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Sustainable Business Model Innovation and Strategic Management Practices for Entrepreneurial Success in Emerging Markets

[1]Dr. Alok Kumar Bhargava, [2]Dr. Abhijit Aditya, [3]Dr Madan Pal, [4]Dr Vikram, [5]Dr. Pompi Das Sengupta

[1]Founder and Principal Researcher, TrayiVani Foundation, India; Developer, The Inner Engine Framework™ for Conscious Leadership Assessment; Author of TrayiVāṇī – Eternal Verses on Peace, Silence & Discernment and The Inner Engine of Leadership Trilogy, TrayiVani Foundation, Ghaziabad – 201016, Uttar Pradesh, India.
Email: founder@trayivani.in , Orcid Id: https://orcid.org/0009-0009-1805-3075,
Google Scholar: https://scholar.google.com/citations?hl=en&user=XRzNh50AAAAJ , Website: https://trayivani.in, Scopus ID: 60698294500
[2]Assistant Professor, Department of Supply Chain Management, Marketing, Dr. B.C. Roy Academy of Professional Courses, Durgapur, University name -MAKAUT. Email- abhijit1980aditya2@gmail.com,
Orcid id:0009-0007-6804-985X
[3]Associate Professor, Department of Economics, Dr Bhim Rao Ambedkar Govt. (PG) Sanskriti Model College, Jagdishpura, Kaithal, Haryana (India)-136027. Email: mptawra@gmail.com , Orcid id:0009-0007-6958-1834
[4]Assistant Professor, Head of the Department of Economics, Dr Bhim Rao Ambedkar Govt. (PG) Sanskriti Model College, Jagdishpura, Kaithal, Haryana, India 136027. Email: vikram949@yahoo.com
[5]Associate Professor, Department: Management, Specialization: Economics, Arka Jain University, Mohanpur Village, Gamharia, Jamshedpur, Jharkhand, 832108. Email Id: dr.pompi@arkajainuniversity.ac.in,
Orcid Id: 0009-0001-1371-0947

Abstract
Sustainable business model innovation (SBMI) is one of the most relevant mechanisms for entrepreneurial firms to achieve economic viability and environmental and social value creation. This review combines literature on SBMI, strategic management practices, entrepreneurial success and the emerging-market conditions, and then a comprehensive understanding of interrelationships is formed. The synthesis suggests that strategic planning, dynamic capabilities, resource management, organizational agility, innovation and knowledge management, stakeholder engagement and digital capabilities support the establishment and adoption of sustainable business models. SBMI, in turn, has an impact on multidimensional entrepreneurial success in terms of financial growth, performance of innovation, competitive advantage, organizational resilience, social and environmental outcomes. These relationships, however, are influenced by the contingencies of emerging markets such as institutional conditions, resource constraints, market dynamism, technological infrastructure, and sociocultural factors. A conceptual framework is suggested in which SBMI acts as a mediator between strategic management practices and entrepreneurial success, and the emerging-market context as a contextual contingency. The review offers theoretical, managerial and policy implications, and directions for future research.

Keywords: Sustainable business model innovation, Strategic management, Entrepreneurial success, Emerging markets, Sustainable entrepreneurship.

Introduction

Businesses are under heightened pressure to balance their economic performance with environmental and social responsibilities, making sustainability an increasingly important factor in entrepreneurship and strategic management. This shift has called into question the traditional methods of creating value in organizations, and resulted in the creation of models that can meet the needs of a larger group of stakeholders while still remaining competitive. Innovation in sustainable business models (SBMI) has consequently become an important tool for companies to redefine their value proposition, value creation and value delivery systems, and value capture mechanisms to generate economic, environmental and social benefits. The current research suggests that SBMI has evolved into a multi-disciplinary field that combines sustainability management, innovation, entrepreneurship, strategic management and organizational transformation, while there continues to be fragmentation of concepts in these research areas (Sinkovics et al., 2021; Vangjel, 2025). The rising significance of sustainable business models is also linked to rising organizational efforts to adapt business activity to the Sustainable Development Goals and other expectations and requirements in institutions.

Business model innovation can help organizations develop methods for embedding sustainability goals into their value creation processes, stakeholder interactions, resource use and strategic decision-

making (Rosati et al., 2023). Changing business models, however, is not always easy to make the switch to more sustainable options. There are many challenges that organizations face when it comes to experimentation, organizational learning, uncertainty, resource allocation, capability development and coordination of various stakeholders. Recent reviews indicate that as well as innovative approaches and ideology, sustainable business model development has to rely also on strategic processes that help organizations to test, learn, improve and scale BM configurations that focus on sustainable business models (Masaeli et al., 2026; Mignon & Bankel, 2023). The strategic aspect of SBMI is crucial as it is essential that companies continuously adjust their organizational competences, resources, collaborations and market strategies to make the transition to sustainability. Sustainable business models are not just simply static configurations of organizations, but rather processes of adaptation, experimentation, market formation and strategic reconfiguration.

Recent studies also highlight the role business models can play in shaping markets by impacting on the exchange relationship, stakeholder involvement, and value creation and capture mechanisms (Bankel, 2026). Concurrently, the growing relevance of circular economy and sustainable business models have shifted the concept of SBMI from open-ended resource systems towards regenerative approaches, circular value creation and minimisation of environmental impact (de Araujo et al., 2026). The developments indicate that strategic management practices play a key role in the realisation of ideas on sustainability into viable and scalable entrepreneurial activities.

In emerging markets, the link between sustainable business model innovation and entrepreneurial success takes on added importance. The opportunities for sustainable entrepreneurship are great in emerging economies due to the growing markets, the technological transformation, the consumer expectations, and the necessity of addressing the recurring environmental and social challenges. However, the institutional environment in such areas is characterized by uncertainty, limited access to finance, lack of infrastructure, lack of skills and abilities and quickly changing market conditions for entrepreneurs. Research on sustainable entrepreneurship in emerging economies, therefore, emphasizes the role of organization, institution, social and context factors in determining entrepreneurial outcomes (Nayak and Pillai, 2024). The qualities mentioned above indicate that sustainable business models could be highly contingent on the strategic management practices that support the ability of entrepreneurs to mobilize resources, deal with institutional pressures, uncertainty, and build adaptive organizational capabilities.

Conventional financial measures aren't the only ones that can be used to understand entrepreneurial success in the context of sustainability. Although profitability and growth and market survival are still relevant, the capacity to perform innovativeness, environmental results, social value added, resilience, stakeholder legitimacy and long-term adaptability are in the center of evaluation of sustainable enterprises. More recent studies on sustainable open innovation also propose that the interaction between innovation ecosystems, external collaboration, knowledge exchange, and entrepreneurial strategies focused on sustainability may help in generating entrepreneurial performance (Almeida, 2026). But not every business model with a sustainability focus will have a positive impact. Some innovative models might experience implementation challenges, resistance from stakeholders, behavioural problems or problems with maintaining value creating mechanisms over time. Indeed, access-based and shared-economy business models can face behaviors on the part of customers that can jeopardize their viability and efficiency in the operation of the business, and show how the sustainability of business models relies on the design of the business model and also on customer behavior (Camacho & Valor, 2026).

However, literature is still disjointed on the topics of sustainable business model innovation, strategic management, entrepreneurship, circular economy, innovation and emerging-market studies. Although existing reviews have significantly developed the conceptualization of sustainable business models and pointed to various SBMI strategies, there are weak degrees of integration between how strategic management practices support SBMI and how they interact to support multidimensional entrepreneurial success, especially when operating in emerging markets (Sinkovics et al., 2021). Moreover, current conceptual advances on the concepts of circularity, experimentation, open innovation and market formation suggest the gaps related to a more comprehensive perspective on the processes by which sustainable business models emerge, evolve and translate into entrepreneurial results (de Araujo et al., 2026; Masaeli et al., 2026). These are the objectives of this study:

1. To synthesize the major concepts, dimensions, drivers, and strategic management practices associated with sustainable business model innovation
2. To examine how sustainable business model innovation and strategic management practices contribute to multidimensional entrepreneurial success within emerging-market contexts
3. To develop an integrated conceptual understanding of the relationships among strategic management practices, sustainable business model innovation, emerging-market conditions, and entrepreneurial outcomes while identifying key directions for future research.

2. Basics and Dimensions of Sustainable Business Model Innovation

2.1 Concept and Development of Sustainable

Business Model Innovation

Sustainable business model innovation (SBMI) is the extension of the traditional business model innovation with the environmental and social goals on top of the economic value creation. Traditional business models focus on customer value, competitive positioning, and financial returns. Sustainable business models also include an organizational purpose for multiple stakeholders and societal challenges. Such a shift marks the evolution from incremental alterations of business models to systemic approaches capable of solving sustainability challenges at scale (Gunaratne et al., 2026; Kangas, 2025). Contemporary SBMI, thus, entails a redefinition of organizational value within ecological boundaries and remaining commercially viable and adaptable. Its development is increasingly focused on scalable and sustainability-oriented innovation and the simultaneous creation of economic, environmental and societal value.

2.2 Sustainable Value Proposition

A sustainable value proposition goes beyond the traditional customer-centric value by embedding benefits for the environment, society and stakeholders into the core offering of an enterprise. SBMI does not define value only in terms of product functionality, price or customer satisfaction (Kangas, 2025; Marques Kneipp et al., 2025), but looks at how entrepreneurial activities can meet market needs while contributing to wider sustainability objectives. Environmental value can be realized as lower consumption of resources, prevention of waste, or improvement of the ecology. Social value can include benefits to communities and other stakeholders. Sustainability-oriented firms thus redefine value by integrating customer expectations with ecological boundaries and societal needs, thereby creating propositions that can generate wider and longer-lasting forms of value.

2.3 Creating and Delivering Sustainable Value

The ability of an organization to create and deliver sustainable value depends on its capabilities, the responsible use of resources, the development of collaborative relationships and the mechanisms thru which sustainability-oriented offerings reach customers and stakeholders. However, firms need the right capabilities and collaborations to translate sustainability goals into operational reality while aligning suppliers, customers, communities, and other actors in the ecosystem. Responsible supply-chain arrangements can help mitigate environmental and social externalities (Gunaratne et al., 2026; Shreya et al., 2025), while collaborative innovation enables organizations to pool complementary knowledge and resources. Digital platforms are playing an increasingly important role in these processes thru better connectivity between stakeholders, better information exchange and the scaling of sustainable ventures beyond local markets. Consequently, value delivery is increasingly incorporating organizational capabilities, ecosystem collaboration, and technological infrastructure.

2.4 Capturing Value Sustainably

Sustainable value capture addresses the question of how firms can appropriate sufficient economic benefits of sustainability-oriented activities while creating environmental and societal value. Sustainable value capture includes resource efficiency, reduced externalities, shared benefits, and continued organizational viability compared to traditional approaches that focus primarily on revenue and profit. Companies can create value thru innovative revenue models, resource savings, operational efficiency, stakeholder relationships and scalable sustainability solutions (Gunaratne et al., 2026; Kangas, 2025; Marques Kneipp et al., 2025). But if sustainable innovations are to stay around and grow, then value capture has to make economic sense. Consequently, for SBMI to be effective, commercial returns need to be aligned with broader sustainability outcomes, rather than considering economic and societal value as inherently competing objectives.

2.5 Main Types of Sustainable Innovation of Business Models

SBMI can take several forms, each illustrating different approaches to sustainability challenges. Circular business models center on the circulation, reuse, recovery and reduction of resources and waste, whereas green business models center on the reduction of environmental impacts in the whole organization. Inclusive and social business models add value in a wider sense by responding to social needs and integrating underserved stakeholders into economic activities (Gunaratne et al., 2026; Kangas, 2025; Shreya et al., 2025). These forms are increasingly being supplemented by digitally enabled sustainable business models, which leverage platforms and digital technologies to improve accessibility, coordination, scalability and resource efficiency. Although the focus is different, these models aim to produce business value beyond conventional financial results and develop scalable options for environmental and social challenges.

2.6 Drivers and Barriers of Sustainable Business Model Innovation

The forces of SBMI are shaped by an interaction of organizational, technological, market and institutional forces. The pressure from regulations, the expectations of stakeholders, the consciousness for sustainability, competition, technological development and entrepreneurial orientation can be a motivation for firms to redesign existing models and to pursue sustainability oriented opportunities. Entrepreneurial thinking can also enhance the recognition of opportunities, the focus on innovation, and the willingness to tackle sustainability challenges with novel business approaches (Table 1) (Figure 1). In contrast, limited financial resources, lack of capabilities, organizational resistance to change, uncertain market demand, and institutional deficiencies can hamper implementation (Shreya et al., 2025; Velasco et al., 2026). Digital platforms and

collaborative ecosystems can assist in alleviating some of the constraints via improved access to knowledge, markets, networks and scaling opportunities, but their efficacy is context dependent.

Table 1: Core Dimensions of Sustainable Business Model Innovation

SBMI dimension	Main focus	Expected contribution	Reference
Value proposition	Sustainable customer offering	Economic, social and environmental value	Kangas (2025)
Value creation	Resources and capabilities	Responsible operations	Marques Kneipp et al. (2025)
Value delivery	Networks and digital channels	Efficient stakeholder access	Shreya et al. (2025)
Value capture	Revenue and resource efficiency	Long-term viability	Gunaratne et al. (2026)

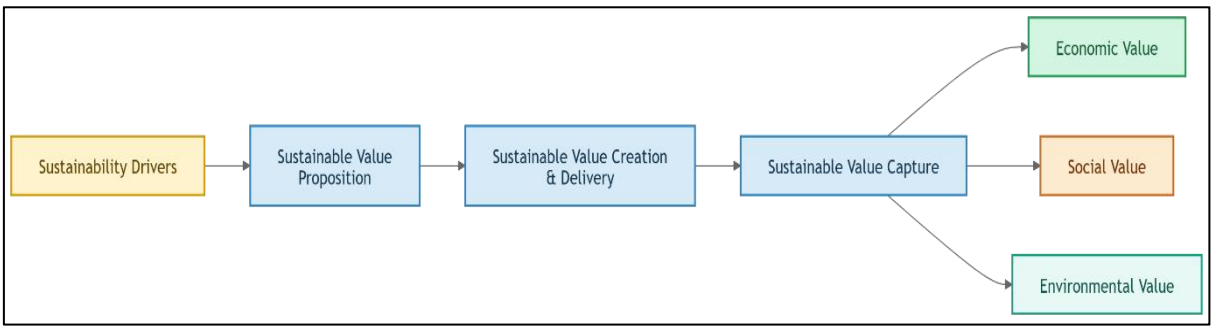

Figure 1: Core Architecture of Sustainable Business Model Innovation

3. Strategic Management Practices for Sustainable Entrepreneurship

3.1 Strategic Planning and Sustainability Orientation

Strategic planning is a process that gives the organization direction needed to incorporate sustainability into entrepreneurial decision making and long-term business development. A sustainability orientation brings a new dimension to traditional goals, moving beyond the bottom line to include environmental responsibility, social value, and expectations from stakeholders (Bashir et al., 2022; Futre & Crespo, 2026). This integration demands that companies link up sustainability objectives to the design of their business model, investment policies, operations and measurement of their performance. This alignment can be enhanced through sustainable business model innovations that capture strategic sustainability intentions in mechanisms of value creation and value capture. Accordingly, sustainability orientation is an intrinsic strategic competence to obtain competitive and multidimensional performance results.

3.2 Dynamic Capabilities

Dynamic capabilities are the entrepreneurial firms' ability to sense sustainability-related opportunities, to assemble resources to grasp those opportunities, and to reconfigure internal arrangements in concert with the changing market and environmental conditions. Sensing is about detecting new customer needs, technological innovations, regulatory needs and sustainability issues, while seizing is about turning these signals into viable entrepreneurial opportunities. Reconfiguration then requires resource, competency, process and business model changes to continue to create value. These capabilities are especially relevant to sustainable entrepreneurship as it is seen as a continuous transition and not a single organizational change (Futre & Crespo, 2026; Rahmawati et al., 2026). This can then enhance the organizational performance and competitiveness in the long term by virtue of the interaction between Innovation, Knowledge Practices and Sustainable Business Model Development.

3.3 Strategic Flexibility and Organizational Agility.

Entrepreneurial firms must be able to adapt to uncertainty in the environment, technological disruption, changes in competition, and emerging sustainability requirements in order to be successful. Agility provides flexible organizations with the ability to adjust the priorities and resource structure of their strategies without sacrificing their longer term sustainability goals, while agility helps them quickly interpret environmental signals and make decisions in a timely manner. These are the capacities that enable reconfiguration of business models when business models, as they currently exist, no longer meet market, technological or sustainability needs. Organizations which are both strategically consistent and adaptable are therefore vital to sustainable business model innovation (Alrwabdah & Alomari, 2026; Futre & Crespo, 2026). The use of technology can also support the responsiveness of the organization, as it provides greater access to information, better coordination

between different processes, and better ability to adapt the organization's practices to become more sustainable as the external situation changes.

3.4 Strategic Resource Management

Strategic resource management is related to the purposeful allocation, merging and reconfiguration of the resources of an organization to sustain their entrepreneurial goals. To build effective sustainability strategies, companies must link their financial investments, human skills, technical assets, knowledge and operational resources. For smaller businesses, resource orchestration is even more crucial due to restricted financial and managerial resources, which make careful prioritization and effective use even more vital. Waste reduction and more productive and innovative resource management can be achieved at the same time and in the context of competitive differentiation (Alfarizi et al., 2026; Bashir et al., 2022; Futre & Crespo, 2026). As a result, the performance of sustainable business models is partly related to the mobilisation of currently available resources and the transformation of sustainability-oriented investments into economic, environmental and social outcomes.

3.5 Innovation and Knowledge Management.

The mechanisms of innovation and knowledge management complement entrepreneurial firms in developing solutions for sustainability. Organizational learning helps companies make sense of past experiences and adapt their strategies, and knowledge sharing and acquisition help spread technological, market and sustainability knowledge from one organization to the next. The absorptive capacity also influences the ability to detect, absorb and transform external knowledge into commercially relevant innovations (Rahmawati et al., 2026; Bashir et al., 2022). Open innovation extends this process to bring in ideas, technologies and capabilities that are not from within the firm. Technological innovation and effective knowledge management can therefore improve the performance of SMEs and assist in the process of adapting the business and building sustainability.

3.6 Stakeholder Engagement and Strategic Collaboration

Stakeholder engagement allows sustainable entrepreneurs to factor in a range of economic, environmental and social demands in strategic decisions and business model construction. Customers give information about changing demand, suppliers impact responsible sourcing and operational sustainability and governments influence regulatory and institutional conditions (Alrwabdah & Alomari, 2026; Alfarizi et al., 2026; Futre & Crespo, 2026). Investors influence access to financial resources, communities bring social legitimacy and local knowledge of sustainability issues. Strategic partners can also bring complementary technologies, expertise, network and market access to the participants, which they might not have on their own. These relationships can be coordinated to create greater collaborative value and boost sustainability performance, by aligning business goals with broader stakeholder interests and/or considering the triple bottom line.

3.7 Digital Strategic Capabilities

Digital strategic capabilities are becoming more and more essential to the process of entrepreneurial firms' opportunity identification, resource coordination, innovation and business model implementation for sustainability. Digital transformation can enhance the inter-connectivity of the organizations, transparency of the operations, exchange of knowledge, and responsiveness of the organizations, while data-driven decision making can help firms to assess performance and allocate resources more effectively. Digital platforms also provide greater enablement for customer, supplier, partner and other ecosystem interactions which lead to joint innovation and market opportunities (Table 2) (Figure 2) (Alrwabdah & Alomari, 2026; Rahmawati et al., 2026). Moreover, when technology is linked to organizational strategy, it can enhance sustainability results. Digital capabilities, then, are the links between technological innovation, knowledge management, and sustainable performance in the modern entrepreneurial approach.

Table 2: Strategic Management Practices Supporting Sustainable Entrepreneurship

Strategic practice	Primary function	Sustainability contribution	Reference
Strategic planning	Long-term direction	Sustainability alignment	Bashir et al. (2022)
Dynamic capabilities	Sensing and adaptation	Opportunity exploitation	Futre & Crespo (2026)
Resource management	Resource orchestration	Efficient resource utilization	Alfarizi et al. (2026)
Knowledge management	Learning and knowledge sharing	Innovation development	Rahmawati et al. (2026)
Stakeholder engagement	Collaboration	Shared sustainable value	Futre & Crespo (2026)
Digital capabilities	Technology integration	Digital sustainability transformation	Alrwabdah & Alomari (2026)

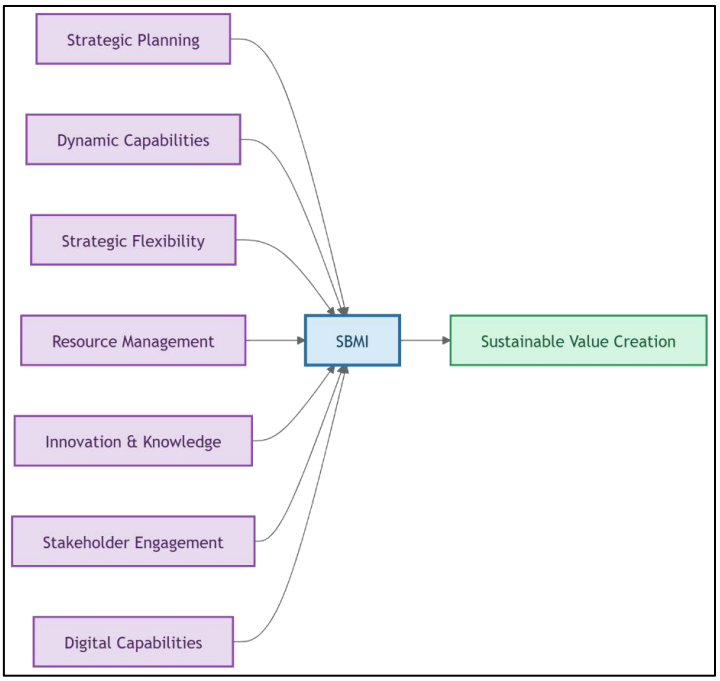

Figure 2: Strategic Management Enablers of SBMI

4. Entrepreneurial Success: Dimensions and Performance Outcomes

Entrepreneurial success is a multi-dimensional construct that encompasses, in addition to conventional measures of profitability, financial, market, innovative, organizational, social and environmental outcomes. Its assessment can involve objective criteria such as revenue, profitability, market share, and business growth, as well as subjective judgments regarding goal attainment, stakeholder satisfaction, strategic positioning, and perceived business development. Similarly, short-term success may be measured in terms of immediate financial returns and market acceptance, while long-term success is increasingly dependent upon the company's ability to adapt and be resilient, its capacity to innovate, its legitimacy in the eyes of stakeholders, and its ability to create sustainable value. This wider view is especially relevant to sustainability-oriented entrepreneurship as business model innovation may be driven by different combinations of economic, environmental, social and strategic rationales rather than financial objectives alone (Cotterlaz-Rannard et al., 2026). However, financial and growth performance are important aspects of entrepreneurial success including profitability, growth in revenues, return on investment, and the ability to expand business activities. Sustainable methods can contribute to achieving these outcomes when they help improve the use of resources, foster innovation, enhance operational efficiency or build relationships with strategically important stakeholders. However, the entrepreneurial performance also needs to be judged on market and competitive outcomes, such as customer acquisition and retention, market share, competitive positioning, differentiation, and sustainable competitive advantage. Firms that are able to respond effectively to the expectations of the stakeholders and to transform the environmental pressures into a green innovation may reinforce both the sustainability performance and the competitive outcomes (dos Santos et al., 2026). Another important dimension is the performance of innovation, because the entrepreneurial success is increasingly dependent on the ability to launch new products and services, to improve organizational and production processes, to renew existing business models and to continuously develop innovation capabilities . Technology-oriented solutions can help SMEs to recombine and orchestrate resources, address social challenges, and redesign mechanisms of value creation and delivery, thereby linking technological innovation with wider entrepreneurial outcomes (Meng et al., 2026). Entrepreneurial success also matters in terms of organizational resilience and survival, especially in uncertain and resource-scarce environments (Cotterlaz-Rannard et al., 2026; dos Santos et al., 2026; Meng et al., 2026). Resilient companies can adapt business activities, relocate assets, react to crises and maintain organizational continuity in the face of market, technological, institutional or environmental disruptions. Business model renewal can thus be a growth mechanism as well as an adaptation form that can improve long-term viability. Finally, social and environmental performance is an important part of the evaluation of sustainability-oriented entrepreneurial success. Social value creation means the ability of firms to produce benefits for employes, communities, customers, and other stakeholders. Environmental performance includes the reduction of negative ecological impacts, enhancement of resource efficiency, preservation of natural resources, and encouragement of sustainable production and consumption. Community-based approaches also suggest that sustainable outcomes are often a function

of coordination among firms, communities, institutions and other stakeholders, rather than unilateral action by organizations (Indriyana et al., 2026). Therefore, entrepreneurial success should be understood as the simultaneous achievement of economic viability, competitive strength, innovativeness, organizational resilience, social value and environmental responsibility. Such a multidimensional perspective offers a more appropriate basis for evaluating sustainable business model innovation as it recognizes that sustained entrepreneurial success depends not only on the ability to capture financial value (Table 3), but also on the capacity to continuously create, deliver and preserve value for businesses, stakeholders, society and the natural environment.

Table 3: Dimensions of Entrepreneurial Success

Dimension	Representative outcomes	Strategic relevance	Reference
Financial	Profitability, revenue	Economic viability	Cotterlaz-Rannard et al. (2026)
Market	Market share, customers	Competitive positioning	dos Santos et al. (2026)
Innovation	Products, processes, BMI	Business renewal	Meng et al. (2026)
Resilience	Adaptation, survival	Business continuity	Meng et al. (2026)
Social	Stakeholder/community value	Social legitimacy	Indriyana et al. (2026)
Environmental	Efficiency, lower impacts	Sustainability performance	dos Santos et al. (2026)

5. Entrepreneurship for Sustainable Development in Emerging Markets

Emerging markets provide the unique context for sustainable entrepreneurship, in which rapid economic transformation, heterogeneous consumer markets, institutional complexity, technological change, and persistent social and environmental issues simultaneously create entrepreneurial opportunities and strategic uncertainty. Unlike the comparatively stable market environment, the typical entrepreneurial firm in emerging economies faces volatile demand, uneven market development, scarce resources and rapidly changing competitive conditions, hence business model adaptation is particularly important. Market dynamism can influence the efficacy of business model innovation, and information exchange can enhance firms' ability to recognize environmental changes and adapt thru appropriate entrepreneurial configurations (Ghi et al., 2026). Regulatory structures, governance quality, formal policies and informal relationships are the institutional conditions that shape sustainable entrepreneurial activity. Institutional voids and regulatory uncertainty may increase transaction costs and limit firms' access to reliable market information, whereas supportive fiscal and policy interventions can bode well for MSME development by enabling firms to rethink business models and respond more effectively to external shocks (Ayesu et al., 2026). Resource and financial constraints are another characteristic of entrepreneurship in emerging markets. Access to finance, shortages of skilled human capital, deficiencies in infrastructure, and technological constraints may impede innovation and business growth (Novotná et al., 2026). Differences in the availability and the perceived importance of production resources can also impact the efficiency of the organization and the strategic allocation of resources. These constraints emphasize the necessity of managing the financial, human, technological and knowledge resources effectively to support sustainable entrepreneurial growth. By contrast, the constantly changing nature of the market and the competitive intensity mean firms must continually adapt to changing customer expectations, technological progress and competition from domestic and international players. Innovation may improve client relationship management as it enables firms to enhance market responsiveness, interaction with customers and value delivery, which may also lead to better market performance in dynamic business environments (Ramdani et al., 2026). The importance of the sociocultural and stakeholder conditions is equal, as entrepreneurial behavior is embedded in social norms, community relationships, organizational trust and informal networks. These factors may facilitate the knowledge exchange and collaboration but may also affect the acceptance and implementation of emerging technologies. For example, organizational trust affects the interpretation and translation of technological tools into organizational performance, indicating that the digital adoption is not only a technical process but also a social and managerial process (Mwita & Buberwa, 2026). Digital transformation continues to create significant opportunities for entrepreneurs in emerging markets by facilitating digital entrepreneurship, platform-based business models, fintech solutions, data-driven decision-making, and technology-enabled access to customers and markets. The performance implications of technology adoption depend on the organizational characteristics, complementary capabilities, and firms' ability to integrate digital technologies into broader strategic activities, rather than simply acquiring technological assets (Massini et al., 2026). Digital transformation may also be a complement to green leadership, human resource practices, and innovation capabilities, strengthening the link between technological modernization and sustainable organizational performance (Shahzad et al., 2026). These developments offer significant opportunities for green entrepreneurship, circular business models, inclusive innovation and entrepreneurial solutions for

environmental and social problems (Figure 3). Emerging markets should therefore not be viewed as merely institutional and resource-constrained environments, but as settings where unmet social needs, expanding markets, digitalization, policy interventions and the push for sustainability can lead to new ways of creating entrepreneurial value (Table 4). These contexts thus suggest that sustainable entrepreneurial success hinges on the ability of firms to manage institutional uncertainty, deploy limited resources, adapt to evolving markets, leverage stakeholder relationships and embed technological and sustainability-oriented capabilities into resilient business models (Ayesu et al., 2026; Ghi et al., 2026; Shahzad et al., 2026).

Table 4: Emerging-Market Conditions and Their Strategic Effects

Emerging-market condition	Key challenge/opportunity	Strategic effect	Reference
Institutional environment	Regulatory uncertainty	Shapes strategic choices	Ayesu et al. (2026)
Resource constraints	Limited finance/capabilities	Encourages resource optimization	Novotná et al. (2026)
Market dynamism	Volatile demand	Requires adaptability	Ghi et al. (2026)
Sociocultural context	Trust and informal relations	Influences adoption	Mwita & Buberwa (2026)
Digital transformation	Technology access	Expands innovation opportunities	Shahzad et al. (2026)

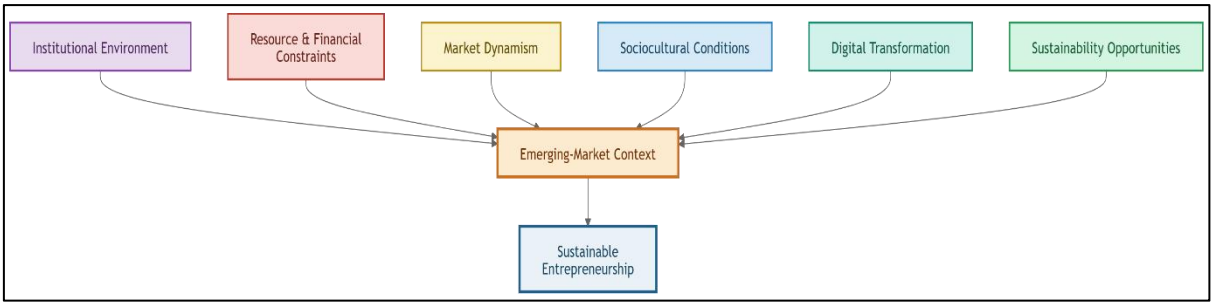

Figure 5: Emerging-market conditions shaping sustainable entrepreneurship

6. Strategic Management-SBMI-Entrepreneurial Success Link

6.1 Predictors of SBMI: Strategic Management Practices

Strategic management practices that lay the organizational foundation are the means by which sustainability objectives are transformed into sustainable business model innovation (SBMI). Strategic planning identifies long-term sustainability priorities, while dynamic capabilities enable firms to sense environmental opportunities, seize emerging market opportunities, and reconfigure resources to fit. Innovation and knowledge management contribute to experimentation and organizational learning, while stakeholder engagement provides access to external knowledge and legitimacy (Vasquez-Aguilera & Real, 2026). Digital capabilities also allow firms to reconsider their processes and mechanisms for delivering value. These practices together point out that SBMI is not a standalone innovation outcome, but rather evolves from coordinated strategic capabilities that align organizational resources, environmental priorities and stakeholder demands.

6.2 Strategic Capabilities and Sustainable Value Generation

Strategic capabilities influence the extent to which entrepreneurial firms convert available resources into economic, social and environmental value. Innovation capabilities allow the development of sustainability-oriented products, processes and market solutions, organizational agility allows quick adjustment to technological and stakeholder pressures. Digital capabilities can help improve resource coordination, customer connectivity and operational efficiency to strengthen sustainable value creation and delivery (Masudin et al., 2026; Setyaningsih et al., 2026; Thao et al., 2026). Sustainable supply-chain capabilities also expand value creation beyond firm boundaries thru the coordination of environmental and social practices of suppliers and other partners. Thus, the confluence of human capabilities, stakeholder pressures, ethical orientation, and technological resources may result in greater holistic sustainable value than isolated sustainability initiatives.

6.3 SBMI and Entrepreneur's Performance

SBMI can help to improve entrepreneurial performance by integrating sustainability-oriented innovation with mechanisms that create financial, strategic, environmental and social benefits. Redesigning value propositions and operating models may generate new sources of income, sharpen differentiation, increase resource efficiency and improve competitive positioning. Innovation also is an important mechanism thru which sustainability orientation can be translated into stronger firm performance, indicating that sustainability commitments alone may be insufficient without organizational capacity to transform them into

commercially viable innovations (Nair et al., 2026). Likewise, circular entrepreneurship illustrates the ways in which sustainability-oriented innovation can align stakeholder pressures, organizational purpose and human capabilities to generate wider value outcomes (Masudin et al., 2026). Therefore, SBMI contributes in a multidimensional way to the entrepreneurial performance, when sustainability and commercial viability are strategically aligned.

6.4 Complementarity between Strategic Management and SBMI

Strategic management and SBMI are complementary to each other because sustainable business model transformation requires both innovative configurations and the managerial capabilities to implement, adapt and scale them. Strategic capabilities provide the direction and coordination of resources (SBMI) translates these capabilities into new mechanisms of value proposition, creation, delivery and capture. Organizational agility and digital technologies can enhance this complementarity, allowing firms to react quickly to pressures from stakeholders and reconsider their existing business models (Vasquez-Aguilera & Real, 2026). But there are still trade-offs, with investments in sustainability possibly resulting in higher costs in the short term or requiring significant capability development before performance benefits are achieved. Hence, the successful SBMI requires configurations that balance sustainability goals, technological investments, organizational capabilities and economic viability (Nair et al., 2026; Setyaningsih et al., 2026).

6.5 Conditional Importance of Emerging-Market Conditions

The link between strategic management, SBMI and entrepreneurial success depends on the institutional and market conditions under which entrepreneurial firms operate. Weak institutions and scarcity of resources can hamper implementation, while institutional quality and government support can facilitate access to resources and opportunities oriented toward sustainability. Market turbulence raises the need for organizational agility and adaptive business models, while the technological infrastructure influences firms' ability to digitalize operations and reach customers . Platform dependence can lead to further strategic vulnerabilities for SMEs that may incentivize alternative technology-enabled approaches like fintech-supported direct-to-consumer models (Shafira et al., 2026) (Table 5). Stakeholder pressures, supply-chain conditions and technological readiness also shape sustainability transitions suggesting that successful SBMI is contingent on internal strategic capabilities and external contextual conditions (Thao et al., 2026; Vasquez-Aguilera & Real, 2026).

Table 5: Strategic Management–SBMI–Entrepreneurial Success Link

Linkage dimension	Strategic mechanism	SBMI relevance	Expected outcome	Reference
Strategic practices	Planning, dynamic capabilities, knowledge and digital capabilities	Enable SBMI development	Strategic alignment and adaptability	Nair et al. (2026); Setyaningsih et al. (2026)
Sustainable value generation	Innovation, agility and resource coordination	Strengthen value creation and delivery	Economic, social and environmental value	Masudin et al. (2026); Thao et al. (2026)
SBMI–performance	Sustainable innovation and business model redesign	Converts sustainability into viable offerings	Growth, innovation and competitive performance	Nair et al. (2026); Masudin et al. (2026)
Strategic complementarity	Capability configuration and organizational agility	Supports implementation and scaling	Long-term viability	Vasquez-Aguilera & Real (2026)
Emerging-market conditions	Institutions, resources, markets and technology	Enable or constrain SBMI	Context-dependent entrepreneurial success	Shafira et al. (2026); Thao et al. (2026)

7. Integrated Conceptual Framework for Entrepreneurial Success

The sustainability and competitiveness of entrepreneurial firms are determined by the intricate interaction between strategic management practices, sustainable business model innovation (SBMI), entrepreneurial success, and emerging-market conditions. The conceptual framework proposed here considers strategic management practices as a major organizational basis for developing sustainable business models. Strategic planning sets priorities for long-term sustainability. Dynamic capabilities, strategic flexibility, resource management, innovation and knowledge management, stakeholder engagement, and digital capabilities allow firms to identify opportunities and adapt their activities to changing business environments. This process is also enhanced thru entrepreneurial experimentation, which enables firms to test their assumptions, learn from uncertain outcomes and gradually improve their strategic and business model configurations (Burnell et al., 2026). Collectively, these capabilities support SBMI by helping entrepreneurial firms transform organizational resources, strategic priorities and

sustainability goals into operable and adaptable business practices.

Within this framework, SBMI is an important mechanism to embed sustainability within the core processes thru which firms create, deliver and capture value. Sustainable value propositions meet customer needs while integrating environmental and social factors. Sustainable value creation and delivery require responsible use of resources, collaboration among stakeholders, innovation and efficient operating processes. By capturing sustainable value, these activities are economically viable and at the same time deliver wider benefits to society and the environment. Such a transformation can further be enhanced by an entrepreneurial culture that includes promotion of experimentation, opportunity recognition, innovative behavior and organizational openness toward change (Ludwig & van Laak, 2026). Therefore, the success of SBMI depends on the ability of entrepreneurial firms to combine strategic capabilities with sustainability priorities and to continuously adapt their business models.

Entrepreneurial success in the framework is conceptualized as a multidimensional outcome that includes financial performance, business growth, innovation, competitive advantage, organizational resilience and social and environmental performance. This view goes beyond conventional financial metrics by understanding that sustainable entrepreneurial success depends also on the ability of firms to stay agile and create value for a range of stakeholders. Organizational resilience is particularly relevant as entrepreneurial firms need to proactively identify potential risks, manage disruptions and ensure the continuity of operations under uncertainty conditions (Neri et al., 2026). Innovative institutions and knowledge systems can enhance entrepreneurial capabilities thru opportunity recognition as well as knowledge development and management of complex innovation activities (Ogunsola et al., 2026).

The wider context for the interplay of strategic management practices, SBMI, and entrepreneurial outcomes is the conditions in emerging markets. Institutional arrangements, government support, resource availability, market dynamism, technology infrastructure and sociocultural conditions can enable or constrain sustainable entrepreneurial development. Entrepreneurial decisions under uncertainty conditions may also be influenced by cognitive and behavioral factors other than rational assessments of resources and market opportunities (Alrohaeem et al., 2026). Thus, the framework suggests that sustainable entrepreneurial success is contingent on the alignment of internal strategic capabilities, sustainability-oriented business model configurations, entrepreneurial behavior and external market conditions. Companies that can successfully merge these factors are better equipped to achieve economic viability, innovation, resilience, competitive strength, social value creation and environmental responsibility in the complex and dynamic environment of emerging markets (Figure 4) (Table 6).

Table 6: Components of the Integrated Conceptual Framework

Framework component	Core elements	Role in the framework	Reference
Strategic management practices	Planning, dynamic capabilities, flexibility, resources, knowledge, stakeholders, digital capabilities	Provide organizational capacity for sustainable transformation	Burnell et al. (2026)
Entrepreneurial orientation and culture	Experimentation, opportunity recognition, learning, openness	Strengthen adaptation and business model renewal	Ludwig & van Laak (2026); Burnell et al. (2026)
SBMI	Sustainable value proposition, creation, delivery and capture	Converts strategic capabilities into sustainable business practices	Ludwig & van Laak (2026)
Entrepreneurial success	Financial performance, growth, innovation, competitiveness and resilience	Represents multidimensional business outcomes	Neri et al. (2026)
Sustainable outcomes	Social and environmental performance	Extend success beyond financial outcomes	Ogunsola et al. (2026)
Emerging-market context	Institutions, resources, government, markets, technology and sociocultural conditions	Shapes implementation and outcomes	Alrohaeem et al. (2026)

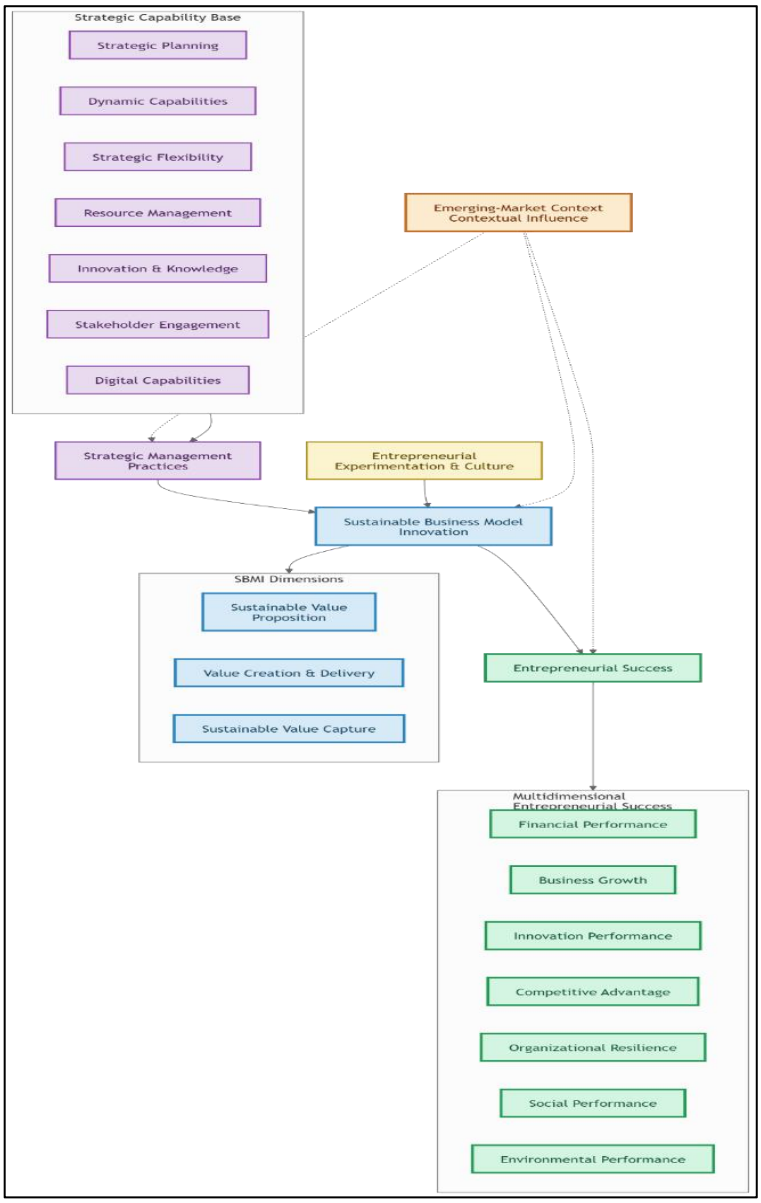

Figure 4: Integrated conceptual framework of strategic management practices

8. Critical Research Gaps and Future Research Agenda

Sustainable business model innovation (SBMI), several gaps constrain its application to entrepreneurial success in emerging markets. Theoretically, the fragmented use of dynamic capabilities, resource-based, institutional, and stakeholder perspectives limits an integrated understanding of SBMI. Future research should therefore develop multi-theoretical frameworks connecting organizational capabilities with contextual influences. Conceptually, inconsistent definitions and measures of SBMI and entrepreneurial success require validated multidimensional scales incorporating economic, social, environmental, innovation, and resilience outcomes. Methodologically, the dominance of cross-sectional designs should be addressed through longitudinal, mixed-method, configurational, and multi-level studies capable of examining causal and temporal relationships. Geographically, comparative research across Asia, Africa, Latin America, and other emerging regions is necessary to capture institutional heterogeneity. Future studies should also distinguish among microenterprises, start-ups, family firms, SMEs, and growth-oriented ventures across different sectors. Greater attention should be given to artificial intelligence, big data analytics, blockchain, digital platforms, and Industry 4.0 as potential enablers of SBMI. Further research should also investigate how strategic capabilities, digital transformation, and emerging-market conditions interact to strengthen sustainable entrepreneurial performance. Particular attention is needed to understand the contribution of SBMI to organizational adaptability and entrepreneurial resilience during economic crises, climate-related disruptions, supply-chain shocks, technological changes, and periods of institutional uncertainty.

9. Conclusion

Entrepreneurial success in emerging markets increasingly depends on the effective integration of strategic management practices with sustainable

business model innovation (SBMI). Strategic planning, dynamic capabilities, resource orchestration, stakeholder engagement, organizational learning, and digital capabilities enable firms to identify sustainability opportunities and transform them into viable value propositions, value creation systems, and value capture mechanisms. SBMI consequently represents a critical mechanism connecting strategic capabilities with multidimensional entrepreneurial outcomes, including financial performance, growth, innovation, competitive advantage, resilience, and social and environmental value creation. The review theoretically contributes by integrating strategic management, sustainability, and entrepreneurship perspectives while emphasizing that these relationships are contingent upon emerging-market conditions, including institutional quality, resource availability, market dynamism, technological infrastructure, and sociocultural factors. Managerially, entrepreneurs should develop adaptive capabilities, embed sustainability within strategic decision-making, strengthen stakeholder collaboration, invest in innovation and digital competencies, and design business models capable of balancing commercial viability with societal and environmental objectives. From a policy perspective, sustainable entrepreneurship requires improved access to green finance, innovation support, robust entrepreneurial ecosystems, digital infrastructure, and sustainability-oriented incentives that reduce institutional and resource constraints. Overall, sustainable entrepreneurial success requires more than adopting isolated environmental practices; it depends on strategically configuring capabilities and business models to create enduring economic, social, and environmental value under dynamic emerging-market conditions.

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