SUSTAINABLE BUSINESS ACTIVITIES

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ABSTRACT: *Like every topic, green business has a background that students would be well to comprehend before determining how this new area of study would affect their future career choices. The transdisciplinary nature of green immediately stands out. The fact that sustainable business also has strong roots in scientific knowledge and has an impact on economics is somewhat unique for a social field, thus it is beneficial for students to review certain fundamental concepts they will have learned in earlier education. Last but not least, and in keeping with this article's decision to explore the reasons why green organizations has not yet become more widely accepted, we attempt to analyze the reasons behind the corporate world's relative separation from environmentalism in order to figure out how this gap might ultimately be closed.*

KEY WORDS: *Sustainability, business, impact.*

JEL CLASSIFICATION: *M10, M21.*

1. INTRODUCTION

Many serious and expert authors have recently published books that offer guidance to businesses on how to deal with the ecological issues that the world is currently facing. However, this literature has generally been of little assistance to business students looking to start a corporate career. One explanation is that the large proportion of green business publications available now are written for current managers instead of students. The issue is that while idealistic green aspirations have existed for a while, the majority of businesses haven't taken the necessary steps to reconfigure their operations in a more environmentally friendly manner.

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This article addresses this conundrum by concentrating largely and specifically on the challenges preventing businesses from making the shift to a greener future, while also taking into account viable solutions. It is vital to avoid making the same error that many deserving authors of books on green business do, which is to erroneously confuse hope with reality. Only when the factors impeding the advancement of green business are sufficiently respected will this discipline advance.

2. DEPLETION OF RESOURCES

Physical economic operations are often organized in a linear pattern, utilizing resources that begin as raw materials and transforming them into outputs that contain both desired items and undesirable trash. This architecture depends on three factors: the availability of inputs, the cost of those inputs, and the expectation that the markets (and society at large) would accept the outputs. Here, we'll examine the process's initial step - the availability of resources. he second part of the paper will focus on one component of the second stage, notably the cleanup of pollution-causing unintended outputs. These two subjects represent the primary issues that contemporary green business aims to solve.

The overall stock of the raw resources in issue as well as the cost at which it may be accessible are the first two factors that affect resource availability. It is obvious that these two elements are connected, with commodities whose availability decreases as inventories are used up - a result of limited natural resources that is unavoidable - bound to increase in price. Now, traditional economic rationality assumptions assert that as prices rise, consumers would seek out alternatives, resulting in a fall in demand for the commodities in question. In actuality, certain resources have become necessary to modern industry, and huge sums have been invested in input-specific infrastructure (national electrical networks, combustion engines, gas-fired power stations, etc.), making system re-engineering appear to be prohibitively expensive.

The final result is inertia: businesses have historically been sluggish to respond to issues posed by resource depletion, and many managers try to minimize the expense of adjustment during their own careers, putting the issue onto future generations. However, there are signs that resource depletion poses a clear and immediate risk to businesses in the modern era. The concern is on how to deal with the financial ramifications of transformation that is unavoidable, not whether green company should develop a response to the situation..

3. THE QUALITY OF AIR AND CHANGES IN CLIMATE

For many years, industrial-era environmental opponents have focused on poor air quality. Victorian observers bemoaned the destruction of the forests around the several mill towns located throughout England's Midlands. Thousands of Londoners perished in 1952 as a result of a deadly combination of fog and coal smoke, which was one of several killer smog outbreaks that occurred a century after this unlucky start. Since that time, it is forbidden to

start a coal fire anywhere in Greater London. Entrepreneurs created smokeless wood for home burning in response to this new restriction.

Some people have long seen pollution mitigation as a commercial opportunity. In general, the older industrialized nations of the world experienced economic growth in the decades that followed World War II, which translated into a sharp increase in industrial manufacturing and, above all, automobile use, which in turn caused severe air quality issues in cities across the Global North, such as the USA. In Los Angeles, for instance, conditions had gotten so poor by the 1970s that sportsmen in this car-obsessed metropolis frequently had to forgo daytime exercises because air was too harmful to breathe.

However, as was previously said, the string of environmental catastrophes that occurred during this period generated a new political consciousness, and within a few years, national and local governments in many industrialized nations started passing anti-pollution laws like car emission limits. This culminated in newsworthy events like California's 2030 zero-emission vehicle program, the European Union's prohibition on all leaded gasoline, and Japan's strict fuel economy laws that were implemented in 1999. Tighter regulations have compelled and/or induced automakers to reduce emissions, which has resulted in the installation of catalytic converters based on plati-num on all vehicles and, ultimately, the recent wave of fuel-efficient electric or hybrid vehicles. Similar actions have been taken in relation to other sources of air pollution, beginning with industrial chimneys. The majority of Global North has now developed a legislative framework that, in theory, makes progress in the fight against localized pollution possible as we enter a new millennium.

Climate change, a problem that is by definition global, has become a related but far more pressing one in recent years. There is a definite overlap between old-style polluted air and this new issue. While some of the airborne particles that have been released into the sky since the dawn of the industrial period may reach the lower strata of the atmosphere before returning to the Earth's surface as a form of acid rain, additional industrial effluents have released co2 and other gas into higher atmosphere, emitting what is known as the greenhouse effect. No civilization (or business) in the globe can afford to overlook the risk that global warming may become potentially unstoppable as a result.

Significant economic issues are already being brought on by rising global temperatures. The heat has reduced many crop harvests, droughts have become more frequent, melting polar ice caps have increased sea levels and exacerbated coastal flooding, etc. Each of these events has sparked a new sector, such as the migration of agriculture into regions that were previously unsuitable for farming, the development of water-conservation technologies as a whole, the development of urban barrier systems, etc. However, it would be incorrect to see the businesses that have sprung up in reaction to changing climate as a net plus.

Even from a more limited perspective, climate change has disastrous impacts on many business bottom lines, as demonstrated by the crisis plaguing the global insurance market, hammered by the enormous losses generated by the higher intensity and frequency of storms linked with global warming. It is not only impossible to comprehend how

businesses can prosper in a world where human life is at peril, but even from such a restricted perspective, changes in climate is having awful effects on many company bottom lines.

Radical climate change makes it more difficult for businesses to participate in long-term planning by making climatic events more unpredictable; this instability then influences managers' investment decisions.

4. BUSINESS POLLUTION

Comparing point, line, and surface pollution sources serves as a good place to start when learning about green business. Emissions, effluents, and other outflows that have a single, recognizable origin and can be mobile or stationary are included in the first group. Line pollution refers to the overall amount of garbage produced by a specific activity, regardless of where it came from. Polluting effluents that run off urban or rural areas are referred to as surface source pollution. Notably, another distinction that can be made is whether a pollutant impacts the high atmosphere, the Earth's surface, deep below, or some combination of these areas.

Because each category of pollution requires a particular set of actions, it is crucial to distinguish between them. There will be a significant variation in a company's responsibility based on whether a specific category has had a single identified origin or if it impacts one or many actors. A less valued action that decimates a whole community will elicit one response, whereas a valued social activity that has a minor negative effect on one individual actor may elicit a quite different one. A wide concept, pollution refers to a variety of circumstances. Therefore, it will be perceived in many ways by a business.

The major objective would often be to assess the toxicity of pollutants and the harm they produce when they interact with their surroundings. This will depend on a variety of variables, starting with the concept of "dilution," or the idea that the likelihood of containing any unfavorable side effects increases with decreasing pollutant concentrations in relation to agents (water, solvents) that might diffuse its effects. A substance can therefore change from being non-toxic in tiny doses to toxic in bigger ones.

Naturally, the concept of concentrations must be regarded in this situation not only in terms of volume and amount but also with reference to the pollutant's ability to cause damage. In contrast to degreased sludge collected from industry machinery, radioactive waste from nuclear power plants obviously does more harm and doesn't dilute as well (if at all). Due of issues of this sort, the discipline of green chemistry has attracted a great deal of corporate interest.

Other assessments concentrate more on the way that contaminants spread from their sources. Varying speeds are used to disseminate gases, solids, and liquids throughout the environment. This in turn influences how well the local eco-systems can survive their presence. Since it is generally simpler to prevent the seepage of solid waste into the environment, solid waste disposal is the recommended method. In fact, the pollution prevention tactics of some businesses begin with the conversion of gases or liquids in to the

solids. A prime example is the installation of scrubbers within plant chimneys to catch particles that would normally be emitted as gas. Of course, the cost of such "end-of-pipeline" devices raises concerns about the company's willingness to bear the burden of pollution control expenses.

For all other purposes and as previously noted, gaseous emissions are now a major concern for many enterprises due to the evident and present risk of global warming. Finding the sources of these emissions, whose dispersion is influenced by a variety of factors, is challenging in this situation. The same pollution can have different impacts in different places since microenvironments around the world are susceptible to various pollution patterns. The pressures that the businesses responsible for these pollutants are likely to experience immediately are directly impacted by this.

The geographical region impacted and the period of toxicity are two additional ways that businesses compensate for the pollutants they cause. Only by conducting an accurate and thorough accounting of all of their physical inputs and outputs will businesses from all over the world be able to guarantee a comprehensive inventory of corporate pollutants. Although this type of reporting is beginning to catch on, it is still quite patchy, with different nations, industries, and businesses showing varying levels of willingness to bear the costs of comprehensive environmental accounting.

It is particularly challenging for businesses that manufacture products with global component sourcing to have a comprehensive understanding of the environmental impact of the "embedded inputs" contained in the supplies they buy. Lack of comprehensive data is typically a problem in business pollution assessments.

5. CREATING SUSTANABLE BUSINESSES

SBMs and SBMI definitions come from various branches of science. The idea of SBMs is still utilized ambiguously while researching corporate sustainability management and sustainable entrepreneurship. Furthermore, BM research frequently skips adopting a dynamic approach to comprehend how organizations' BMs change throughout time. As a result, the connection across business model with time is rarely articulated... it is a picture and characterization at a certain point in time. This is a hurdle when researching SBMs because what constitutes sustainability evolves over time.

A BM viewpoint may be expected to support an SBMI agenda by presenting fresh ideas for overcoming both internal and external hurdles, according to Baden-Fuller and Morgan (2010). The firm's sustainability vision suggests the path it plans to take in terms of social responsibility, while the company mission represents the organization's core business purpose and competitive strategy. To create unambiguous, sustainability-driven value propositions, these two criteria should be combined. In their study of North European and Chinese enterprises, Birkin et al. (2009) found that the drivers of BM change in businesses are societal and cultural needs of sustainable development that emerge outside the economic sector.

Their research shows that BMs will undergo a significant transformation when social and natural needs institutionalize as real cultural and societal demands because enterprises are expected to make modifications to ensure legitimacy, legality, and financial success. The early stages of mapping the idea of and trends toward SBMI are shown by earlier studies. For instance, Lovins et al. (1999) put up a four-step program they called "Natural Capitalism" to connect economic practices with environmental demands. The four processes are: increasing the productivity of natural resources; copying biological production models; changing BMs; and reinvested in natural capital.

The notion that Lovins & colleagues perceive a fundamental shift toward SBMs as essential to achieving Natural Capitalism and commercial potentials in the future is significant for our assessment and mapping of the notion. Hart and Milstein's (1999) study is another intriguing early work that stresses the same notion of SBMI and sees environmental sustainability as a catalyst for industrial renewal and advancement. They come to the conclusion that "just transplanting business paradigms" would not lead to sustainable development.

These two classic papers have one thing in common: they both view modifying BMs as a means of reducing unfavorable social and ecological effects as well as a means of achieving sustainable development. Recent scientific mappings of the SBMI idea show a more sophisticated grasp of the constituent parts. For instance, some authors contend that a particular BM framework is required that incorporates a social profit calculation in order for social enterprises to advance. They outline several crucial elements that underlie and build a social BM, including:

1. Social profit equation (social profit and environmental profit),
2. Value constellation (internal value chain and external value chain),
3. Value propositions (stakeholders and product/services), and
4. Economic profit equation (sales revenues, cost structure, and capital employed).

Their theory holds that in order to maximize the social profit equation, social enterprises should adopt BMs that, above all, recoup their entire expenses and distribute profits to their clients, who gain from affordable prices, adequate services, and improved access. This is described by Yunus et al. (2010) as "a no-loss, no-dividend, self-sustaining enterprise that offers services or products and repays investors, but whose principal goal is to help society and improve the lot of the poor." Different SBMI typologies are addressed in another intriguing contribution to the mapping of SBMIs. They specify three categories of SBMs that concentrate on distinct regions and provide social value and social profit:

• Technological innovation: achieving compatibility between technical traits and (new) commercialization strategies so that both can be successful on existing and emerging markets

• Organizational innovation: putting alternative paradigms into practice that modify organizational culture, structure, and practices in order to shift corporate practices toward sustainable development

• Social innovation: aiding in the development of markets for technologies with a social mission

Others have emphasized how the SBMI typology varies according to the types of partnerships (such as public-private and business/NGO collaboration) needed to generate social value and optimize social profit. Combining value propositions with an economic focus with those that are socially and environmentally conscious is the most comprehensive way to approach the sustainable business case. The fact that certain parts can be interpreted in numerous ways may be seen as a strength rather than a weakness when seeing SBMs as a way to create the connections between players needed to successfully commercialize a sustainable good or service. And since what constitutes sustainability will evolve through time, the so-called "fuzziness" of the notion may prove to be a strength in the development of sustainable innovations.

The renowned frameworks of Richardson (2008) and Osterwalder et al. (2005), as depicted in Bocken et al. (2014, 2015), are used to conceptualize SBMs and SBMI. The value proposition, value creation, and delivery are the three main components of the Bocken et al. (2014, 2015) interpretation of BMs, which further examines them in terms of the sustainable value they produce.

6. STARTUPS THROUGH THE SUSTAINABLE BUSINESS FRAMEWORK

This chapter examines SBM in a particularly specific setting, concentrating on how businesses use them. As a result of the increased cultural, social, and financial interests in startups, we are more explicitly interested in entrepreneurs who work for startups, which we distinguish from businessmen who innovate within already-existing businesses (also known as intrapreneurs).

However, this literature also contributes to our understanding of SBM in startups, and we make reference to it whenever it serves to better explain the picture we present in this chapter, such as when we talk about how little focus sustainability-driven firms have on the entrepreneurial process. Similar to managers and intrapreneurs operating in established enterprises, entrepreneurs were seen as vital parts of the premise of SBM to "incorporate a triple bottom line approach and address a wide variety of stakeholder interests, involving environment and society" (Bocken et al. 2014), reflecting the idea that SBM can both reform existing organizations and aid in the creation of new ones. De facto, the SBM literature first placed a lot of emphasis on well-established firms, reflecting early investigations of ecological sustainability in corporate settings, either in terms of implementing sustainably or the business case for longevity. This initial strategy grew to take into account startups as well, typically doing so without making a distinction between it and entrepreneurial activity in existing firms.

In order to grow exponentially, new types of businesses must apply to both entrepreneurial startups and intrapreneurial transformation of current business models in even the biggest multinational businesses. They should not make a distinction between

entrepreneurs and intrapreneurs. This integrated approach also reflects the focus of SBM on rethinking value creation in companies with the purpose of attaining multidimensional wealth creation (social, ecological, and economic) for various stakeholders, regardless of the scale of the business. This is due to the fact that major businesses can participate in market changes focused on sustainability. Companies like Interface (which switched from selling carpets to a leasing-based strategy) and Novelis are two examples of how these changes have occurred in business. Additionally, this strategy is consistent with management literature that contends businesses can also contain entrepreneurs. Additionally, a business does not need to be start-up or small to be an entrepreneur. In fact, massive, frequently established businesses engage in entrepreneurship.

Not just SBM scholars fail to distinguish between startups and established businesses. Two SustainAbility executives wrote a study in 2014 on innovation in business models for sustainability in which they discuss the significance of major corporations in SBM innovation: We think bigger organizations have a crucial contribution to make in order to increase the effect of the most significant breakthroughs, even though smaller businesses frequently take the lead in business model innovation.

While the preponderance of SBM scholarship, instructional activity, and potential implementation do not differentiate between economic ventures in startups and established enterprises, we do find some early signals of interest in doing so. Anthony Upward, who created the thriving business canvas, co-founded a company called Lean for Flourishing Startups recently that offers tools to aid entrepreneurs who are trying to build successful (sustainable) businesses as one example.

The implementation of sustainability innovations that are geared toward the mass market and benefit the majority of society is seen as a subset of the entrepreneurial domain SE. The authors argue that the SE's central premise extends Schumpeter's (1942) concept of structural transformation to sustainability, attempting to replace existing procedures, goods, and services with ones that have better effects on society and the environment. Ecopreneurship, institutional entrepreneurship, social entrepreneurship and sustainability-oriented entrepreneurship (SE) are the four categories the authors propose for sustainability-oriented entrepreneurship. Ecopreneurship is the study of environmental issues.

This is a fairly recent phenomena that resulted from people being more aware of the commercial potential of sustainability in the 1980s. This idea has drawn more and more attention since the early 1990s, as evidenced by the expanding body of literature on it. Schaper (2010) proposes three characteristics shared by all ecopreneurship: They are intentional, have a net-positive influence on the environment, and are entrepreneurial activities

Addressing social issues is the aim of social entrepreneurship. This area is the one that academics are likely paying the most attention to out of the four. The primary emphasis on definition and distinguishing traits gave way to a concern in the administration and effectiveness of social enterprises. The social aim is at the center of its definitions, which range from wide to narrow and take into account for-profit, nonprofit, and hybrid platforms

as well as non-profit applications. When looking at social entrepreneurship from a broader perspective and, in particular, in the case of commercial entrepreneurship, the phenomenon of combining social value with financial sustainability has been one of the major obstacles for businesspeople attempting to get past the conventional divide between social value creation and financial performance.

Entrepreneurs who seek to alter existing societal, regulatory, and commercial institutions or establish new ones are the focus of institutional entrepreneurship. Given the existence of commercially viable businesses that simultaneously pursue economic, social, and environmental goals, sustainable entrepreneurship may be even more complicated a phenomenon than traditional entrepreneurship. This warning, which they provided as a conclusion to their thorough investigation into the process of creating new sustainable companies, serves as our starting point in part because it illustrates the growing demand for SBM to assist business owners engaged in sustainable activities. This function is comparable to that of lean startup for entrepreneurs engaged in entrepreneurial activity more generally. SBM has not yet offered this support, as will be detailed later in this chapter.

7. CONCLUSIONS

A startup is a person organization created to develop a new good or service in the face of great uncertainty. If we concur with this statement, then startups may be in the greatest possible position to generatively generate new value in novel ways within tightening material resource limits and quickly shifting social, cultural, and economic contexts. The SBM concepts and frameworks, however, have addressed businesses of all sizes using the same set of concepts up to this point. There isn't much to show for this strategy in terms of tools and techniques that are helpful and adaptable to early-stage startups. In addition, the SE research does not assist startup founders in assessing and resolving potential trade-offs when deciding between early-stage financial performance and social and ecological value creation. Founders who are looking for more applicable support for the realities of decision-making and experimenting in a resource-constrained context continue to underutilize the theories.

However, despite being undoubtedly well-liked and useful, the lean startup trend does not offer many opportunities for business owners seeking to create value over the long term to engage in critical reflection on their most challenging choices. How can a founder maintain their course when investor, market, and customer pressures urge deviating from their original theories? When founders encounter early opposition from customers and investors, lean startup curricula and practices frequently cause them to give up on their original vision and pursue problems and sticking points that are more evident to their customers but are not grounded in or linked to the major problem of the spaces of social responsibility and environmental impact people originally sought.

Or, even worse, founders may dive headfirst into the task of MVP development, prototyping, and business creation without ever stopping to consider their original intent. The original goal statement and beliefs that guided them to these results are only examined after founders have been pushed and rewarded to move swiftly, break stuff, and seek forgiveness later.

For startup entrepreneurs, the SBM Framework provides a method based on practical experience. We start encouraging entrepreneurs to persist in the face of early resistance by incorporating important guiding principles into the fundamental vision, strategy, and product foundation of the lean startup pyramid. This helps to further dissolve the tension between long-term value creation and financial performance. Fundamentally, founders adopt a consistent reflective practice to guarantee that their vision is realized through the deliberate experimentation of iterative consumer discovery/agile development cycles. When founders and early-stage workers have values which are clearly aligned and understood, decisions are made easier.

Finally, startups will act as a unifying force to push their products into the market and ultimately create and modify the economic system if they can discover customers, investors, and early workers who realize and support the vision, values, and goal of the company. The real test will come when incubators, colleges, and other powerful players adopt this strategy, paving the door for sustainable companies to become the norm rather than the exception.

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