities such as business expansions, balanced resource allocations, and creating employee and leadership commitment with achieving sustainable organizational culture. Also, the framework explains that the value creation process happens circular within the business model.

Holcomb, Holmes Jr., and Connelly, (2009) argue that managerial ability is a key source of value creation process different from resource-based value creation views. The reason that high managerial abilities can have a positive impact on the productivity of resources with less value demonstration. Conversely, the authors propose that high-quality resources can hinder the opportunities of managers to put out their abilities which can result in less managerial value. Moreover, research reveals that managerial abilities are very crucial in terms of synchronizing a firm's resources which results in positive organizational performance.

#### 4. Capturing Value

A lot of firms make mistakes by focusing too much on value-creating and forgetting about capturing value (Shafer, Smith, and Linder, 2005). By capturing value, it is meant to get positive economic effects of the value created (Spencer, 2013).

At some level, the value created could be captured by other parties which Lepak, Smith, and Taylor (2007) called this process a "value spillage". This value spillage can happen for different reasons, but mainly the created value is shared or lost with other stakeholders such as society, competitors, and employees. The value created could be imitated by competitors over time which results in decreased exchange value (price). Thus, novelties resulting in great demand and low supply by time may have a balanced supply-demand situation due to the increased competitors in the market.

On another note, sometimes value could not be replicated or imitated by competitors. So, the value is captured mainly by a creator, and the creator can be an individual, organization, or society. To do so the creator can put a legal, physical or knowledge-based barrier which is called the “isolating mechanism”. This “isolating mechanism” gives the creator an advantage to capture the majority of the value created (Lepak, Smith, and Taylor, 2007).

To conclude, we can decide that business models do not have one definition, and the authors elaborate on different perspectives of it. A business model can be treated as a statement (David W. Stewart, 2000), a representation (Shafer, Smith and Linder, 2005), a mechanism (Zott, 2011), the method (Afuah and Tucci, 2001) and some researchers break down models by its categories and elements (Jonas Hedman, 2003; Saebi, 2016),(Newth, 2012). We further studied the business model by its components based on the research of Shafer, Smith, and Linder (2005). Later on, we analyzed each component by definitions and practices adopted in different books and articles. By this, we obtained a better understanding of a business model to continue the research process.

## Sustainable Business Making

### Sustainable Development

The World Commission on Environment and Development first met in 1983 and later in 1987 the report was published. The report discusses contents such as future threats for humanity, the practices towards sustainable development, common challenges, and a call for action for a new legal framework and principles. The so-called “a global agenda for a change” had an urgent call to propose long-term environmental strategies to be achieved by 2000 and beyond, co-operation between countries with different status for using natural resources, how to involve international community to act, define long-term solutions for the environment protection and aspirational goals for the world community (Brundtland, 1987).

The 2030 Agenda for Sustainable Development is the recent agenda on covering information on Sustainable Development Goals. This agenda is a follow-up of Millennium Development Goals that were agreed on fifteen years before the recent 2030 agenda.

The Heads of State and Government and High Representatives decided on the new global sustainable development goals to be achieved by 2030. The commitments for achieving sustainable development goals included three dimensions: economic, social, and environmental. The vision of this meeting is to have zero hunger and poverty, high literacy for all, health care and social protection, clean water, a safe and resilient world for everyone. Moreover, gender equality and reduced inequalities, and other incentives are considered in developing seventeen goals for a sustainable future (Un, 2015).

The Agenda clearly states what goals need to be achieved, the commitments to be considered and how the process can be carried out, however, it is blurred what are the present and future challenges to implementing 17 Sustainable Development Goals (SDG). To achieve goals dedications should be made not only by the UN itself, but rather there is a great demand for society, governments, and other groups to be involved to achieve these goals. There is a huge need for cooperation between society and every country should study its national ways of implementing SDG. Moreover, to properly promote SDG, the governments, donors, and leaders in charge should be held accountable for their job. Transparency and accountability are key indicators to connect society and gain their value in the process. It is also should be noted that financial supports and investments in education, research, and science are a vital part to provide long-term sustainable results for achieving SDG globally (Leal Filho *et al.*, 2019).

The requirement for scientific research is important in many ways for achieving SDGs. Society's needs can be better described and validated by interdisciplinary and transdisciplinary research. The researchers conducted on a local level can demonstrate new measures and tools across different cultures and communities. Moreover, the results and outcomes should be shared with different stakeholders to achieve their loyalty and trust. The policymaking decisions could be better made if linked to scientific research to consider better solutions and actions. By vitalizing the scientific research to integrate it in policymaking, the SDGs can be better delivered (Leal Filho *et al.*, 2018).

According to an Indian study on SDG, experts on different levels mostly do not believe that SDGs can solve the real issues of the country, while a similarly low portion consider that SDGs can help to achieve better results in the country. This is mostly because experts found that there is a lack of adequate data, improper coordination between the government bodies and society, and limited financial resources to implement SDGs in

India. According to this, authors suggest new policymaking for fostering collaboration between government and different institutions, which has more robust and reliable data covering larger geographical areas and has frequently updated SDG data (Khalid, Sharma and Dubey, 2020). This study once more provides us with a proof that more collaboration and research is obligatory to enhance the understanding and communication of SDGs to solve the problems in the country.

Another issue to be considered in the application of SDGs is that to some extent the ideas and morals of the UN and mainstream media seem to be anthropocentric. The terms and ideas of sustainable growth or development are not sounding sustainable in some ways. Because more emphasis is put on the human factor rather than the non-human factor. For example, the UN supports new businesses to emerge to have better economic results. The sustainable use of resources is considered ok to have better economic outputs. It should be noted that it is better to use something at least if you can give back to it to some extent. The new emerging economies are considered good to catch up with developed countries which unfortunately presents the most global environmental degradation. Therefore, some measures can be taken such as the implementation of new transformative frameworks (e.g., circular business), managing population growth, and embrace ecological justice (Kopnina, 2016).

Similarly, Spaiser *et al.*, (2017) support the idea about the inconsistency of SDG with data-driven analysis. The results reveal that economic growth as an element of SDG fulfills socio-economic goals while hindering ecological goals. Moreover, the authors call to react to current sustainable development theories and how they are managed to address economic development and environmental sustainability.

Some business models such as inclusive business models (IB), circular business models (CBM), sustainable business models (SBM) can help to analyze the economic growth addressing SDGs. However, it should be mentioned that there is no common framework for any of these models to measure, assess, and report on the accountability of achieving SDG (Ghosh and Rajan, 2019).

Another concern is about how the value chain is sustainable nowadays and how they follow with SDG. One research on Global Value Chains (GVC) reveals that there is an unfavorable outlook for environmental sustainability and upgrading. The research is in

country and sector level and air pollution and water pollution are the main concerns on Global Value Chains. Because usually big leading companies are the main influencer of the whole value chain process these results are not favorable for the current global situation (Navarrete, Borini and Avrichir, 2020).

Furthermore, the unbalanced distribution of SDGs regarding three main forms of capital (social, economic, environmental) is another issue to consider for the post-2030 agenda. Environment as a source of capital should be more concentrated on the topics of SDGs. Considering resource limits, there is a requirement for putting more emphasis on understanding the role of cleaner production concepts and circular economy (Giannetti *et al.*, 2020).

For developing countries, the role in obtaining financial resources from external parts has a positive impact on achieving SDGs. However, in some cases, external investments may have some adverse effects on achieving SDGs (Aust, Morais, and Pinto, 2020).

In conclusion, the role of SDGs is undoubtedly central for not only the people but for all non-human beings and relationship between whole system in the Earth. However, more attention needs to be focused on each goal. Economic growth should not be considered the same as sustainable development thus, environmentalist approaches are important in implementing SDGs across different societies. The term economic growth is very much related to the idea of maximization which results in the exploitation of resources or unsustainable actions. While economists nowadays implement optimal resource allocation framework, it still does not help problems of resource scarcity (Sinha and Sarkar, 2016). Social altruism of course is favorable for a lot of reasons; however, more focus is needed to understand resource allocation issues and how businesses in different countries run their business. It is also important to mention that more national-level research is important to understand how SDGs can be implemented for different scenarios rather than by duplications or replications (Gusmão Caiado *et al.*, 2018).

### Business ethics and Corporate Social Responsibility

Sustainable development became not only essential for governmental bodies to undertake but it is now playing a significant role for running any business. For this reason, firms try to do “good” business and “doing good” is understood having business

ethics and corporate social responsibility on heart of the business' values. Studies show that having ethics and corporate social responsibility (CSR) on the core of the business model has a positive effect on brand attitude (Ferrell *et al.*, 2019).

Authors propose different types of frameworks to better understand and implement CSR. Carroll (1991) suggest a CSR framework called "the pyramid of corporate social responsibility". The author suggests that usually ethical and philanthropic social responsibilities are considered important, but economic and legal components of social responsibilities are also key part of CSR framework. Again, the author presents very economic point of view stating to be socially responsible "It is important to be committed to being as profitable as possible." This idea somewhat does not compile with being socially responsible as it is impossible to maximize profits and think about scarcity of resources to achieve profit maximization. In order to be socially engaged companies need to consider of how much they impact biosphere while doing "business as usual". Even through the word "social" is an idea related to human beings, it also takes into account non-human beings to its context. Because simply a human is a part of all, and any negative externalities has an impact in our lives too.

Porter and Kramer (2006) advices a different CSR framework for businesses where CSR should not be considered as a damage control or as PR campaign for businesses. The authors agree that CSR is about shared values. Every society has their own social issues and businesses should focus on how strategically they can meet the social needs arising from social issues. Thus, every company should integrate social responsibility to their value proposition. Of course, not all companies value proposition could be all about social problems however each company can think of ways how their business can meet social issues arising either from the inside of the company to the outer world or by looking outside in.

Matten and Moon (2008) identifies two elements of CSR- the explicit and the implicit. Explicit CSR describes responsibilities for the interest of society, and it usually includes voluntary corporate actions, programs, and strategies. This kind of CSR is to show society that business cares about social issues happening in their circle. Implicit CSR is more about explaining the role of the corporations to the society's needs and concerns. This kind of CSR is motivated from values, norms, legitimate expectations to the contributions towards society. It is more about compulsory duty rather than voluntary.

Engaging CSR into the business activities increases customer satisfaction which leads to better reputation and positive competitive advantage (Saeidi *et al.*, 2015). While promoting CSR activities, companies may need to be attentive towards the communication. Just by its nature, CSR has a significant positive impact on stakeholder attitudes and behavior. Moreover, it also can help company to build positive brand equity, build sustainable relationships, and create an impact between stakeholders. However, the stakeholder's awareness and skepticism over company's CSR deeds is a key point to consider. Because, sometimes consumers can become suspicious and perceive CSR activities as PR stunt more than an authentic activity. Therefore, more research is required on understanding the communication of CSR (Du, Bhattacharya and Sen, 2010).

CSR is a strategy for companies to gain positive brand image, to have better stakeholder relationships, to be a good citizen and meet any community's social needs and many other reasons. In some cases, CSR can be a tactic for narcissist CEOs to have better image and network or for other personal needs. One research reveals that there is a positive relationship between CEO narcissism and social philanthropy (Petrenko *et al.*, 2016). This also may again influence communication between an organization and stakeholders regarding authenticity of CSR.

The situation of market institutions is different across countries. In fact, there can be a void or absence in market-supporting institutions which can result in higher transaction costs or low access to resources. Ghoul, Guedhami and Kim (2017) argue that CSR can have positive effect on reducing those transaction cost and thus improve competitive advantage of the companies. It means that CSR has positive output on company value in countries with weak supported market institutions.

Bauman and Skitka (2012) further discusses that CSR increases employees' expectations from company on whether it will act opportunistic or act trustworthy. Moreover, employees assume that if a company is committed to social justice it means it will also build trustful relationships with them. So, it means that employees feel safe and secure with companies who have stronger CSR practices. It is also mentioned in the article that, CSR helps employees with social identity process as it increases the feeling of belongingness. The CSR makes the company attractive towards different stakeholders but also particularly to possible future employees and attract distinctive workforce.

According to Lin (2017) CSR engagement is a beneficial strategy for companies when it comes to investing on R&D. This evidence shows that companies can rely on CSR based investments as it has a positive value.

The fact that the number of stakeholders increasing towards making co-operations or purchases or any kind of relationships relying on organization's social responsibility activities makes business competition rough. Thus companies need to find their own special distinctive way of being socially engaged and have positive corporate impact on society and environment (Baric, 2017).

CSR reporting is a crucial part of doing businesses in different countries. The quality and quantity of the reporting is influenced by the culture in the country. Moreover, having a corporate governance such as CSR committee has a positive impact on quality and quantity of the reports. CSR also has a moderate effect on negative cultural tendencies such as power distance as CSR can limit it (Mohamed Adnan, Hay and van Staden, 2018). This fact is very important as it shows that CSR has a positive impact not only on corporate-level but in a governmental-level especially when it comes to reporting on international agenda.

For developing economies, the role of academic intuitions can play crucial role in strengthening CSR culture and values (Memon *et al.*, 2014).

What is clear from academic literature about CSR is that it is something vital even it has positive financial impact or not. That is why CSR should be treated as long-term strategy. Even in the case if CSR do not show implications towards financial situations it will at least has its impact on company reputation. To this reason company must be engaged in some sorts of way with CSR for being able operate sustainable in long-run (Foote, Gaffney and Evans, 2010).

CSR do not also make the employee feel safe and secure, belonged or motivated but it also has an impact of an employee's innovative work behavior. In fact, employees become more authentic and bring extra work for the organization as they feel comfortable about the cultural values of the company and feel psychologically safe. So when a company wants to pursue innovative initiatives CSR activities can create a better space for employees to be authentic and volunteer for innovative solutions (Afridi *et al.*, 2020).



Firm size has little effect on applying CSR activities however, for small and medium enterprises (SME) external communication and reporting could be harder than multinational corporations. At the same time multinational companies may lack on executing internal CSR strategies successfully. This can be explained due to the fact that in small companies' hierarchy is smaller and communication is simply quick and straightforward. In the case of big companies, it is a greater responsibility to operate CSR activities, thus it takes more effort in human resource management and other procurement issues. Moreover, SMEs put social and environmental value in the culture of the organization rather putting it in job descriptions or duties. So even though, SMEs are more successful at implementing CSR activities they are not quite resourceful to present or report them as multinational corporations can. Therefore, big companies are mostly seen as advocates of CSR activities however, they are insufficient in the internal alignment of CSR (Baumann-Pauly *et al.*, 2013).

Moreover, SMEs mostly act responsible not because it is "right thing to do" but also for pure altruistic reasons. SMEs show more engagement with social, environmental issues mostly this how a citizen should act. Even though SMEs do not own enough resources or tools to make CSR strategies like in bigger companies, however because of the managers and leaders' commitment SMEs engage in CSR (Garay and Font, 2012).

Some cases show that even some businesses being in controversial industries (tobacco, alcohol etc.) can benefit from CSR for reducing the firm's risks. They can still engage in CSR programs and enhance their corporate image even though their business do not directly promote social or environmental well-being (Jo and Na, 2012).

When it comes to new ventures CSR can have positive and negative effects depending on time management of CSR activities. It means that time matter for new businesses and they need to focus on a long-term solution to make CSR part of their value proposition. Also focusing on long-term strategies can have positive impact on financial performance, while short-term tactics can put a threat to existence of the new ventures (Wang and Bansal, 2012).

Although consumers consider CSR in their purchasing decisions, they not always engage purchasing the product with CSR initiatives. This means that positive attitudes towards CSR do not transfer into real purchasing behavior. Therefore, when companies include

social responsibility activities into their product or service, they really need to find specific ways of how they can tailor CSR to their target audience. Secondly, segmentation of the audience is another option to communicate CSR efforts. For instance, depending on the segment, companies can do direct or social media marketing of their CSR activities. Moreover, if the price of the products of socially responsible brands are high, customers may not take them in purchasing considerations (Öberseder, Schlegelmilch and Gruber, 2011).

From CEO perspective CSR can be seen as other forms of investment meaning that it is not only for pure altruistic reasons. As argued previously, in some cases it might be to attract better workforce, sometimes it can be to create better brand image, and sometimes it can be for political reasons (such as reducing regulatory costs). Moreover, personal characteristics of CEOs also have an impact on how much the company invests on socially responsible campaigns. According one study in America, female CEOs, younger CEOs, CEOs supporting different political parties and CEOs appearing frequently in media are more likely to invest in CSR (Borghesi, Houston and Naranjo, 2014). Moreover, in some cases managers assume that their responsibilities towards the society do not solve the social issues (Pedersen, 2010).

From analyzing different articles, it is obvious that there is not a common understanding of a CSR and it is understood and treated differently. In some cases, CSR helps with reputation or with profitability, or in other cases it allows companies get tax benefits (Carroll and Shabana, 2010). Some research shows that it can be some personal characteristics of a CEO such as if the person is a media person or have a narcissist personality, he/she can get engaged more with CSR activities (Pedersen, 2010; Petrenko *et al.*, 2016). Porter and Kramer (2006) suggests that a CSR shouldn't be actually none of those- meaning that CSR should not be applied for personal needs or PR campaigns only but it should be integrated to the core of the value proposition. Moreover, CSR initiative in a business creates a safe place for employees to be innovative and creative too (Afridi *et al.*, 2020).

Keeping statements written above in mind, if a person just tries to decipher the word "social responsibility", in fact it could not just be about all those things addressed so far. We can see that companies engage with CSR not just because it is their duty to be a socially responsible citizen, but it is treated as a strategy for different purposes. We can

see that CSR can be treated just as another form of investment, and in some cases, managers believe that CSR cannot help with social issues too. Of course, it is not the businesses' duty to only meet social needs as it is the job of the governments or for other types of organizations. However, it should be noted that businesses especially the bigger ones have an influence on people. Therefore, they are responsible for any social or environmental processes happening in their circle. If more businesses engage with CSR as not something fancy, tax avoiding strategy, or for PR campaigns but for true citizenship rights and duties maybe CSR could really be better understood better in scientific discipline and for society too. It seems that CSR is followed mostly because for its benefits but not for its core pure reasons. However, we can see that there is more hope in SMEs as they are more willing to engage with CSR not for its benefits only but also for altruistic reasons. Bigger companies mostly act as representatives of CSR because they are the ones reporting on it but they are not necessarily good at internal management of CSR as SMEs. Conversely, SMEs cannot act as representatives of CSR as they lack on corporate governance and reporting. From a customer perspective, it appears that even though customers value CSR activities of a company, they may not always particularly engage in buying behavior. Therefore, companies may consider the ways how distinctive they are with CSR communication, and what target they focus, and how CSR influences pricing strategy.

In conclusion, many definitions and characteristics of CSR was analyzed and it is clear that CSR is not only about being "a good citizen", or "doing the right thing". It is rather deeper than that, simply because of the nature of businesses and business people. As profit-seeking is the main goal in economic-driven society, CSR is just considered as an investment or strategy for companies. Sometimes, it is even used for risk management or tax reduction, or for cleaning the past sins. So, it seems that companies are more focused on benefits of CSR. However, CSR is just a responsibility that company should follow regardless anything. It is good in some ways too, because at least a lot of companies end up getting involved in it for a lot of reasons even if it is not for pure intentions of being "a good citizen".

Sustainable Business Model frameworks and practices

In the past years the “sustainable business model” term has been used vastly in literature and companies apply these models to their businesses. Most of the papers do not clearly define the theories or definitions of sustainable business. From the literature research results it is obvious that sustainable business models can have different value propositions, characteristics depending on different reasons. Boons and Lüdeke-Freund (2013) define sustainable business model within four elements of a traditional business model:

1. *The value proposition* creates either social or ecological value together with economic value. For the already existing products/services there should be a socio-ecological and economic balance between actors in production and consumption system. Those practices should be operationalized within already set practices in the business. For new businesses the balance is adjusted over the tie among new participants of the network of consumers, producers and other main actors.
2. *The supply chain* has to have suppliers who are not only responsible towards their stakeholders but also the company’s stakeholders. Therefore, a company should work with suppliers who are aware of the supply chain and do not engage in social/ecological harm in any way. Companies should collaborate with suppliers who have a sustainable supply chain management and involves in sustainable practices such as recycling, zero waste policies etc.
3. *The customer interface* promotes sustainable consumption and educate consumers about being responsible. However, the firm does not have to shift its socio-ecological burdens on customers and customer relationships should be built with providing knowledge on sustainability issues of diverse markets.
4. *The financial model* focuses on right coordination of costs and resources in the line with ecological and social incentives.

Schaltegger, Lüdeke-Freund and Hansen (2016) further define a business model for sustainability as a tool to describe, analyze, manage and communicate a business’s sustainable value proposition to the customers and all other stakeholders.

Moreover, the business model for sustainability engages with creating and delivering this value, while capturing economic value without degenerating ecological, social and economic assets beyond its operational borders. Authors also suggest that market

innovations towards sustainable development do not occur by itself and it should be the leaders who put sustainability in the core of their business. Therefore, they propose that *sustainable entrepreneurs* are the people who have sustainability-driven mission to solve the issues of unsustainability by the means of the business. By this proposal it could be understood that business can be seen as a means for sustainable leaders to solve the social or environmental issues while maintaining an impact. Furthermore, their research supports that both mass market players and niche players in any industry have the potential to create innovative business models for sustainability. In this case niche players have issues of reaching to a larger market share, while mass players have an issue of low sustainability. Obviously, both players have diverse business models and therefore, they need to engage with either creating completely new models or transforming the existing ones (see *Figure 3*).

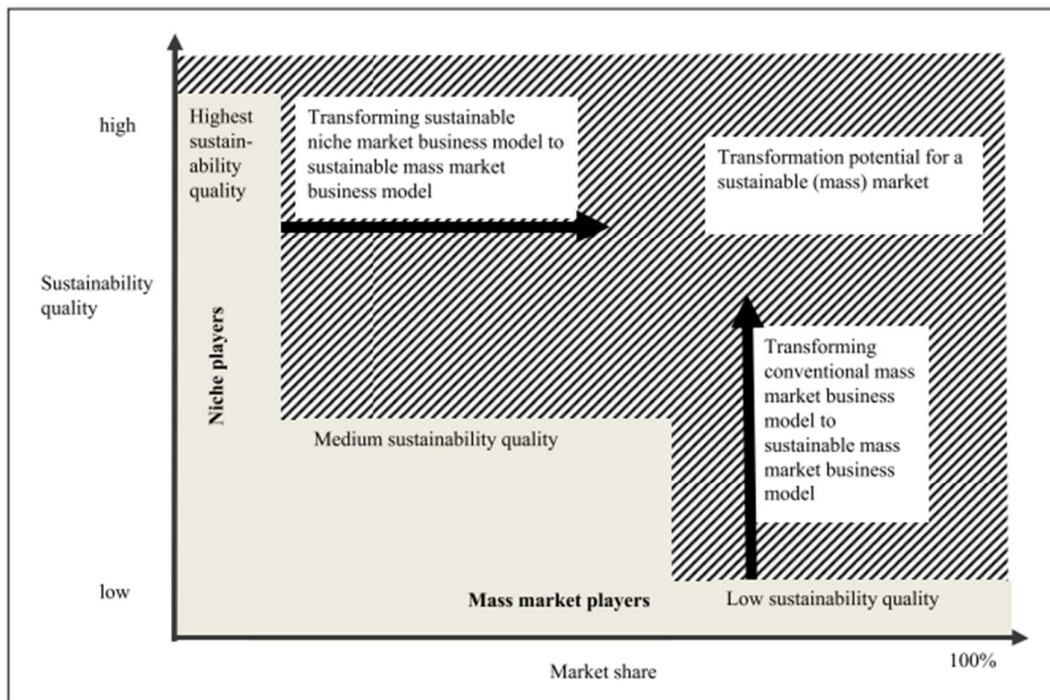


Figure 3. Directions for sustainable business model innovation (Schaltegger, Lüdeke-Freund and Hansen, 2016)

Further authors propose a framework (see *Figure 4*) called evolutionary process of sustainable entrepreneurship. The framework depicts that sustainable

entrepreneurship processes go from three stages namely, variation (business model innovation), selection (survival) and retention (diffusion onto the mass market). It also shows four business models for retention called: growth, replication, M&A, and mimicry. Simply to understand the model, we can breakdown it like this: Any new business or existing big company can have four processes towards sustainable business model. First process is called *growth* which is for business that are new and have potential to grow, and also have a need to grow. Second process is *replication* of already existing BMs, it can be due to market potential or other motivations to replicate it. In this case replication can be done by both business whether they are small or big. Third process is *integration* or mergers and acquisitions. In this case a business who is attracted by BMs can have ability to merge with it for having better potential to the mass market. Fourth process is called *imitability*, where a company can mimic already very successful player in the market and have high sustainability quality and larger market share.

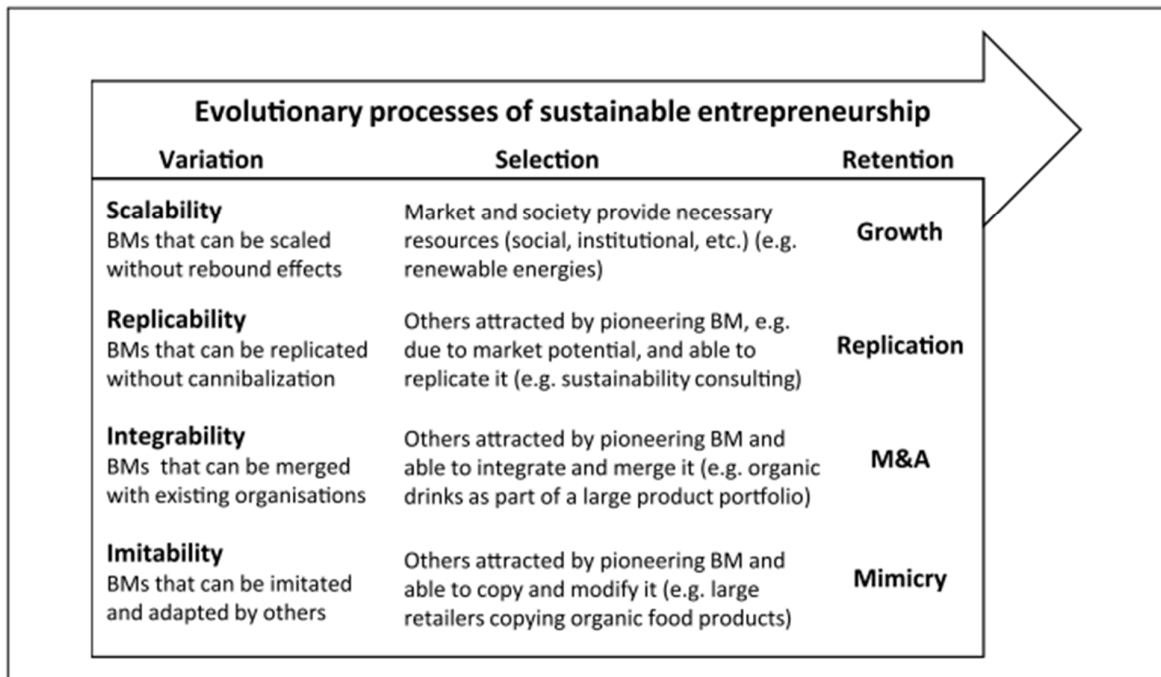


Figure 4. Analytical framework of evolutionary process of sustainable entrepreneurship process by Schaltegger, Lüdeke-Freund and Hansen (2016).

Similarly, Neumeyer and Santos (2018) studied entrepreneurial ecosystems and sustainable business models. According to the study, sustainable business ventures and their complex system can be better understood according to the social network theory.

The factors affecting sustainable business models can be at an organizational and individual level. Four types of ventures and their sustainability is categorized in the study which is: Survival, lifestyle, managed growth, aggressive/high growth ventures. As survival ventures are indicated as need-based ventures which usually lack a strategy or business model and they appear to have low or zero sustainability. While, other types of ventures and their sustainability levels will either depend on the community knowledge and preferences, or the dedication of founders/entrepreneurs. Moreover, time also matters for the social network in sustainable business models. Older ventures have better-established connections and frameworks while young ventures have the potential to international expansion because of their learning advantages. At the individual level, some factors impact the social network of the sustainable business models and their entrepreneurial ecosystems. These factors mainly are gender, race, and ethnicity. For instance, women are expected to put more effort into making sustainability values in the core of the business model of the ventures and immigrant entrepreneurs tend to connect with their community when starting their businesses.

In conclusion, the study by Neumeyer and Santos (2018) presents very important insights such can be classified as follows:

1. New sustainable ventures have to face challenges establishing their legitimacy in business networks/environments where there are strong conventional businesses.
2. The sustainability objectives serve as competitive advantage and liability for sustainable ventures. It means that businesses that have sustainability embedded in their mission or vision statements are expected to be sustainable in their business network at each step (service, manufacturing, partnerships, etc.).
3. Social connectivity is a crucial factor to understand how strong the position of the sustainable ventures in entrepreneurial ecosystems
4. Technology-based (create value from waste, maximize efficiency, etc.) and scale-up solutions sustainable business model archetypes (proposed by Bocken *et al.*, (2014)) usually are associated with aggressive/high growth ventures. While socially-oriented business models are linked with survival or lifestyle ventures.

5. Female and minority entrepreneurs can face an access gap with technology-based sustainable business ventures. However, they do not face this gap with socially focused business models.
6. Female and minority entrepreneurs are underestimated by conventional and technology-based sustainable business model ventures which can result in hindering the adoption rates of former ventures.
7. Female stakeholders can play a significant connectivity role among different parts of the entrepreneurial ecosystems. This is owing to the fact that they feel that they need to compensate for their low social status in communities to gain a position or influence.
8. Sustainable ventures work with more sustainable and resilient networks than conventional ones.

Not only social networks but the scalability and robustness of SBMs are important for a venture to operate properly. The evaluation of scalability and robustness is pretty challenging for BMfS as the firms need to find ways of connecting social and financial values in a scalable and accessible manner. However, achieving financial and sustainable objectives is real if the firm applies reinforcing feedback loops among the firm's value creation, value capture, and value network. Applying innovative business models and being successful in sustainable goals do not always promise the viability of a firm, and financial sustainability is also crucial for a long-term operation. An effective SBM generates a mutual framework for a firm between its sustainable value creation and financial contributions. So, the more firm is dedicated to bringing value to the customer the more firm is dedicated to the sustainability targets. The SBM is effective in managing trade-offs between sustainable value creation and value capturing (Täuscher and Abdelkafi, 2018).

To shift towards sustainable business, firms face some barriers as well as there are drivers to transform into a sustainable business. These key factors developed by Long, Looijen, and Blok (2018) can be summarized as below:

- Leadership- Leadership can be a burden and a driver for sustainable business model development. While pro-active leadership promotes shifting towards sustainable business, non-active leadership can affect negatively the process of building SBMs. This idea supports the study by (Schaltegger, Lüdeke-Freund, and



Hansen, 2016) that sustainable entrepreneurship or leadership is vital for firms to adopt SBMs. Proactive leadership encourages the flow of radical change within the firm which in turn creates a basis for a business model for sustainability. Proactive leaders are also found to be just, embrace diversity, be better listeners, and carry good relationships. On the other hand, non-active leaders can be a total burden for the change in firm towards sustainability. They either individually are not committed to sustainability or lack strategy and objectives towards a sustainable change at the organizational level.

- Financial profits- Having economic benefits drives the firm to change. Because it requires resources to make changes. To have sustainability goals and desires are not enough to realize the business model transformations. Therefore, lack of benefits can be a burden for the change to BMfSI.
- Levels of aspiration/fears- Having organization members with an aspiration for a change is a crucial driver towards change. It impacts the firm's level to grow and learn. It also shows in the mission and vision of the company how all the members of the firm are dedicated to learning and expanding toward a more sustainable future. Apathy or fear are barriers to change. As they prevent the member from from or express his/her ideas. This feeling can result in some cases in positive results for the change but they are rather short-term and myopic.
- External factors – The community, the environment, and all circumstances and norms surrounding it have a significant impact on a firm and its chance to change. For example, if the community is ecologically conscious this makes firms to be more sustainable. Oppositely, if a nation lacks knowledge about social or ecological issues or shows low empathy towards them, firms would unlikely to be involved in the change.
- Diagnosis/awareness- The firm needs to have a sharp vision and catch up with trends and capture market shifts and failures. In that case, they will have better chances to innovate towards a sustainable modification. Therefore, the firms need to have high awareness over the niche, market, industry, and external environment.
- Visible crisis- For firms to feel a desire or a need for a change there has to be a visible crisis present. It means that if there is market failure, businesses are more

concentrated on meeting this issue and propose a change and adapt new business models for sustainability.

Sustainable entrepreneurship (SE) can shift the culture and legitimate constraints with the industry. The more SE is involved with creating innovative business models to increase private benefit, the more it will create an opportunity for innovative SE practices to be legitimized. If the sustainable business models get successful and have better legal foundations, the cultural and normative institutions will also transfer to more innovative and dynamic solutions. This in turn will create an opportunity for more legal entities to be involved in accepting and following the transitions to sustainable innovations and business models (Gasbarro, Rizzi and Frey, 2018). If more sustainable businesses get known and have better grounding within legislative and cultural context this is creating opportunity not only for more new sustainable businesses to emerge and imitate these businesses but it also shifts the whole industry where incumbents with low sustainable business qualities have better-qualified foundations would need to consider their business model. Back to considering the idea by Schaltegger, Lüdeke-Freund and Hansen (2016) if niche business with high sustainability initiatives can get bigger market shares, the huge incumbents within the industry would also need to reconsider their business models and practices and thus adjust their business models to more innovative and sustainable ways. So, having a more qualified and grounded foundation within the legislative and cultural norms is breaking the burden for sustainable innovation which in turn can create a big impact in transformation of legal and cultural intuitions and encouraging new sustainable business models to be created.

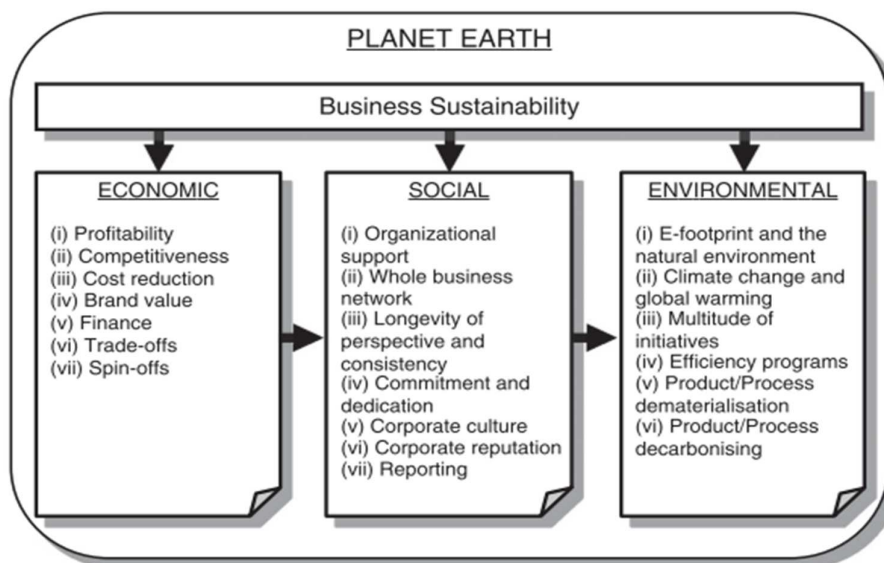
The influence of external factors on SE can also be proved by a case study conducted by Davies and Chambers (2018). According to the research the firms with sustainable business models which face tension of being a hybrid organization mainly are affected from external reasons. For example, one challenge is a price strategy perceived by customers which may be different. People sometimes just need a product for a reasonable price to consume it. Or in some cases, the problems stem from suppliers, as it is not always easy to find sustainable sources. In order not to face these issues of hybridity some firms apply structural separation where sustainable and economic initiatives are managed differently but have a relationship with each other.

Along with external factors internal factors also play a significant role in managing hybridity within businesses with sustainable business models. Several tensions that social enterprises are facing namely, workforce compositions, customer communications, value proposition, branding and commercial focus tensions are more related to inter-organizational tensions. However, if tensions arise from external or, third parties per se, it is proposed that synergy between third parties and hybrids can not only diminish the hybridity tensions but also create greater value capture. Moreover, if the commercial and societal activities or value creation processes are in a competition mode in a hybrid this more likely to increase the tensions. Therefore, differentiations in the value creation process are not good for hybrids. Customers do not only buy a product for its ethical reasons but it is bigger and deeper than that. Hybrid firms, need to consider that they have to be open when communicating their hybrid/social values to their customers. So, building a value creation process is important when it comes to facing customers' needs. Not only value creation and delivery are important for hybrids but also the work composition, experience, and expertise of the board, the commercial team is also considered crucial for hybrid businesses. It is very important finding right people to make decisions who can do right things with their experience managing hybrid enterprises. Moreover, businesses applying triple-bottom-line approach need to consider that it is impossible to manage everything, thus partnering with right people in their area of expertise can help them to ease the tensions of daily activities. So management of new partnerships and governance, can open up to new ways for innovating towards societal and commercial activities (Davies and Doherty, 2019).

The economic interests of a firm are very much influenced by social and environmental interests. Moreover, economic efforts can be the motivation for implementing social and ecological activities. Thus, business sustainability can be achieved if all three sustainability constituents are interrelated and go hand-in-hand when decisions are made in the company. The famous triple bottom line (3BL) approach therefore, explains this phenomenon how business sustainability is achieved by firms in a long-run. The issue of hybridity also can be related to 3BL as it explains how three different pillars of sustainable business making has its own advantages, disadvantages and tensions. In case of hybridity, we see examples of its creating tensions such as managing workforce, or some external factors. With that being mentioned, companies should really be sure if they really use a triple bottom line or it is a single bottom line with sprinkles of

commitments towards social and environmental issues (Norman and MacDonald, 2004). CSR or joining to sustainable related projects are not always about having 3BL approach on the business. Based upon 3BL approach three constituents of business sustainability is proposed by Svensson and Wagner (2015), namely economic, social and environmental. Profitability or financial viability is an economic sustainability but it does not mean that the firms' sustainability is mainly focused on this when it comes to 3BL. A business has to make profit as expected and this is a basic common sense. The competitiveness, managing trade-offs, the corporate brand, cost reductions are the factors that shape economic sustainability. When it comes to social sustainability, it should be noted that the board and leadership support is very impactful. Therefore, organizational support within the firm is important indicator of social sustainability. Moreover, having firm dedications and a long-term vision with the consistent perspectives are also factors modeling the social side of sustainability. The environmental factors that include carbon footprints, climate change and global warming standards, efficiency improvement programs, waste management are considered to be the ways of managing environmental sustainability.

Figure 5. Constituents of business sustainability by *Svensson and Wagner (2015)*



It is argued that in the economics and business literature put more attention into the economic and environmental dimensions of the corporate performance of the firms. While resource-based-view focused more on economic elements, natural resource-based-view put more emphasis on environmental elements. This in turn lead to underestimation of social elements. Therefore, there is a gap between all elements of 3BL. However, there is a relationship between all three elements, particularly economic elements have significant effect on social elements. At the same time social aspects has also plays a role on environmental aspects (Svensson *et al.*, 2018).

Conversely, one study reveals that companies are engaged with sustainable practices mostly for social reasons. However, it should be noted that this data can vary from country to country. A study in Norwegian companies show that they are engaged with sustainable practices because of economic and environmental reasons. Yet, in Spain companies prioritize social practices. Moreover, this study also exposes that 80 % of sustainability professionals believe that economic, social and environmental practices should be dealt simultaneously (Padin *et al.*, 2016).

Tate and Bals (2018) propose a framework for social resource-based view (SRBV) arguing that social commitments and consistency of leaders/entrepreneurs are main driving force of making sustainable businesses. SRVB involves greater stakeholder network than other forms of RBV. Moreover, having social capabilities is the prerequisite to create 3BL value, meaning that companies would hardly achieve other sustainability practices without focusing on social ones.

*Table II A social resource-based view (Tate and Bals, 2018)*

Strategic capability	Social driving force	Key resource	Shared TBL value creation
Mission-driven approach (at both inception and over time)	Maximize social and environmental benefits while breaking even and becoming profitable to perpetuate business model	Entrepreneur/founding team vision/mission (at inception) and follow through over time	E.g., Create jobs, improve health, protect/improve environment, be financially viable
Stakeholder management	Maximize support in terms of products, information, and funds from a broad stakeholder base	Stakeholder network's inputs (products, information, and finance)	Broaden scope of value creation and scale up more quickly

It should be noted that stakeholder involvement cannot only be treated as a driving force or a resource for businesses but it also creates a greater value for the business

model. In this sense, stakeholders are not only customers but greater group of individuals whom the company should focus on. The stakeholder relationships promise a joint value creation process, where both internal and external stakeholders are involved. These relationships are in fact mutual and business would not be able to obtain key resources or build partnerships and in some cases gain its legitimacy if these relationships are not reciprocal. It means that businesses create value for and with diverse stakeholders. Previous mentioned frameworks such as sustainable entrepreneurship and SRBV addresses the role of different stakeholders in different levels of value creation and capturing process, stakeholder theory perspectives put a different light on this process. According to Freudenreich, Lüdeke-Freund and Schaltegger (2020) a stakeholder theory perspective “entails considering with and for whom value is created, what constitutes value in each stakeholder relationship and how it is created”. The framework proposed explains how five different type of stakeholders mutually create a value for a joint purpose. Framework also gives four propositions which sheds a new light on studying sustainable business models:

1. All stakeholders within the business are engaged with sustainability issues for value creation processes
2. All stakeholders aim and contribute to one joint purpose which is to achieve sustainable development
3. A sustainable business model is aligned with stakeholder interest towards sustainable development, namely social, environmental and economic values are received by stakeholders.
4. Business models for sustainability explicitly explains an integrated theory of value creation process with and for stakeholders.

Thus, stakeholder perspective explains value creation process within stakeholders and how the work flow between the stakeholders creates sustainability. In previous approaches such as 3BL we examine how businesses engage with social, ecological and environmental sustainability issues without explicitly mentioning the role of different stakeholders and their impact. On the other hand, sustainable entrepreneurship is mostly focused on how leaders and entrepreneurs are key for creating sustainable value, while stakeholder theory extends the idea of stakeholders’ role in achieving a sustainable joint goal. It explains how different stakeholders can have impact while also

receive a value meaning that, the sustainable value creation is completely internally and externally related and a mutual process. Again, this extends idea that sustainable development is a joint goal that not only businesses or customers can have, but rather every individual or groups of people have an impact in a business level. In a business world sustainability issues are understood only within business relationships. Conversely, stakeholder theory propose that actually sustainable value is gained when mutual stakeholder relationships happen and not only within the business-making boundaries.

SBMs significantly deals with identifying the stakeholder needs and getting desired amount of knowledge to create and capture value for the well-being and commitment for the community and environment. If an enterprise cannot help with meeting needs of different stakeholders and cannot provide a value for them it results in a market failure. Therefore, broad literature on stakeholder theory focuses on added value that entity creates for itself and most importantly for the greater population. It also relates with intangible value creation process and internal relationships that causes an impact in the nature of business culture. Over the last decades, a lot of research focused on network theory and cooperatives as a way of meeting social needs of diverse communities. The social cooperatives within different business sectors and geography have resulted in very positive outcomes in terms of creating value for different stakeholders with diverse backgrounds. Not only they created opportunity for different people but they also present a platform for social innovation. One study shows that about 138 thousand milk producers in dairy sector of Poland are shareholders of cooperatives. This is a significant number and it shows how cooperatives can be transformative and actually remain sustainable and competitive. The SBM model developed by Fiore *et al.* (2020) for dairy cooperatives show how value chain within internal and external stakeholders results in triple value and also play a role in creating social innovation (see Figure 6 Components of an SBM for cooperatives). Not only cooperatives play role in creating value for itself but it also creates a value for its internal and external actors by also involving them. Moreover, the cooperatives are able to generate social innovations to consumers and vice versa. Social innovation does not only play a role in meeting the market needs but it also impacts the business model frameworks. These relationships, therefore, create a social profit for local entities, while also creating environmental profit with external actors which in turn leads to economic profit.

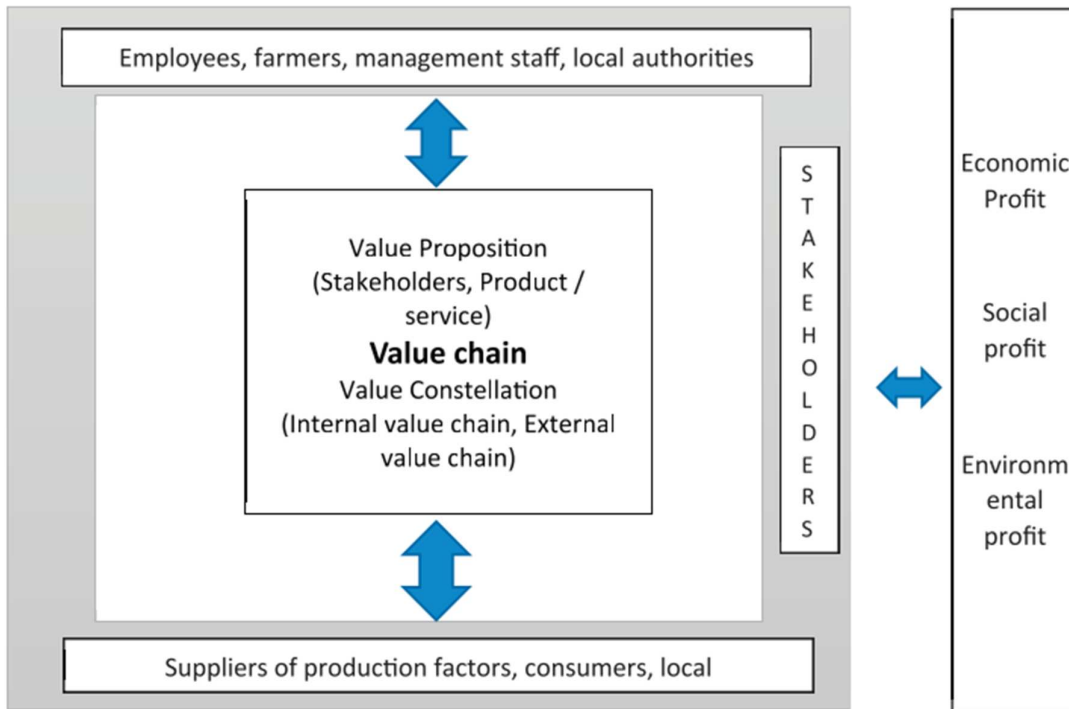


Figure 6 Components of an SBM for cooperatives

As Fiore *et al.* (2020) indicate in their research, the adoption of successful SBM is a result of communication between various stakeholders at different levels. As in the example of dairy cooperatives in Poland, it is evidenced that the involvement of each actor in every level of operation is crucial and cooperation between stakeholders is the basis of the cooperatives.

This research once again proves that SBM can be implemented if only there is a strong alignment between internal and external stakeholders. Not just it is important to have sustainable resources whether they are social, economic, or environmental, but coordinating the relationships and building a network is also one important point that one must not forget about SBM research. Without proper communication, the company is very much prone to face a market failure because it cannot accommodate the sustainable business model that can please triple the goals of the sustainable businesses. Therefore, stakeholder theory puts a different light on the SBM research agenda and explains things, not from resource or actors-based views but more about relationships and the role of communication and alignment.



It should be noted that the implementation of social initiatives does not have a direct or automatic effect on financial viability. However, in the long run, it results in better outcomes. Moreover, as stated previously integrating social initiatives results in creativity and innovation process. These in turn lead to implementing new strategies which keep companies up-to-date and competitive. Also, it does not mean having social aims can lead to financial recovery or discontinuity. But in the long-term, it can have a positive effect on the company (Rotondo, Corsi, and Giovanelli, 2019).

From the literature, we can assume several things about social side of sustainable business models. Despite it is discussed that SBMs mostly deals with meeting social or economic needs they first and foremost are a framework or a strategy for the business thus they still mainly focus on economic values too. This is owing to the fact that the business deals with economic sustainability while government or specific NGOs deal with social or environmental practices. Therefore, a lot of research complements social or environmental strategies or tactics as something complementary to those economic initiatives. However, it should not mean that SBM is something that is all about economic value creation process. As obvious governments or NGOs cannot always deal with social welfare. Therefore, a lot of countries especially in Europe formed legal representations for social businesses. These businesses are fresh and face a lot of issues remaining sustainable. Their hybrid role creates a lot of barriers, while also in some cases become an opportunity for them. Some theories such as stakeholder theory, shared economy, social resource-based-view, sustainable entrepreneurship give academia more room to research and find out ways of becoming a successful business with social goals. We find out that social business can vastly vary from each other depending on diverse reasons and scenarios. In some cases, social businesses are formed as need-based ventures or they are mimic mainstream social businesses in the industry. This, in turn, lead to diverse problems, however it also created opportunity for them to break into bigger markets and meet social needs of diverse communities. However, it should be noted that businesses who aim to meet social needs or create social value should be very specific and resilient with their network. If a business pursues to be socially influential it should choose every partner, suppliers or any other actors with attention so it really makes sure sustainability is aimed in every level of production or service system. Internal and external actors of the organization have to be aligned with their activities to reach a joint

goal of sustainability. The cooperative actions and encouraging sustainability and demand may lead to transformative business models in any industry.

## Social Entrepreneurship

Following principles of civic commitment and volunteerism, the understanding of social entrepreneurship has been gaining global importance in our modern era. There has been a high level of development in the field of social entrepreneurship in recent years. There has been a significant amount of attention towards social entrepreneurship from various business fields. There are different definitions of social entrepreneurship. I would define social entrepreneurship in this way: Social entrepreneurship is doing business for not only profit but for social change. There is a combination of commerce and social issues, which serves to the improvement of people who are connected to social issues. On the other hand, some scholars claim that people or organizations who aim to bring social change via the usage of government funds and grants are also social entrepreneurs. There are some examples of social entrepreneurs mentioned below.

The Skoll Foundation in North America is one of the examples of social enterprise. Established by Jeff Skoll, the first leader of eBay, the Skoll Foundation upholds the social undertakings and features their work by setting up their associations with Sundance Institute and NewsHour with Jim Lehrer. NIKA Water Company is another social venture in America. The organization sells filtered water in the country and carries clean water to the improving world with its benefits. It utilizes its 100% benefit in the social projects. The popularity of social entrepreneurship began in the 1960s. There might be various guidelines and principles for social entrepreneurship throughout the planet yet their fundamental idea stays as before. Their definitive point is to serve individuals of the general public who are at the lower part of the pyramid. In Bangladesh, Muhammad Yunus fused the Grameen Bank, a microfinance association that makes little credits to individuals living in country regions without requiring a guarantee. The bank doesn't trust in charity yet in offering assistance to individuals as an activity to get through the poverty cycle. Another example is Echoing Green, situated in New York, which is a non-benefit association that works in social sector investment. For the most recent twenty years, it has been working in this field empowering and assisting youthful entrepreneurs with dispatching new associations. One of the best examples is Rang De, which is not

characterized as a profit online association in India that lends a small number of loans to people intending to begin a new business or develop their current ones. It is an effective endeavor to unite the two pieces of India one of which is effectively advancing while one is left out because of deficiency of assets. Established in the year 2006 by Ramakrishna NK and Smita Ram, Rang De, today is a significant online platform in the country. Another sample is Schwab Foundation for Social Entrepreneurship, which was established by Professor Klaus Schwab and his spouse, the fundamental reason for Schwab Foundation for Social Entrepreneurship is to advance social innovation. The establishment doesn't give allows yet addresses social issues and gives stages at the national, worldwide, and regional levels. Another example is Omidyar Network, which was set up in 2004, the Omidyar Network is a philanthropic-capitalist venture firm that cultivates financial headway. With an organization of revenue-driven organizations, the organization supports investment in the zones of government straightforwardness, microfinance, web-based media, and property rights. Settled in Redwood City, California, it was set up by Pierre Omidyar and his spouse, Pam. There are not only organizations but individuals who realize projects for sake of societies. I want to clarify the identity of social entrepreneurs and provide some samples in the study.

Entrepreneurs are individuals who invest in new fields principally intending to make benefits out of something very similar. Entrepreneurs are socially responsible people and have the commitment of adding to the prosperity of the general public wherein they work; yet this commitment is auxiliary. In social entrepreneurship, this obligation of commitment to social prosperity is essential and, in a manner, benefit takes a rearward sitting arrangement or is pretty much auxiliary however fundamental for the survival.

A social entrepreneur is someone who takes up a squeezing social issue and meets it with an inventive or way-breaking arrangement. Since benefit-making is an auxiliary target, along these lines they are individuals who are enthusiastic and decided about what they do. They have an undeniable degree of inspiration and are visionaries who target achieving an adjustment in the state of affairs.

By definition, social entrepreneurs are incredible individual selection representatives who present their thoughts or arrangements such that numerous individuals, who are either a contributor to the issue or encompassing it, perceive a requirement for change

and get installed the change temporary fad. In this manner assembling the majority for achieving change is a sign of a social entrepreneur.

Social entrepreneurs work with the point of changing the essence of society. Be it wellbeing, sterilization, education, they are available all over. There are individuals even who work on achieving change in the advanced developments because their effect has been hindering human existence. They in this way run after improving frameworks, making new arrangements, setting down reasonable practices. A portion of the exceptionally renowned individuals who motivate others to take up social entrepreneurship are:

One of the well-known people in social entrepreneurship is Susan B Anthony who was the Co-Founder of the first women's temperance movement and an unmistakable American social equality pioneer for women's privileges in the nineteenth century. Another famous person in social entrepreneurship is Vinobha Bhave who is a noticeable figure in Indian current history and was the organizer and head of the Land blessing development that redistributed land to untouchables. Another exam is Maria Montessori who is a pioneer in educational projects. Built-up the Montessori way to deal with early training in youngsters. Another example is Florence Nightingale who established the framework for the main school of nurses and attempted to improve the emergency clinic conditions. Last but not least Margaret Sanger was the author and Leader of the arranged parenthood league of America, supported the family arranging framework throughout the planet.

These are instances of certain individuals who battled for what they had faith in and achieved different levels of progress in their particular circles of work. Social entrepreneurship has seen a blast in the previous few years with an ever-increasing number of individuals getting pulled into it. There is currently a solid rivalry and elite alumni are surrendering worthwhile responsibilities to work and contribute in significant manners towards the general public. As Bill Drayton would say it appropriately 'Social entrepreneurs are not substance just to give a fish or instruct how to fish. They won't rest until they have altered the whole fishing industry.' Such is the energy and the responsibility needed to be known as a social entrepreneur that it may not be misuse to say that it is really difficult than conventional entrepreneurs. Giving

information regarding the history of social entrepreneurship can increase the significance of the study.

Social entrepreneurship is a sort of business venture activity that targets taking up a social issue for achieving a change in something very similar. The individual who responds to the call is known as a social entrepreneur and he/she utilizes the rule of social entrepreneurship intending to make social capital and not being benefit-focused.

The point of social entrepreneurship is to advance the reason for social and ecological objectives that have an effect in either in the present or the occasions to come. Such business visionaries are by and large a piece of or related here and there for certain philanthropic associations (NGOs). Even though benefit-making is likewise part of this idea yet it may not be the sole reason for the association.

Andrew Mawson worked broadly upon the idea of social entrepreneurship and stretched out something very similar to achieve change locally structure. He additionally established the framework of the Bow community in east London. For this, he was given upon the peerage of Lord Mawson and he works for creating associations for recovery work started by him.

Social entrepreneurship is generally another term. It came in to see only a couple many years prior. Yet, its utilization can be found since the commencement. Indeed, there were a few entrepreneurs who set up social ventures to dispose of social issues or get positive change the general public. Vinoba Bhave, the originator of India's Land Gift Movement, Robert Owen, the author of cooperative movement and Florence Nightingale, organizer of first nursing school and designer of current nursing practices may be remembered for this classification. They had set up such establishments and associations in nineteenth-century that is much before the idea of Social Entrepreneurship was utilized in administration.

There were entrepreneurs during nineteenth and twentieth hundred of years who put forth attempts to annihilate social disasters. Aside from this, some numerous societies and associations work for children's rights, women strengthening, save the climate, save trees, treatment of byproducts, and so on. Aside from tending to the social issues, social business likewise incorporates acknowledgment and tending to the natural issues and monetary issues for countryside and metropolitan poor.

Nowadays, the idea of social entrepreneurship has been broadly utilized and that too in various structures. The foundation of Grameen Bank by Muhammad Yunus, Ashoka: The Innovators for the Public by Bill Drayton, Youth United by Jyotindra Nath, Rand De by Ramakrishna and Smita Ram, SKS Microfinance by Vikram Akula and Roozi.com by Nick Reder, Brent Freeman and Norma La Rosa has advocated the term.

Truth be told, all huge brands and organizations are embracing the idea of social entrepreneurship and attempting to address the issues in our general public by opening schools in distant, instructing ladies for family arranging, making it feasible for ranchers and helpless people to get to low intrigue credits, setting up plants for squander treatment, planting trees and practicing environmental safety. The idea of Social Entrepreneurship has likewise been incorporated as a different part of the board courses. Indeed, even youth is likewise anticipating chipping in their administrations and splendid plans to bring a social change through social entrepreneurship. It is worthy to note the legal aspects of social entrepreneurship.

16 EU countries have adopted new legislation regarding social entrepreneurship and 11 EU countries have established specific policies for the development of the social entrepreneurship. In 2015, "Lithuanian Ministry of Economy adopted the Concept of the Social Entrepreneurship, which targets to define the main principles of the social entrepreneurship, identify the problematic areas and determine general tasks to foster the development of the social entrepreneurship. The document doesn't define any specific legal form of the social enterprise yet, but it aims to evaluate the best practices of other European countries in legislation of the social entrepreneurship. It is one of the best steps by the Lithuanian government regarding social entrepreneurship (Lavišius, 2016). The identification of problematic areas, definition of main principles, and determination of primary tasks of Lithuanian government can significantly improve the concept of social entrepreneurship not only in the country, but in whole EU. According to article written by Lavišius (2016), there are countries such as France, Greece, Italy, and Poland, which have adapted the cooperative legal form of social entrepreneurship. The legislation of mentioned countries has taken into account the "specific characteristics of social enterprises." On the other hand, there are some countries such as Portugal and Spain, which "recognize social cooperatives in their existing legal form covering cooperatives in general. (Lavišius, 2016)". All in all, the countries differ in

accordance with their attitude towards legal status of social entrepreneurship in EU, but the overall trend supports the concepts, and the countries attempt to improve the concept and give a floor in their governance and legislations.

There is a well-prepared study done by Tanvi Gandhi and Rishav Raina in 2018, naming Social entrepreneurship: the need, relevance, facets, and constraints, illustrates the understanding, importance, and limits of social entrepreneurship. By the article, social entrepreneurship is gaining importance every day, and the concept becomes a focal point in today's business. According to authors, "the dominant factor for the rise of social entrepreneurship is the societal pressure that is forcing humans to do something for the society and its present-day affairs at large but at the same time having a monetary gain factor to it that can make them survive in this world as well (Gandhi and Raina, 2018)". Societal pressure is one of the key factors which force entrepreneurs to increase the market size of social entrepreneurship since traditional entrepreneurship has a downward trend. In more detail, not only companies but individuals also want to bring benefit to society, and the companies and individuals give some portion of their earnings to the sake of society. For these reasons, the companies realize social projects aiming to bring social change to society and make profits simultaneously. I would call it mutual interest from the perspectives of companies and individuals in the societies. Companies themselves need these social changes in the long run. The authors continue to claim that "nonetheless, these two practices above have their restrictions due to the crucial emphasis on either profit maximization or social value only. Now the main question which drills down is to accomplish the social mission and gather financial sustainability simultaneously which has stirred researchers and entrepreneurs to explore further in this field. In the times of this increasingly prevailing chaos, social entrepreneurship comes to the rescue (Gandhi and Raina, 2018)." Social entrepreneurship becomes a vital tool for social changes in societies and sole way of profit maximization. In my point of view, the societies and nations will solely give a floor for companies which realize projects aiming to bring social change and make profit in this way. Companies that solely think of profit maximization will not be a part of business world in the near future. One of the reasons for this scenario is worsening conditions of the environment every passing day. According to the writers, "in today's times when environmental problems are one of the major global concerns hovering over the earth, environmental entrepreneurship can be seen as a subcategory of sustainable

entrepreneurship which in turn is a subcategory of social entrepreneurship (Gandhi and Raina, 2018).” Environmentally-friendly companies will be capable to realize projects shortly. In my opinion, the companies which give a huge amount of damage to environment will be given restrictions or left out the business world. Minimization of carbon in the industries is one key global goal of today’s business leaders. In this sense, I would like to define social entrepreneurs. “Social entrepreneurs are leaders who need or possess two types of skills namely, the ability to channelize varied stakeholder communities and long-term adaptive skills and respond to changing circumstances (Gandhi and Raina, 2018).” From the definition, social entrepreneurs need to have to create common floor for different stakeholders and observe and reflect to changing circumstances in modern business field. In the long-run, social entrepreneurs need to be ready for changing realities such as social entrepreneurship. In order to survive in tomorrow’s business, preserving equilibrium is a crucial skill. It is also important to understand the idea of social enterprise. According to the article, “a SE is an institute that trades the private gain and also generates positive social and environmental consequences. There are ample definitions of SE which also reflect different regional differences. For example, in the US, SE addresses the market-based approaches to income generation and social change, whereas in Europe, SE is located in the cooperative tradition of collective social action. The UK derives from both backgrounds implying that SE is chiefly a business strategy with social objectives whose profits can be reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners.” In different regions of the world, SE is defined differently, but the common point is that SE needs to serve for a social change in the society, and business gain is also inevitable for the survival of business and realization of future projects.

Figure 7 summarizes the nature of social entrepreneurship and how it differentiates from other kinds of ventures.



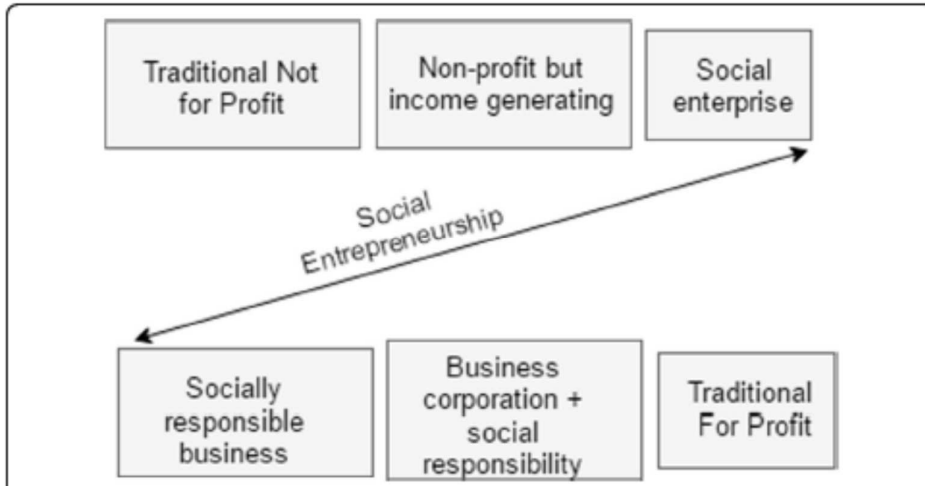


Figure 7 Venture types by Gandhi and Raina (2018)

When I look at the figure, social outcomes and impacts take the utmost importance position in the process. The basic different points of social entrepreneurship are:

- 1) Social entrepreneurship serves for societal change at the utmost level.
- 2) Social entrepreneurship also creates revenue for the realization of future projects and survival in current business circumstances.

All in all, I can say that social entrepreneurship is a kind of traditional venture since it seeks for the creation of revenue. On the other hand, social entrepreneurship is not a kind of traditional venture since the primary goal of social entrepreneurship is to bring social change into society.

The study gives more information regarding the distinctive features of social entrepreneurship. According to Tanvi Gandhi and Rishav Raina (2018), there are differences in social entrepreneurship from other types of ventures.

1. Strategy- In social entrepreneurship, the strategy followed is cooperative rather than competitive owing to the social mission of entrepreneurs, poor working capital, and market orientation.
2. Financing- Funding for business enterprises is accomplished through the issuance of ownership shares - stocks or incurrence of long-term debts - bonds or short-term debt - loans. These sources can be used by for-profit SE ventures to

raise funds and the not-for-profit SE ventures can also borrow funds or accept donations by charging admission, sales, or rental. Thus, the difference in funding between for-profit and not-for-profit social organizations lies in the peculiarity between investors and donors.

3. Market- Business entrepreneurs function in a marketing environment where the supply and demand indirectly influence the price and quantity of the product sold or service rendered. On the other hand, a social entrepreneur marketing environment usually implies that the costs are not fully covered by the revenue.
4. Governance- Business entrepreneurship is administered by a Board of Directors accountable to the owners and the stakeholders. Non-profit social entrepreneurship ventures have the possibility of a different governance structure. They can form a subsidiary organization managed by a business enterprise board if they want to run a part of their enterprise for profit.
5. Market failure- One theory articulated behind the existence of social purpose organizations is that they emerge when there is a social-market failure, i.e., the commercial market forces do not fulfill a social need, such as in the case of public goods or contract failure. This can be due to the incapability of those needing the services to pay for them. A problem for the commercial entrepreneur is an opportunity for the social entrepreneur.
6. Mission- The essential purpose of social entrepreneurship is creating social value for the greater public good whereas commercial entrepreneurship targets creating profitable operations resulting in a private gain. This contrast is fairly overstated. Commercial entrepreneurship does benefit society in the form of new and valuable goods, services, and jobs and can have transformative social impacts. Nevertheless, the basic differences in purpose and reward can still be useful for comparative analysis.
7. Resource mobilization- The non-distributive restriction on surpluses generated by non-profit organizations and the embedded social purpose of for-profit or hybrid forms of social enterprises confines social entrepreneurs from entering into the same capital markets as commercial entrepreneurs. Also, the finances of

a social entrepreneurial venture often make it challenging to recompense staff as competitively as in commercial markets.

8. Performance measurement- The social aim of the social entrepreneur endures greater challenges for measuring performance than the traditional entrepreneur who can count on relatively tangible and quantifiable measures of performance such as financial indicators, market share, customer satisfaction, and quality. Furthermore, the various financial and nonfinancial stakeholders to whom a social entrepreneurial firm are accountable to are greater in number and more diverse thereby causing more complexity in managing these relationships (Gandhi and Raina, 2018).

The Figure 8 illustrates different kinds of ventures and balance between the social and the managerial logic. There are different assumptions about social entrepreneurship. Some people view social entrepreneurship as non-profit ventures, while others view social entrepreneurship as business people run their business while contribute to society. When I look at the Figure 8, the main goal of social entrepreneurship is to create high social impact and the bottom pillar is to create profit. Ventures which have social purpose suffer from resource deficient. Venture which has social consequences are preferred ventures. Traditional ventures can easily attract resources. Non-profit enterprises can create problems for social entrepreneurship.

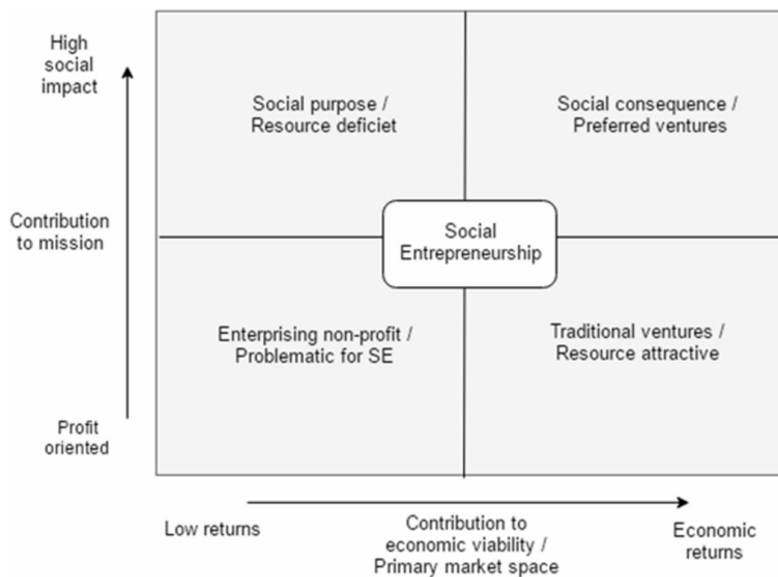


Figure 8 Types of ventures and balance between the social and the managerial logic (Gandhi and Raina, 2018)

Another well-prepared study done by Daud-Fhiri *et al.* (2018) naming, the Discussion of Social Entrepreneurship: Review of the Literature, illustrates the concept of social entrepreneurship. The study was conducted in 2018. The primary goal of the study is to make comparison between commercial entrepreneurship and social entrepreneurship via usage of prevailing analytical model from commercial entrepreneurship. The main differences and similarities between commercial and social entrepreneurship have been analyzed. Moreover, the study also highlights the framework regarding effective method of social entrepreneurship process. According to the writers “commercial entrepreneurship is important in the growth of the business sector as well as a driving force behind the brisk expansion of the social sector. In addition, commercial entrepreneurship is also becoming an important factor in the development and good of societies, this is supported by most academics and economists. Besides that, commercial entrepreneurship is considered to be an important mechanism for economic development through employment, innovation and welfare effects (Daud-Fhiri *et al.*, 2018).” Commercial entrepreneurship are characterized as important factor in business growth and vital component in improvement of societies. Moreover, commercial entrepreneurship is classified as important mechanism in the improvement of employment, innovation and welfare effects by the authors. On the other hand, the authors claim that “social entrepreneurship as a field that mixes economic and social value creation has a long legacy and a global company. The global effort of Ashoka, founded by Bill Drayton in 1980, to provide seed funding for entrepreneurs with a social vision. Consideration of the role of social vision in the social entrepreneurship movement requires an understanding of the concept. However, there has been some debate about the definition of social entrepreneurship (Daud-Fhiri *et al.*, 2018).” The authors try to explain that social entrepreneurship is a kind of mix of economic and social value, and the impact of social entrepreneurship will be significant in the long-run. Social vision is an important factor in social entrepreneurship. The basic difference between social and commercial entrepreneurship is explained in this form. “Social entrepreneurs are defined by Ashoka as those who act as the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches, and creating solutions to change society for the better. While a business entrepreneur might create entirely new industries, a social entrepreneur comes up with new solutions to social problems and then implements them on a large scale (Daud-Fhiri *et al.*, 2018).”

Commercial entrepreneurship seeks for economic development and revenue creation while social entrepreneurship seeks for sustainable solution for an existing problem in the society. The results of the study illustrate that social entrepreneurship is crucial to communities in social needs. Moreover, the primary goal of social entrepreneurship is social value, not business profit. Regarding social value, participants in the process of social entrepreneurship created social value, but social value is enjoyed by society as a whole.

Another well-prepared study done by Mohammed and Abdulmelike (2017) illustrates controversial topics regarding definition, legitimation, and school of thoughts under the social entrepreneurship in Ethiopia. There are rooms for development of social entrepreneurship in Ethiopia. The author suggests law makers need to revise existing legal forms of social enterprises. There is also need for scholars to work on improvement of insufficient research regarding the topic. Moreover, the scholarly people need to integrate the understanding of social entrepreneurship in business education literature. Entrepreneurship is a precise cycle of applying inventiveness and advancement to requirements and openings in the commercial center. It includes applying centered systems to groundbreaking thoughts and new experiences to make an item or a help that fulfills clients' requirements or tackle their issues. Social entrepreneurship, thus, originates from the business venture idea to suggest the creative use and mix of assets to use chances to work with and additionally address social change. While tending to and working with change inside the general public, social entrepreneurship exercises can emphatically impact the financial development and social improvement of the general public through lessening neediness and improving huge scope financial turn of events. The impact of social entrepreneurship movement is at miniature level and it doesn't have incredible sway on destitution decrease. The utilization of the term social entrepreneurship is acquiring expanded ubiquity on the planet when all is said in done and in Ethiopia in explicit. In Ethiopia various activities have arisen corresponding to the foundation of social business lately. The results of the study suggest that social entrepreneurship is a developing field that has made discussion among researchers as it returns both revenue driven business and social worth idea. Notwithstanding its disputable nature, giving a brought together definition and system for the idea has been the test. In this manner, specialists should chip away at conceptualizing social entrepreneurship also, giving sound frameworks. Regarding the

social entrepreneurship ways of thinking, social enterprise and social innovation schools were examined in the study. Social enterprise school depends on acquired pay procedure while the social innovation school centers around building up new and better approaches to address social issues or deal with social issues. Regardless of the philosophical contrasts between the two schools, social enterprises need not to focus on their benefit objective over the social goal. Moreover, numerous creators propose that joining, instead of rivalry, between these two points of view, will improve the general field of social entrepreneurship. Legitimacy is additionally another issue of interest in this study. In various nations of the world like United Kingdom, United States of America and Italy there is another authoritative document intended for social ventures however in Ethiopia there is no authoritative document in which social enterprises get authorized. Consequently, legislators in Ethiopia need to consider the exceptional element of social ventures and it is better on the off chance that they overhaul the current authoritative documents of associations. At last, the academicians and professionals in Ethiopia need to work on building up the scant exploration on social ventures just as incorporating the idea of social entrepreneurship in business literature.

Another important article written by Lilian Tauber in 2019 naming, *Beyond Homogeneity: Redefining Social Entrepreneurship in Authoritarian Contexts*, illustrates the understanding of social entrepreneurship and its role in civil society in the case of authoritarian regimes in developing countries. By considering Jordan as a case study, the study shows two kinds of social enterprises. They are structural transformation-based social enterprises and product- and service-oriented social enterprises. Social entrepreneurship, as a subfield of business venture, is multi-layered yet can be momentarily characterized as the use of strategic policies to accomplish fundamentally social goals. The article investigates the components prompting the accomplishment of social entrepreneurship in agricultural nations under tyrant rule, with a particular spotlight on the Middle East and the Kingdom of Jordan as a contextual analysis. In this manner, the article recognizes two distinct kinds of social ventures and examines their varying methodologies, and different components, that impact their capacity to act naturally feasible. Past investigations of social entrepreneurship in the Middle East expect excessively comprehensive meanings of the idea, owing incompletely to the way that the actual idea stays open to numerous interpretations. Despite this, unfamiliar actors subsidizing social venture in the locale appear to receive one indistinct, and

implicit, definition: that a social enterprise is a little, versatile business that will prompt monetary strengthening and political support in the objective populace. Accordingly, social ventures ought to act naturally practical; some, in any case, are definitely not. Hence, the social business scene in the Middle East is more mind boggling than unfamiliar actors trust it to be. This article expects to give a more nuanced comprehension of social business and its capacity, with a specific spotlight on its part in Jordan's affable society. This is on the grounds that administration control confines a lot of common society's endeavors in this locale, and social business is viewed as a suitable option in contrast to common society associations. In this manner, foreign governments and global associations put resources into social business venture in Jordan with the end goal of boosting its capacity to go about as a specialist for provincial dependability. The results of the study illustrate that Jordan's social business visionaries are socio-monetarily and topographically different and contain people of fluctuating ages from Jordan's significant urban communities. Social business visionaries are likewise instructively different, going from a stranded evacuee of Palestinian plunge who exited school in the eighth grade to an Amani from a privileged family with a doctoral certificate. Their drives are similarly differed as they address issues in the public arena in regards to race, class, destitution, sex balance, training, displaced people and country networks; natural issues, particularly as identified with water, wellbeing, and disinfection; and politically-related themes like administrative responsibility, handling defilement, discourse among residents, and general community cooperation. Their shared characteristic is a longing to offer a social assistance to their local area also, country. In Jordan, there are two sorts of social ventures, recognized principally by their destinations and capacity. Structural transformation-based social enterprises (STSEs) center around tending to underlying social issues and depend on social capital to be prosperous. Product- and service-oriented social enterprises (PSSEs), then again, give explicit products or services to address a specific social need and will in general depend on outer grants and loans. The differentiation between the two kinds is vital for a far-reaching comprehension of social business venture's arising part in an agricultural nation what's more, in a tyrant setting.

Another important study done by Peredo and McLean (2006) illustrates the critical examination of social entrepreneurship. The study makes a detailed examination of social goals and principal components of entrepreneurship. In accordance with the

article, the idea of social entrepreneurship has gotten grounded in the literature used to discuss business. Mainstream just as academic books and articles are expounded on the qualities of associations thought to be cases of social business. It holds a spot in the educational plan of driving business colleges, and it is the subject of various expert and scholarly gatherings. There are affiliations committed to examining and carrying out social entrepreneurship, and there are various sites on which one may get familiar with the idea and get data as well as counsel on placing into it practice. There are even uncommon releases of noticeable business diaries, similar to this one, devoted to the domain of social entrepreneurship. Any individual who tests this variety of material might be left pondering precisely what social entrepreneurship is. Is it simply the utilization of sound strategic policies to the activity of non-benefit associations as some appear to propose, or is it an all the more fundamentally unique way to deal with the matter of doing great? It is said that social business is arising as an imaginative methodology for managing complex social necessities, particularly notwithstanding lessening public financing. Would could it be that makes this methodology so encouraging? Without a doubt part of deciding whether it truly is promising lays on getting what the wonder is. Reporters, both academic and famous, and supporters of each sort, comprehend it in an assortment of ways. The idea should be explained just to offer those remarks and that backing coherent. There are other and commonsense purposes behind needing to be clear about what establishes social business. For a certain something, social business venture may call for very various principles of assessment when contrasted and standard types of business venture. Second, if there is motivation to accept that social entrepreneurship is a promising instrument for tending to social necessities, it might call for added support as enactment and different kinds of social strategy. Third, it likely could be that the blend of aptitudes and abilities fitting to effective quest for social entrepreneurship contrasts in huge manners from the blend pertinent to achievement in business without the social segment. This study doesn't endeavor to settle any of these significant issues, which plainly highlight further exploration questions. It is, notwithstanding, intended to fulfill an important state of tending to those issue. It is fundamental for start by being clear what social entrepreneurship is. This study attempts this major assignment. Regardless, the theoretical topography of the idea of social entrepreneurship is considered as that term is by and large utilized. The study along these lines starts with a scientific and academic



enquiry. Insightful recommendations with respect to the substance of the idea are thought of, just as less intelligent employments of the thought, by and large testing the previous against the last mentioned. The general point is to find what attributes of an action are expressly or verifiably thought to be pertinent to applying the name social entrepreneurship. That examination uncovers, as referenced over, an assortment of discernable uses went along two continua; one having to do with the social component in the idea, and the other concerning the pioneering part. That prompts the expansion of a basic and engineered factor to this investigation. Reasons will be given for keeping a level of tolerance in the definition while managing off specific scopes of utilization that make the thought deficiently separating. The outcome, it is trusted, will help with perceiving and assessing what goes on in genuine managing social problems. A reasonable supposition that is made in this paper concerning the connection between social entrepreneurship and what is called social enterprise. Social enterprise as an action is usually likened to social entrepreneurship. It is expected in what follows that explaining the idea of social entrepreneurship adds up to clarify the thought of social enterprise as a movement, and the act of different authors in utilizing the terms conversely is followed here. The connection between social entrepreneurship and social enterprises, for example specific associations or foundations, is more intricate, yet will be left at an instinctive level for motivations behind this paper. One can ask productively both what makes social entrepreneurship social, and what makes it entrepreneurship. On the two focuses, there is an assortment of viewpoint.

Another study done by Saebi, Foss and Linder (2019) illustrates the literature gap in social entrepreneurship on the individual, organizational, and institutional levels. Moreover, the study suggests integrative multistage, multilevel framework, and discuss promising avenues for further research on SE. Social entrepreneurs and social enterprises progressively draw in academic consideration. These are generally seen as people and associations that utilization a business rationale in a novel and enterprising manner to advance the circumstance of fragments of the populace that are rejected, minimized, or enduring and are themselves not equipped for changing the present circumstance. Albeit the thought of social entrepreneurship (SE) has been around since the 1950s, it is just inside the previous decade that SE research has become a significant and persuasive writing stream. For instance, SE has been recognized as an amazing system to stand up to destitution, engage ladies, catalyze social change, encourage

comprehensive development in resource commercial centers, and achieve institutional change. These are unmistakably very various wonders. Join this variety with the way that SE draws from various trains and fields, and it isn't astounding that SE scholarship has been described by considerable discussion concerning the definitional, hypothetical, and methodological difficulties of the field. In view of the heterogeneity in marvels and approaches, the SE writing is trying to get a handle on. To be expected, various fantastic studies exist as of now. Be that as it may, these will in general zero in on explicit issues inside SE. For instance, they address the thoroughness and nature of exact SE research, the definitional assortment of the SE idea, how SE identifies with social advancement, the thought of social enterprises as cross hybrid associations, the bibliometrics of the SE writing, the estimation of the social effect development, and the field's degree of logical development. These endeavors are important for a blossoming yet arising field like SE. In any case, as the field of SE is generally scattered and ranges various degrees of investigations, the study looks to sum up and structure surviving SE research at each degree of examination and to layout an exploration plan for SE research as a staggered, multistage wonder. The article first examines the SE writing as it exists at three degrees of investigation—explicitly, individual, organizational, and institutional levels. Accordingly, the study examines the degree to which SE research is described by clear develops, a causal trap of precursors, possibility and result factors, and all around depicted limit conditions—that is, the conventional signs of good administration hypothesis. The study tracks down that the writing is missing (to shifting degrees) in all measurements. Along these lines, for each degree of investigation, the study sums up the center bits of knowledge and pinpoint the most squeezing research questions. Relatedly, the study finds that SE research regularly focuses on just one degree of investigation. Notwithstanding, as SE is characteristically a staggered marvel, directing SE research at predominantly one level distorts the wonder as well as dangers previous the chances for propelling information by considering more levels. Accordingly, in the last piece of this article, the article offers a structure that is multistage and staggered and demonstrates how research endeavors inside the SE field can be connected and what experiences about SE on one logical level suggest for different levels. The study utilizes the structure to distinguish missing exploration joins across levels of investigation, which thusly gives the venturing stone to recommending future examination roads. In what follows, the study sums up key ideas that are frequently utilized reciprocally in the SE writing. The

study contends that it is the endeavor to join social and financial missions that makes SE novel and separates it from exercises overwhelmed by principally a monetary mission or social mission. Notwithstanding, with its accentuation on a double mission, SE incompletely covers with other crossover adventures, like manageable, institutional, and improvement business, which the article momentarily portrays thus. Like commercial entrepreneurs, social entrepreneurs take part in entrepreneurial exercises, like opportunity identification, exploitation, resource mobilization, and innovation to make another endeavor or deal with a current association in an imaginative way to accomplish their social mission. In any case, they recognize and acknowledge openings got from cultural issues, for example, destitution and absence of medical care or training—areas not typically viewed as in the entrepreneurship writing. The social mission is a vital driver concerning SE to have monetary importance, it should address a space wherein benefit is considered conceivable however inadequate to persuade pioneering activity except if enhanced by good or social impetuses. Subsequently, as social entrepreneurs make progress toward social worth creation while getting benefits, this prompts a double mission that is probably going to bring about clashing institutional rationales furthermore, pressures among social and monetary exercises—clashes that typically don't happen in commercial ventures. Thus, SE is progressively viewed as an extension of the thought of commercial venture, however, it focuses on significant exploration addresses that reach past the limits of the conventional commercial venture writing. While CSR activities additionally seem to additional some socially great, past the interests of the firm and that which is legally necessary, these activities fall inside the company's benefit boosting objective and are coordinated toward expanding investor esteem allotment. Furthermore, CSR isn't connected to entrepreneurship activity and development however frequently signifies the cultural commitment of associations. Like SE, not-for-profit social associations endeavor to make social worth, extensively characterized as the satisfaction of essential and longstanding requirements, for example, giving food, water, safe house, schooling, and clinical benefits to those citizens who are out of luck. While these philanthropic associations can participate in pay creating exercises comparative with the association's general financial plan, these incomes are regularly rather little and attached to the term of a specific program. Moreover, as the pay-producing exercises are held to a base, these associations don't encounter the common battle with clashing institutional rationales of social and

monetary worth creation that are trademark for SE. For a charitable association to qualify as a social enterprise, pay producing exercises should have a vital long-haul direction with quantifiable development and income targets. SE and other half and half endeavors. The quest for a double mission isn't remarkable to SE yet can be found in different types of half and half endeavors, like supportable, institutional, or improvement business venture. Like SE, these half breed adventures endeavor to maintain financial feasibility while tending to a significant reason, in this way encountering a considerable lot of the comparative pressures as SE, like the double character of the business person or overseeing clashing institutional rationales inside the crossover adventure. The maintainable business has been characterized as the way toward finding, assessing, and abusing financial freedoms that are available in market disappointments that cheapen manageability, including those that are ecologically relevant. Sustainable business would thus be able to be separated from SE in its quest for a triple rather than a twofold primary concern of adjusting (1) social advantages, (2) monetarily feasible associations, and (3) decrease of natural degradation. Institutional entrepreneurship people are viewed as change specialists who start unique changes, that is, changes that break the institutional state of affairs in a field of movement and along these lines conceivably add to changing existing foundations or making new ones, yet where the component of the commercial venture is neither fundamental nor adequate to qualify an entertainer as an institutional entrepreneur. Relatedly, improvement business visionaries try to change formal organizations in manners that will upgrade social welfare. Thus, the possibility of advancement business approaches social designers—that is, social business visionaries who achieve institutional change by adjusting existing social frameworks. Notwithstanding, as SE likewise involves exercises that try not to plan to on a very basic level change existing organizations, for example, the social bricoleurs, who address neighborhood issues, or the social constructivists, who create adaptable answers for social issues—advancement business could be thought of a subset of the SE space. The variety of conceivable social missions and the variety of benefit creating instruments that the social business person can carry out mirror the heterogeneity of SE. The investigation shows that two measurements are normally conjured in the writing to separate SE exercises. The primary measurement is whether the social worth is made for the recipients or with the recipients. While for some social endeavors, the recipients are sole beneficiaries of a decent or

administration, others incorporate the recipients into the worth making progress. The subsequent measurement summoned in the writing is the degree of reconciliation among social and business activities. In a few examples, the financial movement is utilized to cross-sponsor the social mission, as in the famous get one, give one model, where entrepreneurship benefits created by offering an item or administration to standard clients are utilized to sponsor the social mission. In different occurrences, the monetary action produces social worth, as on account of the Grameen Bank, established by Nobel laureate Mohammad Yunus, which offers guarantee free microcredits to the ruined and supports its activity dependent on the gathered interest. Comparing these measurements creates a 2 × 2 grid that recognizes SE adventures dependent on the sort of friendly mission and monetary movement.

**A Typology of Social Entrepreneurship**

		Social mission	
		For beneficiaries (beneficiaries are solely recipient)	With beneficiaries (beneficiaries are part of value creation process)
Economic mission	Differentiated (commercial revenue cross-subsidizes social mission)	(Quadrant A) Two-sided value model	(Quadrant B) Market-oriented work model
	Integrated (beneficiaries are paying customers)	(Quadrant C) One-sided value model	(Quadrant D) Social-oriented work model

*Figure 9 A Typology of Social Entrepreneurship by Saebi, Foss and Linder (2019)*

In Quadrant A, the ‘two-sided value model’ (get one, give one model) takes after a two-sided stage where an adequately huge base of normal paying clients cross subsidizes the social mission, where recipients are sole beneficiaries of an item or administration. For instance, for each pair of shoes sold, TOMS gives a couple of shoes to a kid out of luck. The plans of action may contrast inside this quadrant: while some produce the gave thing themselves and depend on a charitable accomplice to disperse the item, others give coordinating with assets for a solitary thing to their accomplice association which at that point sources and circulates the product. In Quadrant B, the

'market-oriented work model' utilizes recipients to make items/benefits that are offered to normal paying clients. Examples incorporate England's star cook Jamie Oliver, who prepares and recruits distraught youth in his top cafés, where the created market income is utilized to support the preparation program, or Blue Sky, which prepares and employs just people with a criminal record. In Quadrant C, the 'one-sided value model, the monetary action produces social worth, as the recipients are the paying clients. This model is regularly found in developing business sector economies, where organizations discover inventive approaches to limit the expense of creation and conveyance to offer moderate merchandise or administrations to those out of luck. Models incorporate VisionSpring, which offers moderate yet great eyeglasses to poor people, or Grameen Bank, which offers microloans to the rustic populace in Bangladesh. In Quadrant D, the 'social oriented work model' can be viewed as an augmentation of quadrant C, where recipients are the paying clients as well as gain work in the social endeavor. For instance, broadening its social mission, VisionSpring offers eyeglasses to the poor as well as offers paid work to them to disperse and sell the glasses in their country towns.

### **Social Entrepreneurship Business Models**

A well-prepared study by Wolfgang Grassl (2012) illustrates hybridity of social entrepreneurship. According to author, in hybrid business models, entrepreneurship is the combining organization that makes unique components mix. Entrepreneurship is irreplaceable to social enterprise. In the first place, the fundamental highlights of business venture should be portrayed. Second, the particular contrasts of social business should be added. Business people achieve genuine changes of some greatness on the planet. They are purposeful about it and are accordingly not simple bricoleurs who consolidate components aimlessly. The fundamental contrast to social venture lies in the idea of the purposeful connection among business people and undertakings, for example in inspiration. Selflessness as such need not be a spark; more run of the mill is the formation of significant worth for an objective populace where this worth isn't secretly appropriated. On the off chance that enterprising movement has a social nature, any qualification between formation of financial and of social worth at that point breakdowns. Positive externalities are thus constitutive of social endeavor and outline it from simple enrollment associations like buying cooperatives or, in the business area, stockroom clubs. Social business people place a reasonable accentuation on esteem

creation over esteem appointment; they commonly boost on the creation and satisfice on the allotment of significant worth. Social business venture should hence get a more grounded and less self-assertive definition than is reflected in the revelation and misuse of beneficial freedoms or in comparable conceptualizations. The disclosure of chances for social activity is not the same as the business case. It isn't the subject of purposeful hunt or fortunate revelation that is significant however in an Aristotelian plan – the realization of a possibility. Nor is the attention on the subject of developed or perceived freedoms that has been greatly talked about in the writing social business visionaries clearly perceive openings. Interpretation of social business from the perspective of philosophical vision must come up short. Neither do social business visionaries offer representative benefit to their beneficiaries nor are the latter's necessities anything other than genuine. Maybe, social business people should be visualized as being roused by specific employment and as having certain character attributes that permit them to follow up on their occupation. The sign of social business people is close to home obligation to a reason. Against the foundation of Aristotelian way of thinking, a more grounded model of business can be built up that shows a superior fit with social venture. It depends on business people being causal specialists, where for Aristotle, in opposition to the as of now predominant view, a reason isn't what changes A into B, yet the change (or interaction) itself. Business venture, as opposed to examples of business visionaries, is consequently the explanandum. Causation in this sense should not be perceived as  $A \Rightarrow B$  where  $A < B$ . Maybe, the reason for B lies in its temperament, or what today may be delivered as its illustrative components; a reason makes something different what it is. There are four such causes: the type of the article, the matter hidden the item, the office that achieves the change, and the reason served by the change. These are called, separately, the formal, material, efficient, and final cause. Social business is affected by all these, along with emotional dreams, in a specific utilitarian structure. These variables should be available in adequate amount and quality for an individual to turn into a social business visionary, and they should be aimed at a social reason. The formal cause might be monetary or social guidelines, and the material cause apparent chances to address needs. The inspiration might be humanistic or strict, and the cycle should be guided by a dream for social business to be successful. The fundamental distinction from commercial entrepreneurship lies in the idea of the reason, which converts into an alternate inspiration. The entrepreneur is hence a change specialist who assesses the unique

connection among promising circumstances and assets, holds these against predominant institutional and social constructions, and is willing and propelled to do as such by a dream that focuses on a specific last reason. Consequently, this end clarifies conduct consistently through or through one of Aristotle's different modes. This model would then be able to be portrayed graphically. Entrepreneurship in this view isn't just a component of planning assets or of perceiving openings and making an interpretation of them into productive endeavors. It comprises in improving a framework made out of material and unimportant elements by utilizing useful motivation to direct the interaction towards a last reason perceived to be acceptable. Business people are driven by dreams and inspiration and judge assets and openings just as organizations and standards concerning their common fit. These are genuine and causal relations based on which new exercises are arranged that are aimed at a final, which thusly gives inspiration. To make the model more complete, three relations on the visionary plane are additionally obliged: subjective visions can impact the decision and acknowledgment of the last reason just as guide inspiration, and accessible assets and openings may animate the vision of entrepreneurs. New exercises can set out new assets and open doors yet in addition alter organizations and standards, which prompts criticism circles and makes business venture an interactive interaction. The parts influence business visionaries in an unexpected way, viz. by the four Aristotelian methods of causation. Entrepreneurship in this sense is a deliberate, reason driven action that depends on demonstrations of judging upgrading and degrading variables, and social business venture is described by an explicit last reason.

Social business venture makes new business models. The last idea is in any event as contrived as that of social enterprise, and the writing on business models has developed dramatically counting its application to social business. So has the writing on big business models, which is created by a few controls. It very well might be normal that practical plans of action have prevailing plan structures, for example specific models. To decide these would improve the presentation of social business people. The writing on the plan of social business venture models has recommended a few designs. For instance, social enterprise can take four structures. A social enterprise should be worked as a hearty, incorporated organization of hubs and associations with the information on who the constituents of the business are and where they can discover esteem exclusively and all together. On the off chance that such an undertaking can likewise depend on



coordinated effort in the working environment which convert into strengthened partner contacts, the model is that of a hive.

Organizations contrast with respect to the strength and recurrence their clients send data about changes on business sectors, for instance about the need by expected recipients of help. Finally, social endeavors should get these signs and cycle the data effectively so it prompts the necessary social action. These designs are plan components that apply in total by underscoring, individually, local area, culture, coordinated effort, and substance. These appear to be important element of all social business models. Instances of these models can promptly be recognized. There are co-usable movements for ranchers, skilled workers, businesspeople, and buyers, that in certain nations have be-come imposing players on factor and consumer markets (Cooperative Model).

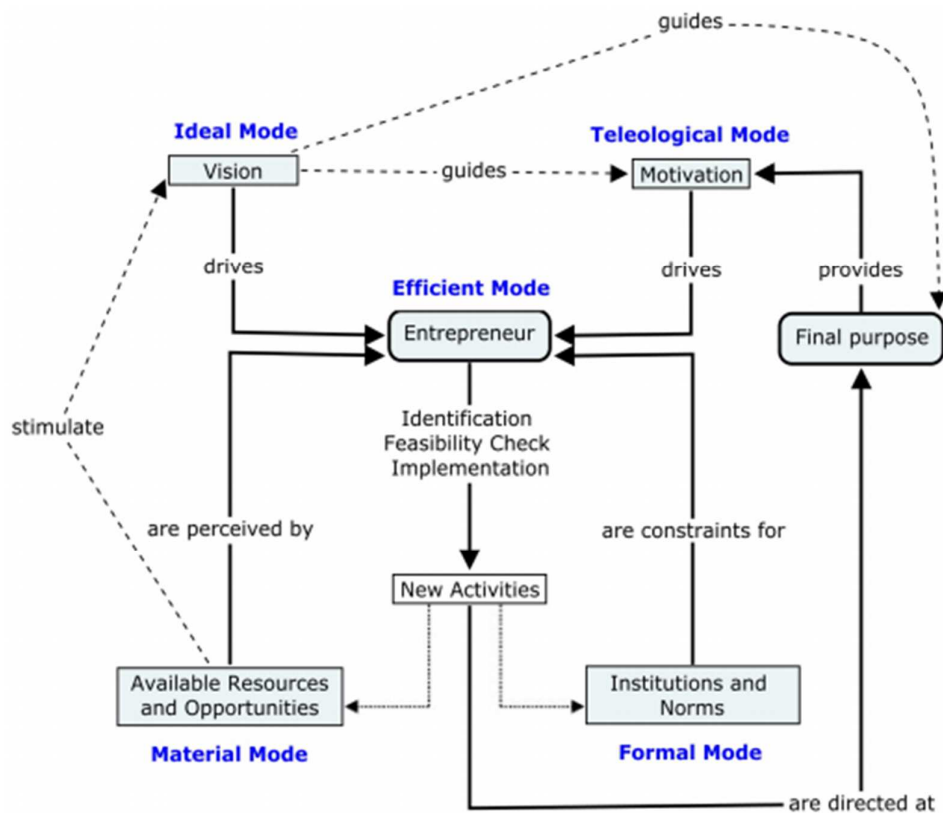


Figure 10 A model of entrepreneurship (Wolfgang Grassl, 2012)

They permit more modest providers to package their generally atomistic market ability to contend with worldwide companies and along these lines in any event halfway to defeat diseconomies of scale. A few institutional structures have been made going from restricted organizations to marketing cooperatives and consortia dependent on rules of both effectiveness and value.

Microlending on the Grameen model has worked with the rise of another class of entrepreneurs in less created nations (Entrepreneur Support Model). Moral speculation reserves also, reasonable exchange associations supplement this pattern (Entrepreneur Support Model). Social ventures that work with the presentation of target populaces on business sectors, for instance by giving preparing or credit ensures, make up the Market Linkage Model. In the United States, the Federal National Mortgage Association, which is a government-sponsored and traded on an open market organization to grow the optional home loan market by securitizing contracts as home loan sponsored protections, is a sample. The overall Economy of Communion as a venture of the Focolare Movement is an organization of organizations that unreservedly decide to share their benefits according to three standards of equivalent significance – to develop their organizations, help individuals out of luck, and spread the way of life of giving (Service Subsidization Model). A contention can be made that, hidden the nine potential sorts, there is a considerably more modest number of fundamental designs. On the off chance that a model is perceived as a framework, a similarity to Gibbs' stage rule in thermodynamics might be recommended:  $F = C - P + 2$ , where  $F$  = number of levels of freedoms for a framework,  $C$  = number of free parts of the framework at harmony, and  $P$  = number of stages. The conventional business model has three parts ( $C = 3$ ). The quantity of stages might be expected as three ( $P = 3$ ) as per a triadic philosophy, for example by being either a private, public, or collectively possessed and oversaw undertaking. Under these presumptions, a business model for social undertaking would have  $F = 2$ , with levels of opportunity being the quantity of concentrated factors which are free of one another.

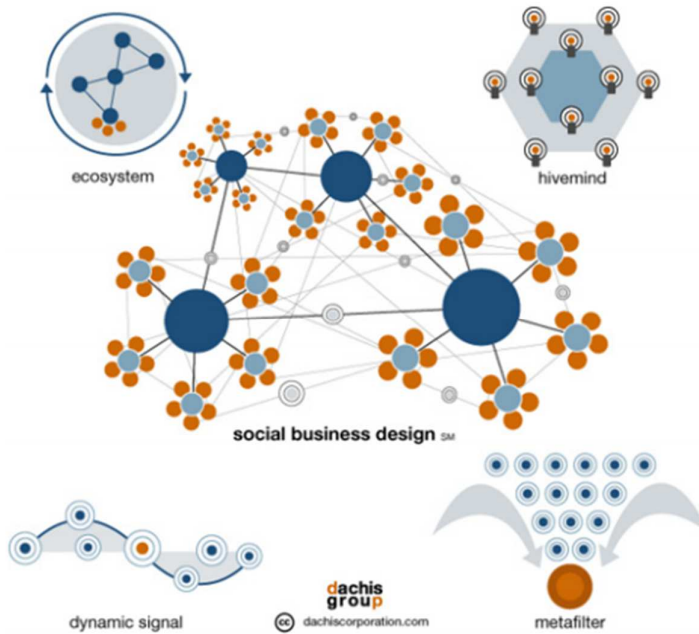


Figure 11 Social business design according to Dachis Group (Wolfgang Grassl, 2012)

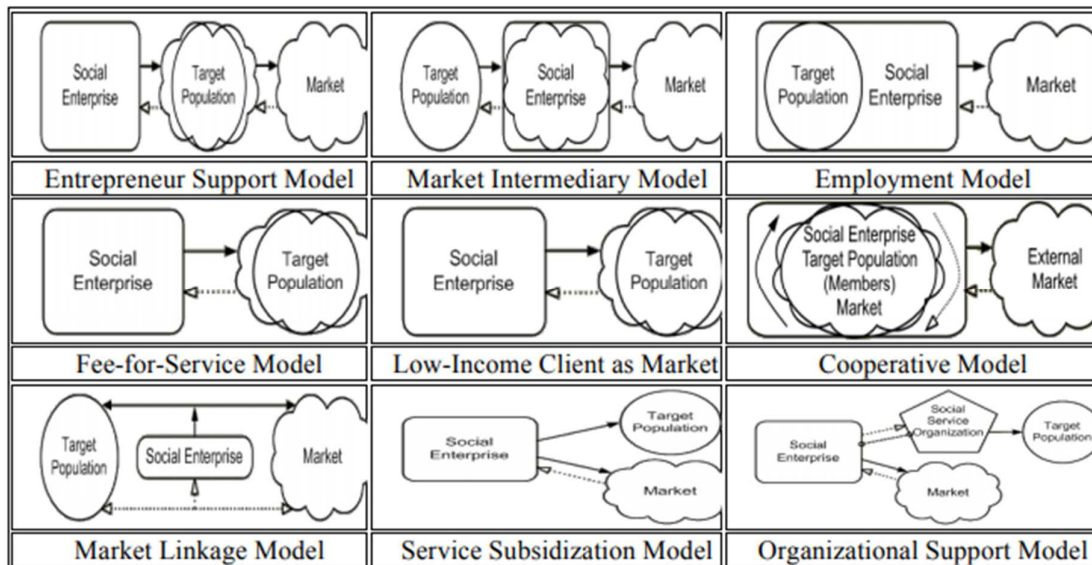


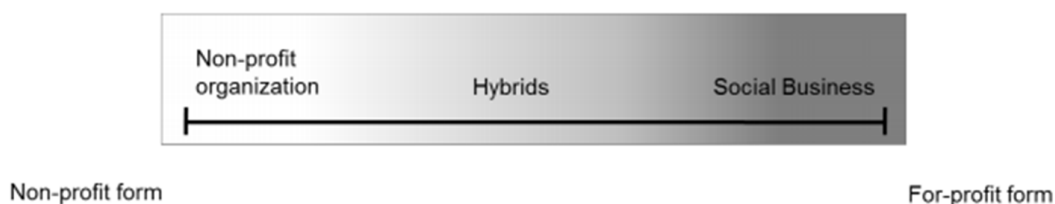
Figure 12 Business models of social enterprise (Wolfgang Grassl, 2012)

F communicates from numerous points of view an endeavor can work together. Gibbs' standard would foresee two such ways – looking for benefit or not. In spite of the fact that there might be levels of mission-direction, this fundamental qualification actually holds (and is usually needed under charge law and now and again and corporate law). In

the event that more unpredictable models are conceived (e.g.,  $C > 3$ ), the quantity of potential varieties will increment. Upgraded hybridity of business considers a more prominent number of effective business models however the promising choices will in any case stay not many. Applying bits of knowledge of association plan to social business venture at that point implies finding the triadic idea of associations in the elements of system, construction, and cycle, which are the critical determinants of execution. How associations contend is characterized by the triad of separation, economy, and cooperation, how they develop by the choices of purchasing, making, or joining forces, and how they sort out by decentralization, centralization, or coordinated effort.

Another important study by Zeyen, Beckmann and Akhavan (2014) illustrates the definition of social entrepreneurship and its primary goal. More importantly, the study gives detailed information regarding the catalyst business model, and the freemium business model. In accordance with the study, the idea of social entrepreneurship has acquired ubiquity among researchers lately, and the subsequent writing has created various, however uncertain definitions. Regardless of the absence of a by and large acknowledged hypothetical structure, two methodologies have acquired specific conspicuousness among researchers. The study depicts these viewpoints momentarily and disclose how they identify with social entrepreneurship as examined in this part. The current social business venture conversation arose out of two fundamental ways of thinking: the 'Social Enterprise School' and the 'Social Innovation School.' The previous core interests on the age of procured pay to serve a social mission, and the last underlines the job of development in making social change. The Social Enterprise School centers around 'enterprising' financing methodologies that permit not-for-profit associations to turn out to be less reliant on gifts on the grounds that the last are thought about excessively unstable. In the "outrageous" structure, a social enterprise depends completely on acquired market pay like a regular business. Muhammad Yunus uses this thought with his social business idea. Such social organizations are completely self-maintaining, i.e., they produce their whole pay through selling merchandise or administrations in the market. To put it plainly, the Social Enterprise School accentuates the hierarchical structure (not-for-profit) and the financing structure (acquired pay) of a social endeavor. As indicated by the Social Innovation School, social entrepreneurs are people who change or reform the noteworthy examples of creating social worth, moving assets into spaces of higher yield for society. Social business people in this way perceive

novel freedoms also, use them to achieve their vision. In this cycle, social business visionaries make progress toward upgrades by ceaselessly changing their creative methodologies. Note that, rather than the Social Enterprise School, the Social Innovation School doesn't stress a specific subsidizing structure or hierarchical structure, yet investigates utilizing and building up all applicable way to propel society. Here, the attention lies on development from a wide perspective that goes past new market-based financing procedures. As indicated by the social development viewpoint, social business venture utilizes different assets creatively. These social business people work in the general population, for-benefit, and common society area. They utilize different legitimate hierarchical structures going from good cause, local area organizations, advancement trusts and cooperatives to regular private restricted organizations, to advance and carry out novel answers for social issues (Figure 13). Social businesses would thus be able to be conceptualized as a unique continuum of reasonable hierarchical structures to misuse the full lavishness of assets from the not-for-profit and revenue driven scene.



*Figure 13 Potential spectrum of legal forms for social entrepreneurship ventures (Zeyen, Beckmann and Akhavan, 2014)*

### **The freemium business model**

The freemium idea is a grounded, customary plan of action that makes an incentive for at any rate two client bunches by separating between their unmistakable requests and their ability to pay. One client bunch gets an essential item or administration free of charge though the other gathering gets a top-notch item or administration at a cost. Consequently, free in addition to premium makes freemium. The center thought is that the top-notch clients get better administrations as a result of the free clients. Because of mass utilization of the essential item or administration, or positive organization impacts, the organization accomplishes economies of scale, extension and learning. Organization

impacts arise when the utility of an item increments with the quantity of others utilizing it – , for example, is the situation with programming stages. Likewise, organizations can likewise utilize free clients for input and scale. In rundown, their administration and item quality are higher than if they were just taking into account paying clients. (Figure 14) Moreover, from an organization's point of view, an underlying contribution of essential, free administrations can likewise be important for a mission to build up a decent client base. Clients are bound to evaluate free items and whenever fulfilled; they will be abler to move up to premium records. Such setups are regularly found in data and correspondence innovation. A new model is Dropbox, a record sharing cloud administration that permits decentralized cooperation. Free records have document extra room of up to 2 GB. On the off chance that a client requires more noteworthy cloud space, he/she can purchase a move up to turn into a superior client. While there are numerous freemium models in the IT business, the freemium plan of action is possibly relevant when mass utilization of items or administrations is attainable.

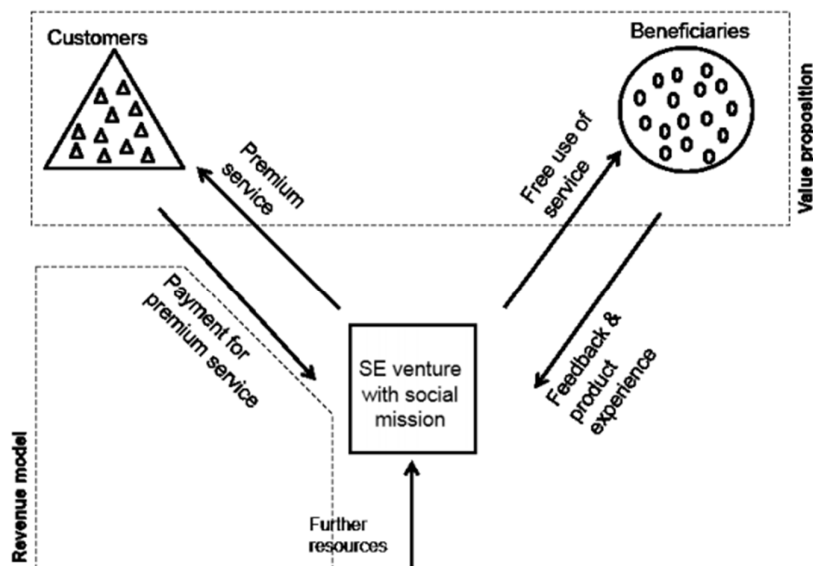


Figure 14 The freemium business model (Zeyen, Beckmann and Akhavan, 2014)

### The catalyst business model

The essential thought of the catalyst business model is basic. In science, a catalyst works with the response between at least two fixings that ordinarily would not respond with one another: this response can begin an amazing extraordinary interaction. In the

catalyst business model, a go between empowers two gatherings to collaborate who in any case would not profit by one another. The catalyst business model, in the least difficult adaptation, involves at least three gatherings. The main party is a gathering of individuals with uncommon abilities: for instance, mentally unbalanced individuals with an interesting sense for subtleties hard of hearing individuals with an interesting expertise for nonverbal correspondence or visually impaired individuals with a special capacity for utilizing their sound or material detects. The subsequent party includes those entertainers who might profit by these remarkable HR, for example, a product organization on account of Specialisterne, where, because of their sense for detail, medically introverted individuals are specialists at testing and investigating programming code. In this situation, there are two gatherings who might obviously profit by helping out one another. The catalyzing matchmaker (third party) unites these particular assets and necessities giving his/her own exceptional information and abilities. To begin with, the two players need to know how they could profit by one another. In the case of Specialisterne, programming organizations need to realize that mentally unbalanced individuals have abilities and individuals with chemical imbalance need to realize that product organizations have a requirement for these abilities. Second, ability is expected to establish and keep a climate helpful for advancing individuals' unused gifts. Specialisterne, for instance, realizes that mentally unbalanced individuals can't work in a normal office climate yet need an undeniable degree of routine to feel good and be gainful. To sum up, in the catalyst business model, the social business visionary is the go between who makes the conditions for uncovering idle HR. The social endeavor approaches specific HR inaccessible to other people and will at that point utilize this exceptional access (both regarding area and ability) to offer types of assistance to customers as a third party. In this way, while the recipients of the freemium business model are commonly item clients, the recipients of the catalyst business model are frequently workers of the social endeavor.

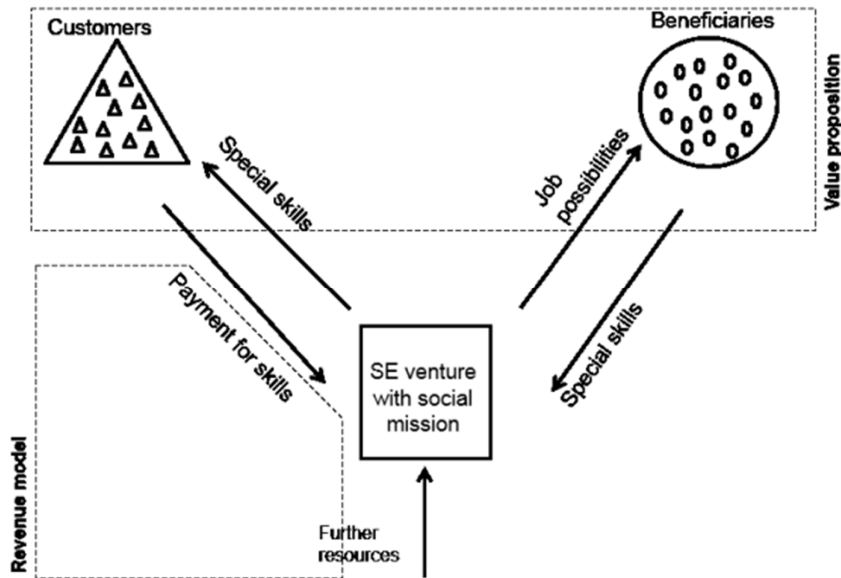


Figure 15 The Catalyst Business Model (Zeyen, Beckmann and Akhavan, 2014)

To conclude this chapter, we can assume that as social businesses are rather new form of business it faces a lot challenges in different ways. Firstly, it should be noted that the terms such as “social mission”, “social vision”, “social value” can be defined differently by different authors, and this term itself firstly create confusion. In order to avoid this confusion, we choose the definition by Nunley (2014) as it clearly states the definition of SE without being biased. Therefore, as stated by Nunley (2014) Social Enterprise is “an organization that utilizes an earned income strategy to accomplish a primary organizational mission of creating value for one or more stakeholders besides the organizations' shareholders or owners”.

## Methodology

In this particular chapter, we will discuss how I applied two forms of methods in the research methodology as a basis for my research. The research methodology for the study was descriptive and as it clearly describes SBM frameworks. In the first stage of this research the systematic literature review has been applied as a methodology tool to understand sustainable business model phenomena. By this I got insights about how the term “SBM” was addressed in the academia over the last decade.



The second part of this research was dedicated to social entrepreneurship. The methodology in this part was also descriptive as it discusses and describes social entrepreneurship phenomena in Azerbaijan. To understand social business profile in Azerbaijan semi structured interviews have been conducted with respondents. The sampling type was chosen as an expert sampling meaning that only social business owners have been interviewed for the research purposes. The questions were designed in a way to understand and compare local and international business practices and also legal framework for businesses in Azerbaijan.

### Systematic Literature Review Research Methodology

According to Bruce (2001) students show 8 types of concerns about literature review concepts which are :topicality; comprehensiveness; breadth; relevance; currency; exclusion; authority; and availability. These concerns are justified by many reasons. Some literatures do not cover the scope of the literature for a chosen topic. In a result, students face real issues with finding relevant literature to their reperch area. Moreover, students feel overwhelmed by the comprehensiveness of the literature. They do not clearly understand what is enough and how to avoid big information. Other problems such as relevance of articles and availability of information is also popular problems while conducting a literature review. Therefore, taking subjective manner and narrow the scope of the study is very helpful while making a literature review. In this way it is easier to know what to study and what not to study.

To avoid the above confusions, systematic literature review has been chosen as a best way not only to create a basis for guiding a literature review process but also to synthesize the data and understand how the literature on SBM evolved in the last decade.

A systematic literature review (SLR) has been conducted particularly for the research on sustainable business models and practices. The systematic literature review aims to find key empirical shreds of evidence on the literature based on pre-defined inclusion criteria to answer research questions (Snyder, 2019). Moreover, it provides collective information that emerged from a synthesis of fields and sub-fields which in turn provides a methodological rigor and a reliable knowledge (Tranfield, Denyer and Smart,

2003). Kraus, S., Breier, M. y Dasí-Rodríguez (2020) define SLR as “a review of an existing body of literature that follows a transparent and reproducible methodology in searching, assessing its quality and synthesizing it, with a high level of objectivity”.

Three stages of SLR was adopted as proposed by Xiao and Watson (2019):

1. Planning the review – formulation of a research problem and identify a protocol.
2. Conducting the review- search the literature, define inclusion and exclusion criteria, asses quality, extract data.
3. Reporting the review- report findings.

In the planning stage, the protocol was developed (

**Table III)** to have a solid framework to start the research process. The research methodology proposed by Comin *et al.* (2019) was defined as main framework to develop the review. Thus, two research questions were defined:

- *RQ1.* What are the definitions and theories addressed in literature on SBMs?
- *RQ2.* How SBM practices and frameworks addressed on literature are implemented in companies?

Therefore, by answering two questions the main objective of the research is to study main sustainable business practices and framework in the literature and in practice. After defining the research questions and objectives a protocol was developed. Firstly, main search strings and databases were chosen. Scopus, Science Direct and Web of Science was selected as main databases.

Scopus is data source which is used by more than 5000 academic, government and corporate institutions. It supports researchers and authors with searching for relevant articles, topics for conducting a literature review and analyses top journals regarding the chosen discipline.

Science Direct is also a huge data source where 25 million researchers share and connect their research and studies. There are more than 2500 journals and 39000 reference books in the database and also personalized features makes it easier to make to search and analyze papers and books.

Web of Science is another data source where you can get an access to variety of databases in different disciplines. Web of Science has been indexing since 1900 which

results in high number of research citations. It collects 12,000 high impact journals and 160,000 conference proceedings.

“Sustainable business model”, “Sustainable business models” AND “practices, “sustainable business practices” have been defined as main search strings to search the literature (Figure 16). In the first search overall 1607 papers were found in all three databases. All papers were imported in BIBTEX format to START software (a tool that helps with the SLR process developed at Federal University of São Carlos (UFSCar), in the Software Engineering Research Laboratory (LaPES)) for the screening. 10 papers were duplicated in the first phase which was removed. 1597 papers were sent to the selection phase, where selection criteria helped with identifying relevant papers for the research. The software also is useful for finding relevant papers as it scores the relevance of the papers based on the protocol. In the selection phase title and abstracts were read to have initial information about the relevance of the paper. Out of 1597 papers 276 were relevant to the research objective and questions. The rest of the papers either was not related to the chosen scientific area, or did not clearly define frameworks or practices presented in the paper. The accepted 276 papers later were sent to extraction phase where inclusion and exclusion criteria supported the identification of the right papers. Full-texts was obtained and read in this stage to better obtain information on the research. In this stage it was found that 14 papers were duplicates which by fault could not be defined by the software. 77 papers were rejected based on exclusion criteria pre-defined on the protocol (*see* Table III). Most of the papers either were not related to business or management discipline, or the research was applied on governmental sustainability practices (such as agriculture, education, healthcare etc.). Finally, 185 papers were extracted and full texts of the papers were re-read to reassure the applicability of the articles. Most of the papers were from the “Journal of the Cleaner Production” which 86 papers out of 185 papers was from that particular journal. 13 papers were from the “Business Strategy and the Environment Journal”.

Figure 16. Search strings

Databases	“SUSTAINABLE BUSINESS MODELS” AND “practices”	“SUSTAINABLE BUSINESS PRACTICES”	“SUSTAINABLE BUSINESS MODEL”
Web of Science	-	-	81
Scopus	1396	-	-

Science Direct	-	130	-
Sub-Total	1396	130	81
Total			1607

Table III. *SLR protocol description*

<b>PROTOCOL</b>	
Research questions	<p><i>RQ1.</i> What are the definitions and theories addressed in literature on SBMs?</p> <p><i>RQ2.</i> How SBM practices and frameworks addressed on literature are implemented in companies?</p>
Search strings	<p>"sustainable business model"</p> <p>"sustainable business models" AND "practices"</p> <p>"sustainable business practices"</p>
Source selection criteria	<p>Theory: sustainable business model theories defined in the literature;</p> <p>SBM: a framework proposed, tested and analyzed;</p> <p>SBP: sustainable supply chain management, sustainable manufacturing, circular economy framework, shared-value, Triple-Bottom Line Approach, Social Entrepreneurship and Ventures</p> <p>Time: 2010-2020;</p> <p>Type: Research and Review Articles;</p> <p>Sample: Business and Management area</p>
Studies languages	English
Study search methods	Manually inserting search strings in electronic databases
Source engines	<ul style="list-style-type: none"> <li>➤ Scopus</li> <li>➤ Web of Science</li> <li>➤ Science Direct</li> </ul>
Studies inclusion (I) and exclusion (E) criteria:	<p>(I) Theory: A framework or practice defined;</p> <p>(I) Sustainable practices: sustainable practices implemented on business</p> <p>(I) Sustainable Business Model: A model researched, proposed and implemented in firms</p> <p>(E) Governmental Practices (waste management, education, healthcare, urban studies, biology, technology, etc.);</p> <p>(E) Not-for-profit firms and organizations;</p> <p>(E) Behavioral studies;</p> <p>(E) Quality: No framework proposed or analyzed</p>
Studies types	Mixed (qualitative, quantitative)
Results summarization	The criteria to evaluate and select the papers had following qualities:

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Studies in the area of Business & Management  
 Studies between 2010-2020  
 Articles: Research and review articles  
 SBM frameworks proposed on literature  
 SBMs applied in companies, firms and organizations  
 Sustainable practices adopted by business (shared economy, green technology etc.)

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## Interviews

To further understand sustainable business models and their operation in real-life scenario the interviews were held with some entrepreneurs. Certainly, the respondents of interview were entrepreneurs who in some form involve with sustainable business making process. Therefore, social entrepreneurs have been chosen as a sample for the study. The interviews have been held online via different online communication means considering COVID-19 pandemic situation happening in 2020. Even though interview were not personal or face to face the obtained answers and insight were enough to understand and grab the main and needed information.

The interviews have been held in English and Azerbaijani. This is owing to the fact social businesses in Azerbaijan has been interview therefore, not all respondents have agreed to speak in English. Only one respondent was a native English speaker. One of the respondents agreed to provide information on native Azerbaijani language. All transcribes and answers of the respondents has been collected and provided in Appendix xx in its original form. It should be noted that it was not able to obtain all words because the limitation online meeting app limitations.

The interview could be describing in five parts. Each part had its own purpose of clarifying the nature of sustainable business models.

**Table IV** Interview Structure

Interview structure	Sample questions
1 Introduction (Brainstorming)	<ul style="list-style-type: none"> <li>• Could you explain why did you enter this industry, please?</li> </ul>
2 Demographics	<ul style="list-style-type: none"> <li>• Could you tell me what does your role involve, please?</li> </ul>

3 Social Enterprise definition	<ul style="list-style-type: none"> <li>• What would be the best definition for social entrepreneurship in your opinion?</li> </ul>
4 Social Enterprise legitimacy	<ul style="list-style-type: none"> <li>• How do you establish the legitimacy of your company in your country? Do you operate as for-profit form?</li> <li>• Would you describe a social entrepreneurship as a strategic choice that any business can make or as a new form of legal entity?</li> </ul>
5 Social Enterprise organizational structure	<ul style="list-style-type: none"> <li>• Which internal challenges you face frequently on the organization?</li> <li>• How do you integrate your social and commercial activities? What is the best example for you to be a successful social entrepreneur?</li> <li>• Do you structure your organization units separately? Do you make commercial and social units separately or you integrate the activities through all units?</li> </ul>
6 Conclusion	<ul style="list-style-type: none"> <li>• Would you like to add any other element that we have not considered yet in this interview?</li> </ul>

As seen from main purpose of the interview was to reveal three things about social entrepreneurship: Definition, Legitimacy, and Organizational Structure.

1. Definition- As already mentioned above we chose the definition of social enterprises as proposed by Nunley (2014) that it is an organization which has primary value creation mission towards multiple stakeholders besides its own shareholders and owners. So, in this part of the interview the interviewer tried to understand how social entrepreneur considers the definition for SEs.
2. Legitimacy- It is already addressed that few countries in the world such as France, Greece, Italy created a legal form for social businesses and each country provides their own legislation on them. Therefore, we tried to here understand how the lack of legitimacy impacts the SEs in Azerbaijan.

3. Organizational structure- A lot of SEs suffer from organizational mission drifts because of its hybrid nature. In this part, we tried to understand how SEs in Azerbaijan structure their company and how they convey their social mission.

## Data Analysis and Results

### Systematic Literature Review analysis and results

As there were two types of methodology used for this study, first the results obtained from systematic literature review will be discussed. First, we are going to put results of what systematic literature review provided in order later to correlate it with the results of interview-based research of social businesses.

From the conducted Systematic Literature review few but notable insights have been collected. The main insights obtained explains types of SBM archetypes, the articles' history trends, and dominant journals publishing relating articles to the study.

Clearly some journals were dominant with the number of published articles on SBM discipline. The Journal of Cleaner Production is a top cited journal on sustainable business practices. This is not a big surprise as the main target of this journal is environmental issues on business background. Other journals significantly showed similar number of papers appeared on results that suits with research questions. Still, it should be noted that not a lot of journals on business and management area focuses on articles about sustainable business making. This could be reasoned in different ways but this is not the aim of this study. Another point to bring is the significant increase of papers on SBM research as we can see from the *Figure 19* most of the papers are recently published therefore it can be assumed that research on sustainable businesses is increasing which is a positive and needed picture considering global issues. The *Figure 19* can be further justified by a report obtained from JCR - Journal Citation Reports<sup>2</sup> on data about The Journal of Cleaner Production. As seen from the table the number of citations for the journal is showing increase in a last decade and it appears to be most cited at the number 4 on Management category. Moreover, the journal shows up more citation in the last years compared to previous. We can therefore assume but not justify

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<sup>2</sup> [InCites \(clarivate.com\)](https://clarivate.com)

that the articles addressing sustainable business practices are gaining more visibility and references (Figure 21, Figure 22).

StArt software was used as SLR tool and also the most frequent keywords were presented in order to justify the relativity and relatability of the articles on the research area (

Figure 18). As we can see keywords such as “sustainability”, “sustainable business models”, “circular economy” are the most frequent words appeared on articles. This is justifying the chosen research area and how topics are really found and mentioned.

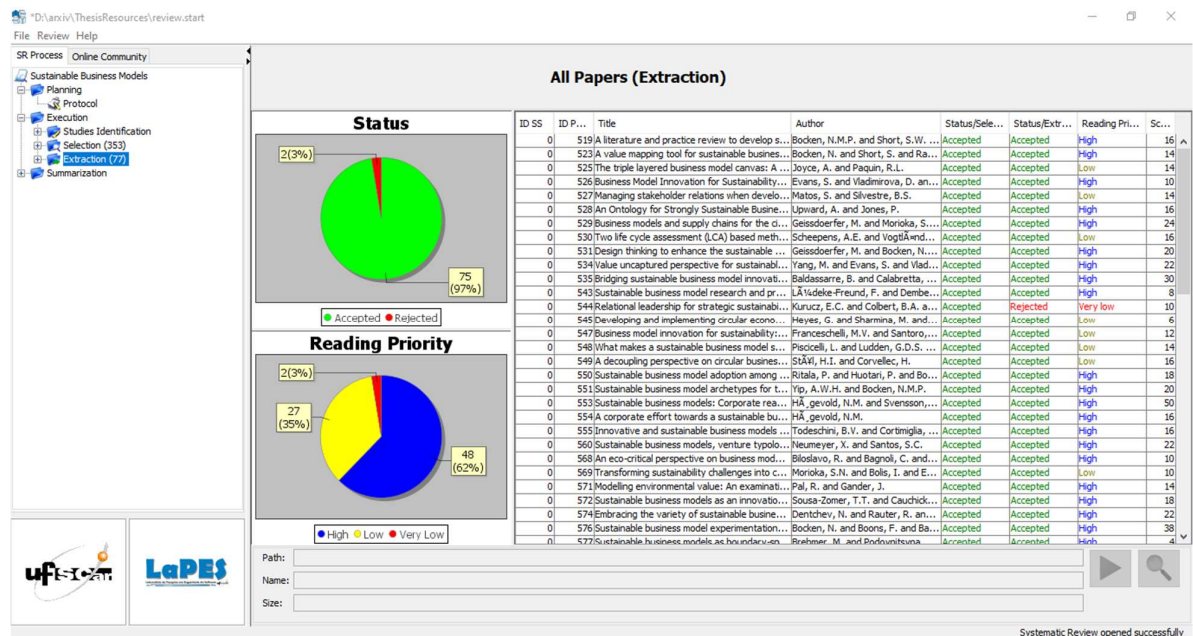


Figure 17 StArt software. The screenshot from the author's desktop





Figure 18 Word cloud generated from stArt software (personal elaboration)

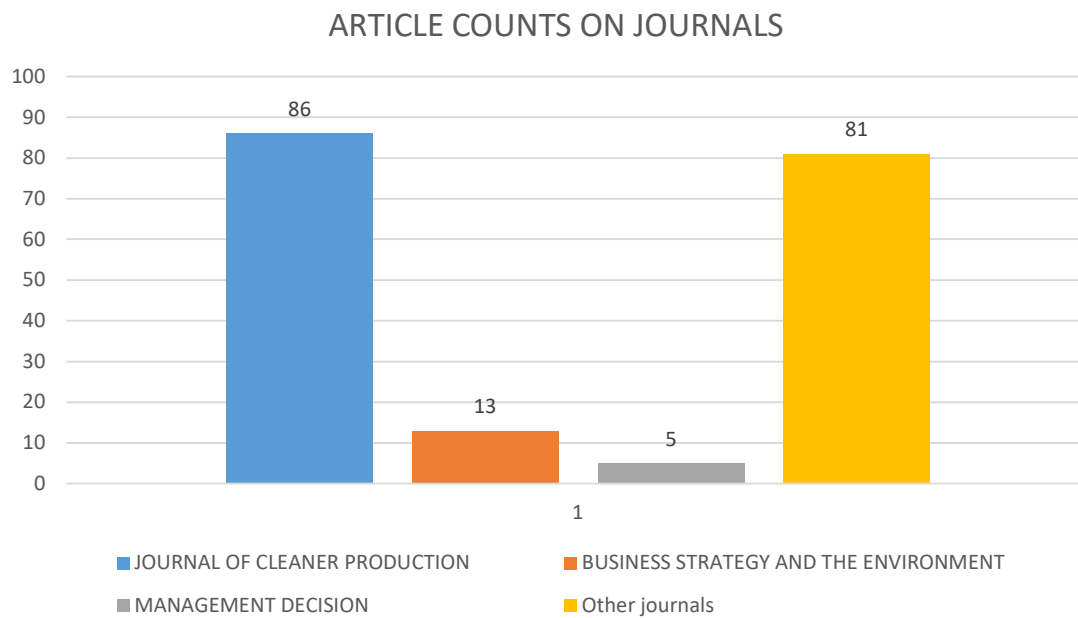


Figure 19. Number of the related articles on journals, time frame: 2010-2020 (source: personal elaboration)

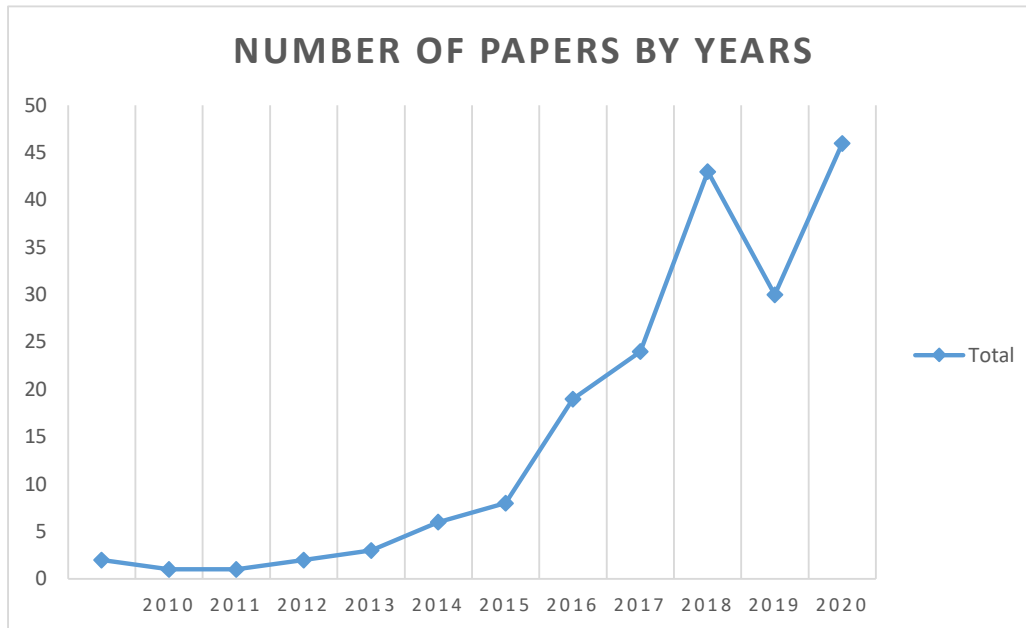


Figure 20. Number of related papers by years 2010-2020 (source: personal elaboration)

Cited Category Data							
	Citing Journal	# Journals Cited	All Yrs	2019	2018	2017	2016
1	ALL Journals	226	892,977	9,680	29,217	40,845	46
2	SUSTAINABILITY-BASEL	224	32,173	916	1,867	1,812	1
3	J BUS RES	206	11,818	55	289	515	
4	J CLEAN PROD	214	9,581	143	474	653	
5	J BUS ETHICS	183	9,188	13	32	181	
6	TECHNOL FORECAST ...	182	7,336	83	275	395	
7	FRONT PSYCHOL	174	7,222	86	284	300	
8	J MANAGE	139	6,661	22	82	246	
9	IND MARKET MANAG	159	6,623	50	170	283	
10	MANAGE DECIS	182	5,510	75	230	278	
11	INT J HUM RESOUR MAN	149	5,339	26	21	96	
12	RES POLICY	134	5,316	67	228	254	
13	INT J CONTEMP HOSP M	173	4,947	95	345	530	
14	INT J PROD ECON	151	4,944	32	147	170	
15	INT J HOSP MANAG	178	4,916	33	239	387	
16	J KNOWL MANAG	175	4,456	55	200	262	

Figure 21 Data obtained from Journal Citation Reports database

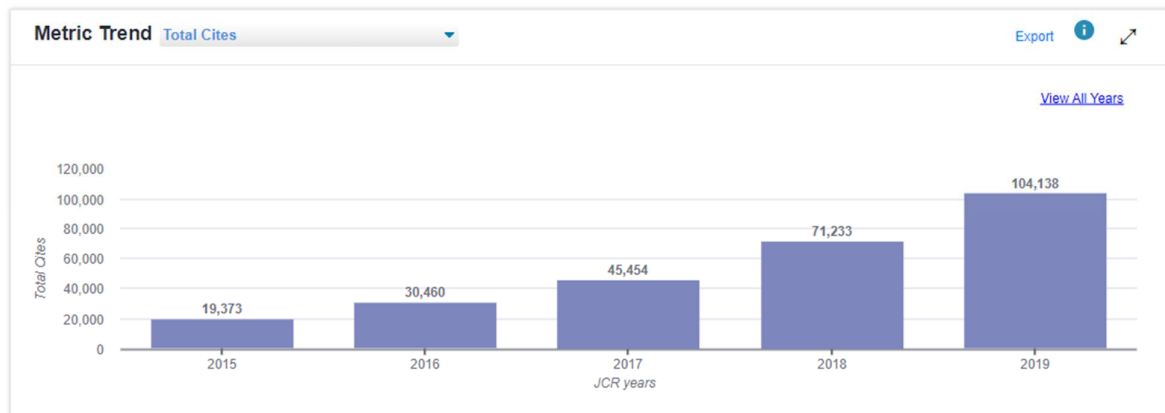


Figure 22 The number of citations by years for Journal of Cleaner Production (obtained from JCR - Journal Citation Reports)

Coding of the papers was another stage of the research. Papers were read and analyzed and main key concepts have been put off from the papers. A total of 71 codes has been created based on the frameworks and practices found on papers in the first phase. However, after careful reading and analyzing the papers, the number decreased to 67. So, 67 codes have been created for papers. These codes have further been categorized based on the logic obtained after reading the papers. In the first phase 3 categories has been chosen such as: Environmental, Social and Technological.

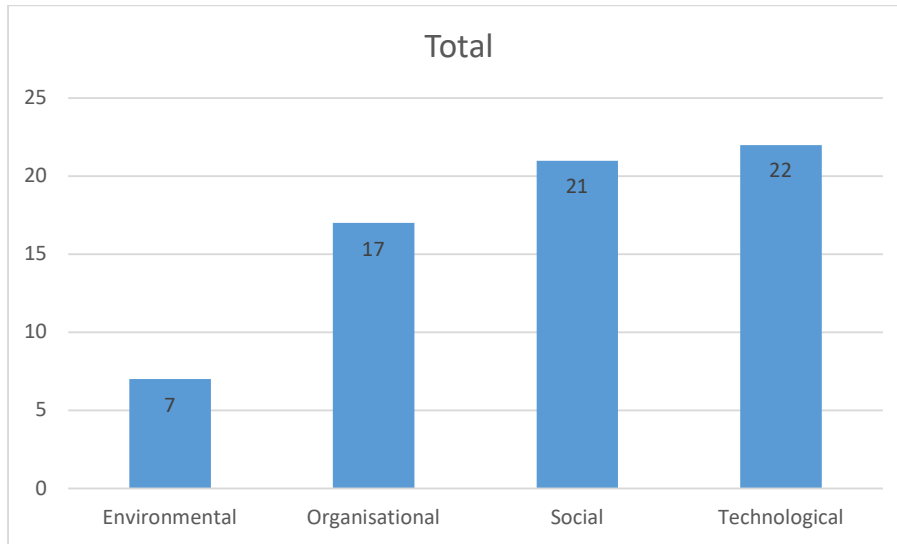
So, each of these categories were chosen from the own perspective of the author which is justified by several definitions and cases. These categories were chosen after a careful reading and analysis of the papers. These categories are also codes which can be considered as upper-level codes. Lower-level codes are codes which are under these categories. To better understand and justify this process a research paper by Bocken, S. W. Short, *et al.* (2014) have been used to make a categorization phase more understandable and reliable. So, the categories are namely social, environmental and technological. However organizational category also has been further added which is explained also further in this chapter.

1. Social- This category includes papers where social practices, social innovations were the main objective conducted. Remarkable practices to mention here can be Sustainable Entrepreneurship, Pay-per-use Business Models, Crowdfunding, Collaborative consumption and so on. From these practices and frameworks, we

- understood that the role of leaders and the role any stakeholder involved in business making or profit-making process has an impact on the business model. It was found out that without dedicated leaders there would be no way that the message on more conscious decisions could be conveyed. Moreover, consumer behavior could be reconstructed in a positive way by certain framework such as Pay-per-use models (Bocken *et al.*, 2018). Also, other framework which is called product-service-systems also showcase that they have a significant potential on balancing social, economic, and environmental impacts (Reim, Parida and Örtqvist, 2015). All in all, these papers sorted in this category serve to one major logic that business models are not only bring social innovation by itself but it also works vice-versa meaning that they are also the result of people's choices. Therefore, business models which is bringing social innovations and also which creates shift in consumer behavior has been included to this particular category.
2. Environmental- Under this category papers which directly discuss environmental business models or green practices has been coded. Namely circular business models are the most frequent framework that have been studied regarding environmental business models or practices. Circular business models can be understood as a business framework which assures that natural resources are not wasted and there is a closed loop between resource usage processes. Some tools also have been developed by different authors. One of them is circularity measurement toolkit which enables to assess the level of circularity inside the manufacturing process of SMEs (Garza-Reyes *et al.*, 2019). Other business models such as e-footprint model, lean thinking, and some green practices are also falling under this category.
  3. Technological- within this category mainly papers which address innovations in business model or manufacturing or supply chain process has been coded. Eco-innovation, disruptive models, green design, sharing economy, blockchain technology, cleaner production are coded under this category. These papers directly discuss innovations in any process of creating business model including in operating as a business.
  4. Organizational- In this category main logic is based on organizational level innovations on sustainable business models and practices. For example,

sustainable approaches on value creation or capturing process, sustainable partnerships are the practices to create sustainable business models.

*Table V The number of coded papers by Category (author's personal elaboration)*



As we can see from the Table V most of the papers are categorized under technological aspect of SBM types. Even though all these categories are different it does not mean that they are related. Most of the papers coded under technological category is related to environmental aspect of SBM. The main reason between those papers categorized under different aspect is under environmental category the papers mostly describe how a sustainable business model designed in a way that it does not either harm the nature or it leaves positive impact and this process does not necessarily happen because of any green technology. But in the technological category papers were mainly proposing technological practices to bring change and build the framework. So as from chosen papers to code it was found out that green technologies, sharing economy, cleaner production practices, eco-innovations are mostly addressed and studied practices in management research field regarding sustainability. However social aspect of sustainability is also frequent. Social entrepreneurship, social business, Bottom of Pyramid approaches (Dembek, York and Singh, 2018; Stewart and Niero, 2018; Lüdeke-Freund, 2020) and some other social practices and frameworks are also studied frequently too.

*Table VI Sustainable Business Models and practices archetypes (author's personal elaboration)*

## **Environmental**

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Circular Business Models  
Environmental management practices  
A circularity measurement toolkit  
Lean Thinking  
A process for sustainable value proposition design  
Transformative Earth Footprint (TEF) Model  
Circular Economy (CE)

## **Organizational**

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Hybrid business model  
The value triangle and Loccioni's business model canvas  
Triple-Layered Business Model Canvas  
Model of strategic enablers of sustainable business  
A dynamic; network and resource-based approach to SBMs  
Redesign Canvas Tool  
Cross-Sector Partnerships: A Complex Adaptive Systems View  
Shared Triple Bottom Line (TBL) Value Creation  
Socio-ecological value creation  
Stakeholder theory  
Strong Sustainability Business Model (SSBM)  
Sustainable Supply Chain Management  
Sustainable Manufacturing Strategy Framework  
Transformative business sustainability (TBS) model  
Value uncaptured perspective

## **Social**

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Collaborative consumption  
Conceptual model: organizational and individual level factors of SBM  
Crowdfunding  
SBMs stakeholder lens  
Sustainable institutional entrepreneurship  
Conceptual model; organizational and individual level factors of SBM  
Associative Sustainable Business Models  
Pay-per-use business models  
SBM consumer preference perspective  
A corporate model of sustainable business practice  
Sustainable entrepreneurship  
SBM social side  
Social Enterprise, social entrepreneurship, social businesses  
Bottom of Pyramid (BOP) approach

## **Technological**

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Close the loop theory  
Sharing Economy  
Dynamic business modeling for sustainability  
Eco-innovation  
Eco-innovative business models  
Efficiency focused business models  
Environmental and socio-economic sustainability models  
Environmental value modelling  
Green design and practices  
Sharing economy: hybridity  
SBM as innovation strategy  
Efficiency focused business models; novelty-focused business models  
Peer-to-peer sharing economies platforms  
Product-service-systems  
Blockchain technology role in SBM creation  
“Cleaner production” theory

In conclusion, Sustainable Business Model and practices have been categorized into four archetypes namely, social, environmental, technological and organizational. This categorization has been obtained after exhaustive systematic literature review which created a basis for conducting papers which were best suiting for the research objectives and questions. In this subchapter we also concluded that how sustainable business model phenomena has been studied in a last decade, and which papers and journals were mostly cited in the chosen scientific area.

## **Interview analysis and results**

The interviews were held with three different social entrepreneurs. As mentioned in methodology the interview had three main objectives to bring namely are: Definition, Legitimacy, and Organizational Structure.

### **Definition**

Each respondent has defined social entrepreneurship in their own way. One called it as a “not greedy form of business but rather focused on social mission”. This could be

understood that social entrepreneur is not focused on financial goal and rather considers it as complement to fulfill social value. This kind of approach again also leaves us to think what is the real definition of social businesses and how we perceive them. If we assume that social business is a business which brings value to multiple stakeholders in different level of its operations this definition is acceptable as it does not differentiate what is considered social and what is not. A lot of authors define social value apart from economic and associate that economic value has nothing to do with social value. If any company sells something whether it sells it to the rich or the poor, it does not necessarily mean that selling something affordable to poor people makes their business a social business. As people with low income has social need, rich people also have them. So just by selling to low-income audience cannot make a business immediately social. Here we can give different other examples too about what is considered social value and what not while business offer its products or services.

Other entrepreneur considers social entrepreneurship as “Helping our society – with business in mind, so that it is sustainably financed.” It means that the main goal for SEs is not to target one audience which they aim to serve. This is seen as a business which serves to a larger extent- to society. Again, in this answer there is no clear saying that the main goal is to serve social mission, but rather the interviewee defines it as business which considers large population rather than small. Also, she mentions sustainable financing which emphasizes economic bottom line. To have business in mind is important as without proper finance there simply could not be enough impact.

Another respondent thinks of SE as “a place that has a double or triple bottom line” ... “my vision is to really try to keep this tradition alive, so I think part of it is trying to educate people and trying to encourage them to keep, you know, keep going and learn different patterns and different things like that”. So, she put it in a way like there are people doing similar business as she does but they do not do it for social value but for profitable reasons. So here emphasis is again on not one or two audience to please and sell items. But it rather considering larger extent of people.

#### Legitimacy

Several countries such as Greece, Italy, France have legislation regarding social enterprises. However, in Azerbaijan there is no such form of legislation towards social businesses. Every respondent registered their business as Limited Liability Company



(LLC) or an individual physical tax payer. As the respondents themselves clarified there is not legislative base for social enterprises. One of the respondents pointed out that it is really hard to register a business especially as a foreigner, moreover one respondent pointed out that it is not also easy to get a NPO status. That is why owning a social business in Azerbaijan comes with different challenges as it does not provide wide legislative base for social entrepreneurs.

However, it should be noted that, if social businesses had a legislative base, it would make things easier for them in different senses. Firstly, it would create recognition for them and being really able to prove their status in Azerbaijan. Secondly, it creates a chance to create awareness and therefore, encourage other business individuals to invest in this area and provide positive income. As one of the respondents said “there is a need for social businesses in Azerbaijan, because quite amount social needs have to be met”. As some countries consider that social need or welfare as something that government should care about thus, social enterprises can be seen something as a complementary. However, it should be noted that social enterprises show potential to solve market failures as it deals with different kind of social issues.

#### Organizational Structure

Most of the companies that was reperched has a very small number of employees. Mostly they are two or more three people engaging with everything and promoting and keeping the business alive. However, some of them depending on certain time recruit more people. Therefore, an organizational structure and the challenges of hybridity cuould not really be studied for social businesses in Azerbaijan. However, some insights have still been collected in order to understand the perspective of the entrepreneur on it. As previously mentioned, hybridity of social enterprises is really challenging and while working with people it is really important to have a team who can be dedicated for both social and financial values. One of the respondents said that even though she is the owner of the social business she deals with economic side of the things while her assistant deals with social sides of the things. She said that she has to do it or the time management would fail. The other respondent said that it is not easy to find proper candidates as a lot of people look only for financial outcomes rather than social values. So, it seems like it is not easy to involve a workforce which really dedicated for social needs in Azerbaijani workforce market. Again, this could be reasoned by many reasons, however this is not the aim of this research.

To conclude, we can say that social entrepreneurship in Azerbaijan takes it baby steps and has a lot to look forward. In order to promote these types of businesses it is really important to create awareness, let small and medium businesses to enter the market and create legislative or other formal frameworks.

## Conclusions

This study aimed to study sustainable business models and social enterprises. In the first stage of this study, an exhaustive literature review has been conducted. The systematic literature review was chosen as a methodology of this research. After a careful and long analysis, a few insights have been collected. Firstly, it was found out that in the last decade there is an increasing number of papers studying sustainable business models and practices. A lot of papers discussed technological innovations while creating a business model framework. Theories such as circular economy, sharing economy, and eco-innovations were frequently cited and mentioned topics. We also found out that what are the main characteristics differentiating traditional business models from sustainable business models. As the traditional business model follows this idea about value creation, value capture, and value network, and strategic choice, sustainable business models put a different emphasis on each part of this. We understood that each category on sustainable business models can be described as below:

Value creation- This process is not only about creating economic value but also considering other bottom lines of business. The main idea is that there is either social or ecological value being provided along with the economic value. Such as with circular businesses there are closed loops in the resource allocation process meaning that. For each unit of created value, there is a turnback in from the value wasted. It means that everything happens within the value circle and value is being proposed in a manner that both economic and environmental values are being created.

Value capture- No organization cannot be impactful without economic profits. However, it should be noted that the value captured can also take different forms rather than economic. The impact that the organization takes back is also important. In the case of social businesses, the social value provided also happens vice versa meaning that the company also captures social values.

Value network- Sustainable businesses can be sustainable if their partners and suppliers are also sustainable. Therefore, from manufacturing to outsourcing the firms need to build such a collective system that sustainability could be achieved at every level.

After studying these papers sustainable business models have been categorized into four categories which namely are, social, environmental, organizational, and technological. It was found out that papers under the technological category have been most cited and have a higher research impact. This could be reasoned by the fact that innovations help create sustainable solutions, that's why there is a lot of attention on them. The organizational category included papers discussing how value inside the company is important to convey sustainable value to outer stakeholders and a larger population.

After the categorization process, social businesses were chosen as one of the archetypes of sustainable business models to further study. Mainly social businesses in Azerbaijan were studied. Few insights have been collected. It firstly should be mentioned that social entrepreneurship phenomena are very new in the country thus there is a lack of resources to compare it with international social businesses. However, some insights were relatable with studied papers. First and foremost, social businesses in Azerbaijan lack awareness and there is no legal framework to follow. Even though, in western countries, a lot of governments adopted some legal frameworks Azerbaijan still does not have it. Therefore, it creates problems for social businesses here to bring investors or donors for helping their businesses. At the organizational level, a study cannot be conducted as the businesses studied were really small. However, respondents made it clear that it is not easy to find a workforce that has social and financial skills at the same time. This again proves that; hybrid nature of social enterprise makes it challenging in attracting and building the necessary workforce.

## Appendix

### Transcript of interviews

#### *Interview transcript company A*

*Speaker 1:* My first question was, could you explain why did you enter this industry, please?

*Speaker 2:* As I said in my introduction a little bit, but it was more kind of out of personal interest at the beginning and looking for ways to kind of keep myself connected to the area that we're living in. But quite a few people had given me some ideas of I mean, maybe not like a full-blown business like I'm doing now, but they said, oh, we want some socks. Like so. So, there was quite a few people who kind of gave me this idea. I had another friend who's doing similar to business with carpets, and he had kind of given me all the advice and to and had to run it, et cetera. So, I think, yeah, it wasn't like a big I didn't have this. I didn't even really know what social business was before I started it. It was really my idea. You know, I don't have a lot of experience or anything, so.

*Speaker 1:* OK, great. So, could you tell what your role involves?

*Speaker 2:* And business, so basically, I am the founder of my business, and right now I'm also pretty much doing everything. I do have an assistant and she I mean, I do everything. I don't knit, by the way. I like I don't know how to knit. So, I kind of like my role is to pick the materials, buy the materials, match them in the way that I feel like people in the West who are mostly my customers in ways that I think that they would like, then I or a couple different workers with go to the railroads, to the regions. It's going to the regions, bringing yarn to people, picking up socks and taking it, you know, taking those things and putting them online, somehow marketing them and selling them. So, I'm kind of doing all of those things. I have a few people helping me, but most all I'm doing it so we can say you kind of integrate to all parts of the business except like knitting.

*Speaker 1:* Can I ask, like, what, in your opinion, would be the best definition for a social enterprise or social entrepreneurship in your opinion?

*Speaker 2:* Sure, I think the best in I think the social enterprise is a place that has a double or triple bottom line. You know, it's not only for, you know, the point of making money. You know, there's also some other kind of bottom line. The other thing is why you're doing the business. So, I would say, like, you know, there's environmental reasons or things that have to do with humanistic or whatever. So, I would say like the reason why I consider my business a social business is because I think, like, there's probably other people doing this this before. They're like buying socks as cheap as they can, you know, like the guys in the Old City know, just trying to make as much money as they can. So, and they're not they're not really like trying to. Another part of my vision is to really like. How can I say it, like, you know, try to keep this tradition alive, so I think part of it is trying to educate people and trying to encourage them to keep, you know, keep going and learn different patterns and different things like that? And also like the important part of my reason why I call it a social business, my own thing is I really feel like it's important to give people in the round like jobs. So, like I've limited all my people that are needed to them to the regions, even though it's probably easier to find people in Baku that can just bring this stuff to my house. So, kind of like I have some values and I'm trying to stick with them. So that's kind of what makes it a social business.

*Speaker 1:* So, in your opinion, what could be or what challenges and opportunities social entrepreneurship, intrapreneurs have when they just start the organization, for instance, for you, or what was the European and good opportunities or what the challenges?

*Speaker 2:* I think well, there's a lot of challenges, it kind of depends on what you're doing, et cetera, but I think. You have to be willing to work hard, like I heard this phrase the other day. It's called the entrepreneur. Have you heard of this like you wanted or you want to be, you know, a social business, but you're not willing to, like, put the hard work into it and sacrifice your own money or your time? So, I think this is one of the

challenges is that, you know, I mean, I would say probably some maybe some business somewhere or social entrepreneurs like become famous and successful overnight. Let's say mostly it just takes kind of like patience, being willing to do the hard work, take risks, you know, invest your own money and time into it until you feel like, you know, it's successful. I mean, until it becomes successful. So., I mean, there's other kind of challenges to all kinds of challenges, but maybe especially on my side, I feel like I had some challenges like I did. I didn't know a lot of things, like I hadn't studied business and I didn't have any experience in it. So, there's a lot of challenges and kind of like figuring that all out. But I was able to get help from people and figure it out, so. People prefer, you know, that's something that makes one of the things that helps make social businesses successful is that people feel like they're helping somebody when they participate in your business. And that's something that makes it more successful because people would rather help somebody than just, you know, do something to help some big company or some rich person is getting richer. So, I think that the opportunities are great in in that way, where if you have some social aspect in some way, the. You're giving back, I think your business is more likely to be something that people want to participate in, buy from, et cetera.

*Speaker 1:* OK, so my next question would be about a little bit about the legal part of things here and there, but I just want to know how to establish your company's legitimacy in Azerbaijan. I mean, do you operate as a for profit forum or do you operate as an LLC or a nonprofit forum?

*Speaker 2:* Just a little bit like where I registered myself as an LLC. OK, so I don't have any special non-profit status or anything like that because I don't know, I just didn't I didn't know that there was such a thing. And I am sure there is such a thing at the moment. And I think there's people that are working on laws for that, etc. But yeah, I just set up like a regular one, actually set up an MJ here in Azerbaijan, but also in the States, because I do a lot of business here too, and selling online. So, I'm trying to figure out how to like, you know, not break any laws in either country.

*Speaker 1:* But do you think in your opinion that the fact that like in our country, we

don't have one form of legal form for social enterprises, they either have to operate as a like LLC as you operate or they know some of them, I think try as nonprofits like nongovernmental organization NGO. Do you think it's kind of like a challenge for social enterprises here when they are doing their business?

*Speaker 2:* Yeah, I mean, definitely I think I think it's difficult to do any kind of business in general here in as a person. I think that's yeah. And I kind of thought about that a bit. But I think that NGO has even more difficulties like, you know, finding grants. And there's a lot of laws and regulations. It's not so easy, easier to start a business. And, you know, and my business, although, like, you know, it has a social aspect, it also has proved that it is profitable. So, I think you can't call it a social business if it doesn't make money. So, it's like, you know, maybe it doesn't make much money as it could. If I was not, you know, like treating people humanely and paying a fair wage and different other different values that I do. But I still think, like, we're able to make money, which is why we're still around. But I mean, I can say that I don't know. It's just general us doing business in Waziristan is a little complicated. And, yeah, I don't know.

*Speaker 1:* So, OK, now I want to ask about, you know, about organizational stuff inside the company opinion, what kind of challenges or difficulties you're having inside the company. You know, some internal challenges maybe you face with your workers. Right. What would be the most common problem inside the Organization for Social Enterprises?

*Speaker 2:* OK, good question. Let me think. I mean, I definitely think that it took me a while to find the right people. So, you know, the most important thing that makes a business good is having lawyers. I mean, of course, you have to have a good idea. So, I have a good idea, but I have to have good you know, I have to have both really talented knitters. But I also have to have, like, honest, you know, people who are honest and willing to know, like, work with me, have a relationship with me, you know. So, I think that's one of the most difficult things, is finding the right people. So, and I'm happy to say that after many years, I feel like I have like a good base of solid really people who, you know, we're happy to have their jobs and who are really talented and are trustworthy. And other than that, I think common problems. I mean, there's a lot of you know, it's a



lot of my main problems are kind of like figuring out all the details of how, you know, now that I have good workers, like right now in my head, it's like how to get my product from Azerbaijan to other places and how to figure out, like, you know, how to do customs, how to not I when I do, I need something, customs when I don't, and how to do it and how to how to make it so that it continues to be profitable.

*Speaker 1:* You know, maybe some workers can underestimate the social value of the business or think about, you know, national values. So, in your opinion, not just how you are integrating all of this, but to keep the business of entrepreneurship?

*Speaker 1:* Um, I think, like, that's a good thing, that's something that I need to keep thinking about, because I think how I how I see it is there's like kind of seasons of my business, like right now in November, December, October. It's like crazy busy time. So many people everybody wants socks during this time, you know, so it's like a selling season, the time where I don't have very much time to go visit the women or don't have much time or brainpower to think about how we can input into them and different things like that. But I would say like no. And it also has to do somewhat with like. The way that we work in rural areas and for example, our women are mostly knitting in the winter, but in the summer, they know they're not, they're mostly working in their fields and different things like that, canning canticles and whatever. So, I think, like we've seen most of the things that we've been able to do, like socially, like helping people and projects and stuff like that have been done like in more like an off season for the soccer in the summer or even the spring. So, I think, like I would say, like at this moment, you know, maybe and maybe we're not focusing on the social part every single day, but we have some kind of like seasons or rhythms of it, you know? And so, I think, like I have my assistant, I feel like I'm very motivated to, like, sell things because I feel the weight of all of this product and then I have to sell them, etc. So, I feel like I'm very focused on like the business part. But I mean, I still have a heart for the social. So, for example, my assistant, I'm trying to have her like her. I have an assistant and then have a couple of different,

like workers that are like going to different places. So, trying to just like feel like my job is to encourage them to often talk to the women and try to encourage them in different, you know, just keeping in contact and how we can support them in different ways. So, you know, maybe it would even my answer would even be like, you know, there's someone like I feel like my role is more like on the business side and then having another person focus on the social aspect of the business.

*Speaker 1:* Actually, that's a great answer, because I was just about to ask a question, which you just made an answer for that. So, I was about to ask, like, do some people just to get related more on the business side, like more like the nation side, the other people are more involved on social science. So, we to answer that question, too. And I think I had some questions inside the you know, I just filed. But we some shape or form answered those questions. I mean, you answered those questions.

*Speaker 2:* You can ask me again if you have or clarify things. So, I don't know. I can also I send her some different reports to like I have a yearend report about how my business, um, you know, some more like financial information, you know, not everything, but some like just if you need some more information.

*Speaker 2:* OK, then I will just keep in mind know. OK, sure. OK, great. All right. Thank you. Nice to meet you. Nice to meet you, too. Thank you very much.

*Interview transcript company B*

A: Could you explain why did you enter this industry, please?

T: Biz iki həmtəsisçi bu işə 2017-ci ildə başladıq. Həll etmək istədiyimiz problem social təşəbbüslərin maliyyələşmə problem idi. Azərbaycanda beynəlxalq donörarla bağlı qanunvericilik xeyli sərtləşdirilmişdi və bir çox social təşəbbüslər özünə maliyyə tapma imkanından demək olar ki, məhrum idilər. Kraudfanding platforması yaratmaqla biz cəmiyyətə mesaj vermiş olduq ki, xırda büdcə tələb edən işləri öz gücləri hesabına maliyyələşdirə bilirlər. Bununla yanaşı biz onlara social sahibkarlıq modelini seçməyə

təşviq edirik ki, başlayacaqları iş növbəti mərhələlər də özünü maliyyə resursları baxımından təmin edə bilsin.

A: Could you tell me what does your role involve, please?

T: Mən Toxum platformasının həmtəsisçisi və əməliyyatlar üzrə meneceriyəm. Əsas vəzifəm ümumi layihəni koordinasiya etmək, işləri planlamaq və nəzarət etməkdir.

A: What would be the best definition for social entrepreneurship in your opinion?

T: Bu suala bir cümləlik cavab vermək çox çətinidir. Mən buna gözütox biznes modeli deyirəm. Problemi tapırsan, davamlı həll yolu təklif edirsən. Bu sol düşüncə ilə kapitalist modelin gözəl tandemidir.

A: What challenges and opportunities do social entrepreneurs have when starting a new organization?

T: Bizim ölkədən nümunə versək ən böyük çətinliyimiz yəqin ki, təcrübə azlığımızdır xüsusilə də biznes modelin qurulmasında. Biz təşkilat olaraq kraudfanding modelini seçmişik. Bu isə cəmiyyətdə hələ yeni tanınan və hələ tam mənimsənilməyən bir modeldir. Bizim ən böyük çətinliyimizi bu mədəni bariyeri aşmaqdır. Həmçinin ölkə qanunvericiliyi hələ bu istiqamətdə inkişaf etdirilməyib. Ən böyük fürsət isə nə qədər paradoksal səsləndə də ölkədə kifayət qədər social problemin olmasıdır.

A: How do you establish the legitimacy of your company in your country? Do you operate as for-profit form?

T: Biz fiziki vergi ödəyicisi kimi fəaliyyət göstəririk. Planımızda var ki, MMC modelinə keçək. Sosial sahibkarlıq müəssisələri üçün hələ rəsmi qanuni bir status yoxdur.

A: Would you describe a social entrepreneurship as a strategic choice that any business can make or as a new form of legal entity?

T: Düşünürəm ki, sosial sahibkarlıq müəssisələri üçün xüsusi status onun vergi məsələləri ilə bağlı olmalıdır. Bu müəssisələrə tətbiq olunan vergi növlərinin sayı və faizi azaldılmalıdır.

A: Which internal challenges you face frequently on the organization?

T: Ən böyük çətinlik bütün maliyyə xərclərini qarşılayan biznes modelin hələ tam formalaşmamasıdır. Bu bir çox fəaliyyətin həyata keçirilməsinə maneə olur. Sosial sahibkarlıq müəssisələri işçini ilk növbədə bu sahədə işləmə motivasiyasına görə seçsə də onlar ləyaqətli əmək haqqı almalıdırlar. Bu baş vermədikdə mövcud sənayedə peşəkarlıq baxımından daha aşağı keyfiyyətlərdə insanlarla işləmək ümumi işin inkişafında ləngimə yaradır.

A: Follow up question: Do you ever encounter problems such as any of the workers underestimate either social or financial mission of the organization?

T: Bizim komanda kiçikdir və hələ belə bir hal ilə qarşı-qarşıya qalmamışıq.

A: How do you integrate your social and commercial activities? What is the best example for you to be a successful social entrepreneur?

T: Biz əsas missiyamız çərçivəsində müəyyən məhsullar yaradıırıq. Buraya əsasən ödənişli təlim paketləri daxildir. Üzərində çalışdığımız daha yeni innovative modellər də var. Buraya üzərində çalışdığımız mobil oyun tətbiqetməsini nümunə göstərmək olar. Uğurlu nümunə kimi çox adları və təşkilatları saymaq olar. Mənim sosial sahibkarlıqla ilk tanış olduğum nümunə Ukraynanın İvano-Frankovsk şəhərindəki Urban Space 100 komandasını göstərə bilərəm.

A: What dilemmas or challenges you face while attracting new workforce?

T: Biz daimi olaraq könüllülərlə çalışırıq. Onlarla işləməkdə xüsusi çətinliyimiz olmur. Sadəcə bu sahə özü yeni olduğu üçün bir müddət onlara missiya və fikrimizi aşılamağa çalışırıq.

A: Do you structure your organization units separately? Do you make commercial and social units separately or you integrate the activities through all units?

T: Bizdə social və kommersiya fəaliyyətləri inteqrasiya olunmuş halda həyata keçirilir. Eyni departamentin həm sosial həm də biznes məhsulları olur.

A: Would you like to add any other element that we have not considered yet in this interview?

T: Xeyr, xüsusi əlavəm yoxdur. Təşəkkür edirəm!

*Interview transcript company C*

A: Could you explain why did you enter this industry, please?

V: I've been wanting to be an entrepreneur since my school years. I was choosing an industry, where I could have the most impact very carefully. Eventually, my heart and lifestyle chose the industry for me.

A: Could you tell me what does your role involves, please?

V: My broad role is breaking stereotypes in this society, helping those, feeling insecure because of their unique traits or preferences, gain self-confidence and feel "normal" again

A: What would be the best definition for social entrepreneurship in your opinion?

V: Helping our society – with business in mind, so that it is sustainably financed.

A: What challenges and opportunities do social entrepreneurs have when starting a new organization?

V: In Azerbaijan, it is mainly the absence of any written procedures. Not a single instance could provide me wt these. Another problem is being a female entrepreneur. NOONE takes you seriously, assuming there is a male backing this all up and demanding a meeting with "him".

A: How do you establish the legitimacy of your company in your country? Do you operate as a for-profit firm?

V: I do operate as a simplified taxpayer, individual entrepreneur.

A: Would you describe social entrepreneurship as a strategic choice that any business can make or as a new form of legal entity?

V: Rather a choice any business can and is making. We live in an era, where all major companies are trying their hand in SE.

A: Which internal challenges you face frequently in the organization?

V: Considering the fact, that organization consists of only me and 1 employee, the only challenge is finding a proper vegan candidate

A: Follow-up question: Do you ever encounter problems such as any of the workers underestimate either the social or financial mission of the organization?

V: NO, because I choose employees with similar life missions, as mine.

A: How do you integrate your social and commercial activities? What is the best example for you to be a successful social entrepreneur?

V: The most important part is listening. I listen to people (target audience) and then act according to their demands/needs. Try to put me in their shoes and think of problems and obstacles they face, then think of ways to remove those.

A: What dilemmas or challenges you face while attracting a new workforce?

V: Dilemma – the young generation can't calculate percentages even with the help of the calculator. Also, most of the candidates overestimate their abilities. Overall, people are not willing to work and are looking for easy money.

A: Do you structure your organization units separately? Do you make commercial and social units separately or you integrate the activities through all units?

V: Nothing separate, all integrated. From the day of establishment, our organization is openly and clearly stating ways of helping our society through its activity.

A: Would you like to add any other element that we have not considered yet in this interview?

V: I think it is important to talk about the creation of governmental incentives for social entrepreneurs, because: 1. this is a new sphere of business activity with little knowledge of how things should be done; 2. entrepreneurs need to be stimulated to start businesses that benefit both them and the society they live in.

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