

REVIEW ARTICLE

Entrepreneurship and the different strategies to achieve business sustainability

ABSTRACT

The objective of this research was to identify the different strategies that entrepreneurs use in their businesses to achieve sustainability. The methodology was qualitative, descriptive, non-experimental, exploratory, and explanatory, with a non-systematic literature review in open databases Scielo and Redalyc, with the keywords "entrepreneurship", AND "sustainability", "strategies", "competitive advantages". The inclusion criteria applied were papers between the years 2016 and 2023 only, in both Spanish and English, and answering the research question; a total of 448 papers were obtained. The exclusion criteria were: the papers from years before the range given, languages other than Spanish and English, and not related to the subject or research question. Convenience sampling was applied and 10 research papers were selected. The results indicated that the entrepreneurs applied strategies to minimize costs and expenses, to maximize profit, to manage warehouses and inventories adequately, to search for better suppliers, to constantly innovate in their products, services and processes, to implement new business models, to apply technology, to constantly motivate their workers, to develop skills, considering workers as the main element, to develop customer empathy skills, to develop planning strategies, to analyze the environment in search of new opportunities, organization, leadership of managers, to control through management indicators, to search for international markets, among others. The research concluded that there is a great diversity of strategies used by entrepreneurs to achieve business sustainability.

Keywords: Entrepreneurship; Sustainability; Strategies; Competitive advantages.

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INTRODUCTION

Entrepreneurship is understood as the attitude and aptitude that people have to create a business or to achieve the sustainability of the existing one, and is therefore considered an evolutionary process of innovation and constant creation related to ideas of change and transformation (Montiel and Soto, 2020; Campo *et al.*, 2018). Thus, entrepreneurs are in a constant search for their businesses to grow and achieve the desired sustainability, which is understood from different perspectives, but includes an economic dimension related to obtaining economic benefits with a constant increase in profitability, and an institutional dimension related to strengthening the culture, vision, mission, and values that affect all employees (Caro and Blanco, 2021; Sigüenza *et al.*, 2022). Similarly, business sustainability also refers to the ability of the entrepreneur to sustain itself over time through the development and strengthening of its capabilities and competencies that enable positioning, profitability, and value (Reina *et al.*, 2018).

Achieving business sustainability then involves making a number of decisions and implementing strategic actions, such as associativity, which refers to the integration between similar businesses to increase competitiveness, reduce costs through economies of scale, expand access to markets, increase bargaining power, and improve the quality of life of those involved (Villota, 2023; Acosta *et al.*, 2021). Similarly, it involves investing in their own or other companies in order to diversify risks (Contreras and Marín, 2022), generating social entrepreneurship, which means combining business management strategies with social problems in order to improve the quality of life of people and communities (Méndez *et al.*, 2022).

Other researchers mention that entrepreneurs opt for hybrid business models that guarantee a certain level of income (Vera and Espinosa, 2020); that they form strategic alliances with large companies in order to generate synergies and avoid the obsolescence of their businesses, since they can expand markets, get more customers, suppliers, distribution channels, and increase their knowledge (Kantis *et al.*, 2023); that they use digital tools -such as social networks and mobile applications- to manage their

sales and purchases (Acuña, 2021); that they apply marketing strategies to highlight the commercial image of the business (Carbache *et al.*, 2020); that they constantly analyze and improve their internal processes to orient the business towards customer satisfaction (Gómez *et al.*, 2022); and that they redesign their businesses from a digital mindset to achieve sustainability and also training (Barrios *et al.*, 2022).

The findings of Chocobar (20-23) and Ovalles *et al.* (2018) determined that entrepreneurs have great skills, are able to tolerate and overcome uncertainty, and apply basic academic knowledge of management to find the best solution to their problems and achieve economic sustainability of their businesses.

The negative impact of COVID-19 after the pandemic also led to the creation and/or adaptation of numerous businesses in line with new market demands and as a strategy to generate employment and self-employment (Méndez *et al.*, 2022). It should be noted that in Peru, one in four adult Peruvians engages in some form of entrepreneurship, being able to identify and take advantage of opportunities in the environment to move forward (Vera *et al.*, 2022).

In this context, the research question is What are the different strategies used by entrepreneurs to achieve business sustainability?

AIM OF THIS PAPER

To learn the strategies that entrepreneurs use to achieve sustainability in their businesses means to investigate what they do to achieve sustainability over time, to know why they do not limit themselves to following the same patterns of strategic behavior, but are able to constantly transform and innovate according to the conditions of the context in which they operate (Acosta *et al.*, 2021; Valencia *et al.*, 2022).

Within this set of ideas, the present research aimed to identify the different strategies that entrepreneurs implement in their businesses to achieve sustainability over time.

The methodology was qualitative, descriptive, non-experimental, exploratory, and explanatory approach, performing a non-systematic review of the literature in the databases Scielo and Redalyc (Arnau and Sala, 2020).

For the open database Scielo, an advanced search was performed in two groups, one with the keywords “entrepreneurship” AND “sustainability” and the other with the keywords “entrepreneurship” AND “strategies”, for a total of 94 papers. The open database Redalyc was searched for papers with the keywords “entrepreneurship” AND “sustainability” AND “competitive advantage” AND “strategies”, yielding 818 papers.

The inclusion criteria applied to the papers found were to select only those published between 2016 and 2023, in Spanish and English, and responded to the research question, obtaining a total of 448 papers.

The exclusion criteria applied were the papers from years other than the selected range from 2016 to 2023, from languages other than Spanish and English, and that were not related to the subject or that did not respond to the research question.

In this sense, convenience sampling was applied (Hernández and Mendoza, 2018) and ten research papers were selected, distributed in five papers from Scielo and five from Redalyc, as follows:

- Sepulveda and Gutiérrez (2016), from Redalyc.
- Valencia *et al.* (2017), from Scielo.
- Reina *et al.* (2018), from Redalyc.
- Cruz *et al.* (2019), from Scielo.
- Montiel and Soto (2020), from Redalyc.
- Pesantez *et al.* (2021), from Scielo.
- Ríos *et al.* (2022), from Scielo.
- García *et al.* (2023), from Redalyc.
- Salazar *et al.* (2023), from Redalyc.
- Chocobar (2023), from Scielo.

ARGUMENTATIVE REVIEW

It is known that many companies have a very short life cycle, that is, they do not achieve business sustainability because they close in less than three years (27.73%); by the seventh year 40.41% close, and by the twelfth year 48.14%

have disappeared, for various reasons such as lack or shortage of planning, organization, management and leadership, lack of adequate control through indicators and continuous improvement strategies, among others (Pesantez *et al.*, 2021; Sepúlveda and Gutiérrez, 2016).

Companies that manage to stay in the market owe it to the application of different strategies related to economic, psychological, sociocultural, and managerial aspects, that is, the search for profitability, cost reduction, innovation, diversification of products and services, adaptation to environmental changes, resilience, etc. (Montiel and Soto, 2020).

Therefore, given the changing environment in which entrepreneurs operate, they must continuously develop strategies that will lead them to success, outlining objectives and how to achieve them, innovating and creating products, services, processes, new business models and modifying their operating practices, i.e., acting in accordance with the principles of management. According to Valencia *et al.* (2017), there are six elements that integrate entrepreneurship with good strategic management to achieve sustainability:

- Innovation, which refers to the entrepreneur’s knowledge of the market to create or improve products and services and to find the best way to deliver them to customers.
- Networking, which includes the agreements that can be made with other companies, such as suppliers, in order to achieve greater market penetration, minimize financial risks, exchange knowledge, etc.
- Internationalization, which involves selling outside the territory of origin and includes a series of actions.
- Organizational learning, which involves acquiring new knowledge to improve business performance and implement new strategies for growth, development, and sustainability.
- Management and governance, which is related to the quest to maintain and

increase the company's competitive advantages.

- Growth, which is the goal of any business and is related to the size and assets it possesses.

Researchers such as Sepúlveda and Gutiérrez (2016) and Reina *et al.* (2018) stated that sustainable entrepreneurship is a concept that has several dimensions or elements that go beyond the economic, environmental, and social. For them, sustainability means conducting a business analysis that allows the identification of new opportunities to extend the life of the business, then they propose the following factors:

- Internal factors, which are related to the characteristics of the firm, such as i) size, because if the firms are very small, they have greater difficulties than others; ii) growth, where the higher the marketing volume, the greater the probability of sustainability, given the higher profitability; iii) indebtedness, which is related to the ways in which the firm has to leverage itself and obtain sources of financing.
- Entrepreneurial factors, which are related to i) age, as young entrepreneurs between 18 and 25 years and between 36 and 45 years achieve better results in the short term; ii) experience, where the inexperience of entrepreneurs leads them to fail even when favorable market conditions exist; experience refers to educational, technical, sectoral, managerial and entrepreneurial aspects; iii) training, which refers to the quantity and quality of knowledge acquired, the level of learning and the productivity achieved; iv) worker satisfaction, in terms of their employment and income; and v) motivation, which drives them to achieve wealth and autonomy.
- Environmental factors, which take into account i) economic growth, by creating the necessary conditions for the development of the company and is measured by the Gross Domestic Product

(GDP) of the country; ii) growth of the sector to which the company belongs and is related to the productivity and profits of the specific sector; iii) Geographical location, since those located where there is greater business density have less chance of sustainability due to high competition; iv) Agglomeration, which refers to the number of inhabitants in the area, which when high favors the business; v) Access to information, regarding markets and customers, to generate opportunities; and vi) Informal factors, such as commercial relationships, which also affect the sustainability of the business.

The findings of Cruz *et al.* (2019) determined the following strategies to achieve business sustainability:

- To continuously strengthen the business units with innovative and technological techniques.
- Through strategic alliances with other companies or institutions that generate growth and strengthen the business by working in partnership and coordination for mutual benefit and establishing networks of contacts.
- By designing strategies to diversify the product and service portfolio.
- By developing innovative promotional strategies.
- By hiring employees with outstanding skills in the various business departments.

Montiel and Soto (2020) point out that entrepreneurship is multidimensional and can be approached from different strategies:

- It must have investors committed to the business as a strategy for growth and sustainability.
- Strategies are the result of adaptation and entrepreneurial learning, taking into account elements such as the team's management capacity and the changing needs of the business, in

order to apply the diversification strategy that allows adaptation to change.

- The ability to rely on the family to solve problems, think critically, and understand and identify with the company's goals, which increases intrinsic motivation.

Pesantez et al. (2021) found that entrepreneurs need to develop four generic competencies to best implement strategies to achieve business sustainability. The four generic competencies are:

- Personal generic competences related to analytical skills, autonomous learning, creativity, adaptation to change, decision-making and working under pressure.
- Generic competences related to values that foster motivation, commitment, ethics, solidarity, vocation, and appreciation of social and cultural diversity.
- Generic competences related to knowledge, which enable assertive communication through analysis of the environment, understanding of the scientific method and digital communication.
- Generic organizational skills, related to the capacity for cooperation, teamwork, leadership, organization, planning, and information management.

Ríos et al. (2022) found that business sustainability is related to technological strategies; thus:

- Managers must raise awareness and prepare all employees for the benefits and use of information and communication technologies (ICTs) for efficient business management.
- The company must make proper use of ICTs, i.e., companies must have basic technological infrastructure such as Internet access, interactive website, social networks, information management software such as ERP, CRM, etc., digital channels for buying and selling,

online product offerings, corporate intranet, electronic invoicing, etc.

- Companies should invest or seek sources of funding to acquire technology through financial institutions, personal loans, partner loans, or other forms of financing.

Garcia et al. (2023) identified the strategies used by companies to achieve sustainability:

- Proper management of human resources, i.e., investing in employees, empowering them, giving them autonomy in their activities, helping them reach a high level of commitment to the achievement of goals and objectives,
- Setting fair performance standards for all, giving feedback, and taking corrective action together, where the employee feels involved and considered.

Salazar et al. (2023) pointed out that companies' sustainability strategies are related to their logistics capabilities for internationalization; thus:

- Companies must have developed capabilities to enter international markets and create an export culture that allows them to expand their brands.
- They must have capabilities for technological innovation, competitiveness, production efficiency, inventory management, supplier evaluation, continuous improvement of products or services, improvement of distribution channels and information systems, and the ability to respond quickly to customers.
- Develop strategic alliances to facilitate logistical processes, strengthen communication and the competitiveness of the company.

Finally, Chocobar (2023) examines the sustainability strategies applied by entrepreneurs and points out that they are based on three main capabilities:

- “Know how to be” skills that apply market research strategies to learn about market trends, plan their income and expenses to make better decisions, invest money in their own business, apply differentiation strategies in products and services achieved through constant training, and apply negotiation in the purchase and sale of products and services.
- “Know how to learn” skills related to the basic but fundamental knowledge of management and finances to control sales, expenses, and profits, to manage their warehouses and to lead their employees through fluid and assertive communication.
- “Know how to do” skills related to the rapid and team-based resolution of problems with customers, sales, purchases, and any other aspect of the business, to the constant search for opportunities and the massive use of social networks to attract customers.

In this context, the contributions of different researchers agree that strategies to achieve business sustainability are multivariate, which coincides with the findings of Montiel and Soto (2020), who point out that strategies are related to economic, psychological, sociocultural, and managerial aspects. Thus, Valencia *et al.* (2017) address elements such as innovation, networking with other firms, internationalization, continuous learning, and internal leadership, which is consistent with Sepúlveda and Gutiérrez (2016), Reina *et al.* (2018) and Salazar *et al.* (2023). Pesantez *et al.* (2021) and Chocobar (2023) agree that business sustainability is related to acquired personal capabilities or skills, values, knowledge, and basic administrative aspects.

However, differentiating aspects were those pointed out by Sepúlveda and Gutiérrez (2016) and Reina *et al.* (2018), who indicated that the age and experience of entrepreneurs affect business sustainability. Another differentiating element was the findings of Cruz *et al.* (2019) and Ríos *et al.* (2022), who indicated that businesses should strengthen their different areas with innovative and technological techniques.

Finally, another differentiating aspect was pointed out by Montiel and Soto (2020), who indicated that businesses should rely on the family to make decisions, and by García *et al.* (2023), for whom the best strategy is to bet on workers as a fundamental part of the business.

CONCLUSIONS

Entrepreneurs are constantly applying strategies that allow them to achieve the sustainability of their businesses over time, since before seven years 40.41% of businesses went bankrupt due to various factors.

The different strategies applied by the entrepreneurs were related to economic aspects, such as the search for minimizing costs and expenses in order to maximize profits, which is achieved through good management of warehouses, inventories, search for better suppliers, constant innovation in products, services and processes, implementation of new business models, application of technology, etc.

Among the strategies related to psychological aspects, the constant motivation of employees, the development of skills to develop business activities considering workers as the main growth strategy and the development of skills to empathize with customers were mentioned.

In terms of management strategies, the following were mentioned: planning of activities, analysis of the environment in search of new opportunities, organization of workers, leadership of managers and control through management indicators. Also, the search for international markets to expand the business and achieve growth.

In this sense, the research made it possible to identify the different strategies used by entrepreneurs to make their businesses sustainable over time.

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Conflicts of interest

The author has no conflicts of interest to declare.

Author contributions

Gaby Naldy Corimanya Diaz (lead author): Conceptualization, data curation, formal analysis, funding acquisition, research, methodology, validation, data visualization, writing (original draft, proofreading and editing).