

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
Sumy State University
Academic and Research Institute of Business, Economics and Management
Department of Management named after Oleg Balatskyi

«Accepted for the defense»
Head of Department
Ihor REKUNENKO
(Signature) (First and last name)
_____ 2024

QUALIFICATION PAPER
to obtain an educational degree BACHELOR

in the specialty 073 Management
educational-professional program Management

on the topic: Sustainable business models in entrepreneurship

Student M-01aH Anna SUSHCHENKO
(group) (First and last name)

The qualifying paper contains the results of own research. The use of ideas, results and texts of other authors are linked to the appropriate source.

(Signature) Anna SUSHCHENKO
(First and last name of the applicant)

Supervisor Ass. Prof., Ph.D., Ass. Prof. Svitlana KOLOSOK _____
(position, scientific degree, scientific title, Name and SURNAME) (Signature)

Sumy – 2024

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APPROVED
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**ASSIGNMENT FOR QUALIFICATION PAPER
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1. The topic of the paper "Sustainable business models in entrepreneurship" approved by order 0544-VI dated 16.05.2024.
2. The deadline for submission of the completed paper by the student 02.06.2024.
3. The purpose of the qualification paper: to study sustainable business models in entrepreneurship.
4. Object of study: the process of sustainable business model innovation in responsible entrepreneurship.
5. Subject of study: organizational and economic relations that arise in the process of sustainable business model innovation in responsible entrepreneurship.
6. Qualification paper is performed on the basis of the ФОП Chugai B.A.
7. Approximate plan of qualification paper, deadlines for submission of sections to the manager and content of tasks to fulfill the set goal.

№	Title of the section	Submission deadline
I	The sustainable business model theory	15.05.2024
II	The sustainable business model analysis	22.05.2024
III	The innovation and responsible entrepreneurship in achieving sustainable development	02.06.2024

The content of the tasks for fulfilling the set goal of the Bachelor's qualification paper:

In section 1, the student should outline the main sustainable business models.

In section 2, the student should analyse the sustainable business models in entrepreneurship.

In section 3, the student should provide organizational and economic proposals for innovation and responsible entrepreneurship in achieving sustainable development.

8. Consultations on work performance:

Section	Surname, initials and position of the supervisor/consultant	Signature, date	
		Issued the task	I accepted the task
1	Kolosok S., Associate Professor	06.05.2024	
2	Kolosok S., Associate Professor	16.05.2024	
3	Kolosok S., Associate Professor	21.05.2024	

9. Issue date of the assignment 06.05.2024

Supervisor of qualification paper Ass. Prof., Ph.D., Ass. Prof. Svitlana KOLOSOK _____
 (position, scientific degree, scientific title, Name and SURNAME) (Signature)

Tasks to be completed received Anna SUSHCHENKO _____
 (Name and SURNAME of the student) (Signature)

ANNOTATION

Qualification work in the topic “Sustainable business models in entrepreneurships” consists of 52 pages, 4 tables, 1 picture and 34 references.

Actuality of the topic is an increasingly critical topic in today's business environment. The purpose of the qualification paper: to study sustainable business models in entrepreneurship.

Object of study: the process of sustainable business model innovation in responsible entrepreneurship.

Subject of study: organizational and economic relations that arise in the process of sustainable business model innovation in responsible entrepreneurship.

Methodology: The research employs a mixed-methods approach, combining qualitative and quantitative data to provide a holistic view of sustainable business models in entrepreneurship. In the work there were used such methods, like literature review, data analysis and comparative analysis.

The findings reveal that entrepreneurs are increasingly motivated by regulatory requirements, cost savings, consumer demand, investor expectations, and ethical considerations to adopt sustainable business models. Common sustainable practices include energy efficiency, waste reduction, sustainable supply chain management, and corporate social responsibility initiatives. The benefits of these practices include financial savings, improved environmental performance, and enhanced social impact.

Challenges identified include initial implementation costs, lack of expertise, resistance to change, and difficulties in measuring sustainability performance. Successful strategies involve integrating sustainability into the core business strategy, strong leadership commitment, continuous innovation, and transparent reporting.

Keywords: Sustainable Business Models, Entrepreneurship, Sustainability, Corporate Social Responsibility, Environmental Impact, Economic Benefits, Social Impact, Innovation, Regulatory Compliance.

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INTRODUCTION

In the rapidly evolving landscape of global commerce, the concept of sustainability has become a cornerstone for modern business practices. As environmental concerns and societal expectations grow, businesses are increasingly adopting sustainable models to not only mitigate negative impacts on the environment but also to enhance their long-term viability and profitability. This diploma work explores the integration of sustainability into entrepreneurial ventures, presenting a comprehensive analysis of sustainable business models and their application in entrepreneurship.

Background: Sustainable business practices involve the adoption of strategies that meet the needs of the present without compromising the ability of future generations to meet their own needs. This encompasses a broad range of activities, from reducing carbon footprints and utilizing renewable resources to ensuring fair labor practices and engaging in corporate social responsibility (CSR). The shift towards sustainability is driven by various factors, including regulatory pressures, consumer demand, and the recognition of sustainability as a source of competitive advantage.

Importance of Sustainable Business Models: Sustainable business models are vital for addressing the triple bottom line: people, planet, and profit. They aim to create value not just economically, but also socially and environmentally. Entrepreneurs, with their innovative and flexible approach, are uniquely positioned to pioneer sustainable practices and create impactful business models that can lead the way in responsible business conduct.

- **Economic Benefits:** Sustainable business models can lead to cost savings through efficient resource use, enhance brand loyalty among eco-conscious consumers, and open up new markets and revenue streams.

- **Environmental Impact:** By reducing waste, lowering emissions, and conserving natural resources, businesses can play a significant role in protecting the environment and combating climate change.
- **Social Responsibility:** Sustainable practices often involve fair trade, ethical labor practices, and community engagement, which contribute to social well-being and enhance the business's reputation.

Objectives of the Study

This diploma work aims to:

- Identify key components of sustainable business models and their relevance to contemporary entrepreneurship.
- Analyze the benefits and challenges associated with the implementation of sustainable practices in entrepreneurial ventures.
- Examine case studies of successful sustainable businesses to understand best practices and strategies for integrating sustainability into business models.
- Propose a framework for entrepreneurs to develop and implement sustainable business models effectively.

Methodology: The study employs a mixed-method approach, combining qualitative and quantitative research. Primary data will be collected through interviews with entrepreneurs and industry experts, while secondary data will be sourced from existing literature, case studies, and industry reports. The analysis will focus on identifying patterns, drawing insights, and formulating recommendations based on empirical evidence and theoretical frameworks.

Significance of the Study: This research contributes to the academic discourse on sustainable entrepreneurship and provides practical insights for aspiring entrepreneurs. By highlighting the interplay between sustainability and business success, it aims to inspire more entrepreneurs to adopt sustainable practices, thereby fostering a more resilient and responsible business ecosystem. This research was funded by the Ministry of Education and Science of Ukraine (grant number: 0123U101920). The work was approved and published in 1 and 4 edition of 2022 in the journal “Visnyk SumDU. Economics”.

CHAPTER 1. THE SUSTAINABLE BUSINESS MODEL THEORY

1.1. The concept of sustainable business model

A few decades ago, it was said that the concept of business models has no theoretical basis in economics and business research. Over time, it developed clear theoretical roots, tying value creation to established theories. It is related to efficiency (through transaction cost economics), novelty (through Schumpeterian innovation), complementarity (through resource-based theory) and closedness (rooted in strategic networks) or means of value creation and delivery. However, this is usually done to the detriment of the environment and society. These negative consequences underscored the importance of participation in the pursuit of sustainable development. This initiative was not limited to firms as individuals; academia and governments are expected to do more than create debates around the buzzword of sustainable development. Over the years there have been calls and pressures for businesses and organizations to contribute to the Brundtland Report's most cited definition of sustainable development – “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (The World Commission on Environment and Development, 1987).

Lozano and Reid in their work investigated the role of investors in the production of electricity, the introduction of sustainable business models. The main challenge in the future for the viability of utilities in the field of energy, according to the results of their work, is the integration of renewable technologies. Loock argues that digital technologies contribute to the innovation of business models, as they eliminate bottlenecks in the integration of sustainable energy technologies into existing energy systems. According to Karami and Madlener's research, successful business models of electricity suppliers are mainly focused on increasing the energy efficiency of consumers and their electrical self-sufficiency. At the same time, in the work of Biancardi et al. it is determined that electricity transmission system

operators (TSOs) are more conservative in accepting innovations and changing their current business model, compared to operating system operators (Kolosok and Sushchenko, 2022).

The concept of business models gained popularity during the dot-com boom in the 1990s, with recent active and diverse research activity. This activity led to a major special issue in the journal Long Range Planning in 2010 and a significant body of literature reviews. Further in table 1.1. definitions of different years and authors are provided, starting from 2010 to 2017 (Geissdoerfer and Evans, 2016).

Table 1.1 – Definition of business model

Source	Definition
Timmers, 1998	A business model is “an architecture of product, service and information flows, including a description of the various business entities and their roles; description of potential benefits for various business entities; description of sources of income”.
Chesbrough and Rosenbloom, 2002	A business model is "a heuristic logic that connects technical potential with the realization of economic value." "The business model provides a holistic framework that takes technological characteristics and potential as inputs and transforms them through customers and markets into economic outcomes."
Knyphausen-Aufsess and Meinhardt 2002	“A business model is a simplified representation of a profit-making enterprise consisting of its main elements and their relationships.”

Continuation of Table 1.1

Magretta, 2002	<p>"Business models are essentially stories that explain businesses and answer the following questions: Who is the customer? And what does the client value?" It also answers the fundamental question every executive must ask: "How do we make money in this business? What is the underlying economic logic that explains how we can deliver value to customers for dependent cost?"</p>
Richardson, 2008	<p>A business model is "a conceptual framework that helps link a firm's strategy, or theory of how to compete, to its operations or strategy execution. A business model framework can help think strategically about the details of how a firm does business." "The three main components of the framework – value proposition, value creation and delivery system, and value capture – reflect the logic of strategic thinking about value. The essence of strategy is to create higher value for customers and to obtain a greater amount of that value than the competition.'</p>
Doganova and Eyquem-Renault, 2009	<p>"The business model is a descriptive and calculating device that allows entrepreneurs to explore the market and plays a performative role, contributing to the construction of a techno-economic network of innovations."</p>

Continuation of Table 1.1

Baden-Fuller and Morgan, 2010	"Business modules have a multivalent character as models. They can be found as exemplary role models that can be copied or presented as succinct descriptions of a business organization: simplified, short descriptions equivalent to large-scale models. They can be thought of not only as capturing the characteristics of observable species in the world, but also as abstract ideal types.'
Casadesus-Masanell and Ricart, 2010	"The business model is ... a reflection of the implemented strategy of the firm."
Osterwalder and Pigneur. 2010	"A business model describes the rationale for how an organization creates, delivers, and captures value."
Teece, 2010	"A business model articulates the logic, data, and other evidence that supports the value proposition for the customer and the viable revenue and cost structure for the business that delivers that value."
Zott and Amit, 2010	"The conceptualization of a firm's business model as a system of interdependent activities that extends beyond the parent firm and spans its boundaries. An activity system enables a firm, together with its partners, to create value, as well as to appropriate a share of this value with the design elements – content, structure and management – that describe the architecture of the activity system; and design themes – novelty, lock-in, complementarity, and efficiency – that describe the sources of value creation of the activity system.'

Continuation of Table 1.1

Geissdoerfer et al., 2016	"Business modules are described as simplified representations of the elements and interactions between those elements that an organizational unit chooses to create, deliver, receive, and exchange value."
Wirtz et al., 2016	"The business model is a simplified and condensed representation of the relevant activity of the company. Describes how market information, products and services are generated by the value-added component of the company. In addition to the value creation architecture, strategic as well as customer and market components are considered to achieve the higher goal of creating, or more specifically, securing a competitive advantage. To achieve this goal, the current business model should always be critically examined from a dynamic point of view, thus realizing that there may be a need for the evolution of the business model due to internal or external temporal changes.
Massa et al., 2017	"A business model is a description of an organization and how that organization functions to achieve its goals (eg profitability, growth, social impact...)".

Academic and practical interest in sustainable business models grew rapidly, culminating in special issues of Journal of Cleaner Production and Organization and the environment.

The first main objective of the conceived concept was to put companies at the service of the transformation to a more sustainable economic system and to provide levers for integrating sustainability considerations in the organization and helping companies achieve their ambitions for sustainable development. In today's world, the concept of sustainable business models is considered as a source of competitive

advantages. Thus, it can be argued that the concept of sustainable business models can replace the concept of conventional business models, just as sustainable competitive advantage has replaced conventional competitive advantage.

Common to the definition in the literature is that sustainable business models are seen as a modification of the concept of traditional business models with added specific goals and characteristics, and they either incorporate concepts, principles and goals that address sustainability or integrate sustainability into their value propositions, proposals, value creation and delivery activities, and mechanisms for obtaining value (Geissdoerfer and Evans, 2016).

1.2. Types of sustainable business models of organizations

Sustainable business models can be divided into 4 types: circular business models, social enterprises, bottom of the pyramid businesses and product service systems.

Circular business models

The circular business model articulates the logic of how an organization creates, delivers and receives value for a wide range of stakeholders while minimizing environmental and social costs.

Circular business models contribute to the development of the circular economy by adhering to three fundamental principles of the circular economy:

- Waste and pollution design;
- Storage of products and materials in use;
- Restoration of natural systems.
- The main principles of the circular business model include:
- Raw products and materials from the farm, not from ecological reserves.
- Creating value for customers by adding value to existing products and materials.
- Creating valuable contributions for non-customer companies.

Different types of circular business models are also divided:

- Coordinating circular value chains with data. - Products are created from recycling to reuse.
- Circular product design. - Products are created from recycling to reuse.
- Use, reuse, distribution and repair. – Durable goods created from recycled and reused parts can become inputs for circular business models in the future.
- Collection and reverse logistics. - Closing the life cycle of a material occurs through the creation of products that can be recycled, resold and repurchased (Goossens, 2020).

Social enterprises

Social enterprises are created for business solutions to social problems. The ultimate goal of the business model is to achieve sustainability by allowing non-profit organizations to sustain themselves financially in innovative ways, instead of relying solely on grants and donations.

The emergence of for-profit activities for not-for-profit organizations has created a new model where business principles, market characteristics and values (competition, entrepreneurship, diversification, profit orientation and innovation) coexist and work with traditional public sector values such as community responsiveness and service common interests.

The key elements of the business model are:

- An operational strategy that includes the internal organizational structure and external partnerships critical to creating the organization's intended impact.
- Resource strategy, which determines where and under what conditions the organization receives the resources (financial and human) necessary to perform work (MaRS Startup Toolkit, 2021).

Bottom of the pyramid businesses

The bottom of the pyramid is the so-called base of the pyramid - a term in economics that refers to the two-thirds of the poorest group of the pyramid. In a broader sense, bottom-of-the-pyramid (BPO) businesses refer to a market-based

model of economic development that promises to simultaneously reduce mass poverty and ensure growth and profits for multinational corporations (TNCs).

Unlike traditional aid-based models of economic development, BNP approaches transform poverty into an economic opportunity for TNCs.

The main argument has three premises:

- The world's poverty creates great opportunities for TNCs to grow in capacity and profit.
- The necessary role of TNCs in revealing the economic potential of hard-to-reach markets.
- Involvement of the poor in the global economy will bring profits to TNCs and solve the problem of poverty (Winn and Kirchgeorg, 2023).

Product service systems

A product maintenance system is a competitive system of products, services, network support, and infrastructure. The system includes product maintenance, parts recycling and possible product replacement, meeting the customer's needs on a competitive basis and with less impact on the environment during the life cycle.

Product maintenance systems require a coordinated approach from multiple stakeholder groups. Industry, government and civil society must work together to create and facilitate the establishment and smooth operation of such systems as part of a more sustainable economy.

Globally, product service systems can lead to reduced resource use and waste generation as fewer products are produced. To compensate for the initial reduction in physical goods sold due to increased sales of services. Jobs in the service sector balance the loss of jobs in manufacturing. Product service systems as a business concept have the potential to improve living standards worldwide. However, this change will require a cultural shift to new values that focus on quality and utility. Product maintenance systems have reduced the need to purchase, maintain, dispose of, and replace products. Product service systems can improve service quality and, as a result, customer satisfaction. In addition, manufacturers have an incentive to

produce closed-loop systems for equipment based on designs for greater durability and recyclability.

In developed countries with a high level of environmental impact, product service systems can contribute to the transition to a more service-oriented, sustainable society. Also, the advantages are the reduction of dependence on resources and the burden on facilities for waste disposal.

For developing countries, product service systems can represent a more promising and ecological path to economic development, as it allows bypassing the stage of development characterized by individual ownership of goods (Vezzoli, Ceschin, Osanjo, M'Rithaa, Moalosi, Nakazibwe and Diehl, 2018).

1.3. Sustainable business models in entrepreneurship

Sustainable business models in entrepreneurship are designed to create economic value while simultaneously ensuring social equity and environmental protection. These models focus on long-term growth and the well-being of future generations. Here are some key components of sustainable business models:

1. *Triple Bottom Line (TBL)*: This approach considers three aspects—People, Planet, and Profit. Businesses aim to achieve a balance between economic growth, environmental stewardship, and social responsibility.
2. *Circular Economy*: This model focuses on minimizing waste and making the most of resources. It involves designing products for a longer lifecycle, recycling, and reusing materials.
3. *Social Entrepreneurship*: Entrepreneurs in this category aim to solve social problems through innovative solutions while being financially sustainable.
4. *Green Technology and Innovation*: Investing in technology that reduces environmental impact. This includes renewable energy, sustainable agriculture, and eco-friendly products.

5. *Inclusive Business*: Creating business opportunities that involve and benefit low-income communities. This can involve fair trade practices, affordable products, and inclusive hiring policies.
6. *Sustainable Supply Chain Management*: Ensuring that every step of the supply chain, from raw material sourcing to product delivery, adheres to sustainability principles (FasterCapital, 2024).

Strategies for implementing sustainable business models are:

1. *Innovation and R&D*: Invest in research and development to create sustainable products and services.
2. *Stakeholder Engagement*: Work with stakeholders, including employees, customers, and suppliers, to promote sustainability practices.
3. *Transparency and Reporting*: Regularly report on sustainability goals and progress to maintain transparency and accountability.
4. *Education and Training*: Educate employees and customers about the importance of sustainability and how they can contribute.
5. *Collaboration and Partnerships*: Partner with other businesses, non-profits, and governments to amplify sustainability efforts (Bruder, 2023).

Benefits of sustainable business models are:

1. *Long-term Viability*: Sustainable businesses are better equipped to survive and thrive in the long run by adapting to changing environmental and social conditions.
2. *Brand Loyalty*: Consumers are increasingly favoring businesses that prioritize sustainability, leading to enhanced brand loyalty and customer retention.
3. *Cost Savings*: Efficient use of resources and waste reduction can lead to significant cost savings.
4. *Risk Management*: Sustainable practices can help mitigate risks related to regulatory changes, resource scarcity, and environmental disasters.

5. *Positive Impact*: Contributing to social and environmental well-being creates a positive impact, fulfilling corporate social responsibility (CSR) goals (Zaamboni, 2024).

Challenges and considerations:

1. *Initial Costs*: Transitioning to a sustainable model may require significant upfront investment.
2. *Market Demand*: Gauging and creating demand for sustainable products can be challenging.
3. *Supply Chain Complexity*: Ensuring sustainability across the entire supply chain can be complex and require extensive collaboration.
4. *Measurement and Reporting*: Developing accurate methods for measuring and reporting sustainability performance can be difficult (Multimatics ID, 2024).

Sustainable business models represent a pathway to creating enduring value that benefits businesses, society, and the environment. Entrepreneurs who embrace sustainability are positioned to drive innovation and lead in the emerging green economy.

With the aim of researching sustainable business models of the organization, a questionnaire was conducted, which made it possible to assess the key issues of sustainable transformation of Ukrainian organizations in general. According to the results of the study, 100% of respondents see the need to transform organizations in Ukraine for the transition to sustainable development. Moreover, 60% of respondents believe that such a transformation is possible if there is a properly formed strategy. However, 93.3% of respondents believe that it is possible to achieve strategic advantages in this way. Among the respondents, 53.3% believe that the implementation of sustainable is the most necessary business models in the field of energy, and 60% see a positive effect from transformations of the energy sector. However, only 46.7% of respondents are known. organizations that use stable business models of doing business. According to the interviewees, the main result of using sustainable business models will be the reduction of waste. And for

improvement in business models of energy sector organizations to achieve the goals of sustainable development, the majority of respondents suggested using renewable energy sources (Sushchenko, 2022).

CHAPTER 2. THE SUSTAINABLE BUSINESS MODEL ANALYSIS

2.1. Barriers and drivers of development of sustainable business models of organizations

Sustainable business models have barriers and drivers in development. They exist at three levels – institutional, strategic and operational.

Barriers at each level affect a corporation's ability to identify and evaluate opportunities for sustainable business models, to exploit opportunities, and to innovate, displace, and transform existing business models.

Institutional barriers:

- Focus on maximizing shareholder value. - Focusing on profit complicates the process of achieving the goal.
- Avoidance of uncertainty. - Avoiding uncertainty hinders transformation, because the development of new models requires investments with uncertain returns.
- Short-termism. - Sustainability requires long-term plans of corporations.

Strategic barriers:

- Functional strategies. – Functional strategy is negatively focused on sustainable business models due to restrictive functional focus and disparate thinking.
- Focus on exploitation. – Emphasis on the existing model hinders the development of a sustainable business model.
- Prioritizing short-term growth. – A focus on short-term growth slows down or destroys the development of sustainable business models.

Operational barriers:

- Functional perfection. - Functional orientation and strategic emphasis on exploitation cause a lack of skills in sustainable business models.

- Standardized innovation processes and procedures. – Stable business models are incompatible with standardized innovation processes and procedures, as the models promote incremental innovation and require standard inputs from functions.
- Fixed planning and allocation of resources. - Sustainable business models suffer from a lack of both financial and human resources.
- The incentive system is focused on the short-term perspective. - Short-term incentives lead to frequent employee turnover.
- Indicators of financial efficiency. - Companies need return on investment in normal time frames, but the development of sustainable business models prevents this.

Drivers at each level influence how corporations perceive and evaluate opportunities to develop sustainable business models, and influence a corporation's willingness to replace and transform existing business models.

Institutional drivers:

- A balanced focus on shareholder and stakeholder value. - It is important not only to focus on maximizing shareholder value, but also to emphasize the importance of a balanced focus on value for shareholders and stakeholders as an institutional driver for the development of sustainable business models.
- Acceptance of ambiguity. – Corporations need to use ambiguity to solve long-standing societal problems and navigate the often conflicting demands of shareholders and stakeholders.
- Valuing business sustainability. – Embracing organizational sustainability provides dynamic opportunities for the development of sustainable business models.

Strategic drivers:

- Collaborative innovation. - Collaborative innovation is necessary for dynamic opportunities to develop sustainable business models.

- Strategic focus on the development of sustainable business models. - Strategic focus makes the development of sustainable business models an integral and important part of the corporation's strategy for achieving long-term goals.
- Patient investment. - To ensure dynamic opportunities for the development of sustainable business models, strategic investments in long-term sustainable business projects are important.

Operating drivers:

- Development of people's abilities. - Recruiting employees who are focused on stability is necessary for corporations, as well as the development of sustainable business models lead to investments in the development of human resources.
- A capable innovative structure. – A capable innovation framework helps to overcome bureaucracy and lack of collaboration between functions, as well as to fund and protect the development of sustainable business models.
- Limited resources for developing sustainable business models. – The need for separate budgets for experiments with the development of sustainable business models.
- Scheme for stimulating sustainability. - Rewarding the initiative for the development of sustainable business models is important to ensure dynamic opportunities for the development of sustainable business models.
- Performance indicators for sustainability. – The importance of measuring the effectiveness of sustainable development is necessary for the development of sustainable business models (Bocken and Geradts, 2019).

2.2. GAP-analysis of deployment of sustainable business models of organizations

There are three problems in the innovation of sustainable business models: many seminars and meetings, but no implementation of ideas; even promising concepts of a sustainable business model are not implemented; most implemented business models fail. This is caused by a number of problems, detailed in Table 2.1.

Table 2.1 – Problems of business models

Problems	Description	Author
Triple result	The co-creation of profits, social and environmental benefits and the balance between them is a challenge for the transition to sustainable models.	Hart et al., 2003; Schaltegger et al., 2012 Stubbs and Cocklin, 2008
Thinking	Business rules, recommendations, behavioral norms and performance indicators dominate the thinking of firms and prevent the introduction of new business models.	Boons and Ludeke-Freund, 2013; Johnson et al., 2008; Yu and Hang, 2010
Resource	Reluctance to allocate resources to innovation and redesign resources and processes for new business models.	Björkdahl and Holmén, 2013; Chesbrough, 2010; C Zott et al., 2011

Continuation of Table 2.1

Technological innovations	Integrating technological innovation with a business model is multidimensional and complex.	Hart et al., 2003; Yu and Hang, 2010; Zott et al., 2011
External connections	Active interaction with external parties and the business environment requires additional efforts.	Boons and Lüdeke-Freund, 2013; Stubbs and Cocklin, 2008 Володимирова, 2012
Methods and tools	The small number and rare-caused sustainability of existing methods and tools.	Björkdahl and Holmén, 2013; Girotra and Netessine, 2013 Yang et al., 2014

The study also revealed other reasons for the failure of business models, for example, due to difficulties in defining a business model for new technologies. Also a problem is the conflict of the model and the organizational logic. These reasons are the result of the complexity of the changes, not the uncertainty of the model.

The field of change management refers to organizational inertia as a reason why change efforts fail. This inertia is caused by various barriers to organizational change, such as insufficient senior management involvement, security concerns, power struggles, and agency problems, which also apply to business model innovation as a particularly comprehensive and integrated change effort, detailed in Table 2.2.

Table 2.2 – Challenges at different stages

Stage	Required action	Challenges
Establishing a sense of urgency	Study the market and competitive realities for potential crises and unused opportunities; Convince at least 75% of managers that the status quo is more dangerous than the unknown;	Underestimating the difficulties of forcing people out of their comfort zone; Being paralyzed by risks;
Formation of a powerful governing coalition	Assemble a group with shared commitment and sufficient strength to lead the change effort; Encourage the coalition to work as a team outside the normal hierarchy;	Lack of previous experience working in a team at the top; Delegating team management to a head of HR, quality or strategic planning rather than a senior line manager;
Creating a vision	Create a vision to direct efforts toward change; Develop strategies to implement the vision;	Presenting a vision that is too complex or unclear;
Vision message	Use all possible ways to communicate the new vision and achievement strategies; Teach new behavior on the example of the governing coalition;	The difficulty of conveying the vision; Behavior is the opposite of vision;

Continuation of Table 2.2

Empowering others to act on the vision	Remove or modify systems or structures that undermine the vision; Encourage risk-taking and unconventional ideas and activities;	Failure to remove influencers who resist change efforts;
Planning and creating a short-term win	Identify and create visible performance improvements; Recognize and reward employees who have contributed to improvements;	Leaving short-term successes to chance; Failure to succeed early (after 12-24 months of trying to change)
Consolidating improvements and making more changes	Leverage increased confidence from early wins to change systems, structures and policies that undermine the vision; Recruit, promote and develop employees who can realize the vision; Revitalize the change process with the help of new projects and change agents;	It's too soon to declare victory - with the first performance improvement; Allowing the resisters to convince the team that the goal has been achieved;

Continuation of Table 2.2

Institutionalization of new approaches	Formulate connections between new behavior and corporate success; Create leadership development and succession plans in line with the new approach.	Failure to create new social norms and common values in accordance with changes; Promotion to management positions of people who do not embody the new approach (Geissdoerfer and Evans, 2016).
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2.3. Analyzing the process of involving sustainable business models

Involving sustainable business models in an organization requires a systematic approach that integrates sustainability into the core operations and strategic planning. Here's a step-by-step analysis of this process:

1. Assessment and Benchmarking

Objective: Understand current performance and compare it with industry standards.

Steps:

- Conduct a Sustainability Audit: Evaluate current practices in terms of energy use, waste management, resource utilization, and social impact.
- Benchmarking: Compare the organization's performance against industry standards and best practices.

Tools:

- Sustainability Assessment Tools: e.g., GRI Standards, SASB.
- Benchmarking Reports: Industry-specific sustainability reports and indexes.

2. Goal Setting

Objective: Define clear, actionable, and measurable sustainability goals.

Steps:

- Identify Key Areas: Focus on areas with the most significant environmental and social impact.
- Set SMART Goals: Ensure goals are Specific, Measurable, Achievable, Relevant, and Time-bound.
- Align with Business Objectives: Ensure sustainability goals support overall business strategy.

Example Goals:

- Reduce carbon emissions by 30% within five years.
- Achieve 100% sustainable sourcing of key materials.

3. Stakeholder Engagement

Objective: Involve key stakeholders to ensure support and collaboration.

Steps:

- Identify Stakeholders: Employees, customers, suppliers, investors, communities.
- Engage through Dialogue: Conduct surveys, meetings, and workshops to gather input and foster collaboration.
- Communicate Goals and Progress: Maintain transparency and keep stakeholders informed about sustainability initiatives.

Tools:

- Stakeholder Mapping: Identify and prioritize stakeholders.
- Communication Platforms: Use newsletters, social media, and annual reports.

4. Integration into Strategy

Objective: Embed sustainability into the organization's strategic planning and operations.

Steps:

- Incorporate Sustainability into Mission and Vision: Reflect sustainability values in the company's mission statement and vision.
- Strategic Planning: Integrate sustainability goals into the business strategy, ensuring they are part of long-term planning.
- Policy Development: Create policies and guidelines that promote sustainable practices across the organization.

Tools:

- Balanced Scorecard: Include sustainability metrics in strategic management frameworks.
- Sustainability Committees: Establish dedicated teams to oversee implementation.

5. Innovation and R&D

Objective: Develop new products, services, and processes that support sustainability.

Steps:

- Invest in Research: Allocate resources to research and development of sustainable technologies and products.
- Collaborate with Experts: Partner with academic institutions, industry experts, and other businesses to drive innovation.
- Pilot Projects: Test new sustainable solutions on a small scale before full implementation.

Examples:

- Developing biodegradable packaging.
- Creating energy-efficient production processes.

6. Supply Chain Management

Objective: Ensure sustainability throughout the supply chain.

Steps:

- Supplier Assessment: Evaluate suppliers based on their sustainability practices.
- Sustainable Sourcing: Source materials from suppliers who meet sustainability standards.
- Partnerships: Work with suppliers to improve their sustainability performance.

Tools:

- Supply Chain Audits: Regular assessments of supplier practices.
- Certification Programs: Use certifications like Fair Trade, FSC, and others to ensure standards.

7. Reporting and Transparency

Objective: Maintain transparency and report on sustainability progress.

Steps:

- Regular Reporting: Publish annual sustainability reports detailing progress, challenges, and future plans.
- Transparency: Be open about successes and areas needing improvement.
- Third-Party Verification: Use third-party audits to validate sustainability claims.

Standards:

- GRI Standards: Provide a framework for sustainability reporting.
- Integrated Reporting: Combine financial and sustainability reporting for a holistic view.

Involving sustainable business models is a comprehensive process that requires commitment and systematic integration of sustainability into every aspect of the business. By following these steps—assessment, goal setting, stakeholder engagement, strategic integration, innovation, supply chain management, and transparent reporting—businesses can effectively incorporate sustainability, leading to long-term benefits for the company, society, and the environment (Insights, 2024).

2.4. Analysis of involving opportunities on example of ФОП Chugai B.A.

During undergraduate internship, opportunities of involving sustainable business models in entrepreneurship. In the Table 2.3 is showed brief information about organization.

Table 2.3

Brief description

<i>Full name of the enterprise:</i>	ФОП Chugai B.A.
<i>Address:</i>	Ukraine, 40022, Sumy region, Sumy city, 1-Y Zavodskyi lane, building 2.
<i>Telephone:</i>	+380 (95) 313-07-40
<i>Date of establishment:</i>	11.06.2020
<i>Director:</i>	Moskalenko Anna Anatoliivna.
<i>Owner:</i>	Chugai Borys Anatoliyovych.
<i>EDRPOU code:</i>	43657805
<i>Share capital:</i>	100 000 UAH.
<i>The main type of activity:</i>	32.40 Manufacture of games and toys.
<i>Ownership of corporate rights:</i>	CU "CKDSMST".
<i>VAT payer:</i>	Certificate number - 436578018198, as of: 24.08.2023. (Opendatabot, 2024)

Continuation of Table 2.3

Activity:	<p>The company produces toys and goods for children at wholesale prices from a warehouse in Sumy. The company offers a wide range of children's products. More than 3,000 items, including:</p> <ul style="list-style-type: none"> • children's transport: bicycles, scooters, strollers, rollers; • goods for children: pots, desks - stencils, umbrellas, carnival costumes, swings, walkers, tents; • toys for girls: kitchen, sets of dishes and products, cosmetics and accessories, dolls, dolls, ponies, strollers, cribs, toy household appliances; • toys for boys: cars, constructors, robots, transformers, cartoon characters, weapons, sets for role-playing games, board games; • toys for babies: rattles, musical toys, cubes, pyramids; • others: sand kits, zebras, baby cribs, crib mobiles, rocking chairs, baby toys, educational toys, soap bubbles, creativity kits and much more.
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During internship, I researched the consequences after implementing sustainable business models in the entrepreneurship:

1. **Innovation and Differentiation:** Sustainable business models often require creative problem-solving and innovative thinking. This can lead to the

development of unique and eco-friendly toys that stand out in the market, giving entrepreneurs a competitive edge.

2. **Consumer Demand:** With increasing awareness about environmental issues, there's a growing demand for sustainable products, including toys. Entrepreneurs who embrace sustainable practices can tap into this consumer demand and attract environmentally conscious customers.

3. **Long-term Viability:** Sustainable business models focus on long-term viability rather than short-term gains. This approach can help entrepreneurs build resilient businesses that are better equipped to weather economic uncertainties and market fluctuations.

4. **Cost Savings:** While implementing sustainable practices may require initial investment, in the long run, they can lead to cost savings. For example, using recycled materials or optimizing packaging can reduce production costs for toy entrepreneurs.

5. **Brand Reputation:** Embracing sustainability can enhance the brand reputation of toy companies. Consumers are more likely to trust and support businesses that demonstrate a commitment to environmental and social responsibility, which can ultimately lead to increased sales and brand loyalty.

6. **Regulatory Compliance:** As governments worldwide implement stricter regulations regarding environmental protection and product safety, adopting sustainable practices can help toy entrepreneurs ensure compliance with these regulations, avoiding potential legal issues and penalties.

7. **Partnerships and Collaborations:** Entrepreneurs focusing on sustainable business models often collaborate with like-minded organizations, such as environmental NGOs or sustainable material suppliers. These partnerships can provide access to resources, expertise, and new market opportunities.

8. **Education and Awareness:** Sustainable toy companies often prioritize educating consumers about environmental issues and the importance of sustainability. Through their marketing efforts, entrepreneurs can raise awareness

and inspire positive behavior change among consumers, contributing to a more sustainable future (Vestil, 2023).

By the way, before involving the sustainable business model in the organization it's important to integrate environmentally responsible practices throughout the product lifecycle while maintaining profitability and fostering social responsibility. Here are key strategies to achieve this:

1. Eco-friendly materials and design

- *Use Sustainable Materials:* Opt for recycled plastics, organic cotton, sustainably sourced wood, and biodegradable materials. Avoid harmful chemicals and non-recyclable plastics.

- *Design for Durability and Reusability:* Create toys that are durable, timeless, and can be passed down through generations. This reduces waste and promotes a circular economy (Ellen MacArthur Foundation, 2019).

2. Ethical Manufacturing

- *Sustainable Production Processes:* Implement energy-efficient manufacturing processes, reduce water usage, and minimize waste. Use renewable energy sources where possible.

- *Fair Labor Practices:* Ensure fair wages, safe working conditions, and no child labor in the production process. Partner with suppliers who adhere to these standards (Fair Labor Assosiation, 2024).

3. Packaging and distribution

- *Sustainable Production Processes:* Implement energy-efficient manufacturing processes, reduce water usage, and minimize waste. Use renewable energy sources where possible.

- *Fair Labor Practices:* Ensure fair wages, safe working conditions, and no child labor in the production process. Partner with suppliers who adhere to these standards (Kachook, 2024).

4. Product lifecycle management

- *Take-back Programs:* Implement programs where customers can return old toys for recycling or refurbishment. This helps in reducing waste and promotes a circular economy.

- *Repair and Replacement Services:* Offer repair services or sell replacement parts to extend the life of the toys (Terra Cycle, 2024).

5. Community and educational engagement

- *Take-back Programs:* Implement programs where customers can return old toys for recycling or refurbishment. This helps in reducing waste and promotes a circular economy.

- *Repair and Replacement Services:* Offer repair services or sell replacement parts to extend the life of the toys (United Nations, 2022).

6. Transparent and responsible marketing

- *Take-back Programs:* Implement programs where customers can return old toys for recycling or refurbishment. This helps in reducing waste and promotes a circular economy.

- *Repair and Replacement Services:* Offer repair services or sell replacement parts to extend the life of the toys.

7. Innovation and continuous improvement

- *Take-back Programs:* Implement programs where customers can return old toys for recycling or refurbishment. This helps in reducing waste and promotes a circular economy.

- *Repair and Replacement Services:* Offer repair services or sell replacement parts to extend the life of the toys.

However, implementing a sustainable business model in a toy entrepreneurship organization requires a comprehensive and strategic approach. This involves integrating sustainable practices across all facets of the business, from product design to marketing. Here is a step-by-step guide to the implementation process:

1. Assessment and Planning

- *Conduct a Sustainability Audit:* Evaluate the current environmental and social impact of your business. Identify key areas for improvement such as materials, manufacturing processes, packaging, and distribution.

- *Set Clear Goals and Objectives:* Define specific, measurable, achievable, relevant, and time-bound (SMART) sustainability goals. For example, aim to reduce carbon emissions by 30% within five years or switch to 100% recyclable packaging by a certain date.

2. Leadership and Culture

- *Build a Sustainability Team:* Form a dedicated team or assign a sustainability officer to oversee the implementation process. This team will be responsible for planning, executing, and monitoring sustainability initiatives.

- *Foster a Sustainability Culture:* Promote a company-wide culture that values sustainability. Engage and educate employees about the importance of sustainability and how they can contribute.

3. Sustainable Product Design

- *Redesign Products:* Integrate sustainable design principles into the product development process. Focus on durability, reusability, and the use of eco-friendly materials.

- *Collaborate with Suppliers:* Work closely with suppliers to source sustainable materials. Ensure that suppliers adhere to environmental and ethical standards.

4. Sustainable Manufacturing

- *Implement Green Manufacturing Practices:* Adopt energy-efficient and low-waste manufacturing processes. Utilize renewable energy sources and reduce water consumption.

- *Certifications and Standards:* Obtain relevant certifications such as ISO 14001 (Environmental Management Systems) to demonstrate commitment to sustainability.

5. Eco-friendly Packaging and Distribution

- *Innovate Packaging Solutions:* Design minimalistic, recyclable, and biodegradable packaging. Use packaging materials that have the least environmental impact.

- *Optimize Logistics:* Streamline distribution processes to reduce carbon emissions. Consider local manufacturing and eco-friendly transportation options.

6. Product Lifecycle Management

- *Launch Take-back Programs:* Create systems for customers to return used products for recycling or refurbishment. This can help reduce waste and encourage a circular economy.

- *Provide Repair Services:* Offer repair and maintenance services to extend the product lifespan, reducing the need for replacements.

7. Marketing and Communication

- *Transparent Reporting:* Regularly report on sustainability efforts and progress towards goals. Use these reports to build trust with stakeholders and customers.

- *Educate Customers:* Inform customers about the sustainability features of your products and how they can contribute to environmental conservation.

8. Community and Stakeholder Engagement

- *Engage with Local Communities:* Participate in community events and collaborate with local organizations to promote sustainability.

- *Stakeholder Collaboration:* Work with other businesses, NGOs, and government agencies to enhance your sustainability efforts and share best practices.

9. Continuous Improvement and Innovation

- *Regularly Review and Update Practices:* Continuously monitor and evaluate the effectiveness of your sustainability initiatives. Make adjustments and improvements as necessary.

- *Invest in R&D:* Allocate resources for research and development to discover new sustainable materials and innovative practices that can further enhance your sustainability goals (Gerardou, 2023) (Giving Force, 2023).

After completing an internship at ФООП Chugai B.A. in the city of Sumy, I gained a lot of experience in the field of trade and production.

I acquired an incredible amount of useful skills in various fields of activity, starting with understanding the mechanism of production, ending with working with customers. The experience gained during this period will be useful in my further professional activities, regardless of my choice of managerial path.

Passing industrial practice this year helped to form my idea about the specifics of the production organization at different levels, since in any case I will need initial management experience, and passing industrial practice significantly influenced my plans for choosing the direction of professional activity in the future.

The results of my work experience in the company were very positive and fruitful. During practice, I successfully completed the tasks set before me and achieved the following results:

Practical experience: My internship allowed me to gain valuable practical experience in the field of sustainable business models. I was exposed to real tasks and situations, which helped me better understand how this business segment functions.

Completion of tasks: As part of the internship, I successfully completed the tasks set before me, including the analysis of the production organization and sales data, development of the sales strategy and interaction with customers. The internship also helped develop my management skills. I gained experience in personnel management, inventory control and workflow organization.

Knowledge of the retail industry: I deepened my knowledge about the retail industry of Ukraine by studying its features, trends and challenges.

Communication skills: During the internship, I improved my communication skills, learned to interact effectively with colleagues and clients.

Problem Solving: The internship gave me the opportunity to learn how to analyze complex situations and develop solutions to ensure customer satisfaction and business efficiency.

Researching and analyzing skills: The internship gave me the opportunity to research and analyze the acquaintance and consequences of implementing sustainable business models.

Respect for deadlines and time management: In the process of working on projects and assignments, I have improved my time management skills and meeting deadlines.

Self-Assessment and Self-Development: After completing the internship, I conducted a self-assessment of my skills and experience, which helped me better understand my strengths and areas in which I can continue to develop.

Professional connections: I have also established positive professional relationships with my colleagues and company management, which can be useful in the future for building a network of professional connections.

CHAPTER 3. THE INNOVATION AND RESPONSIBLE ENTREPRENEURSHIP IN ACHIEVING SUSTAINABLE DEVELOPMENT

3.1. The innovation in entrepreneurships in achieving sustainable development

Innovations in entrepreneurship play a vital role in achieving sustainable development by introducing new business models, technologies, and practices that address environmental, social, and economic challenges. Here are some key innovations that entrepreneurs are leveraging to contribute to sustainable development:

1. Green Technologies

Renewable Energy Solutions:

- Solar Power: Development of affordable and efficient solar panels and solar farms.
- Wind Energy: Advancements in wind turbine technology to increase efficiency and reduce costs.
- Energy Storage: Innovations in battery technology, such as lithium-ion and solid-state batteries, to store renewable energy more effectively.

Sustainable Agriculture:

- Vertical Farming: Utilizing vertical space to grow crops in urban environments, reducing land use and transportation emissions.
- Hydroponics and Aquaponics: Soil-less farming methods that use less water and allow for sustainable, high-yield crop production.
- Drones and IoT: Using drones and IoT devices to monitor crop health, optimize water usage, and reduce pesticide application.

2. Circular Economy Models

Product-as-a-Service (PaaS):

- Leasing Models: Offering products on a rental or subscription basis rather than selling them outright, encouraging reuse and reducing waste.
- Shared Economy Platforms: Platforms for sharing goods and services, such as car-sharing (e.g., Zipcar) and tool-sharing networks.

Upcycling and Recycling:

- Innovative Recycling Processes: Developing new methods for recycling difficult materials, like e-waste or mixed plastics.
- Upcycled Products: Creating new products from waste materials, such as furniture made from reclaimed wood or fashion items from recycled fabrics.

3. Sustainable Supply Chains

Blockchain Technology:

- Transparency and Traceability: Using blockchain to provide transparent and immutable records of product origins and supply chain processes, ensuring ethical sourcing and reducing fraud.
- Smart Contracts: Implementing automated, self-executing contracts to improve efficiency and reduce costs in the supply chain.

Local Sourcing:

- Local Production Hubs: Establishing local production facilities to reduce transportation emissions and support local economies.
- Short Supply Chains: Creating shorter, more direct supply chains to minimize environmental impact and improve sustainability.

4. Social Innovations

Social Enterprises:

- Mission-Driven Businesses: Creating businesses that prioritize social impact, such as providing clean water, education, or healthcare to underserved communities.
- Microfinance and Microloans: Providing small loans to entrepreneurs in developing regions to help them start or grow sustainable businesses.

Inclusive Business Models:

- Fair Trade Practices: Ensuring fair wages and safe working conditions for workers, particularly in developing countries.
- Community-Owned Enterprises: Businesses owned and operated by community members, ensuring that profits benefit the local community.

5. Sustainable Product Design

Eco-Design Principles:

- Lifecycle Thinking: Designing products with their entire lifecycle in mind, from raw material extraction to end-of-life disposal.
- Modular Design: Creating products that are easy to disassemble, repair, and upgrade, extending their useful life.

Biodegradable Materials:

- Plant-Based Plastics: Developing plastics from renewable resources like corn starch or algae that biodegrade more easily than traditional plastics.
- Natural Fibers: Using sustainable materials like bamboo, hemp, or organic cotton in textiles and other products.

6. Green Finance

Impact Investing:

- ***Sustainable Investment Funds***: Creating funds that specifically invest in companies and projects with positive environmental and social impacts.
- ***Green Bonds***: Issuing bonds to finance projects that contribute to environmental sustainability, such as renewable energy projects or green infrastructure.

Carbon Credits and Offsets:

- Carbon Trading Platforms: Developing platforms for trading carbon credits, encouraging businesses to reduce their carbon emissions.
- Offset Programs: Investing in projects that offset carbon emissions, such as reforestation or renewable energy projects.

Innovations in entrepreneurship are crucial for driving sustainable development. By embracing new technologies, business models, and practices, entrepreneurs can create solutions that address the pressing environmental and social challenges of our time. These innovations not only contribute to the achievement of sustainable development goals but also create new opportunities for growth and resilience in a rapidly changing world (Aksu, 2023) (Morrone, 2023) (Newar, 2023).

3.2. Responsible entrepreneurship in achieving sustainable development

Responsible entrepreneurship plays a crucial role in achieving sustainable development. This approach emphasizes the balance between economic growth, social well-being, and environmental protection.

The survey about sustainability among different European companies shows the next:

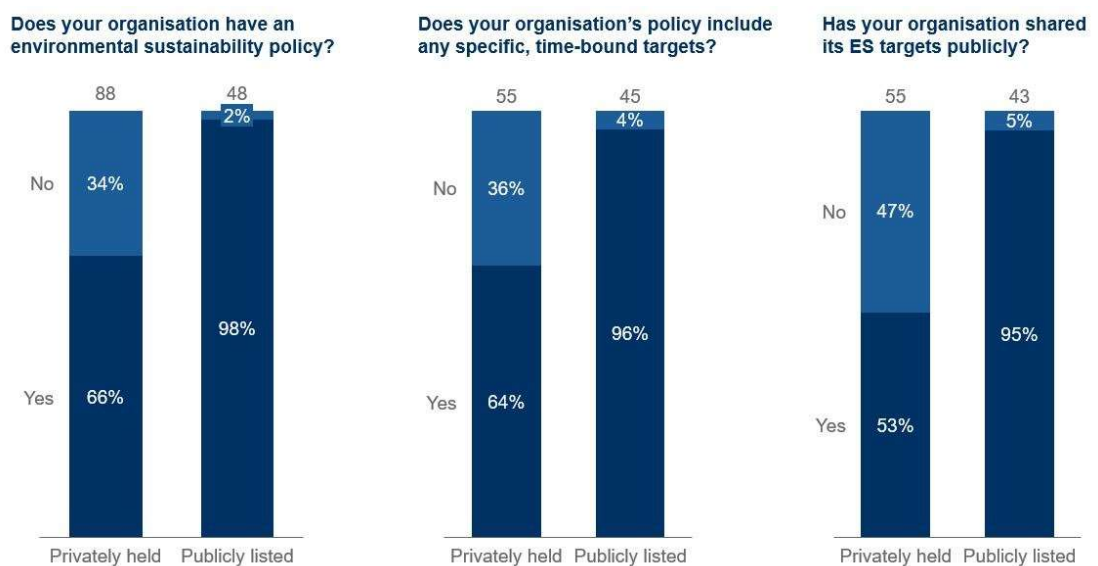


Figure 3.1. – Sustainability survey (Bram, 2021)

Here are key aspects of how responsible entrepreneurship contributes to sustainable development:

1. Environmental Stewardship

Responsible entrepreneurs prioritize eco-friendly practices, such as reducing carbon footprints, minimizing waste, and utilizing renewable resources. This helps mitigate the negative impacts of business activities on the environment and promotes long-term ecological balance (UN Global Compact and Duke University, 2010).

2. Social Responsibility

Entrepreneurs who engage in socially responsible practices contribute to the well-being of communities. This can include fair labor practices, supporting local economies, improving working conditions, and investing in community development projects. These efforts enhance social equity and cohesion (Ganti, 2003).

3. Economic Inclusivity

By promoting inclusive economic practices, responsible entrepreneurs ensure that economic benefits are distributed more equitably. This includes providing fair wages, supporting small and medium-sized enterprises (SMEs), and fostering innovation that creates new job opportunities (McKinsey & Company, 2024).

4. Ethical Governance

Implementing ethical business practices and strong corporate governance helps build trust and integrity in business operations. Transparent decision-making, accountability, and compliance with laws and regulations are fundamental to maintaining ethical standards (Illuminem, 2024).

5. Sustainable Product and Service Innovation

Innovative products and services that address environmental and social challenges can drive sustainable development. Entrepreneurs can develop green technologies, sustainable agriculture, renewable energy solutions, and other innovations that contribute to a sustainable future (Third Partners, 2023).

6. Long-term Vision and Strategy

Responsible entrepreneurs focus on long-term sustainability rather than short-term profits. This involves integrating sustainability into the core business strategy,

setting long-term goals for reducing environmental impact, and fostering resilience against social and economic changes (LinkedIn, 2023).

7. Stakeholder Engagement

Engaging with stakeholders, including employees, customers, suppliers, and communities, helps ensure that diverse perspectives are considered in business decisions. This collaborative approach can lead to more sustainable and inclusive outcomes (Change Elements, 2023).

Responsible entrepreneurship is integral to achieving sustainable development. By aligning business practices with environmental, social, and economic goals, entrepreneurs can contribute significantly to a more sustainable and equitable world. This requires a commitment to ethical practices, innovation, and a long-term perspective that prioritizes the well-being of future generations.

CONCLUSIONS

The research undertaken in this diploma work underscores the pivotal role that sustainable business models play in modern entrepreneurship. By delving into the various dimensions of sustainability and examining its practical applications, several key conclusions have emerged.

1. Integration of Sustainability Enhances Business Resilience

Sustainable business models are not just ethical choices; they are strategic imperatives that enhance the resilience and longevity of entrepreneurial ventures. Companies that prioritize sustainability are better equipped to adapt to regulatory changes, shifting consumer preferences, and environmental challenges. This resilience is crucial for maintaining competitive advantage in an increasingly dynamic and uncertain global market.

2. Economic Viability of Sustainable Practices

Contrary to the perception that sustainability incurs additional costs, this study finds that sustainable practices often lead to significant economic benefits. Cost savings from energy efficiency, waste reduction, and resource optimization can enhance profitability. Moreover, sustainable businesses tend to attract investments and funding more readily, as investors increasingly prioritize environmental, social, and governance (ESG) criteria.

3. Positive Environmental Impact

Entrepreneurial ventures that adopt sustainable business models contribute positively to the environment. By reducing carbon footprints, minimizing waste, and utilizing renewable resources, these businesses play a crucial role in mitigating climate change and preserving natural ecosystems. The positive environmental impact of sustainable entrepreneurship is a critical component of global efforts to achieve sustainability targets.

4. Social Responsibility and Community Engagement

Sustainable business models often encompass social responsibility initiatives, including fair labor practices, community engagement, and ethical sourcing. These practices not only enhance the social fabric but also strengthen the business's reputation and customer loyalty. Entrepreneurs who embed social responsibility into their business models foster inclusive growth and contribute to societal well-being.

5. Best Practices and Strategic Frameworks

The analysis of case studies reveals several best practices for integrating sustainability into business models. These include:

- *Stakeholder Engagement*: Actively involving stakeholders in sustainability initiatives ensures buy-in and enhances the effectiveness of these efforts.
- *Innovation and Technology*: Leveraging technological advancements to develop sustainable products and processes is essential for staying ahead in the market.
- *Transparent Reporting*: Regular and transparent reporting on sustainability metrics builds trust and accountability.
- *Continuous Improvement*: Adopting a mindset of continuous improvement helps businesses stay committed to sustainability goals.

6. Framework for Sustainable Entrepreneurship

Based on the insights gathered, a framework for developing and implementing sustainable business models has been proposed. This framework includes:

- *Assessment and Planning*: Conducting sustainability assessments and developing comprehensive plans that align with the business's goals.
- *Implementation*: Integrating sustainability into core business operations, from supply chain management to product development.
- *Monitoring and Evaluation*: Establishing metrics to monitor progress and evaluate the impact of sustainability initiatives.
- *Adaptation and Scaling*: Adapting strategies based on feedback and scaling successful initiatives to enhance overall impact.

The transition to sustainable business models is not merely a trend but a necessity for the future of entrepreneurship. This diploma work highlights that sustainable practices are integral to achieving long-term business success and fostering a positive impact on society and the environment. Entrepreneurs are uniquely positioned to lead this transition, driving innovation and creating value in ways that are responsible and forward-looking. By embracing sustainability, entrepreneurs can build businesses that are not only profitable but also aligned with the broader goal of sustainable development.

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