



**Foundations of Management &
Entrepreneurship
Courses and Cases**

First Edition

Matthias Wenzel (Ed.)

Foundations of Management & Entrepreneurship: Courses and Cases

Why study management and entrepreneurship? This edited collection—aimed at management scholars, students, and practitioners—illustrates the relevance of different parts of the B.Sc. program on International Business Administration & Entrepreneurship at the Leuphana University of Lüneburg. To do so, Leuphana students juxtapose more or less well-known cases with modules included in the study program.

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OS INSIGHTS

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Matthias Wenzel

Why Study International Business Administration and Entrepreneurship?

Matthias Wenzel

This edited collection aims to provide management scholars, students, and practitioners with a vivid understanding of why to study International Business Administration and Entrepreneurship (IBAE), a B.Sc. study program at the Leuphana University of Lüneburg, Germany. Specifically, IBAE students draw on self-selected cases to illustrate the relevance of different modules included in the study program.

In the broadest sense, IBAE belongs to the category of “business administration” programs. As such, the question of why to study a business administration program like IBAE may seem irrelevant to ask. Business administration programs are popular around the world, including in Germany (Wenzel, 2022). Hence, students seem to have enough reasons to find their way into business administration programs such as IBAE. Among others, such—vastly interrelated—reasons may possibly include:

- Job expectations: Hopes for decent job opportunities after graduation, e.g., at the management level in corporations or in consulting firms
- Salary expectations: Hopes for a financial compensation for one’s work
- Seemingly “rational” choice: The appeal of business administration as a “reasonable” option compared to other study programs
- No expectations: Limited understanding of one’s own preferences; “study business administration if you don’t know what to study!”
- Path of least resistance: Reduced needs for legitimizing one’s study choice vis-à-vis friends and family

These list items may partly resonate with at least some students of business administration. It is not on me to judge their reasoning. Given the inextricability of finding a study program amongst an overflowing academic offer, making such choices is difficult enough anyway. It would be unfair to judge such difficult choices from the sidelines.

Nevertheless, this list is interesting, as it does not provide any content-related reasons. Does business administration have any interesting content to offer that is worth learning about?

In *The Triumph of Emptiness*, Mats Alvesson (2013) argued that management is loaded with rhetoric that hides the mundaneness of this area. Similarly, Tourish (2020) posited that management is reigned by a “triumph of nonsense” in that management jargon creates an illusion of “importance” where there’s none. As Schwenker, Albers, Ballwieser, Raffael, and Weisenberger (2020) commented:

“[I]t is possible with some success and without much controversy to write about the ‘emptiness’ of business administration [...]; even beyond the polemic, the prejudice that business administration is hardly more than commonsense plus a few mathematical formulas persists.” (p. 7)

Instead of surrendering, Schwenker et al. (2020) articulated a plea for business administration based on 16 theses and called for innovation in management education. Among others, they called for the inclusion of contemporary business topics such as sustainability and the digital transformation, exploring forms of teaching that extend beyond head-on lecturing, and focusing attention on methodological skills so as to reinvigorate rigor in business administration.

A view on IBAE’s study regulations (see Figure 1) reveals that the School of Management & Technology at Leuphana has already implemented the innovations that Schwenker et al. (2020) vehemently called for: a “methods pillar”, as well as the visible inclusion of contemporary business topics in the curriculum. Furthermore, many of the IBAE courses build on innovative forms of teaching. For example, Qualitative Research Methods includes video units produced by experts in the field, which constitute the foundation for hands-on tutorials. But IBAE goes further. Specifically:

The English-speaking major in International Business Administration & Entrepreneurship (IBAE) is designed for changemakers in the 21st century. This study programme forms your skills to analyse and act upon entrepreneurship, management in the digital age, and sustainable and responsible management as key contemporary challenges of business in global societies. While forming skills in the foundational areas of business administration such as marketing, accounting, and finance, the programme includes these topics as core features of the curriculum. (Leuphana, 2023)

6.	Bachelor Thesis			Free Elective II		
5.	Management & Entrepreneurship Research	Elective: Management in the Digital Age	Free Elective I			
4.	Quantitative Research Methods	Elective: Entrepreneurship	Elective: Sustainable and Responsible Management			
3.	Qualitative Research Methods	Finance	Marketing	Management		
2.	Statistics for Business and Economics	Financial Accounting	Management Accounting	Entrepreneurship		
1.	Mathematics & Statistics			Foundations of Management & Entrepreneurship		
	Methods	Business Administration	Profile Modules		Minor	Leuphana Semester/ Complementary Studies

Figure 1. The Curriculum of the B.Sc. International Business Administration & Entrepreneurship

Source: Own illustration, based on the program's study regulations

In other words, IBAE delivers important content-related reasons for being selected by students. In the following, I summarize some of them (see also Leuphana, 2023).

A Unique Profile for Change-makers

Business and society are facing large-scale challenges, such as climate change, inequality, and work insecurities produced through artificial intelligence (see George, Howard-Grenville, Joshi, & Tihanyi, 2016). At least in part, organizations are part of the problem, and so is (conventional) management education. As Ghoshal (2005) argued, the tools and theories taught in (conventional) business administration programs carry problematic assumptions and ideologies that reproduce some of the large-scale challenges of our time.

At the same time, organizations can and, in fact, have to be part of the solution. In order to achieve the scale needed to tackle these challenges, such attempts have to be organized, rather than trusting in the success of lonesome heroes that fight against systemic distortions. Therefore, one may argue that “good management” of organizations and, by implication, “good” business administration programs that form skills in “good management practice” (Ghoshal, 2005) are now more needed than ever.

The IBAE team believes that “good management” has to be skilled in the basic functions of business administration, whilst being attentive to main, if not the most important contemporary issues and topics in business and society (e.g., Wenzel, Krämer, Koch, & Reckwitz, 2020): entrepreneurship, sustainability and responsibility, and the digital transformation. Therefore, these issues and topics are not ignored or sidelined, but put front and center in the curriculum. This, we believe, makes sure that IBAE students form the dispositions needed to manage organizations as “change-makers” in the face of 21st-century challenges.

Your Studies Your Way

IBAE is part of the “Leuphana model”. Inspired by the liberal arts, this model unites a major, minor, and complementary studies into the “Leuphana Bachelor” (see Figure 1 for a schematic overview). Students of the Leuphana Bachelor choose a major—such as IBAE—and combine it with a minor—such as Digital Business, Economics, Engineering, Philosophy, Popular Music Studies, or Sustainability Science—that extends or deepens their insights gained in the major. The Complementary Studies contribute to out-of-the-box thinking by bringing together students from all disciplinary areas, and by reflecting and working on topics that cut across these areas.

Compared to many other business administration programs, the Leuphana model is a unique strength for IBAE. In addition to inherent interdisciplinarity, it allows students to tailor “their” study program to their needs, interests, and preferences. For example, students with an interest in engineering management (*Wirtschaftsingenieurwesen*) may combine IBAE with the minor in Engineering. Those who would like to extend their understanding of sustainability management may combine IBAE with Sustainability Science. If students aim to deepen their understanding of managing the digital transformation, they can combine IBAE with Digital Business. And so on. Hence, the operating system of the Leuphana Bachelor facilitates an optimal preparation for the desired directions to be taken after graduation.

A Study Program by Leading Experts

According to the Times Higher Education (2023) ranking, Leuphana is among the top 100 among young universities worldwide; it is also among the top 400 among all universities worldwide. Given its rather short history even for a “young university”, these results are remarkable.

The same holds for the area of business administration in particular. In the worldwide Shanghai Ranking (2023), Leuphana is a top-400 university in the area of business administration—number one in Lower Saxony and number 10 in Germany. Perhaps even more remarkably, according to data processed by Ryazanova, McNamara, and Aguinis (2017), Leuphana belongs to the ten percent most productive research institutions worldwide in business and management.

More can be said about Leuphana's expertise in the profile areas of IBAE. In the Hochschul-Entrepreneurship Monitoring 2022, Leuphana is number one on “entrepreneurship education” in Lower Saxony (Asghari, Vetter, & Stascheit, 2022). According to the Gründungsradar 2022, Leuphana is number three in terms of entrepreneurship support among the mid-sized universities in Germany (Fritzsche, Kessler, & Schröder, 2022). Furthermore, as one of the few reporting members of PRIME – Principles of Responsible Management Education (2023) – among German universities, Leuphana is committed to implementing and sustaining responsible management in IBAE's curriculum.

These results testify that IBAE is offered by leading experts in the field. Students who look out for top-notch content are right at IBAE.

Outlook on the Collection

In a way, this collection is a manifestation of innovative ways forward in management education. In IBAE's introductory course, the new cohort of 140+ IBAE students was not confronted with head-on lecturing, but worked in small groups, using videos and cases to reflect on the relevance management and entrepreneurship in contemporary times. The students, then, drew on these insights to illustrate the relevance of modules included in IBAE based on a self-selected case. As a result, the collection offers readers a vivid, illustrative account of why it is interesting, useful, and important to study IBAE based on a great variety of cases.

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I. Management

Why IKEA Cannot be Stopped: Achievements of Competitive Advantages Gained through Management of the Value Chain

Fidan Bakhshiyeva

Introduction

The global economy has become a networked environment, where flexible organizational forms have emerged, and collaboration with other firms in value chains is essential for competitiveness and innovation. The network concept highlights the significance of studying stakeholder relationships to understand inter-firm relationships and market functions. IKEA is a Swedish multinational company that has reorganized its operations, integrated critical activities, increased control over suppliers, and used outsourcing strategies to manage its vertical relationships and enhance its business competitiveness.

About IKEA

IKEA was founded in 1943 by Ingvar Kamprad at the age of 17, who registered the company with money from his father. The name IKEA is an abbreviation of his name, his father's farm, and the local parish. Initially selling small items, Kamprad eventually focused on furniture and opened a warehouse and showroom in 1953. The company's strategy has always been to offer low prices and high-quality products that meet customers' needs. The first IKEA store opened in Sweden in 1958, with the company expanding internationally in Norway in 1963 and Zurich in 1973. (Lewis,2005) Today, IKEA has 460 stores across 31 countries.

IKEA manages the entire value chain, from product development to distribution and retailing. The company prioritizes the purpose and design of its products, focusing on the tastes of mass consumers, particularly middle- and low-income consumers. IKEA's goal is to sell beautiful and comfortable products at low prices to democratize furniture and home accessories. That is why the company is sometimes referred to as the 'furniture McDonald's'. According to specialists, IKEA's unique corporate spirit plays a special role in achieving competitive advantages. In particular, the company does not encourage the maintenance of status distinctions between managers and subordinates.

IKEA is perceived as one of the most dangerous aggressors in the global home markets. Often, firms competing fiercely within the local market forget their mutual grievances for a chance to jointly prevent the Swedish concern from entering their city or region, particularly due to lobbying resources. As Lennart Dahlgren told the Expert SZ reporter in an interview, the company has been seeking to enter some cities for many years (e.g. for 33 years in Helsinki). He also confirmed that the company has a reputation as a tough player: "IKEA cannot be stopped... I pity those who spend time and money on it."

IKEA's Competitive Strategy: The Ingredients for Success

This prompted Kamprad to look for suppliers outside Sweden. In Denmark, IKEA faced similar problems, as Danish companies cooperated with many Swedish furniture retailers. Difficulty in finding suppliers forced the company to start importing products from Eastern Europe. Another reason was that the large scale of many Swedish furniture companies also failed to keep up with the changes IKEA was introducing. By the mid-1960s, half the pages of the IKEA catalog showed products made in Poland. (Fawzy,2019).

IKEA has introduced a new furniture production and distribution system where furniture is produced as individual elements and assembled by the customer. Producers supply standard elements suited to industrial production. When IKEA began its operation in West Germany in the mid-1970s, Swedish retailers expressed a desire to buy 'IKEA furniture,' but no furniture collection on the market was competitive with IKEA's products. .(Khamis,2016)

IKEA's global strategy is based on ignoring national differences and promoting a uniform consumer experience with the same products, prices, and brands worldwide. This principle, established by company founder Ingvar Kamprad in the 1980s, remains unchanged. IKEA is an anti-marketing brand. IKEA never asks customers what they want, but tells them what they need.(Hui,2021).IKEA's business model involves customers participating in the process of assembling and transporting furniture, which is rooted in the Swedish Protestant ethic. This creates a strong connection between customers and the brand, which helps keep prices low.

Structure of Value Chain Management

The summary is of IKEA's production and distribution chain optimization approach. The company uses a combination of in-house integration and external coordination. Ownership of retail stores enables the transfer of unsold products between stores to manage demand fluctuations. IKEA controls suppliers without significant investment by partially integrating and concentrating demand, using a cooperative coordination system through contracts, communication, and consultancy. This system allows the company to manage resources and optimize production and distribution chains. Coordination within a single company is more effective than through the market, leading to acquisitions for management efficiencies.

In addition to contractual relationships, IKEA maintains close partnerships with suppliers and participates in their activities through procurement, engineering cooperation and quality management process. In this way, the company manages to establish sufficient control over its suppliers. The ability to do this lies in the independent performance of the activities that are most important for the functioning of the network. The company has succeeded in restructuring the industry so that suppliers are easily replaceable and IKEA has a decisive role in customer relations, and has been able to secure a central position in the network. (Hui,2021)

Forming and Developing Relationships with Suppliers

Michael Porter's analysis of competitive forces in an industry is important in formulating a competitive strategy. IKEA achieves low-end product prices by requiring its suppliers to produce certain products and following specific rules in organizing the production process, purchasing materials, and delivery arrangements. The company provides suppliers with working capital, raw materials, and equipment to fulfill orders. (Sternad,2014).) IKEA has a large share of the supplier's sales volume, making the supplier more dependent on the company than vice versa. The company regulates supplier behavior regarding compliance with laws, working conditions, sound forest management, and environmental protection. The threat of forward integration by suppliers is low, but barriers to entry are high due to high unemployment and few alternative activities. In summary, Michael Porter's analysis of competitive forces in an industry is crucial in formulating a competitive strategy. IKEA's supplier relationships are diverse, and the company monitors the production of furniture to ensure compliance with required standards. The company has a set of

behaviors for suppliers and participates in suppliers' activities to improve their production methods. The threat of forward integration by a group of suppliers is low, and barriers to entry are high due to high unemployment. However, IKEA's operating concept has been adopted by other retailers, reducing the need for specialist knowledge and lowering barriers to entry.

Conclusion

Over the years, IKEA's management concept has evolved in response to competitors, leading to a successful reorganization of its production and distribution system. Competitors' resistance did not prevent IKEA from entering new markets or introducing new business models. IKEA's global marketing strategy, which focuses on the end-consumer and shared value creation, has been one of the keys to its market success. IKEA has also established an effective mechanism for interfirm value creation, communication, and income distribution.

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How Great Leadership Inspires – Apple

Ariana Beck

Introduction

Apple is a multinational technology company founded by Steve Jobs (1955 – 2011), Steve Wozniak (1950- today) (1934- today), and Ronald Wayne in April 1976. The company has become a household name in the technology industry and is known for its innovation, sleek design, and high-quality products such as the iPhone, iPad, MacBook, and iMac. Under the leadership of various CEOs, Apple has become one of the most successful companies in the world. (Linzmayr, 2004) Question is - How come Apple succeeded, and other companies did not? How come there haven't been any other competitors who put Apple behind? What was it, that they did different from the others? In this essay, we will explore why entrepreneurship is one of the main drivers of today's economy (Sánchez, 2013 p. 447) and how the way leadership was performed at Apple has contributed to the company's success. (Sinek, 2004 pp.5)

The Growth of Apple

Apple Inc. has become one of the world's most valuable companies, with a market capitalization of \$3 trillion, as of January 2022. (Carmichael, 2022) It all started in the garage of Steve Jobs' parents' home in Los Altos, California. The first product created by Apple was the Apple I, a personal computer kit that was sold as a circuit board without a keyboard or monitor. The Apple II, released in 1977, was the first mass-produced personal computer with a color display, and it helped to popularize the idea of personal computing. (Linzmayr, 2004)

Even today, Apple continues to innovate with the introduction of new products and services, including the Apple Watch, AirPods, and the Apple TV. (Linzmayr, 2004)

The question now is – why is it that Apple is still growing with more and more people buying their products? Steve Jobs and Steve Wozniak weren't the only people taking part in the personal computer revolution – but still they succeeded the most. (Sinek, 2009 pp. 3)

An answer to this question might be innovative-driven entrepreneurial thinking combined with great Leadership – which will be explored in the following abstracts.

According to Shane (2003) “Entrepreneurship is an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, process, and raw materials through organizing efforts that previously had not existed.”

If we have a look at Apple, then this is exactly what they did back in the years – introducing new goods and services into society that have previously not existed.

Entrepreneurship in general is crucial for a stable and even growing economy. (Sanchez. 2013 p.447) Why is this the case? Entrepreneurial activity is a very important indicator for innovation and growth of an economy, it even enhances the competition, which leads to higher efficiency in the market. Through the implementation of new products, sometimes even new markets are being created and on top of that, new places of work are generated, which leads to an overall economic growth. (Köllinger; Schade 2005 pp.673)

Thomas Sattelberger provided the students with a presentation on “Entrepreneurship in Germany” at the Leuphana Conference Week 2022, in which he evaluated the decreasing entrepreneurial activity in Germany throughout the years. (Sattelberger, 2022) According to the Global Entrepreneurship Monitor (GEM) there have been about 3.5% of German citizens trying to become an Entrepreneur in the year of 2003. While in the US for example, it has been about 8 % of their citizens. (Köllinger; Schade 2005 pp.673)

There may be several reasons why there has been less entrepreneurial action in Germany in the last decades.

First of all, Germans tend to be more risk-averse than people in other countries, which might be partly due to Germany's strong social safety net. Being an Entrepreneur always comes with high personal risks and the German culture emphasis on stability and job security, which can discourage people from taking risks and starting their own business. (Köllinger; Schade 2005 pp.673)

Secondly, Germany has a highly regulated and bureaucratic business environment, which can make it difficult for entrepreneurs to start and grow their businesses. This can lead to high costs and long lead times for obtaining permits, licenses, and other approvals required to start a business. (Köllinger; Schade 2005 pp.673)

Lastly and probably the most important point to stretch on is the Education system. The German education system is highly focused on vocational training, which can discourage young people

from pursuing entrepreneurial ventures. Additionally, the focus on specialization can limit the creativity and flexibility needed to succeed in entrepreneurship. (Köllinger; Schade 2005 pp.673)

Thus, we can say that there is a huge need for entrepreneurial education especially in Germany to enhance innovation driven entrepreneurship. While it is clear that even after a degree in the entrepreneurial field not all students will then become entrepreneurs, some might become more entrepreneurial and create new value for society. (Mair 2005 p.51)

As we look at Apple we can see that their innovation has been successful as people were amazed and kept buying their products. However, this might be not the only reason for them. According to Simon Sinek for a person to buy something and be constantly convinced of the product the company must be inspiring somehow. This has to do with great leadership, since leaders inspire their employees and employees then inspire their customers. (Sinek, 2009 pp. 12) But what does he mean by great Leadership?

Leadership is about giving your employees space to develop in the company and introducing new ideas and new ways of work into the company even though they are not in a management position. It is about bringing the best people together, developing the network for them and provide the accurate surroundings. If one is convinced of their leader and even inspired by them, one is willing to work as much and as good as one can to contribute to the companies' success.

(Simon Sinek, 2009), (Sunnie Giles, 2016).

Conclusion

We can see that Apple is an excellent example to show how Entrepreneurship can contribute to society and for the growth of economy. Therefore, the implementation of entrepreneurial study programs are very important and can even be a key contributor to our future economy. We have to keep in mind that a great base can be given in an undergraduate degree and basic theoretical skills can easily be developed. The given environment at University can be used for ideas and interconnectedness between the students and provide them with network and great inspiration by others.

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Marina Mogilko and Linguatrip: A Journey from College into a Million Dollar Industry

Palina Bedarava

How it All Started

There is always a story behind any big project. Back in 2011, while still a college student, Dmitry suggested that Marina open an agency for selecting educational courses abroad. Marina already had experience in this: she had studied languages in England and Germany. In May 2011 the agency MP Education was officially registered and Marina and Dima conducted business out of a St. Petersburg office. Two years later, it was clear that a website was required so that customers could reserve accommodation and language courses without leaving their homes. The website LinguaTrip.com was thus developed in 2013. Instead of managing the project, the initial developer introduced an excellent teammate, Dmitry Kravchuk, who became the third co-founder of [LinguaTrip](http://LinguaTrip.com) (linguatrip.com, 2013). In 2013, the young businessmen got into the St. Petersburg startup accelerator SumIT and, subsequently, after the graduation, the largest accelerator in Silicon Valley 500Startups invited Marina and Dmitry to a big meeting with John Remem, who is on Forbes' list of young entrepreneurs. Marina made the most of her time, persuading the businessman that [LinguaTrip](http://LinguaTrip.com) had promising futures in just 20 minutes.

Back in Silicon Valley, in 2015, John told his colleagues about the Russian project and put Marina in touch with another American mentor. It was about the possibility of getting into the well-known international accelerator, founded by ex-PayPal marketing director Dave McClure (TechCrunch, 2015). Next morning they woke up with an invitation. And just in seven hours they packed two big suitcases and flew all the way to California, where they took business development courses and received a \$ 100,000 investment. A couple of months later, they registered [LinguaTrip Inc.](http://LinguaTrip.com) in Delaware, the United States, and that is where the whole story of the company really began. (Golden: [LinguaTrip](http://LinguaTrip.com), 2015). In 2017, more services were launched and one of them, called a “button”, ensured live contact with native speakers, such as: British and American people. The service worked non-stop, which made [LinguaTrip](http://LinguaTrip.com) even more popular and useful. That same year the company opened two new travel destinations (Australia and New Zealand), increasing the number of partner schools, which lead to the turnover increase.

A Great Management System Behind the Company

With Marina Mogilko on-board, co-founder of LinguaTrip.com and a CCO, the company now works with more than 350 language schools in the USA, Great Britain, Ireland, Canada, Spain, France, Germany, and Malta, getting acquainted with them at thematic international exhibitions. Marina now leads a multicultural team of 60+ people from all over the world, raising investments in Silicon Valley to grow her business in the USA, as well as handling the allocation of tasks, profit and loss of the company. She is working together with her husband, Dmitry Pistolyako, who is the CEO with his main tasks at handling all the resources, and the CTO, Dmitry Kravchuk, who oversees the technical team (linguatrip.com). LinguaTrip's main vision is to make study abroad accessible for all. The main mission of the company is to help people from anywhere in the world achieve their goals by learning a foreign language. LinguaTrip's headquarters are in St. Petersburg and the United States, however, the company works with clients from all cities and countries fully via online procedure, so the client does not need to come to the office. Their main tasks include helping to enroll in foreign universities, filling out questionnaires online, communicating with admissions offices and preparing for interviews. With 6 years in the educational services market and over 100,000 students who have used their services, The company's current turnover is ~ \$6 million per year, with an estimated revenue of \$112,000 per employee (Growjo, 2022).

Moreover, the company has a branch that was founded by Marina Mogilko in 2017. The project named "Fluent.express" was introduced to specialize in fast checking of English text by a professional editor. The peculiarity of this site is that the text is checked by a live person, not a program. It is a secondary form of income for the entrepreneur, which reveals even more opportunities for future financial growth.

YouTube Passion and Multiple Income Sources

An entrepreneur and, additionally, YouTube creator Marina Mogilko runs three successful YouTube channels with a total audience of over 10 million subscribers: a 1.6 million-subscriber business channel, "Silicon Valley Girl," a 1.92 million-subscriber main channel under her name, and a language channel with 7,44 million subscribers, "linguamarina." The blogs are about learning English, moving abroad, personal life and all about starting your own business.

In November 2021, investors from Silicon Valley invested \$1.7M in Marina's blog in exchange for a share of her income: she will have to pay investors 5% of income for 30 years (Sokolova, 2022). The venture capital fund Slow Ventures, Liberman brothers and Shiram Krishnan joined the deal. According to Marina, the investment will give her the freedom to focus on content creation instead of relying on income generated from sponsored content. As of 2022, Marina Mogilko has an estimated net worth of \$2 million (Techie Gamers, 2022).

Future Visions and Goals of Marina Mogilko and her Company

According to the official statistics, the leading audience for Linguatrip is based in Russia, which makes it a prior short-term strategy for the company to monopolize the Russian market and the CIS countries, as well as increase the number of partners. Their long-term strategy, however, is to target a new market in China, localize the business there and globalize LinguaTrip. This is why Marina already created an account on a Chinese-based web Bilibili.com where she regularly posts educational video content and materials in order to win the attention of Chinese speakers. With the help of social networks the company manages to attract a large number of customers, without the need to significantly reduce prices (linguamarina官方账号, 2020).

LinguaTrip's main competitors are large offline agencies that exist in almost every country as well as international search engines for language courses and universities, such as Coursefinders or Masterstudies in the US market or StudyQA in Russia (Agafonova, 2020). However, LinguaTrip is prepared for challenges. Since the beginning, the company's growth has been absolutely amazing. With the rapid spread of LinguaTrip's net and successful online marketing strategies, it awaits a bright future in the educational industry, since in just a few years it managed to become one of the most competitive companies specializing in studying abroad. Their portfolio of victories and successes grows every day and serves a perfect example for future startups or young entrepreneurs who have brilliant minds and ideas but hesitate to embark on this risky yet rewarding journey. In addition to that, Mogilko's team is a great balance of professionalism and passion for their mission, as they have demonstrated through determination and outstanding managerial skills that everyone can learn from. Thanks to Marina's weekly creative content, newcomers and business professionals can observe every step of this journey from college into a million dollar industry.

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Apple's Upselling Ecosystem: How Apple Uses Advanced Marketing Strategies Like Upselling and their Own Technology Ecosystem to Sell More Products

Janno Bellmann

General Information and Management

Apple is a worldwide multinational technology company known for its products. They offer a whole variety like smartphones, tablets, computers, watches, headphones. It is the worldwide first company to reach 3\$ trillion in market capitalization (Singh, 2022) and always under the top 10 regarding sales volume. It is a public company lead by a board of directors with Tim cook as executive director and CEO. He Is the successor to Steve Jobs the former CEO and co-founder of Apple. The company was founded 1976 with focus on computer systems. Cook is known for his focus on product design, customer experience, and privacy. Under his leadership, Apple has continued to grow and expand its product offerings. The rest of the company's management team is comprised of experienced executives from a variety of industries, including technology, marketing and finance (Apple, 2023). This diverse background provides the company with a unique perspective on the needs of its customers and helps to guide its strategic direction. In terms of management style, Apple is known for its unique approach to business. The company is highly focused on design and innovation, and its management team places a high priority on these values. This is reflected in the company's product offerings and its marketing campaigns, which are designed to showcase the company's commitment to design and innovation.

In 2007 they announced the first Iphone this was a game changer for the industry, because it was the starting point for modern smartphones. Two of Apple's major marketing strategies are upselling and the customers dependence on their ecosystem.

Upselling

Is the strategy to try to persuade customers to purchase a more expensive product than originally intended or add-on services. The idea behind upselling is that the customer will see the supposed additional value in the higher-priced item or service and be willing to pay more for it.

One of the ways in which Apple uses upselling is through its product lineup. The company offers a range of products, from mid-level models to premium versions, which allows customers to choose the device that best fits their needs and budget (Pandya, M. & Dholakia, A. 2021). The idea behind upselling on Apples website works like this: A customer is looking for a device, he plans on spending around 800€. He finds the Iphone 12, two generations behind the current model. This fits almost perfect into his budget. But the website shows him also the newer one, which starts at around 899€(Apple, 2023). According to the website the difference in technology is huge also it comes with more storage. Should he choose the 12 with some extra storage the difference is just 50€. Now he thinks about it and decides to take the 13 Version. But wait, compared to the one he choose now he would just have to spend just 99€ more and he could get the newest and best version. With additional features and benefits the website highlights extreme like 2x brighter display or 65% bigger camera sensor. At the end he makes his decision between the 13 or 14 but both are above his original planed budget with him having a good feeling about it because he gets according to the website much mor for his money (Jameson, R. 2019). So just through their website design and marketing Apple just got 100-200€ more from this customer than he originally intended. With customers in stores this strategy is working even better, because the salesperson will always highlight the more expensive version more. Another way in which Apple uses upselling is through its accessories and add-on services. When the customer purchases an Apple product, they are often offered the opportunity to add on additional services, such as an extended warranty. These add-ons are designed to enhance the price with minimum invest by Apple.

In conclusion, upselling is a key part of Apple's business strategy. By offering a range of products and services and highlighting the additional value of more expensive options, the company can increase its revenue and improve its sales of the higher priced versions (with similar production cost). One of the key factors in this strategy`s success is its strong brand reputation. Apple has built a reputation for delivering high-quality products and services, and customers are often willing to pay more for these products because they trust the brand. This trust and confidence in the brand makes it easier for Apple to persuade customers to upgrade to more expensive models or add-ons.

Ecosystem

One of the other biggest points in Apple`s marketing is their ecosystem. This is a network of hardware, software, and services that work together seamlessly to provide customers with an easy

and integrated experience. The ecosystem is a key part of Apple's business strategy and helps the company in several ways to sell its products. The already addressed strong brand reputation is also here very important. Customers who use Apple products and services become invested in the brand and find it difficult to switch to other brands. Because the products work so well together a customer can move between devices and services without any hassle. This makes it easier for consumers who already use Apple products and services to encourage them to buy more (Schultz et al. 2011).

It works like this: The more Apple products you use, the harder it gets to switch back to another brand. If you just got an iPhone or just a iPad? No problem, next time you can buy something from the competitors. But if you have an iPhone, Airpods, Apple-Watch, iPad & Mac? Then you are already so invested in their system that the step to switch just one component of your technology to another brand would come with a huge gap in connectivity. Customers are able to move between devices and services seamlessly, and the ecosystem is designed to work together in an effortless way that makes it easy for customers to use the products. Your headphones switch automatically to the device you are using right now, all your data is stored and synchronized in the Icloud, you can use systems like Airdrop to work on multiple devices at once. The devices also provide customers with access to a range of digital content and services, including music, movies, and TV shows through iTunes. These services and content are integrated within all of the hardware, making it easy for customers to access and use them. This focus on user experience creates a strong sense of customer satisfaction and loyalty, which makes it easier for Apple to sell products in the future. If you would than switch one part this part would lose its compatibility to the rest of your technology-ecosystem. So, the hurdle to not buy Apple again raises with every product you integrate into your life (Schultz et al. 2011). This ecosystem is a key part of the company's business strategy and plays an important role in helping Apple to sell its products. By creating a sense of brand loyalty, making it easier for customers to use Apple products, offering additional services and content, connecting and enhancing the compatibility it gets much harder to change the system. Because you would have to change with a multitude of devices, not just one component.

Conclusion

This are two of the strategies Apples board of directors is focusing a lot of resources and budget on. Similar strategies like this will be learned in the Ibae-Marketing module in the third semester.

Also the teaching there will help students not only to apply strategies themselves but also allow them to look through marketing in their personal life for example in not falling for upselling. Apple must stay innovative and invent new technology every year/new generation to sell their products again. And they are trying to bring more and more different devices into their ecosystem to make the user experience even better, of course also keeping their customers deeper invested into their system.

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How Zappos Mastered the Concept of Corporate Culture

Henrik Alexander Bichels

Corporate Culture as a Part of Management

Corporate culture or also often referred to as company culture is defined as “a set of beliefs and behaviors that guide how a company’s management and employees interact and handle external business transactions” (Seismic, 2022). Thus, corporate culture is a style which every company should have incorporated into a company’s management established. Still, one can subdivide corporate culture in five different styles but only four of them are common throughout most companies. Documented by Robert E. Quinn and Kim S. Cameron, these are “hierarchy cultures, clan cultures, market cultures and adhocracy cultures”. To briefly characterize them: hierarchy culture is based on formal rules and efficiency-oriented working. Clan cultures on the other hand are led similar to a family, resulting in teamwork being of utmost importance. Market cultures have implemented a result-oriented structure, where employees compete despite working in the same team. Adhocracy cultures are a flexible and participatory decision-making structure. (Quinn Association, n.d.). However, there is another style of corporate culture which mostly is not listed due to its lack of recognition. The model is named “holocracy”, which is essentially the opposite of a hierarchy culture due to the idea of self-management and lack of job titles. The key idea of this model is having the creative freedom to make changes to improve the company.

To sum up, an organization’s culture consists of its values, beliefs and attitudes. Thus, a strong corporate culture can result in a more committed and engaged workforce, which leads to higher productivity and job satisfaction, resulting in a positive impact on the success of the company.

Introduction: Zappos

The American clothing retailer Zappos was founded in 1999 in the USA. With the ongoing trend of online-shopping at that time, he found his niche in online shoe-retailing. His business model was based on selling hundreds of shoe-brands without shipping costs along with brilliant customer service. As the company was steadily growing, the key investor of Zappos, Tony Hsieh, also became the CEO. Selling shoes of high quality is the pillar on which the company was built on. However, the key to his company’s success was actually the outstanding customer service Zappos

was offering. When Hsieh realized that due to very positive customer reactions, he began superimposing Zappos corporate actions to its customer service and its inspiring corporate culture (Förster, 2019).

Nowadays Zappos belongs to one of the biggest online shops worldwide. After just nine years, Hsieh managed to generate a revenue of around one billion US-Dollars with Zappos. In 2009 Amazon acquired Zappos for around 1.2 billion US-Dollars, requiring that Tony Hsieh stay as the head of Zappos (Graf, 2017).

Zappos as a Prime Example for Successful Corporate Culture and Unique Management

Zappos' numbers show that it has thrived and it still does, but does not reflect how this was achieved. Thus, as already mentioned Hsieh realised the power of having a brilliant organisational structure, but what were the secrets behind this and how did it affect the company? In the course of Zappos official adoption of the holocratic corporate culture in 2014, ten core values were documented in the company's policy. These contain: "1. Deliver WOW through service (WOW does not have a defined meaning), 2. Embrace and drive change, 3. Create fun and a little weirdness, 4. Be adventurous, 5. Pursue growth and learning, 6. Build open and honest relationships with communication, 7. Build a positive team and family spirit, 8. Do more with less, 9. Be passionate and determined, 10. Be humble" (Zappos Insights, n.d.). With all these values that every employee is supposed to embody, the core for a good working environment is set. As a part of Zappos' successful retention strategy Hsieh puts the employees first, which is reflected in their outstanding employee retention rate of 85% (Charlton, 2014). This includes encouraging staff members to express themselves, i.e. allowing them to decorate their workplace and to wear what they want. Also, to pursue growth and learning, given in core value #5, is of big importance. To put this into practice, Zappos has implemented their unique paying system which is based on the acquisition of new either personal or professional skills. To seek a new skill, an employee has to get in touch with the Zappos' goal department. Afterwards one has to shadow a colleague with that certain skill, successfully demonstrating the learned ability for 30 days and passing a test for this technical skill. The majority of skills result in an increase in the hourly wage in the range of 0.25\$ to 1\$. With that being said, a pay raise is not based on the tenure of an employee but the occupation and the amount of acquired skills (Cheng, 2014). Moreover, it is noticeable how much

trust each employee has.. To give an example, in the event of a mistake within an interaction with a customer, the staff member responsible is tasked with gifting the affected customer a free pair of shoes. Significant is that staff is allowed to follow this process without consulting a team leader. It not only improves the connection between leaders and employees due to the given trust, but also makes the customers happier because of faster execution. And again, this is reflected in the retention rate for customers which amounts at 75% (Charlton, 2014).

In conclusion Hsieh managed to implement a very positive company culture which is through creative freedom, responsibility and the encouragement for self-development provided for his employees. The employee retention rate just reflects the satisfaction of the staff members. Due to Zappos' affiliation with Amazon since their acquisition in 2009, their revenue is not publicly known. However, it is estimated to have been around 3 billion US-dollars in 2017, which emphasizes the positive impact of Holocracy which was just adopted two years prior (Graf, 2017). Thus Zappos can, and definitely is, seen as a prime example for a successful company culture.

Significance of the Case of Zappos for the Leuphana Management Module

In my point of view the Zappos example fits ideally to our Leuphana module as organizational styles were frequently discussed there. Despite of Holocracy having such a special character, it still perfectly corresponds to Peter Drucker's definition of management, which was referred to various times by Mr. Reihlen: "... to make people capable of joint performances through common goals, shared values, the proper structure, and the training and development, they need to perform and respond to change." (Reihlen, 2023). The "common goals" Drucker talks about, are well illustrated in the goals department provided by Zappos. It makes it easier for staff to acquire new skills. This also applies for the "shared values" within their ten core values. The "proper structure" in that case would be Holocracy itself, which determines every staff member's area of responsibility through vague specifications, which leaves room for creativity and individualism. "Training and development" are guaranteed due to the unique paying system as long as the employees want to increase their wage. Lastly, Zappos is less about responding to change but setting a framework for constant change which is better than just reacting to it. Mr. Reihlen talks in his "Management"- video also about the bright and the dark sides of management. He lists some examples for good management, like organizing or representing the company. Again, Zappos does well to feature these examples. Self-organisation is everything Holocracy is built on and by

embodying the core values every employee somehow represents Zappos itself. He also mentions cheating customers and oppression. Zappos converted this theoretical weakness into a specific strength, which can be seen in the high customer retention rate, as a result of the absolute customer service centrality. On top of that, Zappos tackled the risk of oppression by explicitly granting the freedom to every employee to decide the proper measures to keep their customers satisfied.

In conclusion, the presented case of Zappos illustrates the power of a healthy corporate culture. It has multiple positive impacts on the company which their numbers also prove. Whether or not one may support Zappos' style of corporate culture, it is clear that it appears to be very successful. Hence, it is probably a matter of time until Holocracy gets more attention as it definitely has an added value for a corporate management.

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The Role of Management at LEGO During Crisis

Moritz Dzingel

Introduction

„Leg Godt“ - Danish for „Play Well“, that is the meaning behind the four letters of the most successful toy manufacturer in the world - *LEGO*. However, the history of the company was marked by ups and downs. More than 90 years ago the firm was founded by the carpenter Ole Kirk Christiansen in Billund, Denmark. Formerly producing wooden toys Christiansen began manufacturing the plastic construction bricks, which his company is known for today, in 1949. Although LEGO was not the first company to produce these kinds of bricks, they were the first to refine the design. The addition of tubes to the bottom of the bricks improved their clutch power and allowed more rigid constructions with them. This unique design was patented in 1959 which gave the company a monopoly on this kind of brick. But no patent lasts forever. That was one of the reasons for the company's downfall in the early 2000s. How it all came along and how *LEGO* rose back to its former glory will be illustrated in the following chapter. The focus will lie on the company's management decisions, which were not always „played well“ and why good management is so relevant for a firm's success.

LEGO in Crisis

LEGO's status as the one and only construction toy system seemed untouchable in the 20th century. But at the beginning of the new millennium, the firm's winning streak came to an end. Accounting was incomplete, the board did not know which products were profitable, and there were hardly any reserves for bad times. All this was caused by poor management. But how did that come together? In the late 1980s, the first patents expired. Therefore *LEGO* was not the only company with interlocking building blocks on the market anymore. And their new competitors didn't waste any time. Not only did they copy the bricks but also *LEGO*'s whole product portfolio. Furthermore, they expanded on their range and offered products the Danish company refused to produce, like military vehicles and soldiers, quite literally declaring “war” on the Danish company. As a response to that development, *LEGO*'s management panicked. In the past, their whole business model was based on injection molding colorful bricks from cheap plastic and selling them

for a premium price. As they no longer had a monopoly on this technique the firm's management decided to rapidly expand their product range. The iconic bricks weren't seen as future-proof anymore. Instead, the managers decided to conquer new markets and abandon past ones. Merchandise, children's clothing, watches, and video games were seen as the future of *LEGO*. Successful products like *Duplo*, the firm's building blocks for young children, weren't seen as profitable anymore and got discontinued. The results were devastating. The company suffered enormous losses and was on the brink of bankruptcy.

The new chief financial officer, who got in charge at the height of the crisis, assessed *LEGO*'s state as a financial disaster. His advice was that everything needed to change, as fast as possible.

Change in Management

LEGO's new manager followed a completely different strategy than his predecessor. The company needed to get rid of everything, that had nothing to do with the *LEGO* brick and focus on the latter. In practice that meant no more direct distribution of merchandise, clothing, or video games. Instead, *LEGO* sold licenses for these kinds of products to third-party companies. *Duplo* was resurrected and the *LEGOLAND* amusement parks were sold to the *Merlin Entertainments Group*. Most importantly the company downsized and reduced the number of different types of *LEGO* bricks which rose to more than 13,000 until that point. The reason for that was that every unique *LEGO* piece needs its own costly mold for production. Furthermore, logistics were simplified due to fewer different parts. New *LEGO* sets had to consist of already existing types of bricks. Along with the already existing themes like police, city, or space the firm acquired rights to produce sets for popular movie and TV show licenses. Among them were *Harry Potter* and *Star Wars*. The latter is the company's most successful theme until the current day.

The firm also expanded to new markets. But unlike in the past, the *LEGO* brick continued to be the driving element. An example of that is the *Ninjago* TV series, launched in 2011, which tells stories about the adventures of *LEGO* heroes. It didn't replace the core concept of the building toy. Instead, it encouraged and inspired kids to play and rebuild the adventures of their TV heroes. The series celebrated its tenth anniversary in 2021 and still retains its popularity among kids. In 2014 the company released a cinema film called *The LEGO Movie*. It was the most successful movie of that year in the US and one of the most prosperous movies worldwide. The animated motion picture was a promotion for a series of new sets. Every model in the movie could be bought or

built with *LEGO* bricks. The company also expanded its product line from purely kid-focused toys to models for adults. They teamed up with the *MIT Media Lab* and the hard- and software company *National Instruments* to develop a series of electronic parts, such as a variety of motors and sensors, compatible with the *LEGO* building bricks to allow the creation of programmable robots. This new branch was called *Mindstorms*. It was especially popular with young adults and saw use in schools and universities. *LEGO* also launched a new website called *Cuusoo* (today called *LEGO ideas*) in 2008, where fans could submit their concepts for potential sets. Users could vote for their favorite ideas and once a set reached 10,000 votes it had the potential to become an official *LEGO* set. The company continues to come up with new ideas for product lines or services around its iconic bricks. Some are more successful than others. But innovation drives the company while not losing its focus on the original *LEGO* brick. This management philosophy was the reason for the firm's survival and ongoing success today.

Conclusion

As illustrated in this chapter, the case of *LEGO* is a striking example of how critical management is, in shaping the destiny of firms. It showed how bad management leads to the demise of a company and demonstrated which paths the new manager took to save it. Namely, these measures were the focus on the firm's core product, downsizing their inventory of different part types, and repositioning on the market. The case of *LEGO* also pointed out internal managerial practices such as long and short-term planning, organizing, or controlling, which the former management lacked. And external practices such as representing the brand in public media, networking with customers and companies specialized in other domains and building coalitions with the latter. Thanks to these fundamental changes in management the firm was able to overcome its existential crisis. Eventually, this change in management was indeed „well played“.

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Not your Typical Way of Management—The Semco System

Elian Galeazzi

Introduction

International management styles and studies vary from place to place, depending on culture, environment, and ideas. Everything is possible, from a strict to a laissez-faire attitude, and opinions differ widely. For a company to function, all levels must work like cogs. Equality and justice are essential aspects that ensure general well-being. However, the promotion of employees should be in the sense that a company's management gets the best out of a person. Proper management for everyone is complex and striving for profit as a manager or CEO is out of the question for me. However, many companies today hold on to their fixed structures and consider strict hierarchies the only right way. That's why I think that in business studies, you should learn about the importance of the well-being of your employees and try to put people above profit, not the other way around. I believe we should learn not only traditional hard skills, such as marketing and bookkeeping but also soft skills and interaction are fundamental aspects of a manager's life. The work culture has changed a lot, and people are looking for fair pay, but also for a sense of home and appreciation. As a modern manager, try to get the best out of your staff and encourage them, whether financially or through training. I investigated the Semco system introduced by Ricardo Semler because I read an article about it some time ago, and the concept stuck in my head. I found it interesting how an entrepreneur like Ricardo Semler turned around a rigidly structured company and provided new structures for the better.

Ricardo Semler

Ricardo Semler, born in Sao Paulo in 1959, is a Brazilian entrepreneur known for his management style. He is the president of Semco S/A, a Brazilian company that, under his leadership, grew sales from \$4 million in 1982 to \$212 million in 2003.

The Wall Street Journal voted Ricardo Semler, the Brazilian Businessman of the Year in 1990 and 1992. His book: "Virando a propria mesa", in German "Das Semco System, Management ohne Manager", in English "Maverick, The Success Story Behind the World's Most Unusual Workshop", became the best-selling non-fiction book in Brazil's history. He was socially active as

Vice President of the Federation of Industries of Brazil and as part of the Board of Directors of SOS Atlantic Forest, one of Brazil's most important environmental organizations. He founded the first democratic school in Brazil, the Luminar School.

The Semco System

The Semco System is a management system of a unique kind. Few employees in the world enjoy as much freedom as those who work at Semco S.A. When Ricardo Semler took over his father's company, he immediately created new structures and riddled himself with old, stiff hierarchies. He ensured a democratic system for the company and wanted to enforce management from below. Ricardo Semler strongly believed that private life and work should be considered separate, so he did not integrate interactive leisure activities into the company's premises. But they permit freedom through individualism. "We want all our people to change and adapt to their working areas as they please. Painting walls or machines, adding plants, or decorating the surrounding space is up to you. The company has no rules about this and doesn't want to have any. Change the surrounding area according to your tastes and desires and those of the people who work with you." (Semler, 1993).

According to Semler, the company has over 3000 employees, and the turnover rate is less than 1% (Ricardo Semler, 2015). Semco S.A. produces and develops various goods, such as industrial pumps or washing machines, but its employees also work in the service sector, outsourcing employee departments or consulting companies on environmental issues. Ricardo Semler's management style at Semco S.A. is centered on the belief that employees are the best judges of their work, and that maximum potential can only be achieved through communication and top-down hierarchies. As a result, Semco S.A. has a decentralized structure where managers and employees work together to make decisions. The work sectors in Semco S.A. are designed to bring out the best qualifications of workers and not limit them. And the astonishing thing is that despite hyperinflation and recession in Brazil between 1990 and 1996, the turnover increased from 35 million US dollars annually to 100 million US dollars annually. The concept worked, and soon Semco S.A. occupied one of the most appealing jobs for graduates from Brazilian universities. Many aspects seem absurd and hardly imaginable from a corporate structure perspective. For example, there is no organization chart in the Semco system, but there are hierarchies and superiors with supervisory functions. They are not supposed to use their power to dictate, but to help and get the best out of everyone. Managers or supervisors rotate in their positions and can be elected

to be in the best-fitting position or department. Also, evaluations from below via the employees are possible to make the working environment as fair as possible. "Drop the traditional notions of a workweek and divide the seven days among company time, personal time, and idleness (free time). Rearrange your schedule to work when most other people don't. Arrange a workweek to sleep according to biorhythms rather than a time clock and enjoy a sunny Monday on the beach after working through a chilly Sunday." (2004), Ricardo Semler).

Working hours are discretionary, as not everyone works at the same speed or efficiency. Per department, one has many orders or tasks that must be completed as a target, but there are no consequences if this target is not met. Just as an employee is not supposed to do more than his target, he additionally has the option of going on vacation. Another important aspect of Ricardo Semler's company is that there is a practice of "open book management," where financial information is shared within the company, and someone publicly discloses salaries and profits. This is an extraordinary example of transparency. Personal growth is a further important goal in the management system. They offer many workshops to the employees, and there is regular training.

Conclusion and Outlook

Ricardo Semler's Semco System seems to be every worker's dream and an exciting alternative to other management systems. You can draw positive and negative aspects from my work, although the positive ones are heavier.

Points such as the free organization of work, working on the target, and self-management are promising approaches to making employees feel comfortable in a working environment. The technique of not considering employees as mere workers, but promoting them for their good, is also a very modern goal, given that they introduced the system a few years ago.

However, it is crucial to mention that not every company would have the same results if they adopted the Semco System, and that all humans don't function the same way. The Semco System relies on different factors, including the company's culture, its management's leadership style, and the willingness of employees to embrace the system's principles.

Especially in countries where the law is different, such as Germany, where there is not as much freedom of trade as in Brazil, this management style seems like a utopia for some, like a strange

dream. However, this makes it even more astonishing that such a niche is found, used, and implemented in a country like Brazil.

And although Ricardo Semler's management style may not be the most modern, I think it is still advanced given the circumstances he has had to deal with. That and his success show how essential business studies are, especially in management and entrepreneurship.

In conclusion, while Semco is an excellent alternative successfully implemented in other management systems, you likely cannot try it out on every company or organization and expect the same results. The Semco system is virtually unique, and so is the success achieved.

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Analysing the Strategic Management of Alibaba

Fatemeh Ghasemi Moughari

Introduction

"Alibaba is not a company that went from zero to one; it's a company that went from one to one billion." - Joe Tsai, Co-founder of Alibaba Group

As a result of the very dynamic nature of the current world as well as customer needs that are always changing, the level of competition in the business environment has increased and technological progress has also been an effective factor in increasing the level of competition. Organizations put pressure on themselves to gain the most competitive or highest market share in order to maximize their sales and profitability (Porter, 2008, p.78). Meanwhile, having a strategic plan can be very helpful. The following text pays attention to the necessity of having a strategic plan for every organization and explains the strategy of Alibaba company.

ALIBABA Group or Alibaba China was founded in 1999 by Jack Ma from Hangzhou, China, who used to be an English teacher. 17 other people accompanied him in this entrepreneurship. The company has a reputation for providing high-quality products at competitive prices (Hu & Zhao, 2010). Alibaba decided to take this business as far as it could go in order to become a worldwide firm, and it approached its work from the start with the most professionalism and respect. In this way, Alibaba developed the C2C (Consumer to Consumer) online marketplace Taobao in 2003 and the B2C (Business to Consumer) online commercial platform Tmall in 2008. In addition, To connect Chinese manufacturers with foreign consumers, a B2B internet, technology, retail, and e-commerce site was launched.

Why is a Strategic Plan Important?

Strategic management is an analysis of the important issues of the organization and is taken by the senior managers of the organization on behalf of the owners, in order to control resources in the environment outside the organization (Haberberg & Rieple, 2008). Strategic management typically provides direction for achieving the organization's goals. It also establishes policies and guidelines on how to allocate available resources to maximize the company's potential. (Miller & Dess, 1996, p. 17). According to Hitt, Ireland, and Hoskisson (2021, p.12), In order for an organization to be

in a favorable competitive position, it is required to have a strategic plan, which is usually formulated by strategic managers. In any business, there may be strategies at various levels that generally guide the operations of that particular company.

Alibaba's General Strategy

The general strategy adopted by the company is "cost leadership". Cost leadership is a business-level strategy used by companies that want to produce their services and products with the lowest cost solutions and gain a competitive advantage. According to Porter (1983, p.11), an economic theorist and strategic management expert, cost leadership is one of the three strategies, along with differentiation strategy and focus strategy. According to this strategy, the company sells its products at a low price. This is also a strategy that typically targets the mass market. Most consumers desire excellent quality products while still wanting to purchase goods at the lowest cost. E-commerce has become increasingly common in organizations following recent technological advancements. Technology has led to the establishment of organizations such as Alibaba, whose main activity is e-commerce. The organization's business operations are guided by both a general plan and a grand strategy (Naidu et al., 2019). It's crucial to keep in mind that Alibaba's primary objective is to build a platform that will allow Chinese manufacturers to interact with clients abroad. This means that Alibaba can easily reduce operational costs. International market buyers can search for goods made in China through the shopping search engine provided by Alibaba. They can also order online from the Alibaba website. Alternatively, manufacturers can view orders and organize deliveries. However, Alibaba charges a small fee for this service. Alibaba makes it possible for many people to view manufacturers' goods, thereby increasing the chances of high sales for manufacturers; Therefore, the costs from the customer's side are low. Operating an online business helps reduce stock holding costs, fees, and other stock-related expenses. Secondly, this company does not have product stores or outlet stores. This means that Alibaba does not incur costs such as rent or lease. The company does not need a warehouse to store finished goods. Instead, customers can browse the products online and purchase them using the online payment methods that Alibaba has made accessible through a website. It should be highlighted that technology has been essential in aiding many businesses throughout the globe to keep prices down. Alibaba has been able to reduce its operating costs by using technology because the costs related to stocks are either not incurred or these costs are very low. As mentioned earlier,

the main activity of the company is based on e-commerce. This means that technology is the main factor behind Alibaba's business success. Everyone is therefore curious about how much Alibaba may cut its operational costs and other expenses that the company might completely forgo or significantly lower as a result of running an online business. The cost of the company's goods and services reflects the advantages of this business.

Alibaba Strategy Overview

Alibaba provides its services mainly to small companies as well as individuals. Based on the business model of this company, small companies can grow more, and also individuals will have a variety of products in front of them. Alibaba's strategy plan is as follows:

1. Unconventional profitability model Alibaba's profit is mainly derived from advertising and keyword bidding, which accounts for about 57% of total profit. The second main source of the company's income - which includes 25% of the total profit - is related to technical services that analyze customer behavior based on metadata (big data).
2. Reliable payment model in order to make the payments completely safe, and for more security, the payments are first transferred to Alipay and sent to the seller of that product when the customer confirms that the product has been received and is in good condition.
3. Support for customer satisfaction services Alibaba's system provides a simple environment for people to shop in which they feel comfortable, and the opinions that customers give about the products are often positive and encourage other people to buy from this site.
4. Sensitivity to business opportunities. Alibaba company seeks to take advantage of new opportunities and in this way, it acts very quickly and uses the existing opportunities.
5. New trading patterns such as Consumer-to-Business/C2B transaction model and Online-to-offline/ O2O strategy.
6. The Integrated ecosystem; Alibaba's main activities include advertising services, logistics network, financial services, and mobile phone services. These activities are all properly integrated together.

Conclusion

Alibaba has achieved great success in its operations over the years. This shows that Alibaba has a good strategy. The cost leadership strategy has been very successful for the company. In fact, this method is likely to be the only general strategy the company has, as other strategies may be difficult to integrate or create. The macro strategy of this company has also been successful and has helped

it achieve its goals. Alibaba partners with organizations that complement its operations. This will have a significant impact in terms of organizational growth and development as well as achieving goals; Therefore, Alibaba does not need to change its current strategy but may combine two strategies, which are market growth strategy and strategic alliances for better results. In the domain of Business Administration, Management, and Entrepreneurship, it is important to understand the strategic management of an organization like Alibaba. Analyzing these strategies, inspire people to implement a similar strategy in their own business. It is also beneficial to entrepreneurs to take it into account before establishing a business plan which enables them to focus on their business goals and distribute resources in the most effective way. Additionally, they can spot the opportunities and potential threats and according to which create a business plan.

All in all, people studying or working in the field of business administration require to have a grasp of strategic management of a flourished organization like Alibaba as it helps with success in the competitive environment.

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Volkswagen's Dieselgate: A Case Study of Unethical Management

Tom Göpel

Introduction

In September 2015 the Volkswagen Group, one of the largest carmakers in the world, admitted to putting illegal software into their diesel motors, which detects when a car's emissions are tested and then cheats on these emission tests by automatically lowering the motor's exhaust output. This led to the scandal known as "Dieselgate" which not only resulted in fines and legal charges of billions of dollars for Volkswagen but also disclosed deep flaws in the company's management practices and corporate culture. (Volkswagen: The scandal explained, BBC, 2015)

This chapter aims at analyzing the Volkswagen Dieselgate scandal as a case study of poor management and unethical leadership. I will then draw a connection to why this negative example is a reason for the importance of the management module in business education.

Dieselgate Background

Since 2009 Volkswagen ran an ad campaign that promoted their diesel cars as "clean diesel" until in 2014 students published a report that stated Volkswagen diesel cars emitted 15 to 35 times more nitrogen oxides on real-world road tests than in laboratory emission tests. (VW's Clean Diesel Ads Now Make Us Feel Dirty. Intelligencer 2015); (Inside VW's Campaign of Trickery. New York Times [NYT] 2017). Looking back we know that at that point VW-internally the alarm bells began ringing, leading to VW's head of product safety being concerned and writing a report warning VW's CEO, Martin Winterkorn that authorities would likely start investigating. (NYT) At that point VW could have played with open cards and looking back they should have because the damage to the company wouldn't have been as high as it turned out to be. (NYT) Instead, an internal presentation was held discussing options such as ignoring the allegations or updating the engine software. VW later began bringing new cars with enhanced "defeat devices" - the so-called tool that made the pollution mockery possible - to the market. (NYT) In 2015 the US Environmental Protection Agency (EPA) issued a notice of violation to Volkswagen, accusing the company of installing illegal software in its diesel engines to cheat on emissions tests. State of affairs company officials had known for years.

Ethical Issues

Despite Volkswagen knowing beforehand that government authorities were likely to discover their deception practices. This led to the company having a much larger loss than what had been necessary. But not only did this bad management hurt the company. VW did harm to both consumers and the environment by exceeding the exhaust standards and falsely advertising to buyers. (NYT), (BBC)

Economic Loss

Dieselgate had significant economic consequences for VW. The company agreed to pay \$4.3 billion in fines and financial penalties. There also have been class action lawsuits that led to the company paying additional billions of dollars. But of course, the scandal also had an impact on sales and revenue. Overall VW paid \$25 Billion Dollars for the dieselgate scandal (How VW Paid \$25 Billion for ‘Dieselgate’ — and Got Off Easy. Fortune. 2018) But it also led to significant brand damage further influencing the company's revenue.

Lessons learned

The Volkswagen diesel gate scandal shows once more the importance of ethical management and leadership. This case shows that Managers should work with the people they manage, not against them by secretly performing illegal business practices. As Mary Parker Follett said: “Management is getting things done through people”.

Conclusion

Management is an important topic in business education and the Volkswagen diesel scandal showcases once more the importance of ethical behavior, corporate responsibility, and effective management. As business students, it is essential to learn from the mistakes of companies like Volkswagen and strive to be ethical, responsible, and transparent leaders.

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The Power of Amazon's Management and Innovation

Sobby Khanna

Introduction

In this chapter, I will look at the company Amazon and its management structure. What Amazon was, has now become and how it operates.

What is Amazon?

Amazon is an American multinational technology company that specializes in e-commerce, cloud computing, digital streaming, and artificial intelligence. The company was founded in 1994 by Jeff Bezos and is headquartered in Seattle, Washington. Amazon started as an online bookstore, but it quickly diversified into other product categories such as electronics, clothing, and household items. Today, Amazon is one of the largest e-commerce companies in the world and offers a wide range of products and services, including Amazon Prime, which is a subscription service that provides free shipping, streaming of movies and TV shows, and other benefits (Stummeyer, C. & Köber, B. 2020B).

In addition to its e-commerce business, Amazon also operates Amazon Web Services (AWS)¹, a cloud computing platform that provides on-demand computing resources to individuals, companies, and governments. AWS is one of the largest cloud computing platforms in the world and is used by millions of customers globally.

What We Know as Amazon Today

Jeff Bezos saw an opportunity to create an online bookstore that could offer a wider selection of books than any physical bookstore and provide a convenient way for people to shop for books from their homes. He set up shop in his garage, using a desk made from an old wooden door, and he and a small team of employees worked long hours to build the website, handle customer orders, and package and ship books. The company went public in 1997, and its initial public offering (IPO) was one of the largest in history at the time. Beginning with a garage and a small team of

¹ AWS was launched by Amazon in 2006

employees, Jeff Bezos expanded his company with the proper leadership and management to what it is now. Starting from Amazon Audible² to Amazon studios³, Amazon has spread into so many industries that they have become competitive with Twitch⁴ even for such a big platform as Youtube (Tim Aschermann 2018). But with such a huge variety of products and services comes the challenge of how to manage each area and the company as a whole.

Leading Managers of Amazon

The founder Jeff Bezos, has beneath him the CEO and participant of the board, Andy Jessy. Jessy founded Amazon Web Services (AWS) and has been involved in both business-to-business and business-to-consumer roles. In total, Jeff Bezos has six officers and a board of ten directors, who are responsible for different areas of the company and operate in their own ways. For example, the Senior Vice President and Chief Financial Officer, Brian T. Olsavsky, who takes care of various areas of Amazon's finances. This includes taxes, investor relations and similar areas. Douglas J. Herrington, the Chief Executive Officer, who serves as CEO of Worldwide Amazon Stores. Shelley L. Reynolds, the vice president of finance and controller, who oversees Amazon's accounting function. Adam N. Selipsky is the Chief Executive Officer and is responsible for Amazon Web Services and for compliance with agreed sustainability initiatives under the Climate Pledge. Senior Vice President, David A. Zapolsky, is responsible for the company's legal, policy, compliance and regulatory affairs (Amazon 2023).

The Board of Directors is in charge of the controlling and managing the Company. It represents the shareholders and is accountable only to them. The main purpose of the Board of Directors is to increase long-term value for the shareholders (Amazon 2023).

Two-pizza Rule

The more a company grows in its portfolio, the more it usually grows in the number of employees. As is also known among politicians, the more decision-makers there are, the more complicated

2 The audiobook retailer Audible is one of Amazon's biggest brands. Here you can now find podcasts in addition to numerous audiobooks. Audible has belonged completely to Amazon since 2009.

3 Amazon Studios produces and commissions movies, series and TV shows.

4 Twitch is a web portal for live streaming of video games

and protracted the decision-making process becomes. That's why Jeff Bezos follows a strict rule - the two-pizza rule - to prevent decision-making processes from becoming too time-consuming (Stone, Brad 2013).

The two-pizza rule works as follows; complex problems and challenges are not necessarily under the direct responsibility of managers or leaders, but offer a non-hierarchical teamwork for employees who are willing and able to move the company forward with their expertise and contributions. A challenge or difficulty is handled by six to a maximum of ten people. The name two-pizza rule comes from the concept that the groups dealing with the problem must only be large enough to be fed by two pizzas (Markus Fost 2020).

Conclusion and Résumé

Overall, Amazon is an extremely exciting and interesting company in terms of its working methods and business areas. Many companies can learn from Amazon's way of working and its decision-making processes in particular. The significant growth proves that the concepts used work. The impressive size and complexity of leaders and their areas shows the importance of functioning management and adequate managers. The key features of a manager, that he/she takes responsibility and targets a common goal with his/her resources, which we have elaborated in the IBAE course, specifically related to the topic of management, form a suitable and good basis of knowledge for this topic. The observation from the IBAE course, that management is about joined groups and how they are organized in social groups to reach a common goal, was perfectly reflected in this company, especially with the two-pizza rule.

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Figure 1:

Amazon. (2023): *Umsatz von Amazon in Deutschland und weltweit in den Jahren 2010 bis 2022* (in *MilliardenUS-Dollar*). Statista: <https://de.statista.com/statistik/daten/studie/374731/umfrage/nettoumsatz-von-amazon-in-deutschland-und-weltweit/?locale=de> (14.03.2023)

Digital and Responsible Management in a Community-Driven Business

Lennart Klasfauseweh

Introduction

When we think about management in a traditional sense, we might initially draw associations to negative stereotypes like the autocratic manager: a controlling and inflexible individual who makes decisions regardless of the opinions and needs of others to maximise profits for their benefit. While this is certainly exaggerated for most cases, and many businesses changed their leadership approach, autocratic leadership is still tolerated in some industries, such as retail (Ganzemiller et al., 2021). But can such leadership still be applied in modern businesses confronted with digital transformation and young employees, or do we need a shift in leadership style? We will take a look at the social shopping community MyDealz to illustrate the importance of responsible management in a digitalised world as outlined in the elective “Sustainable & Responsible Management”. Therefore I will start by introducing the module’s focus and content, then I will introduce the selected company MyDealz and finally, evaluate to which degree the company fulfils its responsibilities as outlined in the given module.

Elective: Sustainable & Responsible Management

The elective module “Sustainable & Responsible Management” aims to put organisational management in a broader perspective. Instead of just looking at profit maximisation to declare an organization’s (or company’s) success or failure, this module considers other factors, such as sustainability and responsibility. It evaluates the responsibility of businesses regarding their actions towards stakeholders such as their employees (e.g. the use of surveillance), their customers (e.g. the safety of the product/service) and society (e.g. promotion of diversity and equality). Sustainability in terms of climate action is a particular focus of the module, as even the most prominent companies fail to meet their climate goals and lack transparency (Carbon Market Watch, 2022). Therefore the module provides a critical perspective on companies and their responsibilities.

MyDealz: Sustainable & Responsible Management

MyDealz is a social shopping community by Pepper Media Holding GmbH based in Berlin, Germany. The company manages platforms in twelve countries with more than 500 million monthly views, making them globally relevant. The core principle of MyDealz (and their international counterparts) is to provide a community-driven approach to shopping, where users can share information about seemingly good offers from online or regional shops. The platform community then rates the offer through a voting system, and the users share their experiences with the respective product or retailer. This allows users to quickly recognise the price-performance ratio of particular products and make informed buying decisions, ideally saving money. While the platform generates revenue through affiliate commissions from retailers, it differentiates from other advertising blogs in being mainly community-driven, allowing users to share their honest opinions, which can also be critical towards the products or retailers in question. Despite focusing on a specific niche, namely special offers, the community counts more than two million members in Germany alone (*Pepper.com - About Us*, n.d.). Therefore, it can also be considered a social media website. With great impact comes great responsibility – in the following, I will evaluate how well MyDealz meets these responsibilities, as outlined in the module introduction.

Sustainable & Responsible Management Applied on MyDealz

In this final step, we will evaluate MyDealz's responsibility efforts on some of the topics outlined in the module introduction and regarding the leadership style mentioned in the general introduction. As this format does not allow going through all facets of responsibility, we will focus on leadership as a more management-focused facet and community management as a more social facet.

Leadership Style

As implied in the introduction, there are several leadership or management styles, the most prominently known styles being the autocratic, democratic and laissez-faire style. Autocratic leadership involves a top-down decision-making process, where the leader retains complete control over decisions and assigns tasks to subordinates. In contrast, democratic leadership emphasises collaboration, with the leader seeking input and feedback from team members in the decision-making process. Laissez-faire leadership adopts a delegative approach, empowering

subordinates to make independent decisions. (Amini et al., 2019). MyDealz has decided to make use of a democratic or participative approach which can be seen in several examples, one being a rule change for their publishing rules: According to MyDealz, this decision was made by first conducting every country's community leader to discuss difficulties, then creating a draft for the new rule, then it was discussed locally in an open round with more than 100 employees, followed by a small user group giving feedback for the new emerged rule and finally setting the rules public (*Die Neuen Veröffentlichungsregeln Sind Da!* | Mydealz, 2022). Even though this seems like a complicated process, the democratic, participative model is the best of the three presented styles, with positive effects on employee performance, motivation and satisfaction (Amini et al., 2019). Apart from that, they offer perks such as an Employee Assistance Program for mental health, contributions to sport programs and social events, which shows their commitment to their employees (*Ausschreibung: Community Support GBR*, n.d.). In summary, MyDealz meets its responsibility regarding its workplace environment by using a modern leadership style and offering employee perks.

Community Management

This part represents the responsibility towards the stakeholder customer, as described in the module introduction. As MyDealz does not sell any products itself, product safety does not play a role here. Instead, we translate it to the safety of using the platform and how well MyDealz manages the responsibilities connected to a social media website. First of all, MyDealz has high standards for the safety of the post on the platform, and there are several rules to ensure the safety of the users: They don't allow potentially harmful products such as weapons, pornography or cigarettes and forbid any form of scam websites such as fake shops. Additionally, community guidelines prohibit very offensive or inhuman content (*Regeln Und Bedingungen* | Mydealz, n.d.). On the other side of the spectrum, they are also committed to free speech, as they loosen up their rules to allow off-topic discussions about controversial topics such as politics (*Die Neuen Veröffentlichungsregeln Sind Da!* | Mydealz, 2022). Every user can report other deals, comments, users etc., and they get reviewed by a human moderator every time, ensuring the platform's safety for all users. They also have a feedback tab on their website to allow users to give individual feedback or ask questions. Concludingly, MyDealz also meets its responsibility for community management by allowing extensive free speech while also ensuring the website's safety.

Conclusion

Altogether, only judging from the two facets we examined, MyDealz seems to be a role model for responsible management and an excellent example of how the module knowledge of “Sustainable & Responsible Management” can be applied in a real company.

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The Importance of Management in the Universal Music Group

Isa Maurice Kurt

Introduction

Management in the music business is an interesting topic, because I ask myself a lot of times: Is management indeed necessary for an artist in the music business to work effectively and efficiently and to achieve good results? In the following, I am going to analyze why management is so important for a company in the music industry and why an artist needs a manager, on the case study of the Universal Music Group.

Artist Management Skills

According to Paul Allen (2018) In the music industry, an artist manager plays a critical role in the success of an artist's career. The manager is responsible for implementing the four classic functions of management: planning, organizing, directing, and controlling.

Planning involves developing a well-designed strategy that can increase the likelihood of success for the artist. This includes setting clear goals and objectives, as well as identifying potential risks and challenges. By having a clear understanding of what they want to achieve and the steps needed to achieve it, the manager can position themselves to take advantage of favorable circumstances when they arise.

Organizing is closely connected to the planning function, and it involves assembling necessary resources, defining responsibilities, and managing time efficiently. The manager must allocate time for each step of the plan to achieve the desired outcomes. They must also recruit and employ labor and expertise to put the plan into operation and ensure its success. The manager is responsible for creating a logical structure for the resources, executing the plan to organize chaos into success for the artist, and leadership to ensure that the team's energy is put into the artist's career success. Directing involves guiding and supporting the artist's work to ensure that everyone on the team is working towards the same goal. This includes bringing in experts to help with things like digital media strategies and making sure that everyone is using their skills to the fullest. The manager also keeps an eye on the artist's finances, making sure they are earning enough to cover expenses and make a profit. Communication is key, and the manager ensures that everyone on the team is talking

to each other and working together. They also keep the artist informed about what's going on, so they always know what's happening with their career.

Finally, controlling involves monitoring the effectiveness of the plan and making necessary adjustments to be efficient and effective in advancing the plan. In the music industry, managing an artist requires developing plans and an implementation strategy to control as much of the artist's career development as possible. The manager must be flexible enough to adjust to circumstances while being realistic about what they can control.

Artist Management in the Universal Music Group

Merchandising and Brand Management

Because singers are the most important “product” of the Universal Music Group (UMG), which is the leading company in the music business, they also „decide UMG’s products’ quality and future profits“ (Gan Lin., 2018; as cited in Deng et al., 2021). And because of that, marketing the artist is a main task of a manager in this business. UMG uses a smart business strategy to enhance the relationship between singers and their fans, as well as to make their products more famous. „UMG’s singers have their own derivative products, such as T-shirts, physical albums, and posters“ (Jian Han., 2019; as cited in Deng et al., 2021). „UMG also has its own brand management and merchandise company, Bravado. This company handles global merchandising rights, retail licensing, brand management and e-commerce on behalf of the artists“ (Nordyke, 2018).

These products are closely connected to the famous stars’ characteristics, which encourages fans to spend more. For instance, Billie Eilish's distinct vocal style and unique fashion sense have reinforced her persona, turning her into a sought-after endorser for many well-known brands. Her appearance in advertisements has expanded her fan base, resulting in more people recognizing her and her music, thus creating a cycle of mutual benefit (ebd., 2021). Her appearance in advertisements for well-known brands has helped expand her fan base and create a cycle of mutual benefit. This highlights the importance of UMG's network in promoting and supporting their artists' success.

Pricing Strategies in the Music Industry

UMG's managers are also responsible to set the prices for albums, tickets, etc. „A price is just a number, but it is very important: it influences the consumer's buying willingness“ (ebd., 2021). What is meant by that, is that the price is a crucial factor in the buying decision of consumers, and it can have a considerable influence on their willingness to pay for the products. That's why it is crucial for UMG to carefully consider their pricing strategy to attract consumers and increase sales.

Digital music, for example, may be cheap but has a huge customer base, „because it is obviously much easier to purchase than physical music“ (Rockhold, 2015). Whereas the ticket for an artist's tour may be expensive, because only some fans who are willing to pay a high price to see their idol will buy it. The management is responsible for considering these prices for the best revenue.

Distribution and Online Sales

It is also important to select distribution channels and organize the circulation of commodity entities in a reasonable manner, which includes controllable factors such as channel coverage, establishment of outlets, storage, and transportation. Enterprises focus on cultivating dealers and establishing a sales network, with contact between enterprises and consumers through distributors. Online selling is becoming more popular due to the internet's ability to spread information quickly and easily. Universal Music Group is cooperating with Tiktok to reach a younger consumer demographic, which provides huge financial support and publicity. The pandemic also forced the company's management to be creative, they had to shift many offline activities to online to achieve higher achievements using the internet's communication abilities (Song, D., 2016; as cited in Deng et al., 2021). And it obviously worked out great. „In 2021, Universal Music Group generated 8.5 billion euros in revenue, up from 7.43 billion in the previous year“ (Universal Music Group N.V. [UMG], 2021).

Conclusion

In summary, the work of a manager in the music industry is essential for the effective planning, organizing, directing, and controlling of an artist's career. The manager plays a critical role in leading the team, coordinating efforts, managing resources, and controlling the career development of the artist. In the case of UMG, the manager's role is even more critical because the quality of

the artist's product directly affects UMG's future profits. Therefore, marketing the artist is a primary task of the manager. To strengthen the bond between musicians and their fans and to increase the popularity of their products, UMG uses clever business tactics.

Managers set prices for albums, tickets, etc., and consider the best revenue for the business. Additionally, the manager selects distribution channels and organizes the circulation of commodity entities in a reasonable manner, including online selling, to reach a wider consumer demographic.

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Management: The Best Practice Case of Apple

Lucas Lange

Introduction

In this chapter, the relevance of management as an IBAE module will be outlined. This will be done using the management case of the company Apple Inc. as a reference point. In this context, there will be an overview of Apple's general management as well as a little more in-depth description regarding management in connection to marketing and leadership.

Relevance of Management

The concept of management is not only relevant in research, but also in practice. Business places a high demand of advantages compared to competitors on enterprises, which means that there is a need of understanding management better by universities and business (Starkey & Madan, 2001). Therefore, management should be seen as process of learning by practitioners and researchers (Nicolai & Seidl, 2010). This means that it is important to find out what management research is actually relevant to the application of management (Starkey & Madan, 2001). In the future, management will continue to play an important role in the transformation towards sustainable as well as innovative circular business models (Zucchella & Previtali, 2019). This makes it relevant to learn the aspects of management in a module within the IBAE study programme.

Apple as a Best Practice Example of Management

Apple's Strengths and Weaknesses

Overall, one of Apple's most relevant strengths is the brand, which can be explained by the recognition as well as the association with innovation and creativity (Yie et al., 2021). Furthermore, there is a big trustworthiness towards the corporation due to the fact that products offered by Apple shine through their customer friendly design and application (Yie et al., 2021). In general, Apple's overall strengths allow keeping the market share at the current level while expanding into new markets could allow for even more increase in revenue (Khan et al., 2015). One of the major weaknesses of Apple is the big share iPads and iPhones have of the overall sales

and revenue, which leads to a high dependency of success on these product categories (Yie et al., 2021).

Overview of Apple's Management

The management practice of Apple can be seen through the overall business model applied by the corporation. Key activities are marketing, design and product development while the key resources mainly consist of the human and physical capital as well as the intellectual property that is an important factor for Apple's competitive advantage (Khan et al., 2015). Important value propositions connected to products offered by Apple are design and the range of application (Chikhale & Mansouri, 2015). Further important areas for management are the created preferences among the target group, the already set up distribution channels as well as the cost structure that orientates more on the value proposition than the actual production cost (Khan et al., 2015). Effective governance in connection to management in the case of Apple is built on the pillars human capital, the business process, the business strategy as well as leadership and identity (Chikhale & Mansouri, 2015).

Connection of Management and Marketing using the Case of Apple

Apple's marketing can be seen as best practice example and due to the fact that marketing is seen as the essence of management, a connection between both aspects is obvious (Capozzi et al., 2012; Webster Jr., 2009). Marketing should be seen as an integrated discipline of management, which means it should not be disregarded when looking at management within a company (Webster Jr., 2009). Due to this, there is even more reason to look at Apple's application of marketing since it is not only another best practice example but also an important part of management as a whole. Another important aspect in this context that is connected to both aspect of marketing and management is brand positioning, which Apple has done quite successfully in terms setting up the whole company as a brand (Payne, 2017). A classic example for the company's branding success is the slogan "Think Different" (Payne, 2017).

Leadership as a Management Tool Using the Case of Apple

The success of Apple's management can also be attributed towards the leadership skills of the late co-founder and CEO Steve Jobs (Chikhale & Mansouri, 2015). This is due to the transformational

leadership aspect in the Steve Jobs era of Apple, which was centered around breakthrough products and the people behind them (Ceil, 2018). Furthermore, Jobs lead with a style that can be described as charismatic leadership, meaning that his rhetorical skills were another key aspect of Apple's success in leadership. (Heracleous & Klaering, 2014). With Tim Cook taking over as CEO after the death of Steve Jobs, the idea of transactional leadership became prominent, meaning that it was more about consolidating the current organizational structure and the maintaining the good situation of the corporation (Ceil, 2018). Instead of radical changes within the company through the introduction of new products, Apple's performance became more consistent (Ceil, 2018).

Conclusion

In conclusion, Apple can be seen as a best practice example of management with a specific focus on marketing management and leadership. The brand positioning of Apple set the company apart from almost all of its competitors. Furthermore, the former transformational style of leadership was the key in management that lead Apple to the market position it is in today, while the transactional leadership strives to maintain it by fostering consistency within the company. Even considering the major weakness of the dependency on one product group, the corporation is a good example to outline the relevance of the concept of management for research and business practitioners. Apple's management might even serve as a reference point for benchmarking other consumer electronics companies. In addition, the case of Apple serves as a good example why it is relevant to learn the aspects of management in the course of the IBAE study programme.

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The Behavioral Theory of the Firm and Sustainability: Case Study Fairphone

Milena Mennitti

Behavioral Theory of the Firm

The Behavioral Theory of the Firm challenges the traditional neoclassical view of the firm that is based on two main assumptions. The first focused on profit maximization. The second is the assumption of perfect knowledge, which views humans as independent agents who act based on complete and relevant information. The behavioral theory of the firm was formulated by Richard M. Cyert and James G. March in 1963. It is composed of and draws inspiration from a variety of theories from diverse academic disciplines, including economics, sociology, business, and management. This theory attempts to explain how people's behavior and psychology can influence decision making within an organization. The theory states that individuals that work for a company are not always rational, but can be influenced by cognitive biases, preferences, social norms, and emotional factors. (Cyert & March, 1992/1963)

According to the behavioral theory of the firm, managers and employees within an organization are not always motivated by financial incentives alone, but also by social and psychological factors such as job satisfaction, recognition, and personal fulfillment. (Cyert & March ,1992/1963)

The theory states that these factors influence the behavior of individuals within an organization and can lead to decisions that are not always rational or optimal from a purely economic perspective. (Cyert & March ,1992/1963)

The theory also emphasizes the importance of organizational culture, communication, and leadership on the behavior of individuals within an organization.(Cyert & March ,1992/1963)

It indicates that the culture of an organization influences the behaviour of employees and managers, and that effective communication and leadership promotes better decision-making and performance within the organization. (Cyert & March, 1992/1963)

Behavioral Theory of a Firm from a Sustainable Perspective

The behavioral theory of a firm can be used to analyze why companies tend to go more sustainable, how sustainability is influencing the actors in a company and how institutional contexts can shape firms' responses to sustainability and ethical issues. The article "The Behavioural Theory of the Firm: Assessment and Prospect" by N. M. Healy, provides an overview, and discusses how the Theory can be interpreted and applied to the context of sustainable and ethical business practices. It suggests that firms may have other objectives such as social responsibility, ethical considerations, and environmental sustainability. (Healy, 1985) These objectives can influence firm behaviour and decision-making and may have significant implications for economic outcomes. (Healy, 1985)

In the article, Healy suggests that the behavioural theory of the firm has the potential to provide a more comprehensive understanding of the behaviour of firms and to lead to new insights into economic outcomes. He argues that by incorporating non-economic objectives into economic analysis, the behavioural theory of the firm can provide a more accurate representation of the behaviour of firms and their impact on society. (Healy, 1985)

Another paper, "Sustainability and the Behavioral Theory of the Firm: A Review and Agenda for Future Research" by C. L. Carson, D. A. Ralston, and A. W. Crane identifies several key themes that have emerged in this area of research. Furthermore, it proposes agenda for future research in the context of sustainability. The article explores the relationship between sustainability and the behavioural theory of the firm, arguing that the two are closely linked. The authors suggest that the behavioural theory of the firm can help explain why firms engage in sustainable practices and how these practices can contribute to long-term firm performance and how individual values and norms shape firms' sustainability practices. (Carson, Ralston, & Crane, 2014) The Behavioural Theory of the Firm can be used to understand the psychological mechanisms that underlie individuals' decisions to engage in sustainable behaviour. (Carson, Ralston, & Crane, 2014)

The authors also highlight the importance of institutional factors, such as regulation and industry norms, in shaping firm behaviour and promoting sustainability. (Carson, Ralston, & Crane, 2014) The paper emphasizes the role of organizational culture and norms in shaping sustainability practices. Furthermore, it highlights the importance of understanding the social and institutional contexts in which firms operate, and how these contexts can either facilitate or hinder the adoption of sustainable practices. (Carson, Ralston, & Crane, 2014)

Future research, according to the authors, should concentrate on creating more accurate measurements of the behavioural constructs that affect firm behaviour, investigating the connections between sustainability and various forms of governance, and assessing the effects of contextual factors on the relationship between sustainability and firm performance. (Carson, Ralston, & Crane, 2014)

Fairphone

The company Fairphone can be seen as a concrete example of the Behavioural Theory of the firm, especially regarding the sustainable prospective.

Fairphone is a company founded in 2013 that produces ethical and sustainable smartphones, and their mission is to create a more fair and sustainable electronics industry. (<https://www.fairphone.com/en/story/>)

The company's values align with many of the social and psychological issues stressed in the Behavioural Theory of the Business, such as environmental sustainability, social responsibility, personal fulfilment, and ethical consideration.

The objective of Fairphone is to develop a sustainable and ethical smartphone, which is accomplished by a variety of procedures include obtaining minerals free of conflict, assuring honest work standards, and minimizing e-waste. (<https://www.fairphone.com/en/story/>) Also, the organization wants to encourage better responsibility and transparency in the electronics sector.

Fairphone focuses on developing an effective organizational culture that embodies the goals and values of the business. This can entail encouraging a climate of sustainability and social responsibility within the organization and giving staff members chances to apply these ideals to their work.

Furthermore, the firm focuses on effective communication and leadership. Fairphone prioritizes transparent communication with its employees, customers, and stakeholders. It provides opportunities for feedback and collaboration. The company also focuses on leadership promotes the company's values and mission, and that encourages employees to engage with these values in their work.

Conclusion

The Behavioural Theory of the Firm provides a more complex view of organizational behaviour than traditional economic theories. It acknowledges that individuals within an organization are not always perfectly rational and that their behaviour is influenced by a variety of factors beyond financial incentives.

Fairphone's approach can be seen as consistent with the behavioral theory of the firm, which suggest that firms can be motivated by social and environmental goals in addition to profit. By prioritizing sustainability and ethics, Fairphone is setting an example for other firms in the electronics industry and contributing to a more sustainable and responsible business environment.

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Management at Sephora in the Digital Age

Selin Osman

Management in the digital age has become increasingly complex and challenging for companies all around the world. With the increasing of the digital technology and the step up of the online platforms, businesses must adapt and evolve to remain competitive. Managing in the digital age requires a deep understanding of technology, customer behavior, trends, along with effective strategies to exploit the power of digital technology and platforms to achieve business goals. The beauty and cosmetics industry is one of the most pushing and dynamic industries globally, with brands fighting for market share and customer constancy. Sephora is one of the leading brands in the beauty and cosmetics industry, renowned for its innovative products, remarkable customer service, and powerful digital presence. This article will analyze how Sephora has managed to thrive in the digital age and how it has adapted to the changing landscape of the beauty and cosmetics industry.

Management in the Digital Age

The digital age has changed the way businesses operate, with digital technology playing a significant role in how companies manage their organizations. In the digital age, effective management requires an understanding of technology, customer behavior, and market trends. Businesses must use technology to streamline their operations, improve their customer experience, and stay competitive.

Key Challenges in Managing in the Digital Age

Managing in the digital age comes with several challenges, including the following:

Data Management: With the data explosion in the digital age, businesses must effectively manage and analyze large amounts of data to gain insights into customer behavior, market trends, and business operations.

Cybersecurity: As companies are becoming increasingly dependent on digital technologies, they are exposed to cybersecurity threats and risks that can have significant impact on their business operations and reputations.

Social Media: social media has become a powerful tool for businesses to connect with customers and build their brands. However, social media also present challenges such as managing customer feedback, respond to negative comments, and ensure that social media activity aligns with company values.

Technology Disruption: Technology is evolving, and businesses must keep up with the latest trends and innovations to remain competitive.

Strategies for Managing Effectively in the Digital Age

To manage effectively in the digital age, Businesses should adopt the following strategies:

Customer-Centric Approach: Customers in the digital age expect personalized and seamless experiences. Businesses must prioritize the customer experience and leverage data and technology to deliver customized products and services.

Agile Management: In the digital age, businesses need to be agile and flexible to respond to changing market trends and customer needs. They must adopt agile management practices that enable rapid decision-making and execution.

Data-Driven Decision-Making: In the digital age, data is a key asset that companies must use effectively. Businesses need to adopt data-driven decision-making processes that use data to inform business strategy and operations.

Collaboration and Partnership: Businesses need to collaborate and partner with others to effectively leverage technology and innovation. Partnerships can provide access to new technologies and resources that can help businesses stay competitive in the digital age.

Management of Sephora in the Digital Age

Sephora implements a customer-centric management strategy that prioritizes the customer experience. The company leverages digital technologies and platforms to provide customers with a personalized and seamless experience.

Sephora's key management strategies include:

Embracing Digital Technology: Sephora is fully committed to digital technology and recognizes the importance of technology in the beauty industry. Sephora invests in technology such as

augmented reality and artificial intelligence to deliver immersive and personalized experiences to its customers.

Personalized Marketing: Sephora has implemented a personalized marketing strategy that leverages customer data to deliver targeted and relevant marketing messages. Sephora uses data to personalize marketing campaigns and recommend products based on customer purchase history and preferences.

Strong Digital Presence: Sephora has a strong digital presence with an e-commerce platform that provides customers with a seamless shopping experience. Sephora's website and mobile apps are user-friendly and intuitive, making it easy for customers to find products and purchases products.

Community Building: Sephora is building a strong community of beauty enthusiasts through its Beauty Insider program. The program rewards customer loyalty and provides them with exclusive access to products, events, and beauty tips.

C. Sephora's Digital Initiatives

Sephora has launched several digital initiatives to help the business stay competitive in the digital age. Some of Sephora's major digital initiatives include:

Virtual Try-On: Sephora has launched an AR-powered virtual try-on tool. This allows customers to virtually try on makeup. The tool uses facial recognition technology to provide customers with a realistic and personalized virtual try-on experience.

Personalized Recommendations: Sephora's website and mobile app provide product recommendations based on customers' purchase history and preferences. Recommendations are AI-powered and give the customers a personalized shopping experience.

Social Media Engagement: Sephora has a strong social media presence and engages with customers on platforms such as Instagram, YouTube, and Facebook. Sephora uses social media to showcase new products, share beauty tips, and connect with customers.

In-Store Technology: Sephora has introduced in-store technology such as the Color IQ tool, that can scan customers' skin to provide personalized product recommendations. Sephora's in-store technology provides customers with a special and personalized shopping experience.

Conclusion

In conclusion, Sephora's management has efficaciously tailored to the digital age by adopting a customer-centric strategy that leverages digital technology, systems and platforms to supply exceptional customer experiences.

Sephora's robust digital presence, customized marketing, and community building initiatives have helped the business stay competitive in the beauty and cosmetics industry. Sephora's digital initiatives such as virtual try-on, personalized recommendations, and in-store technology have helped provide customers with immersive and personalized experiences. Overall, Sephora's management serves as a version for a way businesses can efficiently manage withinside the digital age.

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The Importance of Management Education to Realize Ideas

Luzie Ott

What We Can Learn from Companies like Oatly

Importance of Management Education

Emergence is the art of making something bigger than just the sums of its components. By working together, we can achieve a much greater impact and result than working on our own. A manager is responsible for coordinating and organizing people in order to get the best out of projects, companies and their members, to gain the most benefit.

International Business Administration and Entrepreneurship (IBAE) considers itself as “business administration for the 21st century” (Leuphana, 2022). This century is imprinted by environment challenges and digital information, withholding a huge potential for innovative ideas (ebd.). The path from the conception of a product or event to its realization requires management skills. Theoretical ideas develop through a structure into something real, it’s mandatory to have knowledge for planning, leading and coordinating processes. Especially when they involve many employees or work areas. Therefore it’s necessary to properly educate prospective business leaders and teach them strategies, models and conduct. The core of management studies can be divided into subcategories. International Management is of particular interest to IBAE study programs, because of its focus on international relations and strategies. Business policy, another area of management, provides guidance on legal issues and how to respond to certain circumstances that may have an impact on employees. Human Resource Management directs stakeholders and employees within a company to increase the productivity. It provides organization, leadership and control of contributors. The analysis and modification of events and behaviors that have a direct impact on the performance of the organization falls under the management category Organizational Behavior. Higher education institutions should create a realistic impression of the work of a manager with its advantages and disadvantages, to prepare students for their future duty. Most of the time, only the bright side is seen, and the downside is overlooked.

On the one hand, managers plan, organize, lead and control procedures and people to realize common goals. They are in charge of representing their companies to stakeholders and having an

overview of the financial situation. Networking, building of coalitions and cooperation is also a big part of the job. It connects the business into a wider context and establishes connections, which the company can benefit from. Another important task is motivating, mobilizing and supporting people, to create a productive and supportive atmosphere. On the other hand, regarding the coordination and management of people, it involves the oppression, humiliation and endangerment of employees. Externally, executives are responsible for the success of their company and make general decisions. This can include lobbying and bribery, as well as squeezing suppliers and cheating customers. Another disadvantage is that being responsible over an entire business entails a potential risk for mental pressure and anxiety. It's important to learn about these negative aspects, in order to get a realistic picture of management roles. Learning about ethical and moral problems that may arise is necessary to learn how to deal with them. It could be harmful not to talk about them and irresponsible to prepare and qualify future managers. Leaders must make decisions that determine the success and future of organizations and businesses. This means that management has a major impact on the company, its employees, its customers and its stakeholders which brings with it a huge responsibility. A proper education is key for shaping responsible Managers and leader of tomorrows world. It is of importance to understand and know different concepts and theories, in order to make the best decisions. It really much depends on the type of company and the current situation a business is in. It is crucial to always be aware of the company's main goal. When the aim is to create an open, creative and participated organization, then it is mandatory to build a structure with little hierarchy and many free spaces. On the other side, it can make sense to create demanding and strict policies, when the business builds on fast decision making and quick executions. Management subjects in University can teach many different examples and provide students with a broad understanding of business operations. Knowledge about different terms allow comparison and sophisticated analysis, weighing all options before taking decisions. It allows to learn from experiences and their results, to apply this theoretical knowledge on real problems.

The History of Oatly and How it Became a Global Market Leader

Management is the main criteria for a company's failure or success. "You can have the most beautiful product in the world but it is worthless if you don't have the strategy and execution", according to Toni Petersson, CEO of Oatly (Murray, 2019). Oatly is a company that produces

plant-based milk alternatives. Petersson saw the potential of the product, which had been struggling on the market for a long time. His transformation of the company's strategies has been instrumental in its growth into a global brand with operations in multiple countries. Originally founded by Swedish scientists in 1994, Oatly has struggled for two decades with a lack of seriousness from the dairy industry and the costumers. Oat milk was met with skepticism due to its unfamiliarity and its declaration as an awkward milk alternative (Oatly, n.d.). Since then, Oatly has grown steadily over the last few years. Their Revenue doubled from 2019 to 2020 to \$421 Mio. and increased in the following year by 50% (Oatly Group AB, 2021, p.4). One of the main drivers of growth has been expansion, particularly in Asia and the United States. The revenue in the US grew 77% to \$177m in 2021 (Oatly Group AB, 2021, p.29). This was driven by forming strategic collaborations, with companies like Starbucks, Häagen-Dazs and McDonalds. These partnerships have helped to reach new markets, increase their brand visibility and promoting their sustainability mission and values at the same time. To meet rising challenges, experienced managers got employed, to gain specific professional expertise and knowledge on the field of food science and global branding. The innovative Management made Oatly "the world's original and largest oat drink company" as they claim (Oatly, n.d.). One of the main aspects of that is the innovative and creative approach of their Marketing. They designed milk cartons with self-deprecating slogans and published unusual and polarizing commercials. These campaigns present Oat milk as an interesting milk alternative and make it relevant to people. Another driver of their success is transparency. Oatly's management team is straight forward with their values and visions. They promise to priorities nutritional value, minimal environmental impact and helping people before pursuing profit (Oatly, n.d.). Their goal is to be known as a responsible, costumer friendly and caring company. To maintain this image, they publish annual reports about their Sustainability development, label their products with their environment impacts, using renewable energy sources, reducing waste and advocate for plant-based diets (Oatly, n.d.). They are also transparent about their sourcing and manufacturing processes (ebd.). With their strict forward formulations and transparency, they want to achieve trust and loyalty, to captivate their customers. The financial growth of Oatly was accompanied by an increase in the number of employees. In 2020, 623,000 members were employed, doubling in the following year to 1,280,000 (Oatly Group AB, 2021). Oatly's hierarchy is structured with different levels of management and supervision. The overall strategy and direction is led by the executive Leadership. Oatly has various functional departments

which have their own manager. Within each department, there are teams, responsible for specific tasks and projects. Overall, the company is managed and organized to ensure effective communication and coordination. Through the steady but fast growth of Oatly, it's interesting to analyze its management system and take a look at its strategies to understand how they kept up with the increasing profits. Growth puts a lot of pressure on a company and requires changes in the management, to keep up with the increasing demand. Studying different management tactics, such as those used by Oatly, can provide information and teach ways how to deal with changes in institutions. Management education educates future leaders and influences how companies are run.

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Siemens and How It Applies Key Points of Management

Susanne Peters

History of Siemens

The company Siemens was founded by Werner von Siemens and Johann Georg Halske on 12th October 1847 in a backyard in Berlin. Werner von Siemens wanted to improve the old electric telegraph invented by Charles Wheatstone and William Fothergill Cooke and came up with the idea for the pointer telegraph (siemens.com Global Website, 2023a).

After having contributed to the expenditure of the telegraph network in Russia, Carl von Siemens became the new head of the construction office in St. Petersburg in 1855. Shortly afterwards, in 1858, a subsidiary was established in London, which was lead by William Siemens (siemens.com Global Website, 2023a).

In addition to that, Siemens was one of the first companies to promise social benefits, for example a pension or a widows and orphans fund for the workers (siemens.com Global Website, 2023b). Furthermore, Siemens reacts responsibly to different environmental changes. An example for that is, when the company was not working properly due to its structure, technological developments and international expenditure, Siemens restructured the whole company and due to an economic crisis, Siemens created the new motto “Buy, cooperate, sell or close”, which helped to overcome the obstacle. When looking at health care, the climate change or the increase in the world’s population, Siemens tries to act upon these problems (siemens.com Global Website, 2023c).

Concepts and Key Points of Management

Nowadays, management and managers are a well-known field and profession in various working environments. Therefore, management is about people, the way how they are organized in social groups, and how they are able to accomplish a common goal. But it was not always like that. There was a time when management was not a “real” profession.

“Back in the 1920s, Mary Parker Follett was one of those who upheld that management should be recognized as a profession. At that time, while doctors, engineers, architects and so on, were seen as real professionals, with a sense of service to society and guided by standards of conduct, managers were not always considered professionals.” (Melé, 2007, p.408).

So, who are these people we call managers and what is management?

Managers are people that should motivate other people and commit to joint work. The internal work of managers includes planning, organizing, leading, incentivizing and controlling, while their external work consists of representing, networking, convincing, forming coalitions and mobilizing support. “His answer was unequivocal: ‘Management is about human beings. Its task is to make people capable of joint performance, to make their strengths effective and their weaknesses irrelevant. This is what organization is about, and it is the reason that management is the critical, determining factor’ (Melé, 2009, p.413)” (Drucker, 1990, p.221.).

But this is only the “bright” side of management. There is a “dark” side also, where managers internally oppress, humiliate and endanger employees and externally lobby, bribe, cheat on customers and reduce supplies. The aim is to prevent this from happening and to have a more considerate, ethical and moral approach to work, the employees and the overall society.

“Without doubt management should aim for efficiency, but management should also consider people in their fullness. Thus, a humanistic management, with a more accurate view of human nature, is a real challenge. Rethinking economics, business, and management from a humanistic perspective is a long-term goal, but some partial stages can contribute to this end.”(Melé, 2009, p.413).

This means management should not only focus on profit, but on the individual person and in another step focus on the influence management has on society, while being a part of it. “A business man should think of his work as one of the necessary functions of society, aware that other people are also performing necessary functions, and that all together these make a sound, healthy, useful community. ‘Function’ is the best word because it implies not only that you are responsible for serving your community, but that you are partly responsible for there being any community to serve (Melé, 2007, p.414)” (Follett, 1940, 133-134). This indicates that managers have to be responsible people. They have to react accordingly to societal or environmental changes and changes within the company, to adapt to new techniques and perhaps beliefs, to continuously develop while simultaneously staying human and approachable.

“He [Peter Drucker] stressed repeatedly that businesses and management remain viable only insofar as they are capable of perceiving, understanding, and responding to a continuously evolving market environment, captured in the customer's ever-changing definition of value. Thus,

a focus on the future was synonymous with management development and human resource management in the broadest sense, indispensable to the dynamic growth of the organization.” (Webster Jr., 2009, pp.24-25).

This focus on the future can be connected to the railroad and steam revolution in the 19th century, the steel-electricity revolution, the automobile revolution, the digital revolution but also to the climate crisis awareness. The management of companies, NGO’s or even educational institutions transform accordingly, and change together with these revolutions and new ideas.

Application of Management at Siemens

The company Siemens uses key points and concepts of management to get things done and to keep their business organized and structured. For example, Siemens has four strategic priorities, one of them is the “technology with purpose” (siemens.com Global Website, 2023d). With this strategy, they try to implement the digital and technological revolution of the general transportation system. They electrify buses and planes to focus on sustainability and the planet. Sustainability is a mutual goal for the company and a big part of society, which needs a joint performance to transform and change the world (siemens.com Global Website, 2023d). But one can also see the focus on the future and the awareness of responsibility with this approach to technology.

Another strategy that shows a managerial viewpoint is the “growth mindset”, which means being open to change and to learn and transform (siemens.com Global Website, 2023d). Besides that, Siemens focuses on its employees by trying to empower them and looking out for any mental health problems that might occur, so the individual feels considered too (Siemens Ireland, 2023). Furthermore, the work is split into different committees to function better and easier.

So why is it relevant to learn these skills as an IBAE student? One of the main reasons for me personally is, to never forget that employees are human beings and not working machines, which means that you have to treat them accordingly. I think it is important to learn that you are responsible for more than just the company and to learn to organize tasks coherently.

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The Importance of Teaching Adaptive Management Styles

Alma Luise Florentine Pohlman

Introduction

Management is arguably the foundation of business. Whether it is good or bad management it has an influence on the employees which ultimately has an influence on the company's success. Especially in today's business world employees are considered the centerpiece of a company that must work well. There are different management styles that each have their pros and cons. In the following chapter I will take a closer look on the agile management style, that the business Spotify adapted, and I will assess the relevance of such management on our Module.

The Company Spotify

Spotify is a Swedish music streaming company. It was founded by Daniel Ek and Martin Lorentzon, Spotify launched in 2008. The company has since experienced rapid growth and now has 489 million users worldwide and according to Spotify over 100 million music tracks. Their concept allows listeners access to a huge variety of songs, podcast and even audio books for either a monthly fee or an occasional advertisement. (Spotify — About Spotify, 2023)

Spotify's Management Style

Spotify has a management style that consists of groups that are divided into Tribes, Guilds Chapters and Squads.

Squads are small multidisciplinary groups that preferably consist of 6-12 members. They lead themselves and are considered to ideally have the "characteristic of a mini startup" (Van Der Wardt, 2022). Squads tend to work towards a long term goal. They have an agile coach that exists to give additional help if needed and a so-called product owner who is responsible for prioritising ongoing projects, however squads decide how they work or organise themselves. Squads are responsible for further developing and improving Spotify and their streaming range. Squads are considered to be the foundation of the system.

Many squads that work on one project together are called tribes. They have a tribe leader that is responsible for a good communication between the different squads. Tribes usually consist of not

more than 100 - 150 people, reason for that is that people generally have issues maintaining good relationships with more than 150 people (Dunbar's number: Why we can only maintain 150 relationships, 2022).

Chapters are specially gathered teams of employees that have the same or similar technical expertise and are responsible for the regular exchange of information on either current development in different squads or they interchange new knowledge that could benefit another squad to reach their goal.

Guilds function similar to chapters, the only difference is that it is less about technical expertise in guilds but more about knowledge and interest. One does not necessarily need special training to be able to join and participate.

Why Teach Management in University

It is no secret that a main component in a company's success is how the company is managed. So, teaching management in university is important for several reasons. On one hand, it equips students with the knowledge and skills to manage and lead businesses efficiently. But on the other hand you also learn skills in management that you can also apply in other situations that not necessarily have anything to do with management or business in general. Students can develop innovative solutions to problems or make informed decisions if necessary. Furthermore, it provides a general idea how organisations function and thus this can then be applied to navigate the complexities of the modern workplace. Some of the skills that can be acquired are problem solving, communication and strategic planning, all skills necessary in other jobs.

But even if students decide to go into another career they learn of the general importance of good and efficient management. They can apply basic skills that they enquired in university into their day. With that they can be more successful and achieve a greater impact. As one can see on the agile managementt that Spotify uses, even if you did not apply as a manager you still need managemnt skills to efficiently function in for example Squads.

Of course other subjects carry a comparable importance but it is crucial to understand that management is the foundation of business and thus should have a special focus.

The Relevance of Spotify's Management Style for Our Module

Our course IBAE at Leuphana has a special focus on sustainable business and with that there is a special focus on teaching compassionate and good management. That means creating a workplace in which employees feel safe, heard and supported. The Spotify management style does exactly that. They have small groups in which employees can form a good group dynamic, this supports a tighter knit relationship that coworkers can build on. Also they take great importance in creating a diverse workplace, which they are transparent on. Their main message is that "Our platform is for everyone, and so is our workplace. The more voices we have represented and amplified in our business, the more we will all contribute, thrive and be brilliant." (Diversity, Inclusion & Belonging, Life at Spotify, n.d.). On top of that, they encourage their workers to follow their interests by joining Guilds.

Furthermore, they seem to thrive on having a rather flat hierarchy, which means that their squads can be more reactive in their decision-making regarding market change and customer needs. Additionally, they seem to have a great focus on reducing micromanaging, which leads to an increase in creativity and innovation in Spotify's employees. Moreover, they encourage employee empowerment by giving team members the freedom to make decisions and carry more responsibility. This however can also lead to problems, since it allows employees increased exposure to the risks of burnouts. Companies can prevent this by being for example more responsive to personal needs, such as providing staff when the need for talking occurs. A good manager should recognise this, which is why it is important to have a special focus on good management in the module. If Leuphana has a special focus on training competent managers, then it can consciously contribute to improving work environments.

Conclusion

In conclusion, it becomes clear that there is an increasing importance in teaching good and adaptive management such as the Spotify management style in our module. Because it not only gives students the opportunity to learn skills that can be applied in their future careers or their current studies. But more importantly it gives Leuphana the opportunity to create socially sustainable managers that will have huge impacts on the business world in a few years. In addition, it may

help future managers to find the best way between managing employees in an efficient way to get the most out of their creativity and maintaining social responsibility.

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Driven by Innovation: How Entrepreneurship Fuels Porsche's Growth

Vincent Rénevier

From Racing Roots to Road Success: A Journey of Entrepreneurship at Porsche

Porsche, the iconic luxury sports car manufacturer from Zuffenhausen, has a rich history that is rooted in innovation and entrepreneurship. Ferdinand Porsche founded the company in 1931 as a consultancy firm that offered engineering services to multiple automakers. However, it was Ferdinand Porsche's son, Ferry Porsche, who later in 1948 unveiled the first car of the Porsche brand, the 356 (Dr. Ing. h.c. F. Porsche AG, 2018). Throughout its history it was Porsche's drive and vision, that laid the groundwork for what would ultimately grow to be one of the most recognizable and respected automotive companies in the world.

Porsche has continuously pushed the limits of what was possible in the industry. The company has always been motivated by an entrepreneurial spirit, from its earliest days as a racing and motorsports engineering enterprise to the development of the classic Porsche 911 and its expansion into new markets and product areas. But Porsche does not only build cars. For some time, there have been several subsidiary companies, such as the Porsche Digital GmbH, Porsche Logistik GmbH and the Porsche Consulting GmbH (Camp, 2020). While the Porsche enterprise is mostly centered around their cars it has always been Ferdinand Porsches' spirit to collaborate with different kinds of people, find solutions for problems within their field of expertise and innovate society where they can. Which is why Porsche is the perfect example to show, how Entrepreneurship is acted upon and how small companies with the right management can become market leaders.

How Entrepreneurship Helps Porsche Build Sustainable Solutions for the Future

"I couldn't find the sportscar of my dreams, so I built it myself" is probably one of the most famous quotes of Ferdinand Porsche. When reflecting on how we have dealt with entrepreneurship within our course, I believe this quote represents Porsches' spirit towards this topic the best. Mr Gielnick

quoted Sankaran Venkataraman and Scott Shane with their definition of Entrepreneurship being about “the process of discovery, evaluation, and exploitation of opportunities; and the set of individuals, who do exactly that” (Venkataraman & Shane, 2000). Porsche recognized that there was a lack of sportscars, which could meet his demands, so he went and built his own car. While his son was mainly responsible for the growth of the company, it was Ferdinand’s entrepreneurial spirit, which got the company started and still lives on within the brand today. With that entrepreneurial spirit in mind, one can look at challenges, car manufacturers face today and how Porsche deals with them. Since the European Union has set the goal of banning CO₂-emitting cars by 2035, automakers face the challenge of having to restructure their product range and evaluate how they can meet these demands (Huitema, 2022). Many manufacturers, such as Audi, Volvo and more have decided to switch their entire range of cars over on electric vehicles and close their sports car department by 2025 (Harloff & Hebermehl, 2021). Porsche however decided to go another way. While also introducing their first electric vehicle, the Porsche Taycan, in 2019, they invested heavily in the development of so-called E-fuels. E-Fuels, or synthetic fuels, are a sustainable alternative to traditional gasoline, diesel, and other fossil fuels. Unlike traditional fuels, E-Fuels are produced using renewable energy sources and are considered carbon-neutral, meaning that they emit no additional greenhouse gases (UNITI Bundesverband mittelständischer Mineralölunternehmen e.V., 2023). In January 2021, Porsche announced that it had successfully used E-Fuels in its engines for the first time, marking a major milestone for the brand and the automotive industry as a whole.

This breakthrough is a prime example of how Porsche's commitment to entrepreneurship and innovation has led to new and sustainable solutions that help to reduce the carbon footprint of its cars. The use of E-Fuels is an important step towards achieving the company's goal of becoming carbon-neutral by 2030, and it highlights Porsche's role as a leader in sustainable transportation.

Different Perspectives on Entrepreneurship Within the Porsche Group

In our course, we discussed different features and characteristics of Entrepreneurship, which we can now apply on Porsche. It was said that Entrepreneurship is often times about changing the society through creating innovative changes and to take responsibility and address certain challenges. While the criticism about the emissions and image of sportscars is understandable, Porsche is always trying to innovate and find ways, to lower their CO₂-footprint. For example, in

the near future, it is likely that all of Porsches' model lineup, except the 911, will be electrified. While with their innovations in E-fuels this might seem controversial, because of regulations there is no other way. This way Porsche takes responsibility and acts upon the interest of future generations. When talking about Entrepreneurship we must take the different perspectives, the financial, strategic, institutional and psychological perspective, into account. With 301.900 cars delivered in 2021 and a revenue of around 33.14 billion euros, Porsche can most definitely be seen as financially and statistically successful (Statista, 2022). Once again reminiscing that the company was founded primarily by one person and presented their first car only 75 years ago. Strategically seen, Porsche has created cars that spark emotion and passion within their customers. A winning formula and something that might not be comprehensible for anyone not into cars. The Porsche brand to this day stands for innovation, image, a special aesthetic and style. Something which can only be generated through time and skilled craft. Institutionally, Porsche has positioned itself sustainable, open for electrification and on the forefront of innovation. They have set a goal of being carbon neutral by latest 2030 and are well connected with lawmakers and within politics – something very important for entrepreneurial companies. The psychological perspective upon Entrepreneurship within companies can be interpreted differently in this case. While I have already addressed that Porsche customers tend to buy emotions, passion and the brand, Porsche itself psychologically stands for even more. What has driven Ferdinand Porsche to create his business, we can only speculate. Except the lack of his dream car, it was most likely a need for fulfillment as well as a passion and vision which was his primary drive. All in all, these perspectives help us understand the role Entrepreneurship plays within Porsche. The brand has positioned itself that attracts people who have the funds to be able to afford such a car, while also trying to tackle the challenge of climate change, communicating with politics but never leaving the passion, vision and entrepreneurial spirit of its founder, Ferdinand Porsche, out of focus. This case also summarizes well, how important Entrepreneurship is, to make a company successful and how it has led to Porsche being much more popular, than its competitors.

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The Role and Importance of Management Skills

Darla Skoracki

Introducing Management Skills

How the Different Management skills are Affecting the Work Done by the Team

In the course Foundation of Management and Entrepreneurship Management skills are often discussed and talked about. These skills are vital to help any organization to run smoothly.

A manager must possess a wide range of skills to effectively manage the organization, the team, and the work processes. In this paper, we will discuss the key management skills required for effective Management. (Corporate Finance Institute, 2023) We will also look at an example. This being my father who was the leader of a 15 to 20 person team for more than two decades while working at Volkswagen in Wolfsburg.

One of the most important Management skills are the communication skills. A good manager must be able to communicate effectively with team members, clients, and stakeholders. Communication skills include both verbal and written communication, and it is important to be able to convey ideas clearly and concisely. (Corporate Finance Institute, 2023) It is also highly important to be a good listener and provide feedback to improve communication.

Leadership is another important Management skill to attain. To lead their team by example and to motivate their team to achieve the organizations goals is vital for a manager. Leadership skills include being able to inspire and influence team members, delegate tasks effectively, and make decisions that benefit the organization. Additionally, it is important to overall be a good role model for the team members. In that way the leader can also be looked at as a coach for the entire team. (Ibarra, H, 2022)

Being able to manage their time effectively is crucial and vital for each manager. A manager has to prioritize tasks effectively and manage their time efficiently. Time management skills include being able to plan and organize work, set deadlines, and monitor progress. Last but not least it is important for a good manager to be able to handle interruptions and unexpected events. (Corporate Finance Institute, 2023)

Managers also need problem-solving skills to deal with the complexity of the day-to-day operations. It is important for a manager to be able to analyze situations, make informed decisions, and implement effective solutions. It is also important to identify problems before they become major issues and deal with conflicts in a constructive manner.

Poor Management can lead to a variety of problems within an organization. Some of the most common problems resulting from bad management include low productivity, poor employee morale, and high turnover rates. When communication is lacking, employees may become confused about their roles and responsibilities, leading to a decrease in productivity. Additionally, if a manager is unable to motivate their team or provide effective feedback, employee morale may suffer. This can lead to the already mentioned higher turnover rates as employees seek better opportunities elsewhere.

In conclusion, effective management requires a range of skills, including communication, leadership, time management, and problem-solving. A good manager must be able to communicate ideas clearly, lead their team to achieve organizational goals, manage their time, and solve problems effectively. With these skills, a manager can help to create a successful and efficient organization. (Corporate Finance Institute, 2023)

Connection to the Course

During the lectures we were split in groups and sent to discuss different Management strategies. In a way everyone said something that was important to them. Some of us thought that the communication skills were the most important ones where others thought that the time management was the most crucial one. In my opinion problem solving is the most important skill for a manager to have. Since this specific skill combines everything important. At first glance it might one look like the manager has to be adaptable and work with changes but these managers also have to have backup plans which have to be communicated well. These plans have to be well thought out and timely planned for them to work and help out in a problematic situation. As my dad has often said: “A good team leader is always prepared for his plan to fail.”

This course showed the different aspects of the “Management world”. It was clear that while some traits of a good manager should be acted out in our everyday life such as good time management other traits are needed more in depth for a good manager.

Example

Case of Torsten Skoracki

Torsten Skoracki worked at Volkswagen as a manager for around 20 years. In his time he managed many different groups. In the interview he was asked on what he thinks is the most important thing for a team. His answer was clear and fast. He was very sure that communication was the utmost priority. And to achieve good communication it is important to define goals. The goals for the company but also the personal goals of the employee. Mr. Skoracki made sure that each one of his team members knew what was expected of them and what they could expect from him. A team always looks to its leader for support and guidance. It is also vital that the leader is able to make decisions. In the case that a leader is unsure in their decision the entire group will most likely lose faith in their leader. Which is a big problem since this is the exact time that the group needs guidance. The individual will most likely not need help with their specific workload since they have been hired to know exactly what they need to do. The manager most likely knows way less than them about the topic since they need to overlook the entire process and not just one specific part of it (Prentice, W, 2022). Mr. Skoracki says in the interview that it is extremely important that the worker feels confident in their workspace. To know that they are trusted with their task and that they are free to work however they need to help each team member to truly unfold their potential. In order to make a team not only good but great it is crucial that the team and the employees in it each function well. This can be achieved through different situations. In one way a crisis can help form a team but can also destroy it.

“A good team is one built on trust. Trust in themselves. Trust in the team. And most importantly trust in the leader. This doesn’t happen overnight. It has to be built and nurtured. If these relationships aren’t well looked after the team will never function at their highest possible abilities.” (Torsten Skoracki, 2023)

Conclusion

In conclusion, effective management requires a range of skills, including communication, leadership, time management, and problem-solving. A good manager must be able to communicate ideas clearly, lead their team to achieve organizational goals, manage their time, and solve problems effectively. With these skills, a manager can help to create a successful and

efficient organization. And without them the potential negative consequences of poor management have been highlighted.

Overall, this course has provided valuable insights into the complex world of management and the necessary skills for effective leadership.

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Effective Management: A Key Component for the Success of Ryanair?

Laeticia Mewouo

Introduction

Ryanair is a low-fares airline based in Dublin, Ireland. The company was founded in 1984 by the Irish entrepreneur Tony Ryan. It became one of the largest and most successful airlines in the globe. Ryanair is mostly known for its low prices and has gained in popularity over the years. The airline has over 2,500 daily flights (Ryanair, 2023), in over 40 countries within Europe and other countries in the North of Africa (Ryanair, 2023). Ryanair counted a number of 152 million passengers in 2019.(Wikipedia, n.d). During the company's early beginnings, they were encountering various challenges such as declining of public reputation and a drop in the companies share prices (Calvellini, Frosecchi, & Tufo, 2019) leading to huge losses. However, the airline rose up from these crises when Michael O'Leary started leading the company in 1993, where he completely redefined the business model and tactics used by Ryanair. The company has achieved its success by implementing a range of management strategies that have enabled it to streamline its operations, reduce costs, and offer its customers affordable flights. This essay aims at exploring the management strategies used by Ryanair which helped the company to become one of the most successful airlines in the world.

Insights on Ryanair's Management Structure

Peter Drucker (1999) argues that "management is to make people capable of joint performance through common goals, shared values, the proper structure, and the training and development they need to perform and to respond to change." Anyhow, Ryanair is known for applying the POLC management model, i.e., Planning, Organizing, Leading and Controlling, which are the key components of management. This framework provides a structured approach for managers to respond to the challenges and the problems faced in the company (Griffin, 2016) and achieve organizational goals. The implementation of this framework by Ryanair is as follows:

For the Planning function, the airline focuses on setting objectives and developing strategies to achieve their goals. Ryanair (2004) declared that their goal was "to firmly establish itself as

Europe's leading low-fare scheduled passenger airline through continued improvements and expanded offering of its low-fare service." Well, we can say that the airline highly succeeded in this aspect, since it's now considered as one of the airlines with the lowest fares in Europe. (Ryanair, 2023) The vision and mission of the organization were set by the managers of the company, while predicting the future of the company (Griffin, 2016) Some of the strategies implemented by Ryanair to achieve its primary goal include, the reduction of costs where possible. For example, Ryanair uses secondary airports that charge lower fees than primary airports. (BBC News, 2019) Also, the base airports are distributed across Europe so that there is no need for "operational flights". The airline established a 25minutes timeframe between landing and departure, so that the aircrafts are on the ground as little as possible (Wikipedia, n.d) The airline uses a single type of aircraft the, Boeing 737, to reduce maintenance and training costs of pilots, engineers, and cabin crew. (Hepher, 2019) Next, Ryanair tickets do not grant additional services such as meals and drinks. They also charge additional costs for check-in at the counter and the carriage of extra luggage, since usually only one regular size bag is free of costs. (Ryanair, 2023)

The second function of the POLC management framework is Organizing. At this level, the company allocates responsibilities and shares tasks to each individual, whereby the efforts of all the employees are coordinated (Ansoff et al., 2018) Organizational culture, organizational design and the social networks within the company are also decided.(Griffin, 2016) The organizational structure of the company features 11 persons and is pretty much traditional, whereby the functional heads of the company report directly to the CEO, Michel O'Leary. (Caputo, Borbély, & Dabic, 2019) The Chief Operating Officer and the Chief Financial Officer report directly to the CEO of the company along with the Legal Secretary, HR manager and the ground operations officer (Caputo, Borbély, 2019) This illustrates the ideal hierarchy of the company which is short, hence the company is being able to communicate effectively within different segments in order to ensure the consistency of the airline. (Caputo, Borbély, 2019) Ryanair's team comprises of over 17,000 employees from all around the world, which include more than 10,000 crew members and over 5,000 pilots – who train at their state-of-art flight simulators in Ireland, the UK, Germany and Italy – who deliver excellent service and safety to their passengers. (Ryanair, 2023)

The third function of the POLC management model is Leading. It involves the inspiration and motivation of the employees in positive working conditions to achieve the goals of the organization. The leading of Ryanair is based on the leadership strategies and ways of business

management of the airline's CEO, Michel O'Leary. (Buchan, 2017) For instance, he contributes as a team member in the company and uses his individual capacities to help achieve group objectives and perform efficiently in group settings. (Buchan, 2017) Also, he possesses managerial competences by demonstrating his ability to effectively organize human and financial resources to achieve the company's objectives. (Jack, 2020) The success of Ryanair could not be possible without the strong commitment of the CEO. (UK Essays, 2018) and his leadership has been able to make Ryanair appear on the list of the largest airlines in the world. In short, the leader possesses democratic style of leadership with a combination of autocratic (Decker, 2016).

Finally, the Controlling stage involves the monitoring of the progress and performance made by the company to achieve its goals. Here, performance standards and corrective measures are carried out to have insights on the status and quality of the services offered. (Jack, 2020) The company uses a wide range of tools and techniques metrics to measure its performance. This helps the airline have key statistics about the number of passengers they carry, their load factor, their punctuality, the customer satisfaction and the amount of CO₂ emissions. (Ryanair, 2023) The airline also controls its finances through several types budgeting, such as top-down budgeting and bottom-up budgeting. (Fayol, 2016) Also, Ryanair follows track of basic operations concerning the companies' everyday activities, for example, the trends in the market and the management of human resources. (Fayol, 2016) Controlling is important to make sure that the company's objectives are being achieved.

Conclusion

It can be concluded that the knowledge of management is crucial factor for the further development and success of a business or an organization, and in this case, Ryanair demonstrates that. The concept of planning, organizing, leading and controlling of a business or a legal entity, allows managers to optimize resource utilization, reduce redundancy and increase productivity in order to achieve specific goals.

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The End of Toys “R” Us

Tom Tizian Züll

Introduction to Management

Bad Management can have an immense impact on the success of a company. In this case, how did Bad Management lead to the demise of Toys “R” Us. Before we get into that, we first must look at management: What is management? How would you define good and bad management?

Main Operations of Management

Effective Management is essential for ensuring that companies, organizations, etc. operate effectively and achieve their chosen goals and outcomes. To ensure effective management, there are several operations and aspects which must be considered. The key feature is that management is getting things done through people. The main operations can be broken down to a few main points: Setting Objectives, Coordination/Organization, Motivation (Ryan 2016)

For management, setting objectives not only sets clear expectations, but also motivates and engages staff, bringing them closer to the set goals. Objectives can be broken down into two types: Performance and Numeric. Performance Objectives can be anything from work speed to flexibility. In an ideal situation, those objectives overlap from personal to company goals, so that staff and people are even more motivated (ACTUS n.d.).

Only by organizing different departments, a company can function. Those departments can include sales, production, public relations, finance, and human resources, just to mention a few of them. It indicates that only organized teamwork can get a company/organization to achieve goals. When looking at other companies, it is clear that coordinated organization is a key to achieving company goals. (Ryan 2016)

Motivation is a centrepiece when it comes to management. It drives employees to enhance their performance, job satisfaction and engagement. Motivating employees can be anything from providing growth opportunities like a promotion, fostering a positive work environment, to them competing for benefits including more money or holiday-days. (Ryan 2016)

Relevance of Good Management and the Differentiation to Bad Management

With view on the mentioned operations of management, the differentiation between good and bad management can be made easily, and it helps us to emphasize the importance of good management.

It is essential for management to set objectives, organize well, and motivate its employees. Motivation in good management can take several forms, but perhaps the most obvious one would be creating a sense of purpose and meaning for employees and their work. By setting clear goals in an environment with room for open communication in the exemplary form of feedback, and recognition, motivating employees can be achieved. How could this look in a good management environment? Motivation based on open communication can be accomplished by a clear feedback cycle. As example: there can be monthly feedback from manager to employee on how their work helps the company to achieve their goals. Feedback can also be the other way around; employees can clearly communicate what they are looking for in their work environment. With this form of communication, there is not only set a clear productive tone, but it also as well boosts employees and team morale by showing them their importance. In bad management, this can take a different turn: by failing to provide expectations, goals, and feedback, employees can be disengaged from their work. This can lead to missing deadlines and bad teamwork. Moreover, managers can create a negative work environment based on micromanagement, blame, and unconstructive criticism, which will pull employees even further away from their company. (Sanders & Thornhill 2016)

Coordination can as well be divided by good and bad management. Organizing a well-managed firm would be, that the manager would carefully plan and allocate the available resources within the organization. This would include working with physical resources like the budget, but also with human resources. Delegating tasks, and finding the right people for the right job, when executed properly, will optimize the firm's waste of time, and resources. Well-planned coordination can help organizations adapt to several circumstances, such as economic crisis or new laws that force them to change their kind of work. Bad coordination, on the other hand, can not only lead to low productivity, but also ultimately to fail to remain competitive in their section of the market. A manager who fails to provide the necessary support and training for their employees could start the problem, as well as a lack of skill and knowledge about their firm and employees. By assigning the wrong task to the wrong people, productivity can be drastically slowed down. If an organization is uncoordinated, it can lead to slower results through poor coordination, or even

scenarios in which departments work against one another. This can lead to low productivity and a toxic work environment. (Sanders & Thornhill 2016)

Toys “R” Us

At the height of its power, Toys “R” Us controlled around 25 percent of the world's toy market by selling 18,000 different toys in 1450 locations. The stores were designed for kids and customers, inspired by classical supermarkets with toys laid out in rows. This was an entirely new concept for selling toys. Instead of just seeing boxes and a small/limited product line, Toys “R” Us approach was presenting thousands of products. Charles Lazurus took advantage of the baby boom following the Second World War by taking a straightforward approach and buying products from the growing Asian market at a cheaper price. (History.comEditors 2018)

The demise of Toys “R” us is due to several reasons. Most of them can be drawn back to a lack of good management in times of a changing market. The Brand filed for bankruptcy protection due to a massive debt of over five billion US dollars. Resulting of that, it had to lay off thousands of employees and close hundreds of stores. (Wharton 2918)

With a growing online market pushed by business like Amazon, Toys “R” Us failed to adapt. Bad management played a significant role in that; the company was severely limited in its ability to adapt after the buyout of private equity firms in 2005, which resulted in huge amounts of debt which ruined it at the end. While online retailers like Amazon provided a more convenient shopping experience, the Toys 'R' Us online market was slowly developing, and the company's website and online service were often criticized for being difficult to navigate and not user-friendly. (Puri 2018)

The Toys “R” Us management suffered under “management myopia”. The management of the brand failed to properly communicate with its employees, while employees hid facts and figures. This lack of trust resulted in poor decision-making and more growing debt. (Saunders 2016)

Not only did the retail competition grow with Walmart and Target, which both offered a broader range of products, but consumer preferences also changed. Instead of toys like Barbies, puppets and play cars, kids preferred phones, tablets, and headphones.

Conclusion

Toys “R” Us is a prime example of bad management; management failed to set long-term objectives, but rather gave short-term profit goals. Neither did the management install a proper organization which coordinated well. There was no one really in charge to look at future trends like digital gadgets/toys. And finally, management lacked to motivate employees to openly communicate problems... The combination of a changing market environment, bad management as mentioned and a burdening debt load resulted in the ultimate bankruptcy and closure.

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To Infinity and Beyond: How Entrepreneurs like Elon Musk (Literally) Change our Planet

Kristijan Andic

In today's world, entrepreneurship is more important than ever. With the rise of technology and global competition, entrepreneurs are needed to solve the world's most pressing problems. One of the most successful entrepreneurs of our time is Elon Musk, the founder of SpaceX. This chapter addresses the relevance of entrepreneurship by showing the impact entrepreneurs like Elon Musk and his foundation of SpaceX can have on society.

About Entrepreneurship

Scott Shane and Sankaran Venkataraman, two highly renowned professors in the field of entrepreneurial studies, defined entrepreneurship as follows:

Entrepreneurship is about “the processes of discovery, evaluation, and exploitation of opportunities, and the set of individuals who discover, evaluate, and exploit them” (Shane & Venkataraman, 2007, p. 172).

Therefore, it focusses on two parts – opportunities and entrepreneurs. While it is highly debated whether an opportunity must aim at making a profit or not, there is no doubt that entrepreneurs are not just the persons who start or invest in a business. According to Shane (2003) there are four main criteria to becoming an entrepreneur:

1. Opportunities or situations to recombine resources must be there.
2. Differences between people, like preferential access to certain individuals or the ability to recognize information about opportunities, are needed.
3. It is a necessity to take on a level of risk.
4. The organization of people and resources is required in an entrepreneurial process.

Entrepreneurial Case: SpaceX

In the past the aerospace industry was organized purely by the government and extremely costly. Elon Musk discovered this opportunity, recognized information about it and started Space

Exploration Technologies Corp. (SpaceX) in 2002 with the goal of making humanity a multiplanetary society and enabling it to colonize other planets like Mars by harshly reducing the costs of space transportation through designing reusable rockets (Kopp, 2022).

He took an enormous financial risk and funded a small team to design and development a whole new rocket named “Falcon 1”. Several failed launches almost ended the company and Musk financially, but this problem turned around after the first successful launch in 2008, which led to a US\$1.6 billion contract with NASA (Berger, 2021). The renewed confidence and resources were put into the development of larger and more powerful rockets such as the “Falcon 9” or “Falcon Heavy” which to this day are used to carry equipment and supplies to the ISS or to launch satellites into space.

In 2015 the accelerating part of a “Falcon 9” rocket was able to return from space and land safely for the first time and was then used to launch another rocket in 2017. By designing the “Dragon” spacecraft, which could be reused as well, SpaceX set the foundation for many following and successful missions, launching several manned and unmanned flights into space (Kopp, 2022).

Aiming for global internet access and mobile phone service, SpaceX also started to launch a satellite constellation into low Earth orbit in 2019 under the name “Starlink”. As of February 2023, the constellation consists of over 3,580 small satellites and provides internet access to 50 countries (McDowell, 2022). In the future, almost 12,000 satellites are planned to be deployed, providing broadband internet access with low latency to every place in the world (Grush, 2018).

But SpaceX was not the first and should not remain the last time for Musk combining all the aspects from above and therefore becoming an entrepreneur. By founding numerous companies in various industries, such as Tesla Motors (automobile), The Boring Company (tunneling) and SolarCity (solar energy), he created a powerful network of interconnected businesses.

The Relevance of Entrepreneurship

Innovation like this is a driving factor behind economics, and it is often the result of initiative-taking, knowledgeable persons who are capable of turning their visions and dreams into reality. The significance of entrepreneurs goes beyond the effect they have on their own businesses – they can have a profound impact on their local communities, and sometimes even on the world.

Society benefits from entrepreneurs in various ways. First, they provide for economic growth, as they create new products and services and sell those to existing or entirely new markets. Not only does this lead to the creation of useful products and services, but it also creates jobs and the taxes generated help fund beneficial structures and projects for society. And second, with their innovative thinking and fresh approaches, they initiate industrial transformations, leading to a reduced reliance on outdated technologies and processes (Maryville Online, 2021).

Returning to our example, SpaceX created 12,000 jobs (as of April 2022) and changed the whole aerospace industry by developing, building, and launching reusable rockets at a third of the cost of governmental agencies like NASA (Killik & Co, 2022). Furthermore, they enable new types of communication in previously inaccessible areas by providing broadband internet to people around the world through their “Starlink” satellites.

Conclusion

In short, entrepreneurship is an important topic worth learning about because entrepreneurs can improve the lives of individuals and communities, as well as the overall economy. It creates jobs, encourages innovation, and promotes economic growth.

The impact of Elon Musk and SpaceX on people’s lives is undeniable. By making space exploration more affordable and broadband internet more accessible, SpaceX has opened a world of possibilities and opportunities. Opportunities, that can be discovered, evaluated, and exploited – by you and me. By developing an understanding of entrepreneurship, university students can incorporate some of its principles into their own mindset or even become entrepreneurs themselves – and start having a positive impact on this world, and maybe one day even Mars, too.

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Entrepreneurship: The Example of Pepsi

Filip Atomei

Introduction: Pepsi vs. Coca-Cola

How does one compete with the biggest and most prominent beverage companies in the world? How did Pepsi become competition to the at the time monopolizing power of Coca-Cola? There are hundreds of beverage brands offering a variety of drinks to consumers. But PepsiCo, Inc. and Coca-Cola Co. are leaders in the global beverage industry. They are the world's largest beverage manufacturers.

The Coca-Cola company was founded in 1892 with its headquarters situated in Atlanta, USA. The PepsiCo Company was founded in 1898. At that time, its name was Pepsi-Cola. The company merged with Frito-Lay, Inc. in 1965. After that, its name changed to PepsiCo. The headquarters of the company is situated in New York, USA. When it comes to PepsiCo, it shows a diversified product portfolio and manages to put equal emphasis on each of its products. The consumer-packaged goods industry is the other industry where PepsiCo has its footprints. In fact, the products of PepsiCo in the snack food category accounts for nearly 50% of the company's total revenues. This diversified business model of the company has made it create and acquire several complementary products in both the food and the beverages industry.

On the other hand, when it comes to Coca-Cola, the company purely relies on its beverages brands for the revenues it collects. The company possesses around 100-plus beverage products of its own. In a world where Coca-Cola seemed to have the upper hand on the beverage industry PepsiCo made use of innovative business models and entrepreneurial ideas that made them stand out and compete, at some point even "beat" Coca-Cola showing in some sense the importance of entrepreneurship.

Difference in Strategy

A large part of Pepsi's marketing budget goes to digital marketing and advertising. Apart from that, a large sum is also spent on television advertising and other traditional methods of advertising. Any leading brand is investing heavily in digital technology for marketing and a better customer experience.

Coca-Cola works on building Customer relationships and making their production and distribution more efficient and cost-effective. Coca-Cola is evolving its business strategy to become a total beverage company by giving people more of the drinks they want – including low and no-sugar options across a wide array of categories – in more packages sold in more locations.

Throughout all the years, both companies have managed to stay relevant and appeal to the masses through their creative and at times entertaining advertisements and marketing campaigns. Both of the brands keep on introducing popular flavors into their drinks and come up with new ideas targeting specific groups. Some of these successful campaigns for Coca-Cola were for example “Share a Coke with”, “Taste the Feeling” and “Holidays are coming”.

Pepsi’s advertising campaigns are a lot different than Coke's. This brand likes to experiment with the latest developments and work with current celebrities. Pepsi’s advertisements are either purely witty or driven by its rivals, with a tint of humor. Over the years the brand has associated with a whole range of big names from the singing and acting industries. People like Britney Spears, Cindy Crawford, Cardi B, and more have been involved with the brand so far, which resulted in multiplying the overall sales of the brand.

Pricing Strategy Comparison

The pricing strategy of Coca-Cola is what they refer to as "meet-the-competition pricing": Coca-Cola product prices are set around the same level as their competitors because Coca-Cola has to be perceived as different but still affordable.

Pepsi is taking this value-based pricing strategy a bit further with its “Hybrid Everyday Value” model. This pricing strategy is an effort to make customers buy Pepsi not only when it is on sale. They have various sizes of bottles offered at various rates. This is priced according to the quantity of the drinks supplied. The promotion is also done keeping in mind the targeted customers.

By 1983, Pepsi was outselling Coke in supermarkets, leaving Coke dependent on its larger infrastructure of soda machines and fast-food tie-ins to preserve its lead.

With its innovative and new ways of promoting their products Pepsi was able to become one of the most prominent and successful beverage companies or businesses, in some areas and places even more successful than Coca-Cola.

Conclusion: Entrepreneurship as a Module?

All of this serves to illustrate how relevant an entrepreneurship module would be if included in IBAE. Entrepreneurship talks about the pursuit of new ideas and the willingness to pursue those ideas and the process of developing, organizing, and running a new business to generate profit while taking on financial risk. This is important and I would go as far to say that it's necessary since we don't know what future challenges we will have to face, no matter if in the business administration or our everyday lives.

Normally, new challenges need to be met and solved with new solutions. It's here that an entrepreneurial mindset becomes important. Pepsi became successful not just because of their beverage, but because of the various creative ways they found to promote and advertise their products. Creative advertisements that catch people's attention, different but innovative campaigns and new pricing and marketing strategy made them not only stand out but made them able to compete and even outdo the greatest competitor at the time Coca-Cola. Coca Cola may seem like a more successful brand than Pepsi, but Pepsi has also been improving itself over the years as a brand to prove like a tough competitor to Coca Cola. It is appropriate and important to have entrepreneurship as a module in IBAE since many who will want to build a company will need competences and a set of skills that enable them to identify and make the most of opportunities, overcome and learn from failure, and succeed in a variety of settings they will find themselves in. Many nowadays have the notion that new upcoming businesses have little to no chance of competing with long-standing, big companies for one reason or the other. However, companies and businesses like Pepsi demonstrate how entrepreneurship can contribute to making a business stand out and succeed in face of new problems. It gives you the opportunity to generate innovative business ideas, test the viability of a business opportunity, and acquire the right mindset needed to make critical decisions.

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Ecosia: Entrepreneurship is not Always about Profit

Marie-Kathrin Baumert

Ecosia: The Sustainable Search Engine

One click on the results of your internet search can now plant trees. *Ecosia* is a search engine that plants trees for every click you execute through their search bar. Thereby, they want to fight climate change, which they also state as their main goal. Hence, maximizing profit is not one of their direct aims. In this essay I am going to investigate if and how this is a great example for ‘Entrepreneurship’, especially because this term is often associated with the term ‘profit’. In an effort to do so, it is important to first dive deeper into the meaning of ‘Entrepreneurship’ and then investigate Ecosia and its founder’s, Christian Kroll, psychological perspective.

Entrepreneurship can be understood as “discovering, evaluating and exploiting opportunities [...]” (Gielnik, 2023, 00:12). In this context, it is crucial to know that those opportunities are not limited to business opportunities, but rather in a broader sense to all economical, ecological, and social opportunities that are capable to improve the life of individuals. So, entrepreneurship can help us to deal with any kind of paradigms and issues we might face in our society today. While there are multiple perspectives and parts to entrepreneurship, such as the financial, strategic, or institutional perspective, the most crucial perspective is the psychological. In turn, that means that the most crucial part of entrepreneurships lies with the individuals, that take the action, the entrepreneurs. This circumstance is mainly due to the factors that influence the entrepreneurial success. The only factor that has a direct influence on the success, is the action that an individual takes. This action is often determined by the individual’s characteristics, capacity, motivation, and strategies. Other factors, such as education and environment in fact influence the effectiveness of the action, but not the success directly. A wise strategy to follow is focusing on effectuation, bricolage, and lean startup (Gielnik, 16:12). Those steps suggest that firstly, it is necessary to take a means-oriented action, that considers the certain preconditions of and individual, such as capital, number of employees and time. Secondly, it is crucial to start small and create the product or service one is offering from a foundation that already exists. It is always possible to improve the product later, the important part is to start. Lastly, individuals should not aim at a perfect product or service from the beginning on, but rather improve it step by step from the feedback they get. Thereby it is also

easier to always see that improvement is possible, rather than thinking “I made it” and then not continuing any farther.

So, to put it in a nutshell, entrepreneurship includes all ideas, that individuals out into practice and that help with ecological, social or economical problems.

Ecosia was founded in 2009 in Berlin by Christian Kroll. It was his second try at a sustainable search engine and the replacement for ‘Forestle’. Users can use Ecosia for free and with every click they execute on the search results, Ecosia earns money and invests it into planting trees. In 2020 Ecosia had 80 employees and they state to have planted over 170 million trees already, the number increasing every second (Ecosia Website). Ecosia describes itself as a “purpose-company” (Ecosia Website) meaning that they cannot be bought, nor do they sell shares. According to Kroll, Ecosia’s only purposes are to fight climate change and ensure the wellbeing of their employees (Perez-Diehl, 2023). In an effort to do so, they donate 80% of their earnings to companies such as WWF or WeForest and thereby plant trees. The rest of the money is usually spent on taxes and legislations or on operative purposes. Ecosia is very transparent concerning their financials, they publish a financial plan on their website every month where they list their spendings and the purposes of them. Shown in the following is the finance plan for February 2023 from the Ecosia website. It is very user-friendly and understood easily.

Ecosia generates its search results through Microsoft’s ‘Bing’ and is thus very reliant on Microsoft (Perez-Diehl, 2023). Kroll states, that this reliability is indeed critical, but it is simply not possible for a small business to develop a search algorithm that can compete with Microsoft’s or even with Google’s algorithm. In an effort to not limit its users to a minimized number of search results, Ecosia developed a button at the end of the search page that leads the users directly to the Google results for the same search. With even more improvements, like weather widgets, Ecosia tries to make their page as user friendly as possible and hence motivates users to change from other, more popular search engines (Perez-Diehl, 2023).

Sustainable Entrepreneurship: Is that Possible?

Since Ecosia aims to fight climate change and ensure the well-being of their employees, they persecute social and ecological purposes. Thus, they have the right to call themselves a “non-profit-organization.” Nevertheless, Ecosia represents the concept of entrepreneurship

simultaneously. That is because firstly, Kroll saw an opportunity to battle a crucial issue of our time and put it into practice. Millions of people use search engine every day and many of them want to fight climate change as well, but they just do not know how. Kroll saw that parallel and gave them the opportunity to fight climate change every day through their online searches.

Secondly, Kroll acted on his idea. He started out with little resources and created “Forestyle”. Afterwards, with time, feedback, and better resources he was able to launch Ecosia and scored an even bigger success. Therefore, he followed the above discussed strategy through effectuation, bricolage, and lean start-up.

So, finally, it is crucial to investigate the psychological foundation of Ecosia and its founder, Christian Kroll. That is because the psychology behind a business is maybe the most crucial part when identifying true entrepreneurship.

The Crucial Part of Entrepreneurship: The Psychological Perspective?

Christian Kroll studied business administration, travelled the world, and learned to deal with stocks early on in his life. Those are all characteristics necessary in an entrepreneur. Kroll started with a vision to change the world in what he knew was the most important way: by fighting climate change and motivating others to do the same (Perez-Giehl, 2023). He started “Forestyle” when he was still a student at university from a very small foundation and still managed to build what is Ecosia today. He accomplished to succeed against bigger search engines like Google and Yahoo (O., 2023). Today, Ecosia won many awards for its dedication and purpose and is one of the biggest non-profit-organization in the world (O., 2023).

Kroll hence showed that an idea, paired with the necessity for it, dedication, a vision and tackling a crucial issue of our time can ensure entrepreneurial success even when it is not aiming at profit. Moreover, Ecosia and Christian Kroll can pose as an example for the necessity of more understanding and transformation of the term ‘entrepreneurship’, because once people grasp the true and more importantly full meaning of entrepreneurship, maybe more individuals would see the opportunity to act themselves when facing the crucial issues of our time and thus transform our world.

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Thriving in the VUCA World: Strategies for Success in a Dynamic Business

Carl Constantin Böhning

Introduction

The business landscape is changing rapidly, driven by advances in technology, globalization, and shifting economic and political forces. Today's world is characterized by volatility, uncertainty, complexity, and ambiguity – a VUCA world. While the acronym originated in the American military for describing extreme conditions during warfare, now it is used to describe the omnipresent global business environment (Harappa, 2021).

In this dynamic environment, businesses must be agile and innovative, able to pivot quickly and respond to emerging challenges and opportunities. Success in the VUCA world requires new skills, new ways of thinking, and a willingness to embrace change (ebd.). In this essay, I will explore the challenges and opportunities of doing business in the VUCA world and examine the strategies that businesses can use to thrive in this dynamic environment. From digital transformation to global collaboration, from entrepreneurial innovation to cultural intelligence, key factors will be explored which are shaping the future of business in the VUCA world and also how the upcoming challenges can be managed by the upcoming generation of entrepreneurs.

Good Preparation

Spoken from a meta-level perspective, it is important to address the upcoming challenges driven by the fast-changing VUCA world in a comprehensive approach that covers all levels of education. From primary school to university, educators must focus on developing the skills and mindset necessary to thrive in this dynamic environment. This includes a focus on experiential learning, entrepreneurship and innovation, digital literacy, soft skills, interdisciplinary learning, and exposure to diverse cultures and perspectives. Educators must also be willing to embrace change and adapt their teaching methods to meet the evolving needs of students and the business world. The module Entrepreneurship addresses these needs and prepares the students by teaching the core values and skills that are needed to grow a business.

To get a better understanding why the later following examples of companies are suitable how new business opportunities can be used in the VUCA environment, there will be a summary of some of the most important skills according to Kher (2020).

Adaptability

The ability to adapt quickly to changing circumstances and to pivot when necessary is becoming essential in the VUCA world. Businesses that can respond quickly to changes in the market or technological disruptions are more likely to succeed (ebd.).

Resilience

The VUCA world is full of challenges and setbacks, and businesses that are resilient and can bounce back from failures are more likely to succeed. Resilience requires a mindset that embraces challenges as opportunities for growth and development (ebd.).

Creativity

Innovation and creativity are critical in the VUCA world. Businesses that can generate new ideas and develop unique solutions to complex problems are more likely to thrive in this environment (ebd.).

Digital Literacy

As technology continues to transform the business landscape, digital literacy is becoming increasingly important. Businesses that are proficient in digital technologies and can leverage them to gain a competitive advantage are more likely to succeed (ebd.).

Collaboration

Collaboration and teamwork are becoming more important in the VUCA world, as businesses need to work across organizational boundaries and with partners and suppliers to achieve their goals (ebd.).

Cultural Intelligence

With globalization and increasing diversity in the workplace, cultural intelligence is becoming a critical skill for businesses. Individuals who possess cultural intelligence can navigate cultural differences and work effectively with people from diverse backgrounds (ebd.).

Unlocking Future Opportunities

The company Uber is one of the prime examples of thinking out of the box. “From two guys just wanting to get a limousine at any time and place to a business that spans 56 countries, 280 cities and is valued at \$40billion” (Gariel, 2015). They saw the opportunity to revolutionize the traditional transportation with cabs without of one single need of resources such as cars. With a good digital literacy, they managed to create a widely used platform where they do not own the end product nor carry the service that the customer purchases (ebd.). That makes this business model so scalable and is one of the reasons why Uber could have grown so fast. Similar examples are Youtube or Airbnb. Youtube never produced their own media and Airbnb never invested a cent into hotel property (ebd.).

While those digital platforms mentioned before have turned the traditional hotel, music and taxicab industries into “the winner-takes-all” markets by changing how value is generated, at the expense of the previous market leaders (Kenny, 2016), something similar can be seen in the rise of Tesla. “Tesla demonstrated the paradigm shift from engineering- to software-driven cars for years. Today, Tesla is worth \$952.03 billion which is more than the nine largest carmakers around the world combined while selling less than 1% of global cars. Although Tesla is a car company it gets treated and valued by Wall Street like a tech company” (Steffen, 2021, P.2) such as those mentioned before. They were one of the first to demonstrate a successful digital transformation of a traditional industry’s core product by adapting to the needs of the market and addressing the customers desire of an opportunity for cheap and emission free driving (ebd.). But which role played education and entrepreneurial mindset in founding this companies?

Knowingly, that the success of a venture is dependent from many factors, that partly maybe can’t even controlled, a lot of entrepreneurs got one thing in common. A good foundation of management and entrepreneurial skills. Elon Musk for example, inter alia founder of Tesla,

graduated at University of Pennsylvania in economics and physics (Gregsens, 2023) and formed a basis for his later success.

Conclusion

Charles Darwin's evolution theory is the best example of how survival works: once the environment changes, so do the survivors – survival of the fittest. The same picture can be seen with companies and organizations: They must adapt constantly to their surrounding VUCA world to survive and stay where they are. In a more and more digitalized world, where “Digitalization is an additional accelerator for change due to shorter innovation cycles in IT and more disruptions of the status quo than ever before. This development increases the pressure to constantly adapt by embracing dynamic capabilities” (Steffen, 2021, P.5). Accordingly, the need for well-educated and to the VUCA world adapted professionals, that can sustain this pressure due to their skills, is arising.

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Importance of Entrepreneurship in the International Business Administration & Entrepreneurship Program: A Case Study of Tecis

Katharina Borgens

Introduction

The field of international business is rapidly changing due to globalisation, technological advancements, and increasing competition. This has led to the emergence of entrepreneurship as a critical aspect of modern business. Entrepreneurship is the process of creating, developing, and managing a business venture with the aim of making a profit. It involves identifying opportunities, taking risks, and creating value through innovation. The International Business Administration & Entrepreneurship program is designed to equip students with the knowledge, skills, and attitudes needed to become successful entrepreneurs.

This chapter explores the importance of entrepreneurship in the International Business Administration & Entrepreneurship program by examining the case study of Tecis, a financial services company that has successfully applied entrepreneurship principles to its business model. The chapter argues that teaching entrepreneurship in the program can help students become job creators, contribute to economic growth and development, develop an entrepreneurial mindset, and Navigate the entrepreneurial ecosystem effectively.

Background of Tecis

Tecis is a financial service provider based in Germany. The company was founded in 1986 by Uwe Mahlstedt and operates as an independent broker for insurance and investment products. Tecis is known for its innovative business model, which focuses on providing clients with holistic financial planning services. The company operates through a network of more than 1,500 independent consultants who offer financial advice and product recommendations to clients. Tecis has received several awards for its innovative approach to financial planning, including the "Best Financial Advisor" award from Focus Money magazine. The company's consultants work with clients to understand their financial goals, develop personalised financial plans, and provide ongoing support and advice. Tecis' consultants are not tied to any specific financial product or service, which enables them to provide unbiased advice that is in the best interest of their clients. Tecis' success

can be attributed to its innovative business model and focus on providing value to its clients. Tecis has also expanded its business beyond many country's. Overall, Tecis is an excellent example of a company that has successfully applied entrepreneurship principles to its business model. The company's focus on providing independent financial advice and comprehensive financial planning services has enabled it to differentiate itself from competitors and create value for its clients.

Importance of Entrepreneurship in the International Business Administration & Entrepreneurship Program

The International Business Administration & Entrepreneurship program aims to prepare students for careers in the global business environment. The program emphasises the importance of entrepreneurship as a key driver of economic growth and development. Entrepreneurship is crucial because it fosters innovation, creates jobs, and drives competition. Entrepreneurship also enables individuals to realise their potential and make a meaningful contribution to society. The following are some of the reasons why entrepreneurship is essential in the International Business Administration & Entrepreneurship program.

Creativity and Innovation

Entrepreneurship encourages creativity and innovation. Entrepreneurs are often driven by a desire to solve problems and create new products or services. This mindset is essential in the global business environment, where competition is intense, and customers are demanding. International Business Administration & Entrepreneurship students learn how to identify opportunities, develop innovative ideas, and bring them to market. This enables them to create value for their customers and differentiate themselves from competitors.

Financial Management

Entrepreneurship involves financial management. Entrepreneurs need to understand the financial implications of their decisions and manage their resources effectively. International Business Administration & Entrepreneurship students learn how to develop financial plans, manage cash flow, and raise capital. This enables them to make informed financial decisions and ensure the long-term sustainability of their businesses.

The Importance of Teaching Entrepreneurship in the International Business Administration & Entrepreneurship Program

The International Business Administration & Entrepreneurship program provides students with a unique opportunity to learn about entrepreneurship and develop the skills and attitudes needed to become successful entrepreneurs. The following are some of the reasons why it is essential to teach entrepreneurship in the International Business Administration & Entrepreneurship program.

Entrepreneurial Mindset

Entrepreneurship promotes an entrepreneurial mindset that is essential in the global business environment. An entrepreneurial mindset is characterised by creativity, innovation, risk-taking, and resilience. Teaching entrepreneurship in the International Business Administration & Entrepreneurship program can help students develop an entrepreneurial mindset that is essential for success in the global business environment. Students learn how to identify and seize opportunities, take calculated risks, adapt to change, and learn from failure. This enables them to become more innovative, resilient, and adaptable to the rapidly changing business environment.

Job Creations

Entrepreneurship is a significant driver of job creation. According to the Global Entrepreneurship Monitor (GEM) 2020/2021 report, entrepreneurs created around 400 million jobs globally between 2017 and 2019. Teaching entrepreneurship in the IBAE program can help students become job creators rather than job seekers.

Case Study: Tecis

Tecis is a successful example of entrepreneurship in the financial services industry. The company's innovative business model has enabled it to differentiate itself from competitors and create value for its customers. Tecis' success is a testament to the importance of entrepreneurship in the International Business Administration & Entrepreneurship program. The company's innovative business model is based on entrepreneurship principles, such as identifying opportunities, taking risks, and creating value through innovation. International Business Administration &

Entrepreneurship students can learn from tecis' success and apply entrepreneurship principles to their own ventures.

Conclusion

Entrepreneurship is essential in the International Business Administration & Entrepreneurship program. The program aims to prepare students for careers in the global business environment by equipping them with the knowledge, skills, and attitudes needed to become successful entrepreneurs. Teaching entrepreneurship in the program can help students become job creators, contribute to economic growth and development, develop an entrepreneurial mindset, and navigate the entrepreneurial ecosystem effectively. Tecis is a successful example of entrepreneurship in the financial services industry, and its innovative business model demonstrates the importance of entrepreneurship principles in modern business.

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Acumen: A Case Study for Innovative Entrepreneurship

Anton Brandt

Acumen was founded in 2001 by Jaqueline Novogratz who previously worked in the financial sector at Chase Manhattan Bank and helped to start Ruandas first micro financing institution. (Acumen, 2021) Acumen is a non profit investment company that tries to solve the world's toughest problems through the help of patient capital and impact investing, they are going where markets have failed the poor and where charity created systems of dependents. (Acumen, 2021)

In this chapter I want to explain the problem that Acumen is trying to solve, how businesses and charities are failing the poor, and how at the intersection of these two a new way of solving the problem of poverty emerges. You will learn how this is connected to our Major program and its module on Entrepreneurship and how looking at the world and its problems through an entrepreneurial lens can ultimately create a world that is more just and in which more people live with dignity.

The Problem with Traditional Charities

For most of the world's problems there is a charity that is trying to solve it. Nonprofits such as Viva con Agua, Green Peace and Charity: Water are familiar to a lot of people. Charities work in various ways, but their primary methods include providing direct aid, offering information, or raising awareness about a particular issue. Most of the time it is a mix of all of them. The aid they provide usually comes from donations of organizations or private donors. The donations are then used to pay the staff and address the issue that the charitable organization aimed to solve. The problem is that charities often only look at the symptoms of an issue, not the root causes. Wells are built but not waded, schools are built but no one seems to look at why the education system in the respective country is broken or even non-existent. And no one then seems to address this problem.

The Problem with Traditional Investing

Traditional Investment Firms offer a range of services and products. However, to understand what is special about Acumen, it is enough to look at traditional investments alone. Founders and CEOs seek investments when they need more capital to grow their company. For example when they

want to open up a new facility or factory to deliver and produce more of the services and products they sell. An investment can help them grow very fast in a short time instead of them only slowly growing from just the profit they make each year. This makes it a powerful tool that can quickly bring about widespread change.

The problem is that investment companies invest to make as much money as fast as possible, so it is smart to invest only in companies that promise a safe and fast return on investment. In other words, companies that have a proven business model and promise to grow quickly and widely. The problem with small companies in developing countries is that their business models are often not proven. And they also don't make a lot of profit. So there is not a lot of motivation to invest in them even though it has such a transformational power.

Acumen's Approach

Acumen uses the approaches of business to solve problems that were previously only looked at by charities. Acumen invests mainly in companies in developing countries whose customers are amongst the poorest of the world's population and whose products and services are aimed at improving their lives. (Acumen, 2021) The assumption is that they create a positive spiral effect and the regions in which the companies are located experience great economical growth. Simply explained: Imagine a company that sells soap. The customer buys this soap and uses it to become more hygienic. If you are more hygienic, you are less likely to get sick and can go to work more often. If you can go to work more often, you earn more money. More money leads to better education, which in turn leads to a better chance to get a good job. The job then provides a better chance to make more money and on and on it goes. The company that sells the soap also benefits from this because it now has more customers who are capable of buying their products which helps the company grow. When the company grows it needs more staff and thus creates new jobs. This in turn benefits the people of the region who then have more chances to get a good paying and secure job. But how does acumen support this system?

Patient Capital

Patient capital is a form of investment that does not focus on quick and big returns, but on long lasting investments and partnerships with the companies acumen invests in. Acumen writes on their website: "Patient capital has a high tolerance for risk, has long time horizons, is flexible to

meet the needs of entrepreneurs, and is unwilling to sacrifice the needs of end customers for the sake of shareholders." (Acumen, 2023, A Third Way to Think About Aid) This enables companies to get investments while they are still optimizing their businesses before traditional investment firms are interested in investing in them. And different from traditional charity which has more of a top down approach (Young, 2018), this creates an equal partnership not only between the investment firm and the company but between the end consumer and the company getting the investment. Instead of seeing them as passive recipients of charity they become active participants of markets. Transforming not only their physical life through products and services but they're view of themselves in the world as people who can provide for themselves and are able to make decisions about their own life. And Acumen is succeeding. "We are seeing exciting new business models capable of bringing affordable, life-changing products and services to the poor. These businesses are transforming the lives of their customers, and are creating jobs that lead directly to economic growth." (Acumen, 2023b, A Third Way to Think About Aid)

Entrepreneurship

In his Introduction to Entrepreneurship Michael M. Gielniks Quotes Peter Drucker (2004) who said: "At its core, entrepreneurship is the process of discovery, evaluation, and exploitation of opportunities." According to Michael M. Gielniks these do not have to be exclusively business opportunities. It includes the identification, evaluation and exploitation of any kind of opportunity that has the goal of improving your own life, the lives of others, a community or the environment. This also means that the objective does not necessarily have to be financially motivated. Entrepreneurship helps us solve any form of problem in the world and refers to social or environmental problems as well.

Entrepreneurship and Acumen

Acumen is the perfect example of how looking at our world through the lens of entrepreneurship can create opportunities and a better life for millions of people. Acumens founder Jaqueline Novogratz is a role model for everyone who is trying to solve the world's toughest problems through creatively combining all the tools that are needed to do so, even if they come from different disciplines or in this case even more extreme, when they come from different worldviews. Learning from cases like these can help us become better entrepreneurs and problem solvers. On

a more personal note, Jacqueline Novograts, the founder of Acumen, provides students of business and entrepreneurship with a new way of being in the world. While traditionally students of business were seen as people who are motivated by money they now have a role model of someone who uses the tools of business to solve pressing and personal problems like poverty. This could change the way society looks at entrepreneurs and how entrepreneurs look at themselves which could ultimately benefit everyone and help create more lives that are lived in dignity.

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Papydo's Growth Process as an Example of Entrepreneurship

Lisa Marie Buttkereit

Entrepreneurship Module

The topic entrepreneurship was an essential element of the first semester course “Foundations of Management and Entrepreneurship”. Entrepreneurship is not only the creation and development of a business idea. It is the “process of discovery, evaluation, and exploitation of opportunities and the set of individuals who do that.” (Gielnik, Michael M.). This definition is given by Michael M. Gielnik within the *IBAE Module Entrepreneurship*. Furthermore there are different perspectives of entrepreneurship including the financial-economic perspective, the strategic-management perspective, the institutional perspective and also the psychological perspective. The financial-economic perspective is about the necessary financial capital to start a business as well as the different incentives for people it takes to found a startup. The strategic and management perspective is about the existing competition in the market and the advantages and disadvantages which can be identified. It is also about the strategic approaches which can be used to set up a business, make it profitable and maximize profits. In addition laws and regulations play a role when founding a company which is covered by the institution perspective along with the company's place in and for society. Finally, there is a psychological perspectives which is about the entrepreneurship element that comes intrinsically from people. It is about people who drive a process, address problems and work on solutions of problems. In order to do so, the character of such people plays a decisive role. Entrepreneurs most often are highly motivated, passionate, confident and determined while at the same time they are high risk takers and take personal initiative in order to achieve their goals.

The Company Papydo as a Case Example

The company “Papydo” was founded by Melusine Bliesener and Katharina Lehmkul in July 2019. Their goal was to find a more sustainable version of wrapping paper since typical wrapping paper is made of wood and in most cases only used once which is – especially during Christmas season – producing lots of waste (Papydo, n.d.). The two founders saw the problem and searched for solutions and finally founded their company, selling wrapping paper out of 30% grass and 70% wood. The wood is needed to stabilize the paper; here the development is not as advanced in order

to make the paper only out of grass. Nonetheless, the method is able to reduce the clearing of forests about 30% and at the same time 30% less chemicals are used to produce the paper out of wood. Additionally, they did research on the ink that is used on their wrapping paper. The ink constitutes about 40% of the paper product and as it cannot be separated from the paper, it is important that the ink is compostable as well and therefore sustainable. Thus they used a special *Cradle2Cradel* certified ink, which is sustainable, in order to only use environmentally friendly components for their final product. Looking at the Papydo-website, one can find information about their motives to start the business next to sustainability of their products and production steps. They describe their responsibility for possible outcomes due to their actions, their general responsibility to the planet and the life of following generations. Additionally, they highlight that transparency of a company is very important in order for the consumer to decide where to buy a product and what they support by doing so. It is important to Papydo that they inform their customers about critical topics and their way of working too. Local production is another factor of their product as it is crucial to them to support shorter transportation, obtaining local jobs and more. Furthermore they have a blog within the website on which they post about how to use their product (methods to wrap a present), ideas on how to live more sustainable and they raise awareness for waste (Papydo, n.d.). Papydo's mission is to be a sustainable option for wrapping paper and to push the development and the research further towards an even more sustainable world.

Elements of Entrepreneurship within Papydo

The two founders of Papydo did fulfill the definition given in the *Entrepreneurship* module. It is the “process of discovery, evaluation, and exploitation of opportunities and the set of individuals who do that”. They discovered the problem of the big amount waste produced by wrapping paper especially in the Christmas season and found the alternative of grass paper reducing the amount of wood within the wrapping paper. The production of the wrapping paper takes 90% less water, energy and CO₂ than normal wrapping paper out of wood (Cremer, 2022). This demonstrates, that they identified a problem to found a business and thereby help to reduce emissions and improve the environment. They received an investment of 100,000 Euro by investors during the German startup funding show “Höhle der Löwen” (Cremer, 2022) giving them 12,5% of their company's share in return. Getting capital is an important step within entrepreneurship in order to start the

business but also grow it to an more stable size. Papydo had a company value of 700,000 Euro in December 2022. The two founders met during their studies at the University of St. Gallen and had the business idea in their second semester in the Christmas season 2018. They wanted to address the problem of a lot of waste due to wrapping paper and started to research the topic. Finally, their first product was developed and ready by Christmas 2019 and they founded the company half a year later. This shows that both women had a lot of motivation, passion and an entrepreneurial mind set in order to develop the idea and start the process successfully and very quickly. This is also a big part of the mentioned psychological perspective of entrepreneurship. The individuals having the idea have to have certain psychological strength in order to drive the process forward. As they told the German newspaper *Südwest Presse* in 2022, they started the business in their university apartment's living room. The first graphic design on the wrapping paper was not a professional one, since they did not have enough budget for one. Because of that one of their mothers designed the first pattern for the wrapping paper (Baron, 2022). Hence they showed real entrepreneurial mind set, were creative, driven and used all resources to find a solution for a problem that arose on their way to building the startup and now company. With their recent success of the investment they seem to be a very promising company, uniting entrepreneurial business ideas with a sustainable business and therefore looking for the environment.

Reflection

From my point of view Papydo is a very fitting example of entrepreneurship in all of its forms and perspectives. The two founders started with what they had. They had some knowledge about the topic due to their studies and during their university time they started building the business in their own apartments successfully with a vision, passion and finally achieved their goal. They based their business on a sustainability which is a very future oriented business model and basis and were able to stabilize and especially give growth potential to their company through a large investment of 100,000 Euro. They demonstrate a very modern driven business strategy and their development is very alike to a typical entrepreneurial idea.

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Management And Entrepreneurship Performance at Chipper Cash

Abdullahi Adeyemi Dawodu

Introduction

Performance management is a critical aspect of any organization, particularly in entrepreneurship. As a young and rapidly growing startup, Chipper Cash has implemented a robust performance management framework to ensure its team members can effectively contribute to its success. The company was founded in 2018 by Ham Serunjogi and Maijid Moujaled to provide affordable and accessible financial services to people in Africa. Its platform offers mobile-based cross-border payments, remittance services, and peer-to-peer transactions across seven African countries. Chipper Cash has quickly grown to become one of the leading fintech companies in the region, with operations in seven countries, including Kenya, Uganda, Nigeria, Ghana, Tanzania, Rwanda, and South Africa.

Chipper cash is one of Africa's most valuable fintech companies, backed by Silicon Valey led the investment with Jeff Bezos being a significant investor. Jeff Bezos's backing of Chipper Cash follows a recent string of events that has elevated the visibility of Africa's startup scene. Over the past decade, the continent's tech ecosystem has been one of the fastest growing worldwide by year-over-year expansion in venture capital and startup formation, concentrated in countries such as Nigeria, Kenya, and South Africa (Jake 2020).

The concept of Chipper Cash originated from Serunjogi's observation of the difficulties his father faced while trying to transfer money in Africa due to the stagnant banking system. Serunjogi grew up in Gayaza, a town in Uganda located 10 miles outside of the capital city, Kampala. His family owned a farm, and his father ran an IT business that helped local companies set up networks. Despite not being wealthy, the family was able to send Serunjogi and his two brothers to a private high school and have them join a competitive swim club. In 2010, Serunjogi, who was 16 then, was selected for the Ugandan Youth Olympic team. When his father encountered difficulties completing a bank transfer, he had to travel to South Africa with a bundle of cash to pay for his son's swimming coach while they were training there.

Serunjogi attended Grinnell, a small liberal arts college in Iowa known for its strong academics after high school. He followed his older brother and swam varsity there. While studying, he met

Moujaled, a Ghanaian computer science major who had created a popular coding group for students. They immediately began discussing the development of an app for money transfers in Africa. However, before pursuing this, they needed work visas and practical experience in technology. Serunjogi decided to reach out to Mark Zuckerberg and Sheryl Sandberg via cold emails during this junior year. As a result, he secured an internship at Facebook, which turned into a full-time job in Dublin after he graduated in 2016.

In the spring of 2018, Serunjogi texted Moujaled, who was working as a software engineer in San Francisco, to say it was time to get going. Serunjogi quit his job and moved into Moujaled's studio apartment, sleeping on an air mattress in the kitchenette. The two used their savings of less than \$30,000 and Moujaled's ongoing salary as seed capital. They launched a test version of their app in July 2018, letting customers send money from Uganda to Ghana for free. They took pitches to more than 50 VC firms until, in November 2018, 500 Startups agreed to invest \$150,000. Before the papers were signed, Mohnot wired \$40,000 to Chipper after Serunjogi told him he was about to miss rent. "I will be eternally grateful to him for that," Serunjogi says (Jeff, 2022).

In 2020, the startup raised \$30m in a Series B funding round led by Ribbit Capital venture, which attracted the participation of Bezos Expeditions, the personal VC fund of Amazon CEO Jeff Bezos (Jake 2020). Chipper cash has over 3 million customers and runs about 50,000 transactions per day globally, with a presence in Nigeria, Ghana, South Africa, Rwanda, the United Kingdom, Kenya, Uganda, and Tanzania.

Chipper Cash Performance Management Strategies

Chipper Cash has implemented several performance management strategies to ensure its team members perform at the highest level. This paper will focus on factors like the company's leadership, business model, financial performance, and growth strategy.

Leadership

The success of any company is often closely tied to the quality of its leadership. Chipper Cash's co-founders, Ham Serunjogi and Maijid Moujaled, have been instrumental in the company's rapid growth and success. Serunjogi and Moujaled both have backgrounds in finance and technology,

and they have leveraged their expertise to create a company that is both innovative and financially sound.

In addition to Serunjogi and Moujaled, Chipper Cash has a talented team of executives and employees committed to the company's mission and vision. The company's management team comprises individuals with diverse backgrounds and experiences, which has helped create a culture of innovation and collaboration within the organization. Chipper Cash has implemented several performance management strategies to ensure its team members perform at the highest level. One of the most critical is setting clear goals and expectations (RallyBright 2022). Each team member is assigned specific objectives for the company's overall strategy. These goals are reviewed regularly, and progress is tracked through quantitative metrics, such as revenue and user growth, and qualitative assessments of the employee's contribution to the team. The company offers a range of incentives and rewards, including bonuses, stock options, and promotions. These incentives help to motivate team members and reinforce the importance of achieving company goals.

Business Model

Chipper Cash's business model is centered around providing a mobile payment platform that is affordable and easy to use. The company's platform allows users to send and receive money, pay bills, and purchase goods and services using their mobile phones. Chipper Cash generates revenue through transaction fees, which are charged to users when they use the platform to make payments.

One of the critical strengths of Chipper Cash's business model is its focus on affordability. The company's transaction fees are among the lowest in the industry, which has helped attract a large user base in its operating countries.

Financial Performance

Chipper Cash's financial performance has been impressive since the company was founded in 2018. The company raised over \$200 million in funding, including a \$100 million Series C funding round in June 2021. This funding has helped to fuel the company's rapid expansion across Africa.

In addition to its substantial funding, Chipper Cash has also reported impressive revenue growth. The company reported revenue of \$1.5 million in 2019, which increased to \$10 million in 2020.

This growth can be attributed to the company's focus on expanding its user base and growing transaction volume on its platform.

Growth Strategy

Chipper Cash's growth strategy centers on expanding its operations across Africa and increasing its user base. The company has already established a presence in seven countries and plans to expand into new markets in the coming years. Chipper Cash has invested heavily in technology and infrastructure to support its growth strategy. The company has developed a proprietary payments platform designed to be scalable and secure, which has helped keep its rapid expansion.

Another essential aspect of Chipper Cash's performance management strategy is providing ongoing feedback and coaching to team members. Managers are encouraged to give feedback on an ongoing basis, both formally through regular check-ins and informally through ad hoc conversations. This feedback is designed to help employees understand their strengths and areas for improvement and identify professional development opportunities.

In addition to setting goals and providing feedback, Chipper Cash also uses a data-driven approach to performance management. The company tracks various key performance indicators (KPIs) related to user engagement, customer satisfaction, and revenue growth, among other metrics. These KPIs are regularly reviewed and analyzed to identify trends and opportunities for improvement. This data-driven approach allows Chipper Cash to quickly identify areas of the business that may need additional attention and to take action to address any issues.

Conclusion

In conclusion, performance management is critical to the success of any organization, particularly in the fast-paced and competitive world of entrepreneurship. Chipper Cash is a fintech company that has achieved remarkable success quickly. The company's leadership, business model, financial performance, and growth strategy contributed to its success. Chipper Cash's focus on affordability, innovation, and scalability has helped to differentiate it from its competitors and establish it as a leader in the African fintech industry.

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A Success Story: Lazada – The Southeast eCommerce Giant

Trang Dinh

“Amazon of Southeast Asia (SEA)”: a look at Lazada’s History

These days, the success of any business is determined by many variables, such as resources, marketing, or innovation. Some companies take this into account, whereas the others do not.

This chapter will discuss Lazada group, an international e-commerce company, and one of the biggest e-commerce groups in the southeast Asia marketplace. Lazada was founded in 2012 by Maximilian Bittner, with the intention of creating an Amazon-like business model in SEA. Nowadays, Lazada has a presence in six countries: Indonesia, Malaysia, the Phillipines, Thailand, Singapore, and Vietnam.

Since its foundation, Lazada has faced a lot of difficulties and obstacles, like every startup. However, it has managed to overcome all of them to become the SEA e-commerce giant of today. Its strategy is built on customer’s needs, because where the customers are and what they are like, will determine how the company operates (Ordoñez, 2021)

The story of Lazada’s success is interesting and can be considered as a benchmark for all new businesses in this region.

How does Lazada Work and Make Money?

Original Idea of Business

In 2000s, the global eCommerce seemed to only focus on the big markets such as United States or Europe and skip the nascent region southeast Asia. In those years, Amazon was still something very new for the people in this area, that deserved better attention because of its potential. Even though there were other eCommerce from nearby countries (e.g.China) trying to take over this marketplace, Lazada still managed to secure a different place in the customers mind. M Soltanifar et al. (2021) said that the process of discovering new opportunities in business should be considered from customers’ perspective to meet their own needs.

Thus, Lazada Group was established in the right place at the right time. The variable of the socio-demographics context was adapted correctly in Lazada's strategy, which played an important role in their success,

Lazada's Rapid Growth

In March 2012 Lazada was born, based in the Philippines, and initially operated in Malaysia, Thailand and Vietnam. After one year, they introduced Lazada Express to supplement logistics. In the same year, they launched their own Lazada Smartphone App, and created the marketplace for the sellers to provide their own products online (Mishra, 2022).

Their original main products were consumer electronics and devices, which were shown to be working best in asia. However, they always wanted to extend their categories and to become more than only a site for cheap electronics. Afterall, they did it as soon as they had the opportunity. The marketplace for people to sell their products made Lazada a real digital mall. This enabled Lazada to widen their catalogue to 18 different types of products with their corresponding subcategories. The shoppers can find whatever they want at Lazada, from women's fashion to furniture.

“We supported them and gave them what they needed to grow. There were sellers who were turned into instant millionaires [during last year's 12.12 sale]. We're creating the next layers of Malaysian entrepreneurs.” – Andrew Gnananantham, CMO of Lazada.

Through this change, they became B2B2C (Business to business to customer) effectively and made 70% income through other sellers (Business Strategy Insights). In 2014, they set up cross border operations in Hong Kong and suddenly China was brought into the picture. With the support of cross border sellers whose majority stock coming from China, they had increased their products SKUS (Stock keeping unit) from 100 000 to 1 million (CILISOS Branded Content, 2019). Also in the same year, Lazada's website got a record of 10 million visitors, which rapidly increased by more than three times in the next year, to 36 million visitors.

One question which arose, is how Lazada got that success in only a few years, even though their idea was not new at that moment. Lazada got investment from Rocket Internet, a German company, which is well-known for replicating other companies and starting those in other areas. This worked effectively, at least in the case of Lazada. As a pioneer in eCommerce in SEA, Lazada took the advantage of this region. They started exactly in the right moment when this market was thriving.

According to Stephanie von Friedeburg, senior vice president of IFC, the eCommerce market in SEA has tripled in size since 2015 and is expected to triple again (IFC, 2018). Hence, with the right mix of region, community, and product, Lazada built a strong foundation immediately as they started.

In addition, they also have some characteristics that make them distinguished from other competitors in SEA. For example, with their own logistics, they are able to completely control the distribution chain. One more example: Lazada Retail used ephemeral or pop-up stores. This was a relatively new strategy, yet it blurred the boundary between offline and online shopping (Ordoñez, 2021).

Getting Acquired by Alibaba: A Chance for Development or a Risk of Disappearing?

The company grew at rapid speed in several markets and made significant losses contemporarily in those countries also. Furthermore, it was foreseen that the other Asian eCommerce giant Alibaba didn't want to miss out on the "juicy pie" that was expanding in SEA. That's why Jack Ma – Alibaba's co-founder offered to acquire Lazada in 2016. At first, Alibaba bought 51% of Lazada's shares for \$1 billion, and took over the management of Lazada in 2016. In 2018, Alibaba increased its stake to 81% with another \$1 billion (Rosendar, 2022).

Was it smart of Lazada to sell their company to Alibaba? There is always a big risk for a brand of disappearing when it gets bought by a larger company. However, in this case, both Lazada and Alibaba can benefit from each other. With Alibaba's support, Lazada Group has spread their reach to many different platforms. The opportunity of being a part of Alibaba enabled Lazada's sellers to use the benefits of Alibaba's Digital Free Trade Zone (DFTZ) in many ways (Mishra, 2022).

In the Covid-19 pandemic, global eCommerce enjoyed a boost, because people went shopping online as they were in lock down. Lazada also profited. This was not only an opportunity but also challenge for them, since there was a huge change in customer behavior during this time. For example, they wanted to really get their groceries in time, and in fresh condition (Tong, 2022). Nevertheless, Lazada did overcome this issue and as a result, they hit an impressive milestone in 2021, with remarkable profits. Lazada wrapped up 2021 with \$21 billion in gross merchandise value (Liao, 2021).

Conclusion

The success of Lazada in SEA could be a special inspiration for lots of entrepreneurs starting their new business. Certainly, there are various factors which decide if a business works or not. However, with the look at the history of Lazada, it is obvious that customer needs should be put first. Where they are, and what they are yearning for. Moreover, if a company wants to achieve success that lasts, it's important to be ready for the change of the market as well as the customers. Lazada did it at the very right time, and that's why they've become a giant of eCommerce in SEA.

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Business & Politics

Yauheni Dzenisenka

Introduction

We live in the world of business. This versatile world seems to be attractive to many because of the numerous doors it opens to a seeking mind. The most creative ideas nowadays are utilized to build a successful business model and make more money. To make people use their potential and skills at the most, one needs to tell them how much money they can get out of it. To judge if it's good or bad and how it should be in the ideal world, we would need to listen to many arguments, consider them from a philosophical point of view and probably end up arguing again with greater force.

What I want to discuss is the opposite side of the same coin, namely business. It's clear (I hope at least for those who are interested in reading this text) how much it gives and what a big world it opens to people in this profession: stable income, self-growth, communication with interesting people, prospects, popularity and the list goes on. But the question I want to focus on is if it takes something away and tightens the scope of opportunities. Is it possible for a person successful at business to be successful somewhere else or does he/she always have to stay in the dimension where business is the main activity? Nobody can forbid a successful businessperson to take on something new and try a new sphere, but we should think about the effects it might have on the business. Is it possible to estimate what consequences have to be bared afterwards and is it worth them? There is no general formula to answer these questions, but I would like to focus on one example that recently happened in my country, Belarus. I will take as an example one business that was highly affected by another activity of its founder.

Business

Tatsiana Zaretskaya is a Belarusian businesswoman who founded in Estonia a company “Lavaa Tech”. The company is a developer of agricultural management designed to cut lighting energy consumption for indoor farming and increase yield. As the official site of the company states, it “brings sustainability and profitability to the indoor farming market” through an innovative energy-saving platform. The platform integrates any existing vertical farm with LED lamps or any

other IoT devices (official website). The main idea is that the software gives a client the whole control over plants and it's possible to control lighting and save electricity. It has already received some recognition due to its innovative technology and the product that meets market demands. The company was founded in 2018 in the first three years and has received 600.000 € of grants in different tenders. Tatsiana Zaretskaya was added to the list Forbes "30 under 30" which mentioned her as one of the most successful entrepreneurs under the age of 30. She was considered one of the most perspective business people in Belarus and gained a lot of attention not only there but in some other countries in the region. The business was growing and all the doors were open to Tatsiana. The company has won around 2.400.000 € of grants from the EU and was working on contracts with new partners.

Politics

In September 2022, Tatsiana Zaretskaya decided to join the newly established Cabinet of the Belarusian government in exile where she became responsible for the economic activities. Not a secret that it was a positive PR step for Tatsiana's business since it received a lot of attention in the media, as well as for the Cabinet itself. The young successful woman was hoping to organize finances and attract new investors using her experience as a progressive manager. In several interviews she gave after the entry, she highlighted the risks that she and her business might face in the future since the work of the government in exile is being constantly sabotaged and the members are being intimidated by the Belarusian special services (still named KGB). Tatsiana was seen as the right person for this position by the public since the candidacy of the young successful lady who already held contacts with European investors and knew how to negotiate with governmental bodies of European countries seemed to be appropriate.

In November 2022, Tatsiana left the Cabinet and argued that it appeared to be too much of a risk for her and the business and that her family members and she were intimidated and received a lot of anonym threats. However, independent Belarusian media conducted an investigation about her business where it was found out that some of her business activities were speculated to get around the law, namely financial declarations: the company was accused of falsification of financial declarations to intentionally reduce tax payments and deceive the investors. The success of the company was also called into question since there was no proof that the goals of reducing energy consumption were met. Tatsiana's reaction was aggressive and she refused to comment on the

investigation. Because of the threats to the independent media and refusal to disprove the allegations, she received a lot of negative critique from the public and literally became an "anti-hero" in the whole situation. Thus, the attention and popularity she received, in the beginning, were now directed against her and her business. In the last few months, she didn't give any comments and avoided publicity. It's difficult to estimate the progress of her business after the scandal.

Relevance for the Course

In my opinion, the case I described above is highly related to the subject of the course. During the course, we discussed the role of business actors in today's world. Their role is growing with more and more spheres where they are getting involved. The most recent example is Elon Musk who now tries to influence political agenda using his power as a successful entrepreneur. The most critique of this tendency is articulated in the fact that business actors can use political power as an instrument for their business activities. However, we should understand that it usually carries a lot of risk for a company and its staff, when a manager becomes a political actor since from this very moment every political decision tarnishes the further development of business.

The case of Tatsiana can be an example of how the consequences of such a decision to turn from business to politics can be underestimated, especially if you deal with the opposition to the authoritarian regime supported by another even more powerful – Russia. The decision she made was brave and fascinating for the people who are engaged in struggles against the dictator Lukashenka. However, was it a good manager decision for her business when she put at risk the whole project and its members? Each person is free to answer this question, but I would agree with those who think that it wasn't future-thinking from her side. In my subjective opinion, she should have decided if she continued doing the business or focused only on politics, nothing in between. I'm not allowed to judge what was her prior interest, but in the end, she decided in favour of the business.

Another critical point that should be drawn is how the manager reacted to the crisis situation when the investigation about the business was published. It's not my goal in this work to go deep into the accusations against the company and these problems can only be solved on a legal basis. However, even if they were groundless, the reputation of the company was affected by the reaction of Tatsiana: refusal to answer the question, threats to the media and shifting the focus to other issues.

The situation I described is only one of hundreds of possible scenarios that can appear once a successful business person decides to take on a political activity and doesn't estimate the risks properly. Nevertheless, it is a concrete example that again shows how many new challenges may appear in such a situation. In my opinion, only a person who is prepared to face the new reality of the business world and ready to manage crisis situations should take such a risk.

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The Importance of Entrepreneurship at the Allianz Beratungs- und Vertriebs-AG And the Structure of this Company

Konstantin von Gregory

Allianz Connection to Entrepreneurship

Overview of the Allianz

The Allianz is one of the biggest insurance and investment companies worldwide. With over 150 years of experience in the market, Allianz offers a wide range of insurance and financial services for private and business customers. From motor and liability insurance to pension and investment products. With over one hundred million customers in more than 70 countries, Allianz is a major player in the global market (Allianz, 2023). 1890 founded by members of the supervisory board and the CEO of the Münchener Rückversicherungs Gesellschaft, the Allianz started its business in Germany (Kluge, 2006). The company is also in awareness to achieve a high ESG integration and set own goals in the aspect of sustainability. Sustainability is in the eyes of the Allianz not only environmental aspects, but it is also an aspect of strategic planning. A goal to be a long-term market participant. Managing risks and opportunities plays a crucial role, especially in relation to future developments. In combination with such sustainable management and sustainable entrepreneurship thinking, it can be ensured that trends are also recognized and implemented successfully (Allianz SE Global Sustainability, 2021). Structure and work model of the Allianz SE Allianz is structured into the head organization Allianz SE and a number of sub-organizations.

In this chapter we will look at the Allianz Beratungs- und Vertriebs- AG, and how all participants manage the entrepreneurship behavior. The agencies are not displayed in the organization chart due to extent reasons. They are led by entrepreneurs, which are also deeply connected to the Allianz and organized in different self-owned offices. Divided in 60 staffed offices from the Allianz Beratung- und Vertriebs- AG and approximately 8.300 agents (Allianz Kundenservice, 2019).

Both parts of the company are related to entrepreneurship. The Allianz employes have an deep understanding of entrepreneurial thinking and the work with self-employed agents is an important key skill. They are especially trained for this purpose and need to solve every year mandatory

trainings. All executive managers and the executive board are obligated to maintain a leadership passport, with a workload of at least 45 hours per year (Allianz Deutschland, 2020). Further the agents are entrepreneurs and self-employed. With the Renewal Agenda, the Alliance plans to build on the existing structures and further expand its market position, focusing on “five areas of action: True Customer Centricity, Digital by Default, Technical Excellence, Growth Engines and Inclusive Meritocracy” (Allianz, 2022).

The Allianz Beratungs- und Vertriebs- AG is the company part concluding, products and product development, the agencies are responsible for the sales implementation and mostly the customer contact. In order for the company to maintain and expand its position in the market, active and forward-looking action is indispensable. The customer is always in focus. In order to recognize imminent risks and trends in a short time and to benefit from them, it is necessary to act in a broad and responsible manner that is deeply anchored in the company. This action is shaped and characterized by an entrepreneurial nature. This results in a lived culture of mistakes. In this way, every employee and agency owner assume personal responsibility and drives innovation. One of the pillars of the corporate philosophy, or the people attributes, is entrepreneurial thinking and acting, or entrepreneurship. The other pillars are customer and market excellence, trust and collaborative leadership (Allianz, 2022). Entrepreneurship thus plays a significant role. Without it, the company would not be firmly established as one of the market leaders today. The employees live this approach and can thus develop more freely and contribute and implement many more ideas and suggestions. By taking an entrepreneurial view, the company achieves or exceeds its goals every year as it works towards a common goal (Kühnel, 2023), (Allianz, 2022).

These effects and attitudes of the company lead to the fact that entrepreneurship does not only play a role as founder or self-employed person. The connection and the building of a corporate culture in which entrepreneurship is anchored helps a company to achieve its goals, to get to know the skills of the employees in a new way, to make optimizations in the operational process that have a real impact and mean an improvement. Entrepreneurship brings a different way of understanding time, employees divide their time according to the needs of the company and do not work rigidly in an eight-hour time model. Thus, after successfully completing tasks for a period, there is also less work, through appropriate entrepreneurship, leading to an improved work-life balance for employees. This is an elementary key in today's age. For this large company, agility is particularly important because change, and especially process change, can take time. This is precisely where

entrepreneurial thinking scores. By thinking ahead and anticipating change from an entrepreneurial point of view, employees are able to react faster to changes and implement them quickly. Overall, this working model also increases employee satisfaction by giving them more freedom and scope for creativity, which should be encouraged by managers. (Kühnel, 2023).

Conclusion

In conclusion an entrepreneurial mindset and an brought understanding of how a company works in its own specific way, is highly recommend for all members of a company. Not only to qualify employees to this level of knowledge, furthermore, to live a corporate philosophy that reflects a culture of error and encourages them to work in a self-responsible manner. Encourage the ideas and creativity of employees so that they can significantly improve the company and thus cushion risks and take advantage of trends.

These circumstances and how Allianz manages the entrepreneurial behavior of its employees, and some stakeholders is an important fact that aspiring change makers, who also want to learn their tools here at Leuphana in the International Business Administration & Entrepreneurship study program, should internalize. Especially regarding the entrepreneurship module, Allianz is a good example of how deeply rooted such a way of working can be and how it could relate to sustainability.

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Figure 1 Simplified structure of Allianz Group as of 12.31.2021 Source: Allianz SE Company structure, 2021

Samsung Electronics' Entrepreneurial Approach

Bela Hartwig

Samsung Electronics

“Samsung Electronics constantly reinvents the future. We explore the unknown to discover technologies to help people all over the world lead happier, healthier lives.”(Our Business | About Us, n.d.). When thinking about tech companies, one that always comes to mind is Samsung. Samsung is composed of three main products: consumer electronics, IT and mobile communications, and device solutions (Our Business | About Us, n.d.). With an overall revenue of 233.13 billion dollars (in 2022), Samsung is entitled as the 23rd biggest company by revenue. In the “tech” area it eventually became the 4th substantial company right after Alphabet, Apple, and Amazon(Top Publicly Traded Tech Companies by Revenue, n.d.). Samsung electronics employs about 270.000 people in 74 different countries with more than 230 bases around the globe. The Success that Samsung Electronics can put down speaks for itself. But the question I want to focus on is: how does a company like Samsung Electronics achieve the books they are writing?

Entrepreneurship

By raising that question I seek to talk about the Entrepreneurial approach that Samsung Electronics is taking. Being an entrepreneur is becoming more and more relevant in the modern world. It means being creative in finding either new possibilities to be active in the market or to solve already existing problems. Of course, Entrepreneurship does not always have to be linked to profitable organizations, it is way more the general approach to addressing problems and finding the right solutions. Therefore the Individual, the Entrepreneur, plays the important role in Entrepreneurship. It is not to mitigate the aspects of financial, strategic, and institutional perspectives but I want to aim for the psychological perspective. To start a business, you don't need vast capital or an extremely well-developed strategy. To start a business from scratch you first need an idea, you need to be able to take action. This is the first thing that needs to happen to build a business. It is the psychological perspective that comes into play, meaning the character an entrepreneur needs to have to become successful. Some attributes are more on the personal side like risk-taking or stress tolerance, others are more learnable like education and expertise. But the

most notable and important attributes are the action characteristics. They are the only attributes that stay in direct contact with entrepreneurial success. Besides these attributes, entrepreneurs must be creative and knowledgeable. In my understanding, they don't differ too much from one another. Creativity means using your mind to find a niche for a new business. Knowledge in difference to creativity means to think of areas that u know hobbies for example and then create a business idea. These two factors are in my opinion the key characteristics of entrepreneurial success.

Entrepreneurial Approach Samsung

The Samsung group was founded in 1938 as a grocery store to trade noodles. For the founder, Lee Byung-chul, it was a great success as we can see today. Lee Byung-chul established a different firm earlier that failed (*Lee Byung-Chull - Entrepreneurs Who Changed History [Book]*, n.d.). The mental ability to stay on track is the first attribute that made Lee Byung-chul and the Samsung group famous. Even though he took action, his plan failed, but he didn't back down, took action again, and with the Samsung group founded the biggest company in Korea. Lee Byung-chul is a great example of an entrepreneur not only because of his early failure but also because of his consistent motivation. "My dream is to save Korea by establishing a successful company." (Eureka Moment, 2020). He said that he started to expand his business because of the critical status that Korea was in, after the independence of Japan in 1948. Korea was, at that time, among the poorest countries in the world. Therefore he wanted to create a big company to increase economic wealth. Another entrepreneurial asset that we can see in Lee Byung-chul is that he can find a niche. During the Korean war, there was a need for household items. He saw his opportunity and started producing indigenous goods for cheaper prices. As well as that he founded many other companies among them the country's biggest wool mill. Samsung then diversified into many different sectors. Lee Byung-chul's goal was to dominate the industry in many areas. Entrepreneurship in the Samsung group is not only seen in taking action in terms of founding the company but also in developing it, to its best. If thinking about the "tech" industry, the most frequent pictures that are eternalized are the ones of Entrepreneurship at its fines. It is one of the, if not the most competitive areas in the market. Because of the always-evolving processes that are made in smartphones, computers, etc. If success is what a company is looking for then it needs to be entrepreneurial. As I said earlier the Samsung group as a whole is very entrepreneurial because of its always-evolving process. The most dominant subgroup of the Samsung group is Samsung electronics with over

3000 products. Samsung electronics shows a good upwards trend in terms of innovation with 4.387 patent applications it secured the second place in the “WIPO”(World Intellectual Property Organization)(*INTERNATIONALE PATENTANMELDUNGEN TROTZEN DEN HERAUSFORDERUNGEN VON 2022 UND SETZEN AUFWÄRTSTREND FORT*, n.d.). In addition, Samsung electronics is building its sustainability image at a high level. As mentioned earlier, to be a successful entrepreneur, the challenges of tomorrow need to be taken into consideration. Samsung electronics is doing well if its Sustainability agenda can be trusted. (*Environmental Strategy | Sustainability | Samsung Electronics*, n.d.).

All in all, it can be said that Samsung electronics can be considered very entrepreneurial. Lee Byung-chul who founded the company, with the purpose of success for himself and his country made a good foundation of what it needs to be an entrepreneur. The company nowadays also shows great attributes of being Entrepreneurial. On one hand, a large number of new patents shows great innovation and on the other hand the focus on sustainability to secure a place as a big player in the future.

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The Company Share as An Example of Social Entrepreneurship

Sophia Elisabeth Hintemann

Introduction

“This defines entrepreneur and entrepreneurship - the entrepreneur always searches for change, responds to it, and exploits it as an opportunity.” (Drucker, 1985, p. 33). This quote is from Peter Ferdinand Drucker’s book “Innovation and Entrepreneurship: Practice and Principles” and highlights that entrepreneurship is about using changes as an opportunity to develop something new. In the following article Entrepreneurship and its relevance for the business world and for the program International Business Administration and Entrepreneurship at Leuphana University will be emphasized. This article will focus on Social Entrepreneurship and the company Share will be presented as an example of it.

Presentation of the Company Share

Share is a German social company that sells groceries, beverages, hygiene articles, and stationery (Share, n.d.). It works with the “Buy-One Give-One” principle and with each purchase, the customer directly supports a social project with a donation which is included in the price (Share, n.d.). They sell their products at the German supermarkets “Aldi Süd” and “Rewe” or at the German drugstores “Müller” and “Rossmann” (Share, n.d.). The company was founded in 2017 by Sebastian Stricker, Ben Unterkofler, Tobias Reiner, and Iris Braun (Share, n.d.). They work together with social organizations like the “World Food Programme” by the United Nations, the German organization “Tafel” or the organization “Save the children” (Share, n.d.). Their mission is to enable costumers to do something good for people around the world in their everyday life (Spring, 2023).

Share as an Example of Social Entrepreneurship

To begin with, entrepreneurship means that an individual or a small group of people use an opportunity to build a new company (Stanford Online, n.d.). To develop a new business, innovation is often required, and entrepreneurs have to be creative to become successful (Stanford Online, n.d.). An entrepreneur needs a certain mindset that includes for example passion, adaptability, and self-confidence (Stanford Online, n.d.). Social entrepreneurship is a type of

entrepreneurship where the entrepreneur intends to have a positive impact on society with his project (Stanford Online, n.d.). Social entrepreneurs do not always aim to maximize their profit instead they rather support vulnerable groups with social services or goods (European Commission, n.d.). Additionally, social entrepreneurship tries to solve societal issues through innovation and progress (Phillips et al., 2015). The German company Share can be seen as an example of Social Entrepreneurship for many reasons. First, as already mentioned every purchase of their products includes a donation to a charity (Share, n.d.). It fulfills the characteristics non-profitability and providing social needs with these donations. Furthermore, they offer transparency by printing QR codes on their products with information about the type of donation. Their products have organic certificates and in some cases Fairtrade certificates as well (Share, n.d.). Share has the Benefit Corporation certificate and this certificate measures “a company’s entire social and environmental impact” (B corporation, 2023, para.1). The certificate guarantees a high ecological and social achievement transparency about the company’s performance and actions (B corporation, 2023). As already stated, Social Entrepreneurship is about these key terms and certificates can be seen as valid indicators for accomplishing social aims. According to their impact report of 2021, Share was able to provide over eight million meals for destitute persons, over eleven million days of drinking water, and one million hours of school lessons (Share, n.d.). Through these activities, Share solves societal issues like starvation or lack of education. Share does not limit its projects and donations to one country, it supports organizations in Germany or worldwide (Share, n.d.). With that, the positive impact of the projects reaches many people all over the world. The founder of the company, Sebastian Stricker, is an example of a social entrepreneur because he wanted to directly aid poor people and used this thought to establish a company (Lau, 2020). He worked for the World Food Programme of the United Nations as an adviser and applied this knowledge and experience to the company Share (Lau, 2020). Before the launch of Share, Stricker developed the donation app “Share the Meal” with his business partner Bernhard Kowatsch (Lau, 2020). The app is very successful and part of the World Food Programme of the UN (Lau, 2020). “Share the Meal” is an example of Social Entrepreneurship as well because it is not profit-oriented, and the donations endorse people in need. Stricker had the idea of integrating donations into the everyday life of people and therefore he founded the company Share. This idea and the use of opportunity and knowledge represent Social Entrepreneurship.

Relevance of (Social) Entrepreneurship as a module in the program International Business Administration and Entrepreneurship

There are many reasons why Entrepreneurship and Social Entrepreneurship are relevant to today's business world. Due to its relevance in the business world, it is an essential module of the program International Business Administration and Entrepreneurship too. Firstly, Entrepreneurship is the driver of any progress in society and involves new ideas to solve problems. Through Entrepreneurship new technologies like Artificial Intelligence or Solar panels were developed. These innovations can help to deal with challenges like climate change or poverty. Secondly, entrepreneurship encourages creativity and flexibility. To have a successful business, entrepreneurs need to be open to new developments and rethink their business strategies constantly. The (business) world is changing all the time and companies must adapt to it. For example, if a financial crisis evolves, entrepreneurs must rapidly establish other approaches to survive the crisis. Creativity is part of the mindset of entrepreneurs and characteristics like risk-taking, self-efficacy, and passion enable them to come up with innovative business ideas. Thirdly, Entrepreneurship focuses on the future and includes transformation. The future orientation facilitates the improvement of the current living or working situation of the world population. These situations can be transformed by Entrepreneurship and its initiatives. Transformations are necessary to overcome global issues like inequality and unemployment. Besides, Entrepreneurship fosters economic activity and profit. If entrepreneurs develop a profitable company, they provide new jobs and stabilize the financial situation of a country. They pay taxes to the authorities and the government can invest the revenue in education or in the protection of the environment. Social Entrepreneurship is highly relevant today because it concentrates on social problems and needs. This type of Entrepreneurship aims to help vulnerable people and have an impact on society (Stanford Online, n.d.). Companies like Share want to do something good and offer the possibility for their customers to act socially. (Share, n.d.) With Social Entrepreneurship social issues can be solved by developing sustainable and fair business strategies. It is an alternative way of leading a business because it does not necessarily target a maximization of profit. Thus, revenue can be spent more on ecological production or social projects. Entrepreneurship is an important module in the program International Business Administration and Entrepreneurship because the knowledge of using opportunities and creating new pathways in the business world can help students in their

future careers. They can learn how to start a business or how to address social or ecological problems. Even if they do not build their own company, they study important psychological skills like self-efficacy or stress tolerance. It encourages the students to act and put something into practice. They can be motivated to improve the world in their way with their own creative ideas. However, Entrepreneurship has some difficulties for which it is criticized. Through entrepreneurship, the exploitation of the workforce or the waste of natural resources can happen and individual persons have a lot of responsibility. In the future, it will be essential that entrepreneurs act responsibly and socially in order to solve problems and not create them. Social or Sustainable Entrepreneurship is an opportunity to unite economic, social, and ecological progress. This progress will help us to overcome global challenges and enhance our living and working conditions.

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The Importance of Good Entrepreneurship: A Case Study based on Arjes

Frida Janssen

Introduction

Entrepreneurship is the process of creating, developing, and managing a new business venture with the aim of generating profit and/or social impact. Entrepreneurs are individuals who take risks, innovate, and create value by identifying and exploiting opportunities in the market.

In business, entrepreneurship and with it the entrepreneurs themselves are crucial for a variety of reasons. First, because they develop new ideas, products, services, and markets, entrepreneurs are the driving force behind economic expansion and job creation. Second, as entrepreneurs strive to fill gaps in the market and create solutions to issues, it encourages innovation and creativity. Third, as new players challenge old competitors and disrupt established markets, entrepreneurship fosters competition and diversity. Finally, by producing value for both, themselves and others, entrepreneurs are able to follow their passions and change the world if they use their skills wisely. In general, entrepreneurship is essential for increasing economic growth and reshaping the commercial environment. It is crucial to study and practice therefore if you are interested in business, innovation, and/or social change. Arjes is a German-based company that has been making a name for itself in the field of recycling and shredding technology and is especially known for its twin-shaft shredders. Founded in 2006 by Norbert Hammel, the company has grown from a small start-up to a global player in the industry. Arjes' success can be attributed to the entrepreneurial spirit of its founder, who identified a gap in the market for innovative recycling solutions and took the bold step of starting his own company to address it. This assignment will explore the company Arjes as a case study in entrepreneurship, examining the company's background, growth, and success in the context of key entrepreneurial concepts we have learned in our course to illustrate how relevant the area of entrepreneurship and learning things about it really is.

Arjes

The head office of the company Arjes has its place in Leimbach/Germany and today, the company has approximately 200 employees with a company size of 70.000 square meters (Arjes, 2022). The

corporation specializes in the design and manufacturing of high performance twin-shaft recycling machines and shredders for various materials such as “green, stem and waste wood; plastic and industrial waste; scrap metal as well as construction and mineral debris” (Arjes, 2022). Arjes’ products are used in a wide range of industries including construction, demolition, waste management, and recycling. The mission of Arjes is to provide innovative and sustainable solutions for the efficient handling and processing of waste materials (Arjes, 2022).

Arjes is an interesting case study for entrepreneurship for several reasons. To name one example, the company was founded by a man with a passion and vision for innovation and sustainability. With the pollution of our earth due to constant population growth and unrestrained consumer behavior in the industrialized countries for example, he identified a gap in the market for efficient waste handling solutions, founded the double-shaft shredding machines and developed a range of products that have become industry-leading. Building on this aspect, Arjes is a great example of a company that is committed to sustainability and making a positive impact on the environment. The company's focus on developing recycling and waste management solutions is an important contribution to the global effort to reduce waste and promote sustainable practices. Finally, Arjes has managed to grow its business from a small start-up to a global player in a relatively short period of time within 16 years. (Arjes, 2022).

A crucial part for the success of the company was and still is the implemented entrepreneurship and with it the way how the company has worked itself up to the position of a global player in a recognized niche business which is so important for our world today and in the future.

Entrepreneurship at Arjes

From its inception, Arjes has been driven by a culture of innovation and a commitment to solving problems in new and creative, but also efficient and structured ways. This entrepreneurial mindset has helped the company to identify new opportunities in the market and develop products that meet the specific and changing needs of its customers.

Arjes has taken several entrepreneurial initiatives that have contributed to its success. For example, the company has expanded its global presence by opening offices and partnering with distributors in new markets in continents like Europe, North and South America, and some areas of Asia (Arjes, 2022) to reach a strong reputation in the waste management and recycling industries. The newest

partnership is the connection to a company from Australia called Tricon Equipment (Arjes, 2022). Furthermore, the participation in national and international trade fairs also as a small company in the first years of the company history played and still plays an essential role for the expansion and development of the corporation Arjes as we know it today. All these exemplary shown aspects have allowed Arjes to increase its scope and offer its products to a wider range of customers.

Relevance and Performance of Entrepreneurship at Arjes

Entrepreneurship and the company's focus on innovation, problem-solving, and risk-taking has been crucial to Arjes' success as it has enabled the company to identify opportunities in the market, develop new products and services, and expand its global presence. For that the process of discovery, evaluation, and exploitation of opportunities was crucial for the success of the company. In addition to that, the act of really taking action stood in front of all the success the company has reached. Norbert Hamel saw a gap and with that a project that he turned into practice and made it happen. "He bought the site of an old concrete factory in Leimbach and converted it into a shredder production facility that started with 19 employees" (Brian Taylor, 2022). In other words, one can say that Arjes is the living proof that taking action as an entrepreneur as we have learned it in the lecture is the key to a responsible and successful acting entrepreneur and because of that a decisive aspect of entrepreneurship. The company's commitment to sustainability and with that the will to solve social problems such as the pollution of the environment also shows a different part of the complexity of entrepreneurship. Besides that, the fact of making a positive impact on the environment by recycling materials has also helped to differentiate it from its competitors and to reach a place in the world market, especially in the fast moving times we're living in right now. "According to the Bureau of International Recycling, the use of recycled materials could save on more than 700 million tons of CO₂ emissions and cover 40 percent of the world's demand for raw materials each year" (Arjes, 2022). This fact again shows that a sustainable and responsible way of entrepreneurship as we talked about in our course is very important and can really lead to influential and important solutions for our world.

The case of Arjes can inform our understanding of entrepreneurship more broadly by highlighting the importance of identifying opportunities in the market, developing innovative and efficient solutions. Arjes' success demonstrates that entrepreneurship is not limited to start-ups but can also be applied within established organizations to drive growth and innovation. Not least because of

that, their motto is “Innovation is what keeps us thriving” (Arjes, 2022). This shows that entrepreneurship is a never-ending development of oneself and with that also of the company and the people one is teaching, leading, and also learning from. Besides that, this exemplary shows the growing importance of entrepreneurial skills and values to stand out from competitors in a highly competitive industry. This need is also addressed with the content of the module Entrepreneurship from our course, where those key values and knowledge about Entrepreneurship were provided. To conclude, one can say that the company Arjes is a good example in terms of illustrating the relevance of sustainable and innovative entrepreneurship in such a fast-changing world we are living in. Based on this case study, the given essay illustrates the importance of learning more about an adaptable, responsible, and flexible way of implementing entrepreneurship now, but also in the future.

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Airbnb: Disrupting the Hospitality Industry with Entrepreneurship

Beheshta Karim

Introduction

The forthcoming chapter centers on entrepreneurship and its significance for society, with Airbnb serving as an illustrative example. As an avid user of the platform myself, I find it to be a game-changer in simplifying travel and promoting local experiences.

Airbnb

Airbnb is an online platform connecting travelers with hosts, it was established in 2008 by Joe Gebbia and Brian Chesky. The idea behind the company originated during a conference where hotels were fully booked, so the founders decided to rent out air-mattresses. Subsequently, they were pleasantly surprised by the demand and this led to the birth of one of the most prominent websites for finding accommodations worldwide (Airbnb 2023, February 14).

Business Model

Airbnb operates as a community-based marketplace, providing the opportunity for property owners to earn money by listing private flats, while also offering travelers easy access to renting private homes. The platform boasts a diverse range of accommodations to fit varying budgets, including personal or shared rooms, or entire homes. The convenience of the platform is amplified by its accessibility via a user-friendly app or website, with no need for physical meetings. Safety is a priority for Airbnb, and to this end, personal profiles and rating systems are included to ensure that travelers can trust their hosts. Hosts are equally empowered to review and select their guests based on personal preferences. Airbnb offers accommodations in 190 countries and in 34,000 cities worldwide. The platform offers affordable and unique lodgings, allowing guests to immerse themselves in local culture and make a deeper connection with their destination (D'Amours, A. 2020, October 1).

The business model does not involve owning any real estate, but instead, generates revenue from two primary sources. The company charges guests transaction fees ranging from 0% to 20% of the booking amount, while hosts are charged 3% to 5% of the rent charged, depending on the length

of stay, location, and type of property. The platform's success is built on trust within the community of users, creating a win-win-win situation where Airbnb generates revenue, hosts utilize unused space, and guests can travel affordably and authentically (Business Model Toolbox 2021, May 7).

Entrepreneurship

Entrepreneurship is the process of exploiting opportunities by individuals or partners, which can involve introducing a new product to the market or improving an existing one, as well as identifying, evaluating, and implementing new business firms or organizations. Innovation is also a component of this process, requiring individuals to identify market gaps and develop products or services that meet those needs, followed by launching them into the market. Entrepreneurship involves taking risks and facing uncertainties, as well as demonstrating initiative, innovation, creativity, and willingness to learn from failures and adapt to changes. Successful entrepreneurship can result in the creation of new jobs, advancements in technology and product development and economic growth (*What is Entrepreneurship? - Center for American Entrepreneurship*. 2019, October 28).

Entrepreneurship Applied to Airbnb

Airbnb serves as an excellent illustration of entrepreneurship, as it was created by founders who identified a gap in the market, albeit through a chance discovery. They recognized the issue of a lack of alternative lodging options to hotels, which often come with high prices. While it's difficult to generalize that Airbnb is always cheaper than hotels, as several factors impact costs like location, time, and length of stay, there are reasons why Airbnb could prove more cost-effective. For example, since rentals on the platform are often owned by individuals rather than large hotel chains, they do not have to bear the same overhead costs. Moreover, amenities such as a kitchen or washing machine may reduce expenses for travelers. Additionally, for groups, Airbnb can be more enticing, with the average rental for six people being 33% less expensive than booking three hotel rooms, as per NerdsWallet (French. 2023, 1. March). Thus, Airbnb innovatively resolved issues and market gaps within its business model. Its ingenuity is further apparent in the unique travel experiences it offers. Unlike traditional hotels, it lets travelers experience staying in a flat, giving them a local feel, instead of feeling like tourists. Consequently, Airbnb is an embodiment of entrepreneurship, creativity, and innovation. Risk-taking is another key entrepreneurial trait,

and in offering an alternative lodging option and promoting stays at strangers' houses, Airbnb's founders took a bold risk. However, this risk turned out to be a success, with Airbnb quickly gaining popularity (D'Amours, A. 2020, October 1). Furthermore, adaptability is another vital feature that the company exemplifies. In entrepreneurship, persistence is crucial, and Airbnb demonstrated this during the pandemic by facing challenges and responding with the introduction of long-term rentals and restrictions to comply with the regulations at that time. Entrepreneurship is an ongoing endeavor that requires continued development, even when the current business model is functioning effectively (*Sicherheit im Zusammenhang mit COVID-19. Airbnb.*). One such issue that Airbnb may encounter is navigating the various legal regulations related to property rental in different regions or states. Additionally, there may be a lack of effective channels for guests to report and resolve issues related to their stays, including concerns related to hygiene standards, safety, and quality control. Similar difficulties could arise for hosts in the form of unauthorized activities, theft, tardy cancellations, and damage to their property. One can see that an important part of entrepreneurship is the constant effort to improve the foundation and deal with any potential problems (I. 2022, September 14).

Becoming an Entrepreneur in Airbnb

Not only is Airbnb a wonderful example of entrepreneurship, but it also offers people a path to starting their own businesses. For instance, Airbnb hosts can buy homes with the goal of renting them out, concentrating on well-liked holiday spots and providing guests with distinctive experiences. They might also provide other services, such as specialized tour guides for local excursions. This kind of entrepreneurship necessitates perseverance and flexibility and entails taking financial risks. Also, one can use Airbnb as a launching pad for developing their brand or growing their business. This platform offers chances for creativity and innovation in starting one's own firm, even though it may not involve ground-breaking invention (Airbnb. 2023, February 14).

Relevance of Entrepreneurship

Because it fuels economic growth and progress, entrepreneurship is essential for society and the economy. Innovative companies like Airbnb stimulate innovation and generate work possibilities, which can lower underemployment. These businesses identify and address customer needs, leading to benefits for customers as well as economic growth. Airbnb, for example, can stimulate local

economies by providing an additional source of income for hosts. Beyond financial gain, entrepreneurship can help solve societal issues and have a beneficial social influence. The lives of those who are socially disadvantaged can be improved by innovation. In collaboration with locals, Airbnb might grow its clientele by providing services like cleaning and tour guides. The business and the neighborhood would both gain from this.

Conclusion

In conclusion, by bridging a market gap with a reliable, practical, and cost-effective business model and providing chances for people to start their own businesses, Airbnb is a prime example of entrepreneurship. Entrepreneurship is essential because it fills market gaps with novel ideas and spurs economic growth despite obstacles.

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How Ten Thousand Villages is Changing the World, One Artisan at a Time

Konrad Kindermann

Overview of Ten Thousand Villages

Ten Thousand Villages is a fair trade organization that connects artisans in 25 developing countries with North American customers by selling their handmade products through an online shop, along with 51 branded stores and more than 300 retail partners (*Ten Thousand Villages - About Us*, 2023). The company was founded in 1946 by Edna Ruth Byler who, after a trip to Puerto Rico, decided to help artisans sell their goods on the US market (*Ten Thousand Villages - History*, 2023). Since then, Ten Thousand Villages has grown into a global movement, working with over 100 partner organizations in 38 countries and supporting more than 20,000 artisans (*Find a Ten Thousand Villages Store*, 2023). Therefore, the online shop offers a variety of products including jewelry, textiles, ceramics, baskets, toys, and decorations.

Ten Thousand Villages has developed its own process of fair trade, called the maker-to-market concept. Before the handmade products can be sold, a team of Ten Thousand Villages meets the artisans. Together, they elaborate on the best possible way of the sustainable production process and agree upon a transparent and fair price with which the artisans can also make a profit in the long term (*Ten Thousand Villages - Fair Trade*, 2023). If the artisans can't afford the changes which were advised by the Ten Thousand Villages team, the company provides an interest-free micro-investment to prevent loan exploitation and promote financial independence. With the necessary funding secured, the artisans proceed to create their first handmade products (Gil, 2021). After Ten Thousand Villages can ensure that the craftsmen work under good working conditions, have running water, good tools, and use recycled materials, the product is ready to launch in the online store. If a successful purchase of a product in the online store was made, 50 percent of the sales price will be paid directly to the artisan (without interest fee) to cover material and production costs (*Ten Thousand Villages - Fair Trade*, 2023). This form of payment before the product is finished is very rare. During the production process, the artists remain in close contact with the Ten Thousand Villages team (ibid). This way, support can be given in e.g. complex export possibilities and safe working conditions can be guaranteed. Ten Thousand Villages wants to take

the financial risks away from the artists and craftsmen. This means that the second half of the payment takes place directly after completion and before export to the customers. These products are then transported to urban centers and subsequently shipped to a warehouse located in Akron, Pennsylvania. This location serves as a gateway to the US and Canadian markets, allowing the products to reach a wider audience (Gil, 2021).

Overview of Sustainable & Responsible Management

Sustainable and Responsible Management is about how organizations can contribute to more sustainable development and how to integrate sustainability into management. Since new legal regulations were invented over the last years, corporate social responsibility (CSR) becomes more and more important, especially concerning social development goals (SDGs). A key concept of Sustainable and Responsible Management is the triple bottom line. This business concept ensures that the three components: social, environmental, and economic interests are balanced (Miller, 2020). Therefore, the social and environmental impact must be measured as well besides the financial performance. The social impact may include fair labor practices, community development, and human rights along with the satisfaction of employees, customers, and social commitment in the local community (ibid). The environmental component can be measured by the company's impact on the planet, including topics such as climate change, pollution, and resource depletion. Environmental considerations may include reducing greenhouse gas emissions, conserving energy and water, and minimizing waste (ibid).

Not only the environment and all stakeholders (not only shareholders) profit from a company using the triple bottom line. The company strengthens its long-term viability due to better company reputation and branding. Customers, and employees will be more likely attracted if the company represents sustainability in social and environmental areas which enhances their ability to attract potential investors (ibid). Furthermore, the company can potentially save costs and maximize its profit, by reducing waste and energy consumption along with improving its production and shipping processes.

Importance of Sustainable & Responsible Management in Application to Ten Thousand Villages

Applying the triple bottom line to Ten Thousand Villages, it becomes clear how the company practices Sustainable and Responsible Management. Coming to the first component, Ten Thousand Villages bolsters social justice by enhancing the livelihoods and well-being of artisans and providing assistance for education, healthcare, and community development projects. Additionally, the company's recognition and appreciation of the artisans' traditional skills and artistic expressions can contribute to the preservation of their cultural heritage (*Ten Thousand Villages - Impact*, 2023). Out of the global working population, 8 percent of individuals are in extreme poverty, and 13 percent are moderately poor (ILO STAT, 2019). This indicates that for a significant portion of the global workforce, simply having a job is insufficient to lift them and their families out of poverty. This underscores concerns regarding job quality, particularly in terms of insufficient wages. This is where Ten Thousand Villages' upside-down retail model comes into play. The company strives to offer fair compensation for the products they acquire, prioritizing equitable remuneration over minimizing costs (Danziger, 2019). Besides the artisans, their families can have food, children can go to school, a home can be built and the community gets strengthened if makers grow their businesses (*Ten Thousand Villages - Fair Trade*, 2023). Over the last 19 years, Ten Thousand Villages invested 110 million dollars in over 20,000 makers in over 20 developing countries. 60 percent of the artisans are women.

Regarding the environmental impact, the organization advances environmental conservation through the utilization of recycled or natural materials in the artisans' products and the reduction of energy and water consumption during the production process of its fair trade products. Therefore Ten Thousand Villages stays in close contact with the makers and provides micro-investments if the maker can't afford the needed materials upfront (*Ten Thousand Villages - Fair Trade*, 2023). Furthermore, the stores are having furniture made of recycled materials and by implementing energy-efficient lighting systems and using water-based paints, the store diminishes its carbon footprint (Danziger, 2019). As an alternative to plastic, the stores will exclusively provide 100% recycled paper bags and boxes (ibid).

Speaking about the financial compartment, profit is not the priority of Ten Thousand Villages. Nevertheless, even a fair-trade organization can create profit. Charity Navigator reports that in

2019, Ten Thousand Villages generated \$12,733,196.00 in total revenue and incurred \$12,231,758.00 in expenses, resulting in a net profit of \$490,438 (Charity Navigator - Rating for Ten Thousand Villages, 2021). Financial topics like setting up local shops in the right locations where people live who value the products appropriately and can afford the higher but fair prices are also important issues the company has to deal with. (Danziger, 2019).

By supporting the artisans and the environment with their CRS models, Ten Thousand Villages contributes to the achievement of the SDGs and can remain in the market in the long term. However, the profit is comparatively lower than with conventional companies.

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Entrepreneurship, Organization and Culture: Niedersächsischer Fußballverband

Lennart Klein

Introduction to the Niedersächsischer Fußballverband

The Niedersächsischer Fußballverband is for simplification further referred to as NFV. All the information to the NFV from its website.

The NFV is part of the Deutscher Fußball Bund (DFB) and for this reason receives delegated tasks such as but not limited to managing, organizing and enabling sports education, competitions and public relations to players, referees, trainers and the public. Responsibilities range from trainer and referee education, talent scouting and development to analyzing and representing the interests of its more than 2,500 clubs and 600,000 members, although one of the main tasks remains the further delegation and management of tasks to a district and county level, which then results in the clubs themselves. The DFB was not chosen as an example because responsibilities related to grassroots sport are mainly delegated to the federal associations.

According to the definition of Sautter & Stumpf (2014), the NFV can be described as a representative sport association, as it is based on democratic decision-making, voluntary membership, voluntary work and independency from third parties.

Entrepreneurship, Organization and Culture and its relevance

Cultural Entrepreneurship can be defined by different approaches from different levels with interests next to profit in common. The cultural management approach by Klamer (2011) identifies cultural entrepreneurs as characters realizing cultural values and cultural sociology describes a practice based on alternative forms of capital such as social and cultural capital (Scott, 2012).

These two approaches are only few of various definitions from the module. However, all of them have their contribution to developing and shaping society, culture and other aspects besides economic interests in common. Therefore, the course Entrepreneurship, Organization and Culture underlines the importance of value creation which extends economic profit to a more social and cultural understanding and rethinking of entrepreneurial action and responsibility in society.

Sport Entrepreneurship

The concept of sport entrepreneurship (Hammerschmidt et al., 2022) is essential to understand the NFV in the context of Entrepreneurship, Organization and Culture. On the one hand, sport associations are mostly non-profit organizations and aim at a more social approach implying health care, social value creation and development, all of whom can be strongly connected with the definition of Cultural Sociology (Scott, 2012), and the use as well as creation of social and cultural capital. On the other hand, trainers and athletes are consequently looking for innovation and new opportunities to adapt to societal and economic demands and to maximize value creation (Hammerschmidt et al., 2022), both economic and social, but mainly aiming at an increasing competitiveness resulting from the athlete's or team's performance, capability and motivation. However, Hammerschmidt et al. (2022) limit sport entrepreneurship to mediation in the process of value creation. Value creation in sport is not limited to a social dimension as sport itself, but as part of culture it can also be seen in context of cultural entrepreneurship from a cultural management perspective (Klamer, 2011).

Entrepreneurship, Organization and Culture applied to NFV

The sport entrepreneurial behavior as described before can be observed at different levels in the NFV. Athletes and players encounter a variety of development measures and opportunities, ranging from tournaments and competitions to personality development and increasing capabilities through trainings and events. Yet, the NFV is not exploiting players for financial interests and can be seen as a non-profit organization (Berger, 2002) as it is funded by membership dues, fees, penalty payments and donations according to the financial order of the NFV from 2022. Expenses are limited to administration, inventory, duties, fees and personnel costs. Therefore, revenues are cost-covering.

With trainers, referees, athletes and volunteers acting non-profit-oriented, the main responsibilities of the federal football association are directed to enabling parts of the infrastructure, standards and framework for training, value creation as well as competition (Berger, 2002). For this reason, cultural and social value creation according to the definition of cultural sociology (Scott, 2012) can be observed in the NFV.

Creation of social and cultural capital through sport occurs at different levels in the NFV depending on the groups involved in value creation such as but not limited to athletes, trainers, referees, volunteers and their respective committee, commission or team which are all represented in the executive committee and board of directors.

Although the NFV is about football, education and exchange are not limited to this discipline. Instead, main aspects also include leadership, personality and health. All of these different themes are strongly interconnected at different levels and thereby create a social and cultural capital which is sufficient for sport organizations to ensure sustainability (Hammerschmidt et al., 2022). The NFV illustrates the importance of entrepreneurial organization structures to enable profit generation which is no longer limited to the economic perspective and is therefore an important part of future management processes and entrepreneurial actions.

Furthermore, by education and ensuring organizational framework for trainers, athletes and referees, the NFV enables a platform for exchange for the identified sport entrepreneurs. This can be translated to the process of value creation by adapting existing processes and decision making to new information, impressions, and opportunities in order to increase capabilities and social and cultural capital. Despite the standards given by the sport association, individual members remain self-entrepreneurial within the framework, as for example trainers may decide on if and how to implement new knowledge into their actions to maximize capabilities in development of their athletes and in competition and to remain responsible for their decisions and the respective success.

Sport associations are strongly relying on their members who therefore have various steering mechanisms (Sautter & Stumpf, 2014). In addition, associations depend on volunteers which is also the case for the NFV which only has few full-time employees. This voluntary work on the one hand is essential for limiting financial expenses for the NFV and on the other hand benefits volunteers engaging in value creation processes and its organization to make a social contribution, gain experience and enjoying their work (Berger, 2002). Thereby, it once again stresses the significance of value creation processes apart from economic profit which are driven by each individual in society.

Conclusion

The case of the NFV underlines the importance of Entrepreneurship, Organization and Culture in societal contexts, as it points out the relevance of social and cultural value creation in relation to economic profit. As a result, non-profit sport associations can be identified as social contributor which consequently adapt to societal and member demands and create unique output by giving platform and framework for entrepreneurs in the sports sector. However, this case and the module Entrepreneurship, Organization and Culture not only illustrate structures and processes with societal and cultural impact but also stress the significance of rethinking entrepreneurial actions from different perspectives and of critically reflecting on only economically oriented entrepreneurship in order to adapt to upcoming challenges for future entrepreneurs and managers.

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C&A – Entrepreneurship in a Fashion Company

Sarah Lehmkuhler

Entrepreneurship

Concept of Entrepreneurship

In order to depict the relevance of the module Entrepreneurship with the help of a case it is necessary to clarify what Entrepreneurship is about. Entrepreneurship is about the creation of a new business venture in order to achieve a particular goal or objective. This often involves the identification of an opportunity in the market and developing a unique business concept or product, organizing resources and building a team to execute on the idea. Furthermore, taking on the financial and operational risks of starting and growing a business is required to found a start-up.

Innovation and creativity are often linked to the success of an entrepreneur as achievements are mostly rooted in the ability to identify new and emerging trends or market gaps that they can leverage to create value for customers and differentiate from competitors. However, those are not the only needed skills, since strategic planning, marketing, financial management, and leadership are pivotal for an accomplished entrepreneur.

Concluding, the concept of entrepreneurship builds on taking an idea and turning it into a successful business that creates value for both the entrepreneur and their customers, employees, and stakeholders. This thought may be applied in various different forms, some of which will be introduced in the following.

Entrepreneurship in an Established Company

While the primary association with Entrepreneurship is with start-ups, entrepreneurship can also be found in already large and successful companies. The combination of already existing business structures and innovative developments due to entrepreneurship occur in various forms.

One format aims at encouraging the employee's creativity and allowing for risks to be taken in order to promote innovation, as newly developed ideas might end up succeeding. Another way to include entrepreneurship is to acquire or partner with start-ups in order to introduce new concepts from external parties into the established business. This benefits the competitiveness of the

company as not merely a new source of innovative ideas is added to the company's structure which therefore stays agile and responsive to changing market conditions while leveraging the creativity and innovation of the startup ecosystem, but also new market segments can be explored.

Ecopreneurship

Ecopreneurship is a term used to describe a type of entrepreneurship that focusses on creating environmentally sustainable and socially responsible businesses. Ecopreneurs are entrepreneurs who use their skills and expertise to develop and promote innovative products, services, and technologies that promote environmental sustainability, while also contributing to social and economic development. Aspects that are often addressed and prioritized by Ecopreneurs are sustainable practices including ethical work conditions, waste reduction and the usage of renewable energy sources. In addition to that, further factors such as the of environmentally friendly materials and the reduction of harmful emissions.

Summing up, ecopreneurship focusses on the creation of businesses that are financially successful while also promoting environmental and social sustainability. By combining entrepreneurship with environmental and social responsibility, ecopreneurs aim at the creation of a more sustainable and fair world.

The Case of C&A

The European fashion company "C&A" has already been founded in 1841 and in the meantime has built over 1300 branches in 17 European countries.(C&A, 2022b) Especially since 2013, the company focusses increasingly on aspects of sustainability.

In the moment the so called "2028 Global Sustainability Strategy" (Schwartz, 2022) is in progress which concentrates on three main aspects concerning the products, the employees and the supply and value chain of the fashion business.(C&A, 2022b) With regard to the two last-mentioned objectives, C&A maintains a "Sustainable Supply Chain - Team" (C&A, 2022b) which perform regular controls whether the companies requirements are fulfilled by their suppliers. These requirements include amongst other aspects the safety of the buildings involving fire safety, freedom of assembly, no excessive overtime and fair payments. (C&A, 2022b) If these demands are not fulfilled and are discovered by the team responsible for the sustainable supply chains, the

company announces to act upon a “Zero-Tolerance-Policy”. (C&A, 2022b, translated by Sarah Lehmkuhler).

Another element are the actual products or more specifically the materials used for the products. In this regard, C&A has already received several awards from the Textile Exchange organization as the world's largest purchaser of certified organic cotton (C&A, 2022b). In addition to that, in 2017 C&A was the first fashion Company worldwide to sell Cradle to Cradle T-Shirts and in 2018 also Jeans (C&A, 2022a). This can be seen as an entre- and ecopreneurial act as the development of these products needed innovative ideas that required promotion from inside of the company and aim at an environmental benefit.

However, also the packaging needs to be considered when arguing about materials. In December 2022, C&A officially launched a pilot project with the start-up “traceless” in order to replace the single-use plastic hooks for e.g. socks in the store in Hamburg Altona (*C&A Teams up with Circular Bioeconomy Start-up Traceless Materials to Replace Plastic Hooks*, 2022). “Traceless” developed a plastic free material that acts similar to plastic but is actually completely plant based, biodegrades within a few weeks and “leaves a positive footprint on the planet” (traceless, 2023). This is the perfect example for entrepreneurship performed by an already established company partnering up with a smaller start-up that came up with an innovative product that has potential to transform a specific department in the larger company. Even though this initially is merely a pilot project, over the next months every party involved benefits off of this project, as C&A further approaches the goals for 2028. On the other side, “traceless” not only landed a big order but also gains attention and visibility and the environment is spared from additional single-use plastic that ends up in the ocean. Annually about eight to ten billion plastic hooks are produced for clothes and the usage of the “traceless” material on a higher scale might be a first step to tackle this issue, which is why this project can also be classified as ecopreneurship. (traceless, 2023)

Relevance of Entrepreneurship

As this case depicts, entrepreneurship is not only of importance when founding a new business and does not lose its relevance in bigger businesses. In fact, it might be even more significant to have entrepreneurial skills when working in an established company, since structures and concepts in larger companies tend to be stiffer than in a newly started business. Therefore, skills like entrepreneurial creativity and the ability to detect opportunities might be pivotal in order to initiate

inevitable changes. These alterations are necessary for every business, not merely to ensure an environmental sustainable development of the company, but additionally for the company to stay competitive. Simultaneously, this means that every innovation in a larger firm does not only influence this particular business, but potentially influences the whole market segment as other companies try to stay competitive too. Due to that, C&A's agenda for 2028 and the alliance between C&A and "traceless" is even more meaningful, as this might lead to other fashion brands adapting and paying attention to their usage of materials as well.

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Why “Why” is at the Core of All Great Companies

Moritz Lietz

Introduction

“He who has a why to live for can bear almost any how” -Friedrich Nietzsche

These words by Friedrich Nietzsche stand for an indomitable inner purpose, which makes difficulties endurable in the face of adversity. They also encapsulate the essence of great leadership, particularly the trait of a great manager. A great manager is someone who can connect with their team on a deeper level, tapping into their sense of purpose and passion to drive meaningful results. In his TED talk “How great leaders inspire action”, Simon Sinek argues that successful leaders are those who can inspire their employees by communicating the “why” behind their organization’s mission. (TED, 2010)

We will look at the power of this one simple word by drawing on Sinek’s talk and another TED talk by Bill Holmes, as well as a company that succeeded by asking why, Southwest Airlines.

What and How is Not Enough

In his talk, Sinek explores the idea of why some organizations and leaders can inspire others while others are not. He states that he found a pattern that all successful companies have in common. “They all think, act and communicate the exact same way. And it’s the complete opposite to everyone else.” (TED, 2010), says Sinek and calls it the “world’s simplest idea”. He then proceeds to draw three circles on a whiteboard, a small one in the middle and two bigger circles around it, and calls it “the golden circle”. In the smallest circle, he writes “Why”, in the middle circle “How”, and in the biggest circle “What”. He says that this “little idea explains why some organizations and some leaders are able to inspire, where others aren’t.” (TED, 2010). He then goes on to explain how most companies operate from the circle outward going inward, knowing what they do, and some even know how they do it. But the fewest companies know how to make use of the core of the circles, knowing why they do what they do. The why doesn’t stand for results like profit, it stands for core values and purpose companies like Apple internalize. “But the inspired leaders and the inspired organizations regardless of their size, regardless of their industry all think, act and

communicate from the inside out.” (TED, 2010), Sinek says and concludes the significance of his “golden circle”. (TED, 2010)

Why is at the Core of All Action

Sinek gives an example of how Apple communicates: “Everything we do, we believe in challenging the status quo. We believe in thinking differently. The way we challenge the status quo is by making our products beautifully designed, simple to use and user friendly. We just happen to make great computers. Want to buy one?” (TED, 2010). The product only came second to the message and it didn’t have to appear at all for you to be impressed by the company. Apple starts by asking “why” for everything they do. (TED, 2010)

“Why” also possesses the power to lead you to the root of any problem or idea. Just this one word, repeated a few times can strip all the superficial reasons from a problem and get to the vital part. That’s what Bill Holmes argues about in his TED talk “The Power of Why”. He presents a conscious way of thinking, a “switch” we all have and it’s really easy to use. The “switch” is the word “why”, because it makes you think. Your fast impulsive thinking might step on the break as you ask why, and by repeating the question over and over again, you’re moved to a more conscious way of thinking. He then goes on to talk about Sakichi Toyoda, who owned a company that produced weaving looms. Toyoda came up with the concept of “5 WHYS”. The employees in his organization, when facing a problem, were instructed to ask “why” five times consecutively. This questioning eliminated all the unnecessary answers and lead to the answers that matter. This approach led to the company making fewer mistakes and better decisions and thereby setting it apart from its competitors. Toyoda’s son even went on to found the car company Toyota, which conducts strong business to this day. (TED, 2019)

Why Took Southwest Airlines to the Sky

Southwest Airlines, founded by Herb Kelleher and Rollin King, is a low-cost carrier that has managed to maintain profitability while also offering exceptional customer service. It’s also a company that succeeded by asking why. (*Business Strategy Hub, 2020*)

One of the key reasons for Southwest’s success is its unique corporate culture. The airline’s employees are empowered to make decisions and are encouraged to have fun on the job. This

culture has helped create a positive work environment that translates into better service for customers. The vision statement of Southwest Airlines reads: “To become the world’s most loved, most flown, and most profitable airline.” (*Business Strategy Hub, 2020*).

With this vision from Kelleher and King, Southwest Airlines took to the skies in 1971. They wanted to “change the way America viewed air travel”, by creating an airline with low fares, a casual atmosphere, a schedule tailored specifically to Customer needs, and a survival mentality. (Southwest Careers, 2023)

This spirit is embraced all over the company and inspires the five key elements of its philosophy: To treat people well. Good messages from Southwest Airlines often make the news, for example when a flight rerouted so that a mother could see her son in a coma. Promoting and nurturing culture is taken very seriously and is also one of the reasons Southwest Airlines achieved success. Their mission statement to their employees is: “We are committed to providing our Employees a stable work environment with equal opportunity for learning and personal growth.” (*Business Strategy Hub, 2020*). Their originality is remarkable as you see that the virtues of individualism, freedom, and carefreeness are consistently found within the company. They hire for talent, regardless of the level of education or experience because they believe it’s the DNA that counts. And they always stay focused. All of this accounts for Southwest Airlines’ 47 consecutive years of profitability. (*Business Strategy Hub, 2020*)

Conclusion

In conclusion, the power of "why" is undeniable, as it is at the core of all action and the foundation of great leadership. Simon Sinek's "golden circle" model highlights that the most successful companies and leaders start with "why" and communicate their purpose and values first. Bill Holmes also emphasizes the importance of "why" in problem-solving and conscious thinking. Southwest Airlines is an example of a company that succeeded by asking "why" and creating a unique corporate culture that values both its employees and customers. Therefore, understanding the significance of "why" and incorporating it into business strategies can lead to exceptional results, inspiring leadership, and a more conscious approach to problem-solving.

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Ecopreneurship: Ecosia and its Founder Christian Kroll

Emily Mahn

Ecosia – An Environmentally Friendly Search Engine Ecosia is a search engine that was launched in 2009 with the mission to do good for the environment by using the profits generated from search advertising to plant trees. Ecosia’s search engine works like any other search engine, such as Google or Bing, allowing users to search for web pages, images, videos, and other content online. Ecosia has a “not-for-profit businesses model“ (Joshi, 2021). With the money the company makes, the company does cover the costs, meaning using it for things like „improving the search results and covering [...] rent“ (Joshi, 2021), but all of the company’s profits are invested in helping the environment. 80% of the profits go “towards planting and protecting trees around the world“ (Joshi, 2021). Through this initiative, Ecosia is not only contributing towards the fight against climate change, but is also improving the livelihood of local communities around the world. In addition to its reforestation efforts, the remaining 20% of the company’s generated profits are invested in “renewable energy, regenerative agriculture, and grassroots activism“ (Joshi, 2021). However, while Ecosia is offering an environmentally friendly alternative to traditional search engines, it is the company’s goal to provide a similar user experience to what people expect from other search engines. This is achieved through the use of algorithms and technology that are on a level with those used by other search engines (see, Ecosia GmbH, 2022). In addition to offering a similar user experience, Ecosia is committed to being transparent and accountable. The company publishes monthly financial reports detailing where their revenue goes, providing regular updates on its tree-planting efforts, so that users can see exactly how their searches are making a positive impact on the planet. To add, the 2 company has a strict privacy policy that protects users’ personal information (see GmbH Ecosia, n.d.).

The Difference Between Sustainable Entrepreneurship and Ecopreneurship

It is no secret that the harmful effects of the capitalistic economy on the planet have become increasingly apparent in recent years. Despite this, it appears that the primary goal of most companies is to maximize profits, even if it means harming the environment. They prioritize keeping costs low and maintaining high outcomes, regardless of the devastating effects their economic activity has on the ecosystem. Therefore, a change in the way people run their businesses

is urgently needed, as it is us humans who depend on the ecological integrity of our planet. However, the question arises: is it possible to start a new business and work on an idea to make a change for the better, while still contributing to the economy? The answer is yes, and sustainable entrepreneurship provides a path forward. Entrepreneurs who adopt this approach have already started to change their way of entrepreneurial thinking, and strive to make their economic activity more sustainable. “With reference to Patzelt and Shepherd [13] (p. 632), sustainable entrepreneurship can be defined as ‘the discovery, creation and exploitation of opportunities to create future goods and services that sustain the natural and/or communal environment and provide development gain for others.’” (Hörisch, 2015). While sustainable entrepreneurship has gained a lot of attention in recent years, with more and more entrepreneurs recognizing the importance of operating their businesses in an environmentally friendly and socially conscious way, there is also a way of running businesses that even contributes to act against the already done damage. The founders of such companies, that take it a step further, are called eco-entrepreneurs or ecopreneurs. So-called eco-entrepreneurship or ecopreneurship is defined as “entrepreneurial, market-oriented activity that places the solution of environmental 3 problems at the core of the respective business activity and strives for market leadership“ (Hörisch, 2015). This means that ecopreneurs still want to grow their business, with the goal of achieving “market leadership“. However, unlike most traditional companies that harm the planet, ecopreneurs aim to minimize their ecological impact. While sustainable entrepreneurs care about the planet and therefore prioritize sustainability, ecopreneurs take it a step further by actively working to lessen ecological devastation. Christian Kroll – An Ecopreneur Christian Kroll is the founder and CEO of the search engine Ecosia. After he graduated from university, Kroll traveled to “Nepal, India and South America“ (Lehnis, 2021). He saw what problems those communities were facing daily due to consequences of environmental pollution and climate change. “Living in South America, I realized how much we’re destroying our ecosystems. The rainforests are being cut down and replaced by soya plants or grazing fields...I really wanted to do something about it.” says Kroll.“ (Lehnis, 2021). This led him to having the aim to have an impact on society and the environment. Moreover, Kroll had already developed a “profitable comparison website“ as a student at university, which inspired him to create ecosia (see Lehnis, 2021). His first goal was the reduction of CO₂ in the atmosphere (see Bug, 2023). To achieve that, “he wanted to start a business in which a large portion of their profits gets donated to tree restoration.“ (Bug, 2023). Kroll says: “I wanted to do something to help solve climate change

and use my experience in tech. So, I put those two things together. That's how I created the search engine that plants trees.“ (Lehnis, 2021). This is how the idea of Ecosia was born. Kroll aimed to develop a search engine that generates revenue from advertisements, similar to the dominating market leader Google, but with the intention of directing the profits towards environmental enhancement rather than personal enrichment (see Bug, 2023). This means that his company 4 focuses on solving environmental issues while it still sets the goal of economic growth, investing in its own development and with that gain of success, proportionally creating a bigger impact on environmental causes. In order to attract attention, the marketing department of the company utilized various strategies including online advertisement and posters, as well as campaigns such as the acquisition of an ancient forest from a coal company in Germany, which particularly gained the company significant attention and resulted in a noticeable increase in user numbers (see, Lehnis, 2021). An Ecopreneur and the Ability to Start Changing the World Founded in 2009, Ecosia now is “the world’s largest not-for-profit search engine“ (Lehnis, 2021) with a world-wide market share of 0.11% in 2022 (Topic: Ecosia, 2022) and about 15 million users in 2021 (Lehnis, 2021). This exponential growth is a result of the company’s unique approach and the increasing global awareness of the need for sustainable practices. One of Ecosia’s most notable achievements to date is the planting of over 169 million trees by 2023 (Ecosia Is the Search Engine That Plants Trees, n.d.). Overall, it is Christian Kroll’s passion for sustainability and social responsibility as an ecopreneur, that led him to establish Ecosia. Under Kroll’s leadership, Ecosia has continued to evolve and expand its impact. His vision and leadership have made Ecosia a true force for good in the world, inspiring others to join the fight against climate change. Today, the company is a great example for successfully combining profitability with environmental and social responsibility. It is visionaries like Christian Kroll and companies like Ecosia that are leading the change towards a more sustainable future.

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James Dyson's Entrepreneurial Journey

Felix Masnick

Who is James Dyson and What Does he Do?

James Dyson is an English inventor, designer and entrepreneur, who is best known for his innovative approach to product design and engineering. Dyson's success as an entrepreneur is largely due to his ability to challenge conventional ideas, take risks and pursue creative solutions to problems. In 1978, Dyson became frustrated with the poor performance of vacuum cleaners on the market and saw an opportunity to create a better product. This led him to design the world's first bagless vacuum cleaner (The Editors of Encyclopaedia Britannica, 2023). Since then, Dyson has continued to innovate and create new products, expanding the company's product line to include air purifiers, hand dryers and hair dryers, among other things. This chapter will explore the role of entrepreneurship in James Dyson's road to success.

Dyson's Entrepreneurial Journey

Today most people connect the name Dyson with high end vacuum cleaners, bladeless fans, or hair curling devices, but his entrepreneurial journey didn't start with any of these products, or any products related to them. James Dyson's entrepreneurial journey started in 1970, while still studying at the Royal College of Art (RCA) in London. As a part of his final year's project at RCA, he helped designing the "Sea Truck", a small fiberglass boat (Brennan, 2005).

After that he developed his first own idea and product the "Ballbarrow", which is like a wheelbarrow but, like the name change suggests, with a ball instead of a wheel. (Inside Dyson, 2015, archived at The Wayback Machine) Dyson invested most of his money into the development and construction of the prototype and patenting his idea. To sell the product, he had to reach out to investors, who would fund the company. In return, Dyson contributed the patent and design for the ball barrow. In 1974 Kirk-Dyson Limited was founded, but he made the mistake of assigning the patent to the company and not just license the company (The Editors of Encyclopaedia Britannica, 2023). This later resulted in him losing control over the company and ultimately being booted out, because the investors had to put in more money over time to keep the company running. This resulted in their stake in the company growing while Dyson's shrunk. He later went on to call

this his "biggest mistake" and said that he "lost five years of work by not valuing my creation" (The Independent, 1994).

During his time working at the ballbarrow factory, James Dyson gained valuable experience that went beyond simply learning from his mistakes. It was during this period that Dyson was exposed to large-scale cyclone systems, used in industrial settings, to collect dust and debris. This inspired him to explore the potential application of the technology on a smaller scale, such as in household vacuum cleaners. Dyson recognized that the conventional vacuum cleaner design, which relied on bags and filters to trap dirt, was fundamentally flawed and prone to clogging. By applying the principles of cyclone technology to the vacuum cleaner, Dyson was able to create a more effective and efficient cleaning solution (The Editors of Encyclopaedia Britannica, 2023).

With this in mind he began development of a vacuum cleaner which didn't use a bag but was based on the principle of centrifugal separators like the giant cyclone systems. Forty-nine percent of the funding he needed came from Jeremy Fry, who he had worked with during the development of the sea truck. The rest came from a loan he took out (Dyson: James Dyson, 2018). Despite the skepticism of experts in the field, James Dyson persisted in his development. It is possible that his lack of experience prevented him from seeing the problems, which others were able to identify, or perhaps he was simply too determined and optimistic to acknowledge them. Dyson's commitment to his idea enabled him to break free from the constraints of conventional thinking and challenge established norms in product design and engineering. After 5,127 prototypes (Kumaran, 2021) and a lot of setbacks he finally succeeded and had a functioning prototype, using the cyclone technology. But even then, Dyson faced challenges in finding a licensee for his vacuum cleaner, in both the US and UK. However, in 1985, the Japanese company Apex Ltd. expressed interest in the product, and within a year, a revised version of the G-Force vacuum cleaner was introduced to the market. Using the money, he earned through his licensing deal, James Dyson set up the company Dyson Appliances Limited in 1991, which is now known as Dyson Limited. James Dyson owns 100 percent of the company to this day (Brennan, 2005).

The Role of Entrepreneurship in Dyson's Success

Looking at James Dyson's entrepreneurial journey we can see why entrepreneurship is such an important part of IBAE, because this example perfectly shows us that having an innovative and

creative idea isn't enough. Without taking action, being persistent and hard work, most innovative ideas would be worthless.

He was not content to simply replicate existing designs, but instead sought to challenge established norms and create something entirely new. His idea, to use the already existing cyclone technology and create a smaller version of it, was a prime example of this innovative approach. After having this idea, rather than simply dreaming about a better vacuum cleaner, he took concrete steps to turn that vision into a reality. He spent years working on prototypes, testing and refining his designs until he finally achieved the breakthrough. Despite numerous setbacks and challenges along the way, he remained focused on his goals and refused to give up. His willingness to keep pushing forward, even in the face of adversity, allowed him to overcome obstacles and ultimately achieve his dreams.

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How Key Drivers of Entrepreneurial Spirit Led to the Rise of OMR

Helene Mertens

The Rising Importance of Digital Marketing

The importance of digitalization has grown enormously in recent decades. What was considered a niche and nerdy topic twenty years ago, is now a prerequisite for companies to be able to compete in the global market (Westermeyer, 2021: 1). Especially during the Covid-19 pandemic, digital platforms have gained importance and popularity. Due to the digital paradigm shift several companies have adapted their corporate strategy (Blackburn et al., 2020). Nowadays the success of companies is heavily influenced by their ability to adapt to change and be agile in the face of new trends and shifts. Topics concerning Social Media Marketing, SEO, creating an online presence and using new software and apps in order to boost efficiency, are crucial topics under discussion for companies that want to remain competitive in the marketplace. Being ahead of time, knowing the latest trends and additionally optimizing marketing to meet customer expectations is paramount.

OMR – the Biggest Platform for the Digital and Marketing Scene in Europe

What began as a hobby for founder Phillipp Westermeyer, is nowadays the largest platform for the digital and marketing scene in Europe, with an annual turnover of more than 30 million euros and 400 employees (Koecher, 2021). OMR evolved continuously from several occasions in Westermeyer's life. Whilst building another Start-up, Westermeyer said, several acquaintances approached him asking for help in the area of digital marketing (Gabel, 2022: 8:43). Due to the high demand, Westermeyer hosted an event where around 200 people were informed about digital trends and topics in 2011 (Kastner, 2011). This led to the wish of a follow up event, nowadays commonly known as OMR or Online Marketing Rockstar's Festival, which is expecting over 70.000 participants in 2023. The OMR Festival was somewhat revolutionary in terms of giving digital marketing content a platform and a place to connect. In addition, the company OMR is made up of various branches of the digital industry, offering an education program, recruiting and employer branding as well as a software review platform and lastly the OMR subsidiary Podstars which produces and markets podcasts of various kinds. This includes the OMR Podcast hosted by Phillip Westermeyer, which covers business-related topics. Despite this wide range, the main

revenue is still accomplished with the OMR Festival (OMR Festival 2023 - Das Festival für das digitale Universum, o. D.).

What makes Entrepreneurship Crucial?

The fundamental concepts of entrepreneurial intent and success consist of several characteristics. An entrepreneur accounts as someone who undertakes innovative ideas in improving already established systems and structures. By doing so, entrepreneurs shape our economy and the innovative development of the future massively. Entrepreneurial action is furthermore characterized by the capability to adapt to change and address societal problems. These characteristics underpin the ability to discover, evaluate and exploit opportunities and to identify challenges and to create suitable solutions (Frese und Gielnik, 2014).

Key Character Traits which Make Westermeyer a Perfect Entrepreneur

Beneficial for the overall success of OMR are some entrepreneurial key character traits of Westermeyer. His cognitive and social preconditions consisting of a bachelor's degree in international business administration and a master's degree in media management gave Westermeyer general knowledge and expertise in the business area. In order to fully understand the market, it is favorable to acquire some theoretical knowledge. Furthermore, Westermeyer's first job offered him insights into the world of startups. He worked at Bertelsmann AG as an assistant to the board and attended a meeting where the founders of studiVZ pitched for a sale to Bertelsmann AG for several million prior to the final sale to Holtzbrinck in 2007 (Gabel, 2022: 7:48). As the founders of studiVZ were of the same age as Westermeyer, this gave him the inspiration to become an entrepreneur himself. Therefore, he built two startups in the field of marketing tech which he sold to Gruner + Jahr and to Zalando. OMR was a hobby that he pursued on the side (Köcher, 2021).

The driving force of almost every entrepreneurial action is passion and motivation. This motivation is reflected in the fact that Westermeyer initiated the first event out of his own interest in the topic digital marketing. Unlike his other start – ups, Westermeyer did not intend to build OMR to be sold later. With the expansion of OMR Podcast Westermeyer fulfilled himself a childhood dream. As a child he wanted to be a sports journalist. Through the podcast, he meets interesting individuals and carries out journalistic practices, creating something that he is passionate about (Bar Bar &

Impraim, 2023: 10:38). Westermeyer states that his job continues to feel like a hobby (Bar Bar & Impraim, 2023: 10:44).

When asked in an interview what makes him special, Westermeyer states “that he has always been very curious” (Bar Bar & Impraim, 2023: 8:25). This extraordinary curiosity drives Westermeyer to try new things and familiarize himself with new subjects. Another remarkable aspect of his personality is his ability to take risks. Starting a new business is itself a decision under uncertainty. Often large sums of money are involved, which is why a good entrepreneur should be resilient and be able to take risks. After setting his priorities, Westermeyer quit his job at Gruner + Jahr after only six months in order to devote all his time to his startup (Bar Bar & Impraim, 2023: 5:55).

Additionally, observational skills are of utmost importance when it comes to entrepreneurship. With the help of observational skills one can detect problems in existing structures and therefore optimize these or find a lack of product or service on the market. Recognizing that the digital marketing scene was considered rather as a niche area and lacked a representative platform, Westermeyer identified a gap in the market. The idea for starting an own podcast came to him when he was taking his babies for a walk in the morning and found himself listening to podcasts (Bar Bar & Impraim, 2023: 24:00). Thus, OMR were one of the first who integrated the fairly new format of podcasts as a line extension of the OMR platform in 2015. This made them pioneers in this area and gave the company the advantage of collecting the know-how before the big podcast boom hit five years later (Fischer, 2021).

Lastly, Westermeyer’s master’s discipline is networking. Networking is a great source of learning from others and broadening one’s skill set. Opportunities often crystallize when talking about intentions with other people. Westermeyer is the face of the company and is widely publicly represented. This also gives the company a face and makes it easier for people to relate to the company. Through the podcasts in particular, OMR has established a big circle around the company including German Stars such as Joko Winterscheid and Tim Mälzer (Bar Bar & Impraim, 2023 4:50). Also, OMR bears great contacts to several important people in the field of digital marketing through its festival (Sturm, 2016).

Conclusion

The success of OMR can be retraced to some key concepts of entrepreneurship, like observational skills, cognitive and social preconditions, passion and motivation, risk taking and the broad network around the company. Recognizing the niche of making a nerdy topic cool and accessible also contributed to OMR's great success. Understanding the key character traits of a successful and impactful entrepreneur will ultimately help in becoming one oneself. Furthermore, entrepreneurial action shapes the innovative development of the future and therefore contributes to a better world.

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Samsung: From Small Businesses to Global Leader Through Entrepreneurship

Nazem Omar

Introduction

Samsung is a multinational conglomerate that has become a global leader in electronics, technology, and other industries. The company's origins can be traced back to a small grocery store established in South Korea in 1938. Over the years, Samsung has grown significantly and currently employs over 300,000 individuals. As per Samsung Electronics' press release (2023), the company generated a revenue of over \$240 billion in 2022. The success of Samsung can be attributed in large part to its entrepreneurial spirit and commitment to innovation. Throughout its history, Samsung has demonstrated a willingness to take risks, experiment with new technologies, and pivot its business strategy in response to changing market conditions. In this chapter, we will explore how Samsung has leveraged entrepreneurship to become a global leader in the 21st century.

The Concept of Entrepreneurship

Entrepreneurship is a complex and dynamic process that plays a vital role in creating economic growth, generating employment opportunities, and fostering innovation. According to Lazear (2005) and Stam (2008), entrepreneurship involves creating or expanding a business venture by taking risks and pursuing opportunities to create value in the marketplace. Entrepreneurs are motivated by various factors, including financial gain, independence, and pursuing a passion. They are typically innovative and develop new ideas, products, and technologies to achieve their goals.

Stam (2008) notes that there are different types of entrepreneurship, including opportunity-driven and necessity-driven entrepreneurship. Opportunity-driven entrepreneurs are more likely to engage in innovation, while necessity-driven entrepreneurs focus more on survival. For example, entrepreneurs in developing countries may start a business out of necessity due to a lack of employment opportunities, while entrepreneurs in developed countries may be motivated by the desire to innovate and create something new. Education and training are significant for entrepreneurs as they acquire knowledge and skills necessary for running a business effectively.

Governments can promote entrepreneurship through policies such as providing access to capital, tax incentives, and regulations that reduce the cost of doing business (Lazear, 2005; Stam, 2008).

The Importance of Entrepreneurship in Corporate Growth and Development

Entrepreneurship is crucial to driving the growth and development of corporations, as highlighted by Panglaykim (1979). The unique skills and qualities possessed by entrepreneurs, such as their ability to identify and pursue opportunities, are essential to a company's success. However, entrepreneurs also face challenges such as limited resources and government regulations, which can hinder their growth and expansion. To overcome these challenges, policies and programs should be implemented to foster an environment that encourages innovation and risk-taking, to support entrepreneurship. Specifically, government initiatives can provide funding, mentorship, and regulatory frameworks that support entrepreneurial ventures. By leveraging the power of entrepreneurship, companies like Samsung can achieve growth and success in today's fast-paced and ever-changing global economy.

Samsung's Entrepreneurial Culture

Samsung's history can be divided into three key milestones: its diversification into electronics in the late 1960s, its aggressive pursuit of international expansion in the 1980s, and its recent focus on emerging technologies like AI (artificial intelligence) and IoT (internet of things). These milestones have contributed significantly to Samsung's success as a global leader in electronics and technology. By studying Samsung's entrepreneurial journey, we can gain insights into how businesses can succeed in a fast-paced and ever-changing global economy. The article by Yu (1998) provides valuable insights into Samsung Electronics' growth pattern and strategic decisions, which are closely linked to the concept of entrepreneurship. Samsung's success can be attributed to its entrepreneurial spirit and ability to innovate and adapt to changing market conditions. The company's diversification into different business areas and vertical integration can be viewed as entrepreneurial strategies to explore new opportunities and improve efficiency. Moreover, Samsung's expansion into global markets necessitated entrepreneurial skills such as risk-taking, resource allocation, and cross-cultural management. Samsung's strategic focus on technology and innovation, are fundamental components of entrepreneurship. Challenges such as intensified competition and evolving consumer preferences may be encountered in the future but overall,

Samsung's entrepreneurial approach to business has contributed to its growth and success in the global market.

Samsung's Entrepreneurship Programs

To assist startups and business owners in a variety of industries, including emerging technology and social entrepreneurship, Samsung has created a number of entrepreneurship programs. For instance, the Samsung Social Impact Challenge, which aims to support startups in tackling social and environmental concerns in the nation, was developed through a collaboration between Samsung and Social Impact in Germany. Selected startups can take advantage of the program's funding, mentoring, resources, and networking possibilities (Samsung Electronics, 2023). Also, early-stage entrepreneurs can get assistance from Samsung NEXT and C-Lab in the form of finance, mentoring, and product development. Students can receive free training at Samsung Innovation Campus (SIC) in subjects including artificial intelligence and the Internet of Things. Overall, Samsung's entrepreneurship initiatives show its dedication to fostering innovation and helping start-ups in a variety of industries in order to have a beneficial social impact.

Conclusion

In conclusion, Samsung's entrepreneurial journey has been characterized by a commitment to innovation, a willingness to take risks, and a strategic approach to diversification and global expansion. Through its entrepreneurial culture, Samsung has been able to create and seize opportunities, adapt to changing market conditions, and build a global brand that is synonymous with quality and innovation. The company's entrepreneurship programs demonstrate its ongoing commitment to fostering innovation and supporting startups in various fields, from emerging technologies to social entrepreneurship. By means of understanding Samsung's entrepreneurial journey, we can gain insights into how other businesses can leverage entrepreneurship to succeed in today's fast-paced and rapidly changing global economy. As Samsung continues to grow and evolve, it will undoubtedly face new challenges and opportunities, but its entrepreneurial spirit and commitment to innovation will undoubtedly continue to be a driving force behind its success.

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The Walt Disney Company: Ex-CEO Robert Iger on Leadership

Lara Penzel

Introduction

Nowadays, the world is growing at a rapid pace. New innovations are being invented and everyone is expected to keep up with recent developments. Therefore, each company, firm, and association has to form a skillful environment, in which required progress is made and advanced management and entrepreneurship tasks are solved ceaselessly.

This book chapter aims at depicting how Entrepreneurship (an International Business and Entrepreneurship module) is being performed from the perspective of Robert Iger during his time as CEO at The Walt Disney Company.

Module: Entrepreneurship

Entrepreneurship can be defined as identifying, evaluating, and exploiting any kind of opportunity, that emerges from trends in the market, to improve the lives of people. It is “the activity of making money by starting or running businesses, especially when it involves taking financial risks...“. (Oxford University Press, 2023)

Accordingly, it is not necessarily about making profit, but rather about addressing challenges and problems. Furthermore, Entrepreneurship can be viewed from four different theoretical perspectives, where the financial/economic perspective includes motivating people to build a new business through required financial capital or incentives. Secondly, the strategic/management view looks at competitive advantages and strategic approaches that can be utilized to make a newly set-up business more successful. To foster Entrepreneurship, the institutional perspective deals with laws, regulations, and norms, followed by the psychological perspective, that covers creativity and knowledge. Entrepreneurship is about a set of individuals at core, who are set to motivate and make progress happen, and their psychological characteristics and actions. Meanwhile, certain psychological traits influence the type and effectiveness of actions, like personality and education, only action characteristics have a direct effect on entrepreneurial success. Actions in this regard are for example Effectuation, Bricolage, and Lean startup, which all come together when using available resources.

Consequently, Entrepreneurs should possess a unique set of qualities and a peculiar mindset. They are expected to be accountable, independent, determined, and prepared to take high risks, while simultaneously handling risks appropriately and bearing the responsibility willingly. (Sajovic, 2014)

The Walt Disney Company & Robert Iger

From leading Disney as CEO and Chairman of The Walt Disney Company from 2005 until 2020 to being placed as the Executive Chairman and Chairman of the Board in 2021, Robert Iger has over 15 years of experience in leading a colossal company. (The Walt Disney Company, 2023)

During his time at Disney, Robert Iger learned important lessons that he implemented and recalled time and time again throughout his career. Four of these vital lessons, I am going to explore and highlight in this chapter, as this emphasizes how important certain characteristics, stances, and attitudes can be in bringing entrepreneurship in a company further and making it more advanced.

Optimism

Having a practical eagerness for achieving what can be achieved, is essential to acknowledge as a leader, as it builds a certain belief in the people working together and a faithfulness in the abilities at hand. Pessimism is counterproductive, it reduces energy and motivation, can ruin the team spirit and may result in a defensive and protective stance which results in the unwillingness to take risks. (Iger, 2019, p. 86) This accentuates how much influence a leader has when executing an attitude. Feeling confident and proud of the abilities and the company itself, and having a certain focus and trust, can cause drastic changes in a company. (Iger, 2019, p. 229)

Decisiveness & Courage

Being willing to take risks takes courage. Only when courage is embodied, true innovation can take place and creativity can flow. (Iger, 2019, p. xxii) Difficult decisions are sometimes required to be made, among them counting for instance in which project to invest, firing people, and making personnel choices rapidly. (Iger, 2019, p. 211) Iger (2019, p. xiii) suggests what helps with having courage and executing hard tasks, is to work through each problem and have a mindset that it can be solved eventually, being direct and honest, and providing coherent explanations. Additionally, if there is no innovation taking place, the company does not catch up with the constant change in

the world and is therefore forced to make crucial decisions that are mostly not positive. Consequently, innovating and taking risks are key elements of having essential success.

Fairness

Treating people appropriately should not only be performed when delivering bad news when for example employees get fired. Conveying empathy, clear priorities, focus, mindfulness, and respect is equally a principle. Admitting mistakes, trying to be accessible at all times, ensuring that every person feels acknowledged, and expressing authenticity, can create a healthy environment where people feel they are being heard, taken seriously, and forgiven for sincere mistakes. (Iger, 2019, p. 226) Moreover, when the environment consists of good people, at their job, and at heart, it can have serious impacts on the efficacy and spirit of a company, where competence and humanity are often called upon multiple times. (Iger, 2019, p. xii)

Application of Entrepreneurship in The Walt Disney Company

As CEO of The Walt Disney Company for a longer period of time, Robert Iger has learned some lessons over the years while running a business. This involves, the fact that Iger had to take diverse risks and opportunities. To this account counts for example big risks, like suggesting to buy Pixar and join both companies together to the Disney board of directors, but also small risks, such as firing a single person like Roseanne Barr from Disney for offensive tweets. To take these risks, leaders must have a certain level of courage and take responsibility for the consequences.

Entrepreneurship focuses on individuals who contribute to the change that is being longed for. The four theoretical perspectives are occupied and distributed to all employees that help execute and fulfill the set goals together. As the success of the company is partly owed to them, treating these people with a certain fairness can help and contribute to the company's environment and accomplishments.

At the start of his path as CEO of Disney, Iger set himself three main priorities he wanted to achieve to rebuild and transform the company, in which also embracing technology, and keeping up with the change of the world is included. (Iger, 2019) Since an entrepreneur's actions, attitude, and beliefs set the tone, and have effects on the success of the company, Robert Iger has acquired

a set of qualities. These qualities, which he calls lessons, have been collected throughout his career and formed into a book by himself called ‘The Ride of A Lifetime‘. (Iger, 2019)

Conclusion

With this in mind, ‘The Ride of A Lifetime‘ is a work by Robert Iger (2019) about the aspects a leader should have and execute when leading a business, which connects to how Entrepreneurship was performed in the 15 years Iger carried out his role as CEO. It is demonstrated how an Entrepreneur should behave, lead a company, and also treat other people, as it is about the people working together on a set goal to ensure a business’s success that ideally keeps up with an ever-changing and evolving world.

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Spotify: An Innovative Way of Experiencing Music Attached to a New Distribution of Power in the Industry

Denny André Pérez Valdés

Introduction

Spotify is a Swedish music streaming service that was founded in 2006 by Daniel Ek and Martin Lorentzon (Vonderau, 2017). The company has grown and become one of the largest music streaming services in the world, with 456 million monthly active users and 195 million paying subscribers covering more than 180 markets as of 2023 (About Spotify, 2023). The platform has disrupted the traditional music industry by offering a new way for people to access and listen to music. This has led to what economists call creative destruction, a process where new technologies and innovations replace older and outdated ones, but would not be possible without entrepreneurial skills. In this paper, we will explore how Spotify has successfully implemented entrepreneurship to become a market leader in the music streaming industry, having a short excursion about creative destruction.

Entrepreneurship

In the diversity of academic literature, the term entrepreneurship and its use and meaning can be utilized to refer to a wide range of concepts, including innovation, ideas, creation, new venture development, creativity, discovery, and economic growth, to mention a few (Audretsch et al., 2015). A definition based on common knowledge defines Entrepreneurship as the process of creating or starting a new business with an innovative idea in order to solve a social problem. An entrepreneur: “Searches organization and its environment for opportunities and initiates ‘improvement projects’ to bring about changes”(Reihlen & Leuphana University of Lüneburg, n.d.). According to the Swedish National Encyclopedia an “entreprenör” (entrepreneur in Swedish) is an inventive and enterprising person who starts new businesses (Entreprenör - Uppslagsverk - NE.se, 2023).

Creative Destruction

For a very long time, creative destruction was a mysterious concept. The term thereafter gained prominence in the so-called new economy. These were the high-growth industries of the economy that were at the frontline of technology. According to popular belief, the new economy emerged in the late 1990s, as high-tech tools, like the internet, and increasingly potent computers started invading the consumer and commercial marketplace.

Creative destruction is enduring in tech industries and still used by many analysts who are attempting to express a straightforward concept, that innovation influences and transforms the economy and society (Schneider, 2017).

Analysis

Spotify and its Entrepreneurial Path

“In March 2006, TradeDoubler acquired Advertigo, a startup that had developed a technology for ‘contextual advertising’ from its founder, Daniel Ek. Soon after their initial meeting in summer of 2006, the two Swedish multi-millionaires started a business together, which in July that same year was named Spotify” (Vonderau, 2017). Spotify's founders, Daniel Ek and Martin Lorentzon (Vonderau, 2017), were entrepreneurs who saw an opportunity in the music industry. “They developed the platform in 2006 as a response to the growing piracy problem the music industry was facing.”(BBC News, 2018). You may have been guilty of downloading music from questionable file-sharing websites like Napster, LimeWire, and Pirate Bay before streaming services became popular (BBC News, 2018), and this is what inspired and motivated the founders of Spotify to develop a music streaming service that offers a basic, constrained, ad-supported service for free and an unrestricted, ad-free premium service in exchange for a membership fee under the freemium business model (Strategyzer AG, n.d.).

This model allows the company to generate revenue through subscriptions and advertising, rather than through the sale of individual songs or albums. “Spotify has been extremely successful at converting free users to paid users. Its premium service has additional features and it removes advertising” (Strategyzer AG, n.d.). This business model has proven to be successful, as Spotify has become one of the largest music streaming services in the world.

In order to build up its user empire, Spotify has focused on developing a user-friendly platform (The Playlist, 2022), which is easy to use and navigate. The service allows users to create and share playlists, discover new music, and listen to downloaded music offline. Spotify has also invested in developing its own mobile app, which allows users to access the service on their smartphones and/or tablets.

Spotify and its Power in the Music Industry

Creative destruction refers to the process by which new technologies and innovations replace older and outdated ones (Schneider, 2017). In the case of Spotify, the platform has disrupted the traditional music industry by offering a new way for people to access and listen to music. This has led to the replacement of the former traditional way of consuming music with a subscription-based music streaming service. Standing out from the competitors, Spotify is the most popular music streaming service (Götting, 2022). Spotify's introduction of a innovative and more accessible way of consuming music has created a significant change in the music industry, having as consequence that traditional music distribution methods, as physical music formats like CDs and digital downloads, became obsolete.

This streaming service had been struggling for years because of the labels, which had an enormous power over the music industry. After the Labels saw the potential of this idea they agreed to provide Spotify with the necessary licenses, in order to legally offer this music streaming service to the world, gaining more power than the labels resulting in having the biggest influence in this new industry (The Playlist, 2022).

Conclusion

In closing, Spotify has successfully implemented entrepreneurship, which was crucial to become a market leader in the music streaming industry. The company's founders, Daniel Ek and Martin Lorentzon, were able to identify a gap in the market and also to fill this gap by developing a subscription-based music streaming service. The company's impact on the music industry demonstrate the power and consequences of creative destruction. The streaming service caused a shift in the power distribution of the music industry. The music business was controlled by the music labels until the entrepreneurs revolutionized the whole market.

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Modern Entrepreneurship fostering “Digital Executive Search”

Moritz Pfeiffer

History of bits&birds

“The struggle is real!”, that’s what Daniel Stojanovic, Managing Director and co-founder of bits&birds, first said, after being questioned why bits&birds exists (SAATKORN, 2022, p.1). Software-engineers, data scientists, web developers and much more belong to most frequently wanted specialists (Handelsblatt, 2021). Digital transformation rapidly takes over companies and IT-experts are more wanted than ever (Handelsblatt, 2021). The tech-start-up bits&birds is committed to combining two major success factors of headhunting, lots of experience in classic executive search and innovative, digitalized, AI-based executive search (InterSearch executive consultants, 2020). Its mission is to step up recruiting in the European and possibly in the future global economy by searching digital and IT-workers, who are best fitting to the searching company. Recruiting should become faster and more efficient, without losing the personal and cultural factors belonging to a classic recruiting agency (SAATKORN, 2022). “Digital Executive Search” is the keyword to catch up with bits&birds claim “No more bad hires!” (SAATKORN, 2022). This idea of combining classic executive search with tech-start-up innovative methods is where the history of bits&birds began.

In 2019, Daniel Stojanovic, as well as other members of the bits&birds team worked for a famous and established German headhunting-company. This company has advertised itself with having the best, hyper digitalized and automated methods, whilst Stojanovic realized that this self-promotion seemed to be outdated. After the management of this firm decided to de-prioritize the modern methods idea of D. Stojanovic, he decided to take action on its own. Therefore, in 2020, he quickly founded bits&birds (SAATKORN, 2022), together with Thomas Bockholdt, InterSearch managing partner, who shared his vision (InterSearch, 2020). Nowadays, after some starting difficulties due to Covid-19, the start-up shows hypergrowth with coming from 4 employees at the founding to 56 now 2023 (SAATKORN, 2022). It is actively solving the challenge of companies trying to keep up with digital transformation and even supporting it, which is only possible by recruiting fitting and digital IT-talents (SAATKORN, 2022). The main task of it is to optimize their own AI CyBird© as “Digital Executive Search”, that should be capable of

fully taking over the process of searching, identifying and rating candidates, with a reasonable outcome (bits&birds, 2023). (Personal communication)

Entrepreneurship

The International Business Administration & Entrepreneurship course module Entrepreneurship is the one that is going to be mentioned and applied in this book chapter. In the first place, Entrepreneurship as a module is about the mindset of discovering, evaluating and exploiting opportunities. These opportunities are often not only profitable ones, but also ecological or social problems that need to be addressed and solved. Additionally, creativity is of high importance, while reacting to influential trends. Education can also be mentioned as a key to become an entrepreneur due to a graduation for example later on being able to reflect about these trends and problems significantly raises the chances of becoming a successful entrepreneur. There are different perspectives to mention when talking about entrepreneurship. First of all, there is a financial/economic perspective, which deals with capital and incentives all around starting a business. The second one is the strategic/management aspect, where you look at how to make a business more profitable, most of the time through competitive advantages or strategy in general. In the third place, there is the institutional perspective, which is less important for this book chapter. And lastly there is the psychological one where the people, their psychology and actions are in the focus. The idea of the module Entrepreneurship concludes in finding solutions to problems that people face, always based on your current knowledge. This can also be thought of as the process of Effectuation, Bricolage and Lean Start-Up, which can then be translated into means-oriented action, leading to recombination of resources at hand and finally experimenting and build-measure-learn processes.

Entrepreneurship at bits&birds

Daniel Stojanovic, the CEO, co-founder and core of bits&birds, can be called a classic entrepreneur. He has an impressive education, one finished and one ongoing bachelor degree in International Business and two master degrees in Business Administration and Management (Stojanovic, 2023). With only 19 years of age Stojanovic founded his first company and from then on he calls the founding and raising of companies and start-ups his passion (Stojanovic, 2023). Especially focusing on the history of bits&birds he found a social and ecological problem for his

action. The urge for companies of finding best fitting digital and IT-experts to deal with digital transformation was far from being optimized in D. Stojanovic's view. Finding these kinds of employees took 182 days on average and the classic In-House Active Sourcing and headhunting was too inefficient in many ways (SAATKORN, 2022). With taking action on his own, bits&birds was founded out of Effectuation. The Bricolage part was realized, too, by quickly founding the start-up with only 4 employees who embody the resources D. Stojanovic had at hand. In the end, bits&birds was founded in a very rough economic situation as Covid-19 had just come up, but surrender was no option for the company. By just accepting this do-or-die-situation the start-up showed a high-risk exploitation and started the extraordinary Lean Start-Up process. Lots of creativity was shown as well, by reacting to one of the most influential trends of the 21st-century, digital transformation, and combining it with the sustainable and qualitative executive search methods already existing.

With a closer look at the internal structure of bits&birds, three entrepreneurial features implemented really stand out. Agility is the first one, which goes along with an agile mindset. Agility comes through the pace, dynamics, flexibility and adaptability which companies need to show nowadays. Through an agile mindset agility can be shown every day at bits&birds. This mindset depends on the capability of employees and managers to be able to question their own work and improving at what they do, always trying to learn new things, being able to criticize other sectors in the start-up, so that a recruiter can also work at sustainability at bits&birds for example. This entrepreneurial aspect goes hand in hand with the second entrepreneurial feature, a positive feedback-culture. Everybody is encouraged to give any other worker feedback if needed. Thus, even a trainee can criticize his manager if he feels misunderstood or disrespected for example. Failures are accepted and are part of the whole, as risks must be taken in this environment. Another good example for agility is the Spotify squad model bits&birds have implemented. Squads are autonomous agile teams out of 5-9 employees within the start-up, which have no hierarchy and embody diversity (bits&birds, 2023). This model not only supports agility, but also independency, creativity, autonomy and shorter decision-making processes. The third feature is Ownership. A key to achieve this is management based on trust more than on control and "micro-managing". One's own initiative and taking responsibility fosters the employees' and raises motivation. (Personal communication)

In conclusion bits&birds embraces entrepreneurial mindsets, features, procedures and more over their meso-entrepreneurial level. It also shows, why it is important to learn about these aspects in the IBAE program. The tech-environment is by far not the only one that is affected by the faster and faster upcoming trends in the digital age. Next to Digitalization is also Climate Change, Covid-19 and much more crises all over the globe to which the modern economy needs to adapt. This adaptability, exploitation, effectuation, creativity and problem-solving mindset is what, with respect to other sometimes more and sometimes less important characteristics, embodies a modern 21st-century entrepreneur. As the tendency towards these trends, changes and crises occurring rises, these kinds of people are more needed than ever before.

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Tchibo: A Successful Family-owned Business

Vinzenz Leander Reichensdörfer

Company Overview

According to current estimates, 93.6 % of all 3.6 million companies in Germany are family businesses (Fels & Wolter, 2022). Thus they form the dominant type of company. The central feature of these companies is the unity of ownership and management. Within the family businesses, those companies whose founding families continue to exert a decisive influence stand out particularly positively. They account for over 60 percent of listed family businesses (Fels & Wolter, 2022).

One of those companies is Tchibo GmbH, which was founded in 1949 by Max Herz with the idea of sending coffee by mail (Tchibo, Unsere Geschichte). From around 1963 Tchibo opened up new depots in bakeries and confectioneries (Tchibo, Unser Vertriebssystem). In 1965 Max Herz died so the family business continued with his sons Günther and Michael (Tchibo, Unsere Geschichte). In 1973, Tchibo supplements the traditional coffee range and starts to sell nonfood consumer goods in its stores for the first time. Bestsellers right from the start were placements and breakfast boards (Tchibo, Unsere Geschichte). The business model of retailing coffee and nonfood consumer goods is being successively expanded. Tchibo operates around 900 stores in eight countries and has more than 24.300 retail depots and national online stores (Tchibo, Unsere Geschichte). In addition to coffee and the single-serving systems Cafissimo and Qbo, the company also offers weekly changing non-food ranges and services such as travel and mobile communications via a multichannel distribution system (Tchibo, Unsere Geschichte). Tchibo generated sales of 3.26 billion euros in 2021 with around 11,230 employees internationally (Tchibo, Zahlen & Fakten). Tchibo is thus the roasted coffee market leader in Germany, Austria, the Czech Republic and Hungary and is also one of the leading e-commerce companies in Europe.

Michael Herz still sits on the Supervisory Board of Tchibo GmbH today and is involved in more operational decisions. Three of his children already work in various areas of the company and have committed themselves to lead it into the future (Tchibo, Unsere Geschichte).

Accounting Areas at Tchibo

The task of the Accounting Services department is the efficient preparation (optimum of time, cost and quality) of transparent business figures in compliance with legal requirements and IFRS accounting standards. IFRS accounting standards are standards on how companies process their annual financial statements internationally (microtech, Was ist Skonto?). This part is about financial management in which regulations and laws play an essential role. The overall concept of financial management is to reduce the information asymmetry between the company and external stakeholders. This is very important to keep track of where the money goes inside the company.

The main tasks are the preparation of monthly and annual financial statements for individual companies as well as consolidated financial statements. In addition to a balance sheet and P&L income statement for internal management purposes and statutory reports, such as the advance return for sales tax, are to be prepared in the course of financial statement reporting, in which a forecast of the tax burden is given to the tax office, and paid accordingly (cf. 7). A special case which applies to Tchibo is the coffee tax. The coffee tax is a consumption tax regulated in the coffee tax act and the coffee tax ordinance. Germany is one of the few European countries to levy taxes on coffee. The coffee tax is currently 2.19 euros per kilogram of roasted coffee as of October 2022 (Kaffee Partner, Was ist Kaffeesteuer).

Another point is the accounting and payment of supplier invoices (accounts payable). The main goal of the accounts payable department is to pay supplier invoices (for example green coffee invoices from Vietnam, Kenia or Brazil and nonfood goods from Bangladesh), but to spend as little money as possible on them. This means that the invoices are paid as late as possible, in addition, it is tried to use a discount, a price reduction for faster payment of an invoice to the maximum (discount with adherence to the first payment term) (cf. 7).

The posting of customer invoices and incoming payments (account receivable). Accounts receivable at Tchibo are divided into 3 separate areas: Depending on the distribution channel (online, branch or depot in the supermarket), a different team is responsible for this. Accounts Receivable checks the receipt of payments for deliveries and initiates the dunning process if necessary. Modern payment processes (Paypal, Apple Pay, ...) constantly present new challenges for IT, but from a sales perspective, this is important in order to attract young customer groups in particular (cf. 7).

The next point deals with the capitalization and depreciation of fixed assets. All fixed assets, from office equipment to roasting machines, are kept in the fixed asset accounts. Depending on the operating time, the individual assets are “depreciated”, which means that they are reduced by the value of wear and tear (cf. 7).

The last point is the accounting of all intercompany settlements (goods and services) and the setting up of corresponding IC contracts. In addition to Germany, Tchibo operates 7 other subsidiaries abroad: Bulgaria, Czech Republic, Slovakia, Romania, Poland, Turkey and Austria. Deliveries from Germany must be accounted for in accordance with the laws governing the international movement of goods. Intercompany accounting ensures that inventories and monetary transactions are kept up to date on the respective company and that receivables and payables are reported correctly against each other (cf. 7).

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The information can be found on the Tchibo intranet: [Accounting Services \(AS\) – Homepage \(sharepoint.com\)](#). The explanations of the individual sub-areas were developed in an interview with a TCH employee (Veronika Reichensdörfer)

Real Entrepreneurship with Matilda Djerf and Her Successful Clothing Brand “Djerf Avenue”

Céline Ruske

Introduction

Nowadays, there are infinitely many companies that do not worry about what they are doing to their environment, the people or anything else. They are only focused on the profit they make. Since we are already facing plenty of challenges on this planet as it is, entrepreneurs must rethink what their real task is. So, what really is entrepreneurship and with what responsibilities is it connected? And more importantly, why should we even care to learn about entrepreneurship? To answer these questions, we want to take a look at Matilda Djerf and her company Djerf Avenue to see what she does as an entrepreneur, as well as why and how she achieves to make the world a little better while still producing and selling her products.

The Birth of Djerf Avenue

“Djerf Avenue is a Swedish, non-seasonal, ready-to-wear brand”. It “was created in 2019” (Djerf Avenue, website, n.d.). Matilda has always wanted to start her own fashion brand and even explains that “it’s been a dream since [she] was a little girl” (ibid.). She and her boyfriend Rasmus came up with the name “when [they] were having breakfast at All Time in Los Feliz, LA” (ibid.). The brand was created “out of [their] love for vintage“ and they wanted to create basic pieces which “embody the confident, chic, and laid-back person on the go” (ibid.). They started with nine pieces in the initial drop in 2019 which sold out overnight (Paton, 2022). Now, a few years later, the company has already grown so much that they do “about 10 drops a year, with a logistics warehouse [...] in the United States [...] to better cater to its largest market” (Paton, 2022) and they are also capable of doing worldwide shipping (Djerf Avenue, website, n.d.).

Furthermore, Djerf Avenue is represented on the social media platforms Instagram, TikTok and YouTube. On here they present their clothing items and especially on Instagram one can find daily posts about all their products (Djerf Avenue, Instagram, n.d.). In the Instagram stories, customers can ask questions which the Djerf Avenue Team will answer. Here they talk about for example

what size they recommend in specific pieces, when a new collection will drop, or they give more detailed information about the fitting of the clothing items (Djerf Avenue, Instagram, n.d.).

Djerf Avenue as a Role Model for Sustainable Fashion

Matilda places particular emphasis on how her pieces are produced. On her website, one is able to find a lot of information about the production. She explains that the “pieces are ethically produced and manufactured in Portugal, Italy & Sweden”. For every country there is more detailed information about the exact location of the factory and how many workers there are (Djerf Avenue, website, n.d.). Also, when taking a look at the website, one can read about the core values of Djerf Avenue and what is important to the company. Here they say: “sustainability is the number one aspect to have in mind when working with fashion and garment production. We always want to do our best to make our products as sustainable as possible, all the way from design to sampling, production, and freight to our finished products.” To proof that, there is also a list provided with things they do when producing to achieve the said sustainability. For example, using organic or natural fibers in their garments, having security tags and every piece of packaging made out of 100% recycled materials or offering their “customers to take any flawed items to a tailor or dry cleaner at [their] cost instead of returning them [...], to extend the lifespan of all garments” (Djerf Avenue, website, n.d.). On the website, one can not only read about the production in detail, but there are also pictures of what the factories look like and how the employees are making the clothes. This shows how there is a certain transparency between Matilda as an entrepreneur and her customers. She lets them know exactly how the items they buy are produced.

Additionally, one important aspect of being an entrepreneur is that you can get people to feel empowered and you have the responsibility to take care of the people around you. This is something Matilda implements when doing the photoshoots for her brand. She mentions on the website that “you will never find retouched models on our website or social media. Our photos come straight from the camera roll, we don’t believe in editing bodies, pimples, or clothing. This is us. Just the way we are. And we are proud.” By doing this and being transparent about it, she gives her customers neither a wrong picture of her brand nor her clothes. Therefore, as a customer one can see exactly what the product looks like worn. When wanting to shop the clothing items, one can see all the taken pictures from the photoshoots where it is noticeable that there are models

of different shapes, skin tones and sizes (Djerf Avenue, website, n.d.). Matilda shows hereby individuality and how she includes everyone, no matter their appearance or background.

So Why is it Important to Learn about Entrepreneurship?

When taking a look at Matilda and her company, it gets clear why it is necessary to learn about entrepreneurship. Most people believe they know what this term means but there is actually a lot more to it than some might think.

The responsibilities and tasks someone has as an entrepreneur can always be changing and evolving with the transformation of our planet. Being an entrepreneur does not simply mean telling people what to do or calculating how much money one will be getting out of a certain product. This said responsibility is something Matilda, for example, takes very seriously. In an interview with the New York Times, she mentions: “I am not oblivious to the fact that I am in many ways society’s ideal of what a perfect person looks like. I realize how much privilege I have. I’m white, I’m a small size, I tan easily, I don’t need to wear makeup. That life can be easier for me because of those things. But that doesn’t mean I don’t feel a strong sense of responsibility to do things the right way” (Paton, 2022).

Also, one of the most important aspects is that the word entrepreneurship doesn’t only talk about the big companies that are known by the entire world, but it includes every single idea or project where somebody wants to improve something as well. It doesn’t matter how big or small this project might be. So, when talking about entrepreneurship, it involves the identification of any kind of opportunity to improve the life of yourself, other people or your environment. Those opportunities can be profitable or non-profitable ones. An entrepreneur is able to discover, evaluate and exploit those chances to help face challenges in our world. To add to that, one must be aware of the available resources when wanting to take a chance and should use these effectually and efficiently. To put even more emphasis on why it is important to learn about entrepreneurship we should think about the strong relevance an entrepreneur has in society which is why one is able to address those said challenges and problems. There are different types of relevance, namely ecological, economic and social relevance. It is extremely important that an entrepreneur is aware of the impact they can have on society and the responsibility coming with it.

Conclusion

When looking at Matilda Djerf and seeing how many tasks and responsibilities come with being an entrepreneur, it gets clear very quickly how important it is that we learn about this role and what it actually means. Matilda Djerf and her brand Djerf Avenue is a fitting example which illustrates how one can have a company and make profit out of it while still being kind to the planet. Surely, not everything works perfectly with her company and there might still be aspects which do harm the environment, but it is a good place to start by picking out the locations for the production wisely as well as being transparent about it with the customers. This is why the module “Entrepreneurship” is relevant in our studies - so we are aware of everything that comes with being an entrepreneur and how we can make the world a little bit of a better place when having this role in society.

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Oatly AB: An Entrepreneurial Success Story through Innovation and Sustainability

Jakob Fritz Paul Scheel

Introduction

One of the biggest challenges of humanity in the 21st century is the climate change. To combat this problem, we need to overthink and change our way of living. The food industry plays a very important role in this as they must reduce food and packaging waste, implement sustainable farming practices, and promote plant-based diets. A company that recognized these problems of the food industry as an opportunity to create a multi-million Dollar business is Oatly AB. Or is it? This book chapter aims to demonstrate why Oatly AB is a perfect example of an entrepreneurial success story and what made them one of the leading companies producing plant-based milk.

The History of Oatly AB

The company was originally founded by Rickard Öste, a food scientist and the inventor of Oat milk, in the early 1994 under the name Ceba Foods AB, to offer an alternative to milk for people with the inability to drink cow's milk for medical reasons or religious believes. In the late 1990s Rickard was joined by his brother Björn, who had recently sold a tech company and wanted to invest in his brothers idea. (Litz, 2019). In 2001 they launched the brand Oatly which was later named Oatly AB. (Future, n.d.). The company started growing nationally and with bringing in their current CEO Toni Petersson in 2014 Oatly AB really started growing internationally. Petersson made some important changes for the success of the company, for example the redesigning of the packaging. He also shifted the company's focus more towards the Environmental and Sustainability advantages of Oat milk against Cow's milk. (Stieg, 2021) Today Oatly AB says that they want to "...shift consumption of animals to plants in order to help secure the longevity of our planet..." and criticize "The reckless pursuit of profits without any consideration for the well-being of the planet and the humans that live here...". (*Oatly Who?*, n.d.) In 2021 Oatly AB had a turnover of 295,41 million Euros which is more than ten times their turnover in 2014. (*Oatly*, n.d.)

Entrepreneurial Aspects that led to Oatly AB's success

Entrepreneurship has many important aspects but can be generally described as the discovery, evaluation and exploitation of opportunities. It is about taking any opportunity that improves anyone's live or the environment around you and addressing ecological or social challenges and problems. On Oatly AB's path to becoming a leading company in the market of plant-based diets we can see a huge amount of great Entrepreneurship. Without it the company would not be where it is today.

In Entrepreneurship there are four theoretical perspectives. The financial, strategic, institutional and psychological perspective. Especially the last one is very important for success and is influenced by things like certain psychological action characteristics, education, great mindset and creativity. All of these can be found in the business development of Oatly AB.

Psychological action characteristics can be seen very well in the beginning when R. Öste found a niche, which was substitutes for dairy products, took personal initiative by inventing oat milk and had a vision for the product as he knew it would be a success. (Litz, 2019) Petersson also showed those characteristics as he saw the opportunity in gaining new customers through emphasizing the environmental and sustainability advantages oat milk has against cow's milk. He also debuted a special sort of oat milk made especially for coffee called "Barista Edition".

Education was also given through R. and B. Öste and Petersson. In the beginning R. Öste obviously had the knowledge to invent the product which was the basis of the company and B. Öste brought in a lot of business mindsets and negotiation skills that he gained working at large corporations. This educational knowledge was essential to get the business going. (Future, n.d.) When Petersson joined the company in 2014 he had a lot of knowledge through founding a few companies and being CEO at Boblbee. (*Toni Petersson - CEO at Oatly - Oatly AB | LinkedIn*, n.d.) His expertise was decisive in the international success Oatly has today.

The mindset was very important in the beginning when the company wasn't doing very well. Especially R. Öste showed a great deal of courage and perseverance when he founded the company and always kept believing in it because he knew that it had to be successful. (Litz, 2019) But also B. Öste took on a big risk as he took the money he made from selling his tech company and put it right into his brothers business even though it wasn't looking very promising at the time. (Future, n.d.)

The creativity in the company really started picking up, when Petersson became CEO. He made some direct changes to the packaging by making the brand name more visible and attractive and changing the language to English. Another great move was the idea of sending Oatly AB representatives to high-end coffee shops in New York City so they could test and then recommend the product to their customers. (Stieg, 2021)

Another very important aspect of Entrepreneurship is advertising and presenting your product. This is something which Oatly did outstandingly well by making advertisements that were very polarizing or in which they addressed current problems in society. The most famous advertisement is probably their slogan “It’s like milk but made for humans” for which they were sued by LRF Mjölkl, the Swedish dairy lobby, which gave them a lot of publicity. (Goldberg, n.d.). In one TV advertisement they also address the problem of subsidized cow milk being served in schools which build a preference for dairy products at a young age, which is called “Normalize It” and resembles the debate about legalizing Marijuana in countries all over the world. (Oatly, 2022)

Investments also play a big role in entrepreneurial success as they give the opportunity to expand and develop your company faster. Many big investment companies and famous people invested in Oatly with two examples being the Blackstone Group and Oprah Winfrey. (Sen & Wang, 2021)

Oatly AB also made sure to cooperate with many big companies like Starbucks, Espresso House and Aral. Through these channels they gain customers who accidentally engage with their product and like it so much, that they buy it themselves.

Conclusion

Oatly AB is a company which was led to success through great entrepreneurship. Especially the mindset, dedication and creativity of R. and B. Öste and Petersson were decisive for the success of the company. They discovered an opportunity and did not hesitate to turn it into a business which they fully believed in and never gave up. The company was constantly developed through creativity and investments made it possible for them to expand to the whole world. Oatly AB also shows that companies with such a success mostly can’t be created by a single Entrepreneur. Most of the time it is a result of the combination of many great minds with each of them adding a very important piece of Entrepreneurship to the business. Also it shows perfectly why one should try to

engage and learn more about Entrepreneurship as it is the foundation of developing and creating a successful business.

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Importance of the Entrepreneurship Module in IBAE Explained based on the Example of the CEO of “Claimsforce”

Moritz Schulz

What Exactly is Entrepreneurship?

Entrepreneurship is a dynamic process that involves vision, creation and change. It is about creating new products, services or processes that meet the needs of consumers. Successful entrepreneurship requires a combination of factors such as taking calculated risks, building a strong team, mobilising resources, creating a solid business plan and identifying opportunities where others see chaos (Donald F. Kuratko and Michael H. Morris, 2013).

Three fundamental characteristics of entrepreneurial orientation are inventiveness, risk-taking, and proactiveness. Innovativeness means generating new ideas or improving existing ones. Risk-taking refers to the willingness to take calculated risks in terms of time, equity or career in order to achieve success. Proactivity involves taking initiative and anticipating future trends or changes in the market. Entrepreneurship is not limited to a particular industry or sector and has the potential to bring about positive change in society. Despite the challenges and uncertainties associated with entrepreneurship, it remains an important driver of economic growth and innovation. It is therefore important for aspiring entrepreneurs to develop an entrepreneurial mindset and acquire the necessary skills and knowledge to succeed in this dynamic and ever-changing field.

What is Claimsforce?

Claimsforce is an InsurTech company that develops software modules for insurance companies' claims processing. It was founded in 2018 by Nils Mahlow, the present CEO. Claimsforce currently employs around 50 people and is still in a strong growth phase. The goal is to speed up claims processes by recording claims electronically on a tablet in the field and analysing similar cases with artificial intelligence to help adjusters assess them. Decision-makers are to be provided with a sound database on which they can make a better and faster decision. The company relies on a combination of human expertise and data-based software to ensure optimal claims experiences. The software modules include claims disposition and settlement, on-site claims intake, data analysis and processing, and tools for internal and external adjusters. The software automates

processes, saves money and reduces the turnaround time of claims from notification to payment. Through the dedicated recording of the damage picture, insights and knowledge about the types of damage and the materials and expenses can be gathered, which in turn can be used as a basis for cost calculation for other claims (Claimsforce (n.d.)).

Interview with Nils Mahlow, CEO of Claimsforce

(personal communication, February 20, 2023) (the statements that follow in this paragraph all refer to the interview with Nils Mahlow, so it is not marked again with each quotation.)

The basis of the further explanations are the results from an interview with Nils Mahlow, the founder and CEO of Claimsforce. In this interview he talks about the characteristics of an entrepreneur and his steps to build a successful company. He shares his experiences in starting his business as well as his future goals.

Core Characteristics of Entrepreneurs

Mahlow emphasises that perseverance, optimism and the ability to convince people of an idea are essential. As an entrepreneur, you have to be prepared for good and bad days and learn from defeats to keep getting better: "If you fall down nine times, you have to get up a tenth time."

Essential steps for founding a company as an entrepreneur

For him, the first steps start before the actual business idea, with the answer to the following questions: Do I want to be an entrepreneur or not? Can I cope well with the uncertainty of how long a business will last? Only if the answer to these questions is clearly yes should one take the next steps towards setting up a business. He goes on to emphasise how important it is to carefully test a business idea for its feasibility. Only a truly "robust" idea will lead to success in the future: "The first step we have taken here is to test the idea for robustness."

The market plays a crucial role in this regard, as it must be large enough to offer sufficient business potential. Regulatory conditions can also have an influence on the success of the business model and must be taken into account at an early stage.

The next step is to find a strong and stable team that understands the idea and covers the necessary skills: "What is very crucial is to know what can I do and what can't I do."

Once the team is in place, the next step is to sort out the financing. According to Mahlow, the choice between equity and debt capital from investors depends on how big the idea is to become or how high the financing requirements are for implementation. In addition, he says it is important to find investors who have experience and also understand the proposed business model. Mahlow emphasises that the worst thing is to have investors who "have no idea what you are doing". When dealing with potential investors, from his point of view it is important to speak at eye level right from the start and to present your idea with confidence.

Role and Responsibility of the Entrepreneur after Founding

Mahlow says he likes to shape things himself and takes great pleasure in being an entrepreneur. He enjoys working with motivated employees and likes to convince customers of the advantages of his range of services in personal conversations: "It's cool when you can say: Look, I've built up something."

According to Mahlow, it is an important success factor that the entrepreneur is able to make decisions under uncertainty and take risks. "You can't test everything and you have to have the self-confidence to just do things". Mahlow underlines, that ongoing learning and continuous improvement, along with growth and innovation are other incredibly important components of entrepreneurship: "If you don't strive for continuous improvement, you don't need to start the business in the first place."

As an entrepreneur, you also have to face the challenges that come with a high level of responsibility, especially for your own staff. The entrepreneur is the one who pulls all the strings together and must be able to deal with the fact, that the regular salary payment to 40 or 50 employees is heavily dependent on the decisions made by the entrepreneur himself.

It is important to learn how to deal with this kind of responsibility and to "to get ahold of yourself" in critical phases: "When you build a business, you get to know yourself very well and are confronted with your own weaknesses."

From his point of view another important aspect of entrepreneurship is having a clear, ambitious set of goals. Mahlow's next goal is to establish Claimsforce in the American market and set it up in such a stable way that it can "function stably" for a longer period of time without his presence:

"In the near future, I want to take the company to the US to prove that the business model also works in this big market."

Why is it Important to Deal with the Entrepreneurship Module in IBAE Studies?

Nils Mahlow's experience shows the high importance of the different topics addressed in the module Entrepreneurship, especially the psychological aspects. It is obviously important to analyse which characteristics make up an entrepreneurial personality (e.g. risk taking and stress tolerance), which form of motivation (e.g. passion, self-efficacy) and which action characteristics (e.g. goals/visions, planning, seeking resources) the entrepreneur should bring along (Michael M. Gielnik (n.d.)).

As a result, the module can be a clear help for every participant to classify what entrepreneurship is and whether an entrepreneurial role is an option for oneself.

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Center For Humane Technology as an Example of Entrepreneurship

Lisa Gabriella Schwarz

Introduction

In our modern society, we face many problems – global warming, inequalities, potential pandemics, to name a few. In order to solve problems like these, people are trying to find different solutions to work towards a better functioning society. As a way forward, new business sectors have developed. One of these is social entrepreneurship, a new business model aimed at finding solutions to social problems (Sud et al. 2009). This book chapter aims to evaluate the importance of social entrepreneurship and investigate a positive example of social entrepreneurship. Furthermore, the importance for the major International Business Administration and Entrepreneurship is going to be determined.

The Concept Behind Social Entrepreneurship

In contrast to commercial entrepreneurship, social entrepreneurship focuses its resources in solving societal problems and exploiting opportunities that result in values for the society. In other words, social entrepreneurs try to use their knowledge about the understanding of social needs and find ways to satisfy these needs through creative solutions (Certo and Miller 2008).

To fully grasp the concept of social entrepreneurship, it is important to consider its fundamental characteristics. Social entrepreneurs are driven by a mission to create positive outcomes in society, which shapes their business decision-making. They also employ market-based approaches to address social problems by creating sustainable business models that generate profit while also benefiting society. Additionally, social entrepreneurs seek innovative solutions to societal and environmental issues, often experimenting and iterating until an effective solution is found. Collaboration and partnership are also key components, as social entrepreneurs understand the importance of coworking to achieve their goals. This mode of work also applies to the resourcefulness, especially since they always find the necessary resources to complete a project. Finally, scalability is a crucial aspect of social entrepreneurship, with entrepreneurs striving to create solutions that can be replicated and have a lasting impact on society. By understanding these

key characteristics, we can better appreciate the unique role that social entrepreneurship plays in driving positive social and environmental change (Mair and Martí 2006).

The Center for Humane Technology

The Center for Humane Technology is a non-profit organization (NPO) that focuses on the unintended consequence of technology design and use, such as addiction, polarization and misinformation. This NPO was founded in the year 2018 by a group of Silicon Valley insiders like Tristan Harris, a former Google LLC design ethicist. One of the organizations missions is to readjust technology to be more in line with what is best for humanity, rather than solely focusing on technology's advancements and developments. This key concept shall be achieved by raising awareness about the negative effects of technology on mental health, democracy, and society. One of the beliefs of the NPO, is that technology is a force for good, but only through a redesign and better usage in ways that support human flourishing and foster healthy communities. As a result of this belief, the Center for Humane Technology advocates for a more social approach in the tech industry, that prioritizes the well-being of users and society, rather than maximizing engagements and profits (Center for Humane Technology 2023).

In the following I would like to highlight, why this Organization is a working and positive example for social entrepreneurship. This case is a perfectly working example, because all the key features can be applied to the mission of the NPO. For instance, the goal of addressing negative consequences for mental health in contact with technology was identified by the founders and they tried to take innovative steps with humanities best interest at hand. This organization also focuses on creating positive social outcomes, instead of focusing on maximizing their profits (Bowles 2018).

An example for this key feature is "The Truth About Tech" campaign. In order to raise awareness of the detrimental impacts of technology on mental health, for instance addiction, despair, and anxiety, this campaign targets parents, teachers, and students. The campaign emphasizes the importance of finding a balance between technology use and other activities that foster well-being, such as socializing, exercise, and nature. As a part of this campaign, the Center for Human Technology works closely with schools and communities to implement Labs called "Humane Design Labs". These labs provide a space for students and younger generations to learn about the impact technology can have on ones live. An important aspect of this project is the coworking

space for students to develop technology like apps and digital tools with the help from the NPO, that prioritize well-being, mental health and a good and healthy relationship with technology in our modern society (Center for Humane Technology 2023). A further characteristic of entrepreneurship that the organization fulfils is the aspect of working together with others applies to the concept importance of collaboration with different stakeholders in our society, especially since they understand that reaching the goals of this endeavor is only possible through outside help. Furthermore, the desire to use individual ideas that might be experimental also shows us, how this organization is based on the idea of social entrepreneurship (Bowles 2018).

Importance for Study Programs

In recent years, social entrepreneurship has gained significant attention. Especially since they use innovative, sustainable and ethical business practices to address pressing social, environmental and economic challenges and to create a positive social impact. In the major program International Business Administration and Entrepreneurship, it is important for students to learn about this specific concept of entrepreneurial endeavor because it differs from traditional entrepreneurship in its emphasis on creating a positive social and environmental impact, rather than solely focusing on profit generation (Nicholls 2008). Additionally, in recent years employers are shifting to look for graduates with a pronounced social conscience. The Global Impact Investment Network (GIIN) estimates, that the size of the global impact investing market was USD 1.164 trillion in assets under the management of the year 2022. In the year 2020 the number was USD 449 billion lower. This shows, that in recent years the entrepreneurial skills in combination with a social conscious is important to enhance a future employability (The GIIN 2023). Furthermore, because social entrepreneurship is sub-discipline of entrepreneurship in general, learning about it promotes an opportunity to develop skills in problem solving. Particularly since a survey by the Global Entrepreneurship Monitor (GEM) found, that since 2017 the numbers of entrepreneurial activity have increased with more than 40% of the adult population working in such an environment (Sternberg et al. 2022). To sum up the importance of entrepreneurial gauges, students learn how they are able to solve problems and challenges that are affecting society (Sud et al. 2009).

Conclusion

Social Entrepreneurship is an important tool in our society to help better our future in the best direction possible. In conclusion, the Center for Human Technology is a perfect example of this specific type of entrepreneurship. In the future, it is essential that more people and companies prioritize social benefit before profit, following in the footsteps of the Center for Humane Technology. By doing this, technology is going to be used to improve everyone's future rather than serving as a catalyst for conflict, false information, and addiction.

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Too Good To Go: An Example for an Entrepreneurial Platform?

Zala Shahin

Introduction

According to the World Food and Agriculture Organisation approximately 10 percent of the world population endured hunger in 2021 (WFA 2022). Although, 10 presents isn't a small number around 14 percent of the world's food is landing in trash before reaching the shops and further 17 percent is also being wasted in retail and by consumers (WFA 2019). And this percentage of food that we waste can feed 1,26 billion hungry people every year (WFA 2019). That means that food waste is a phenomenon which we have to limit to ensure social and environmental sustainability. In this paper we will see if Too Good to Go contributes to this phenomena in a positive way. In addition I am going to present Too Good To Go as a platform and the concept of Entrepreneurship.

Too Good To Go

Too Good To Go is a platform that was implemented in Germany in Berlin in 2017 (Stiftung Deutscher Nachhaltigkeitspreis 2021). The idea was originally inspired by danish companies which used technology to fight against food waste (Too Good To Go 2017). The idea behind Too Good To Go is to connect the consumer with the producer in the right time to reduce food waste by selling the products that couldn't be sold by closing time for less money in a so called Magic bag (Too Good To Go 2017). A magic bag includes products which normally cost around 10€ and it is being sold for mostly 3,50€ to customers who are picking it up. The Vision of Too Good To Go is to create a planet without food waste (Too Good To Go 2017). Until today almost 10 million consumer and 18 thousand producer has contributed to their mission and together they saved more than 23 million magic bags full of food that would have landed in the trash for nothing (Too Good To Go 2017). Moreover, Too Good To Go won the German sustainability award 2021 in Next economy award (Stiftung Deutscher Nachhaltigkeitspreis 2021). Wolfgang Hennen is the managing director of Too Good To Go in Germany and he worked in the food wasting area for more than 15 years (Too Good To Go 2017). And because he spent his childhood in Africa, he learned how to appreciate food and worked to create a world with no food waste(Too Good To Go 2017). Furthermore, the CEO of Too Good To Go Mette Lykke founded a Fitness-Community-

App with the vision of combining sports with fun before confounding the platform Too Good To Go (Too Good To Go 2017).

Entrepreneurship

As we learned in the Module Foundation of Management and Entrepreneurship entrepreneurship is about the discovery, exploitation, and evaluation of business opportunities. That means, to create new services and products. Moreover, it is not about the profit but more about the transformation which is produced by its impact and it is about turning them into practice. Entrepreneurship addresses social problems and solves them in an innovative way. The theoretical perspectives that should be looked at in entrepreneurship are: the financial perspective, strategy and management perspective, the institutional (law) perspective, and the psychological perspective. The psychological perspective is important in entrepreneurship because any kind of project depends on the people and psychology plays a big role in dealing with people. The characteristics of entrepreneurship are creativity, innovation, and knowledge about the field of work. These characteristics help the entrepreneurs to think about pathways to solve the problem they focus on. The strategy that should be implemented in entrepreneurship is firstly to build the product or service then to measure the feedback and change the product or service regarding the feedback and learn from the mistakes that were mentioned in the feedback.

The Application of Entrepreneurship to Too Good To Go

As we all learned in the section Too Good To Go in this e-Book chapter, the idea of Too Good To Go was new for Germany as it got implemented. Although the concept is familiar in other parts of the world, for example in Denmark. Too Good To Go is a new service that Mette Lykke and Wolfgang Hennen brought to the society in Germany. Furthermore, the mission of Too Good To Go started with the thought that food is too good to get wasted but the fact is that more than 1/3 of the food lands in trash (Too Good To Go 2017). Therefore, their mission is to inspire people, draw awareness on food waste, and turn the idea of a world with no food waste into action (Too Good To Go 2017). Hence, this mission makes Too Good To Go to an entrepreneurial Start Up that is more about the transformation and turning innovative ideas into practice than about profit. Especially that the team sees Too Good To Go as a social impact company fighting food waste more than a profit company (Too Good To Go 2017).

In addition, we learned in this module that Entrepreneurship addresses social problems and solves them in an innovative way, which is exactly what Too Good To Go does in four different sectors which are: households, entrepreneurship, politics and education.

The social problem in this case is that 8% of CO₂ gas emissions which are caused by food waste and that entire forests are being cut down to grow food that is being never eaten (Too Good To Go 2017).

Too Good To Go offers extensive content for the age between 10 and 30+ that is free to access and use. This sector is to create a better awareness in younger generations in schools and universities (Too Good To Go 2017). Moreover, they implement the concept of "a world without food waste" by offering their App for households and companies to save the food that would land in the trash by the end of the day (Too Good To Go 2017). Likewise they offer sustainable everyday tips for households and individuals that help them save food from landing in trash (Too Good To Go 2017).

Their target for the next few years is to help producers to find sustainable ways for producing, storing, processing, packaging, distribution, trade, and consumption (Too Good To Go 2017).

Along with that they work on the concept in politics on a worldwide level in three different continents (Too Good To Go 2017). In addition, Too Good To Go received a B corporation certificate which means that "the business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials" (B CORP CERTIFICATION 2019). And the social background and the experience that Wolfgang Hennen and Mette Lykke have are another entrepreneurial characteristic that Too Good To Go has alongside knowledge areas and perspectives such as the psychological perspective, because their mission has also a lot to do with the people.

Conclusion

After the investigation of the Start Up Too Good To Go and the module Entrepreneurship we can conclude that Too Good To Go is a good example for an entrepreneurial Start Up because it represents all the characteristic and includes all the perspectives that entrepreneurs should have. Moreover, the view of many organisations and institutions like 'Stiftung Deutscher

Nachhaltigkeitspreis and B CORP CERTIFICATION confirms that Too Good To Go includes all the required aspects of Entrepreneurship.

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SpaceX: A Prime Example for Entrepreneurship?

Hendrik von Stade

SpaceX: Mission, Development and Business Model

“The alternative [to human extinction] is to become a space-bearing civilization and a multi-planetary species (...)” (Musk, 2017). This quote by SpaceX founder Elon Musk precisely portrays his motivation to revolutionize the space industry with the intention of making space flights cheaper and ultimately taking humans to other planets, most importantly to Mars.

This thought, to establish human settlements on Mars, was the central aim Musk had in mind when he founded the California-based startup SpaceX (shortened for Space Exploration Technologies Corporation) in 2002. Originally, he and his team wanted to begin by buying a Russian rocket, since they were cheaper than the American ones. However, his plans were disrespectfully rejected by the seller. Thus, Elon Musk, who previously was a co-founder of PayPal, used his own money from that sale to construct his own rocket, called *Falcon 1*. After three failed launches, the company ran out of money. In order to save the startup, some prominent entrepreneurs like fellow PayPal co-founders Peter Thiel and Luke Nosek agreed to invest in SpaceX, therefore demonstrating trust in Musk’s vision. Apparently with good reason, as in September 2008, the *Falcon 1* rocket finally had a successful launch and became the first privately developed liquid propellant rocket to reach Earth orbit, thereby saving the company from failure, according to Musk. Drawing the attention of more and more investors, the company evolved quickly from that point on. SpaceX’s next big success was the *Falcon 9* rocket, a powerful cargo spacecraft with 9 engines. With that rocket, SpaceX was awarded a \$1.6 billion contract from NASA to transport cargo to the International Space Station (ISS). Thus, the company’s *Dragon* capsule became the first private spacecraft to visit the ISS. A major step that contributed to SpaceX’s popularity was the usage of reusable rockets to make spaceflights more sustainable and cost efficient. After numerous failed landings, *Falcon 9* rockets finally made it safely to designated landing platforms on land (in 2016) and on a floating drone ship (in 2017). After the successful introduction of *Falcon Heavy*, another powerful cargo rocket, the company focused on taking humans into orbit. Since the US Space Shuttle program was shut down in 2011, American astronauts had to fly with Russia’s help, which costed NASA around \$80 million per astronaut. Therefore, NASA partnered with the private sector

to launch astronauts from American soil to the ISS again. SpaceX was chosen as a partner (\$2.6 billion contract) which led to the largest milestone for the company to date. In 2020, two US astronauts were launched to the ISS in the *Dragon* capsule atop a *Falcon 9* rocket. The partnership is part of the *Launch America* program by NASA and has since included six further manned launches to the ISS carried out by SpaceX, with more planned. Since the foundation of SpaceX, the company has conducted 215 flights, of which 149 were re-flights (using reusable rockets), and 177 successful landings, as of March 2023. For the future, Elon Musk plans to fulfill the original idea of SpaceX – sending humans to Mars. The *Starship* spacecraft, also reusable, is supposed to execute these endeavors (SpaceX, 2022; Sheetz, 2019).

Today, SpaceX ranks among the most valuable private companies worldwide. In January 2023, SpaceX was valued at \$137 billion with the latest funding round raising \$750 million (Ray, 2023). Nevertheless, the company has established a profitable side operation to generate an additional self-sufficient income independent of contracts. This side business is Starlink, SpaceX's own satellite program. Contrary to competitors, Starlink's satellites fly in low Earth orbit, allowing them to provide “world's most advanced broadband satellite internet”, according to the company's website (Starlink, 2023). Other ventures include further government services, for instance supporting the US Space Force to launch satellites (Harwood, 2023).

The IBAE Module: Entrepreneurship

As the name suggests, in the context of our study program, entrepreneurship is a topic that has been briefly introduced in the first semester but will be deepened in the upcoming ones. For our studies, entrepreneurship is defined as the process of discovery, evaluation and exploitation of opportunities, focusing on the people who implement these concepts as well. Though it is often the primary image, entrepreneurship does not only include profit-oriented businesses but instead all forms of organizations. Yet, the idea behind entrepreneurship is generally the realization of the processes stated in the definition in order to improve the lives from all kinds of people or to tackle environmental or social issues, respectively. Therefore, entrepreneurship is a great tool for turning ideas and opportunities with positive effects into reality. Several theoretical approaches to the topic have been introduced. Those include financial and economic, strategic and managerial, institutional as well as psychological perspectives. Though all of them are important for the whole picture, the latter perspective was already presented further. Focusing on the psychological aspect

allows us to explore the characteristics and the resulting actions of the entrepreneurs themselves. As they are ultimately responsible for the foundation, but also the management and development of their venture, it is essential to understand what makes a good entrepreneur. However, this is a large topic with several interdependencies and elements to consider, like a certain personality, educational or social preconditions and underlying motivations, to name just a few. Alongside their characteristics, the actions entrepreneurs take are also examined in this module, since there are different approaches to founding a business or project as well. For instance, effectuation, bricolage or the lean startup are all various ways to approach entrepreneurship.

SpaceX as an Example for Entrepreneurship

Every entrepreneurial journey begins with identifying an issue that needs to be solved. For Elon Musk, this issue was that in the early 2000's, spaceflights were solely governmental and very expensive. According to the quote from the beginning, he was also worried about human extinction on Earth, so with SpaceX, he wanted to accelerate the development of human spaceflights to Mars and beyond. Here, we can see that Musk discovered an opportunity to start his venture in order to improve the situation at that time, supposedly benefiting many people. His journey also features the next step, evaluation. With this team, Musk looked for ways to acquire a first rocket to realize the project. Even after being rejected, he did not give up and risked his own funds to finally construct his own rocket. From that point on, one could say he exploited the opportunity, by developing more and more business operations within the SpaceX context and finding new ways of financing them, ultimately increasing the company value. Hence, the definition from the IBAE module suits the development of SpaceX very well. Since we also focused on the acting individual from a psychological perspective in the module, it can be used to examine Elon Musk as an entrepreneur too. Especially in the last few years, Musk has been a controversial figure, often polarizing with statements about his other businesses, like Tesla or Twitter. However, there is rarely negative media coverage of any remarks he made about SpaceX, which can be interpreted to mean that Musk deems this particular venture valuable and does not want to risk discouraging investors from having trust in the company. Furthermore, Elon Musk undeniably put high efforts into keeping SpaceX running, which can be seen during some points at which the company almost went bankrupt or after several failed launches and landings, respectively. Elon Musk always found

a way to save the company, arguably resulting from his passion, knowledge or business strategy, but in any case it shows typical characteristics of entrepreneurship.

Conclusion: Relevance of the IBAE Module

After having presented SpaceX, IBAE's entrepreneurship module and entrepreneurial features of SpaceX and its founder, it can be said that the information retrieved from the module introduction helped to examine the case regarding entrepreneurship. The definition and the perspectives, especially the psychological one, are useful knowledge to understand what entrepreneurship is about and to apply it to general cases or, eventually, to own foundations, which makes the module highly interesting and relevant for IBAE students.

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Netflix: An Example of Entrepreneurial Leadership

Devie-Claire Agbor Tatang

Introduction

Our society today has evolved, most especially in the sector of Digitalization ranging from storing information to having the possibility of watching videos and movies online or offline depending on one's choices. All this is due to innovative thinking and creating change that is necessary for society's social aspects. The need of an individual is in constant change which requires the economic market to display efficiency and flexibility towards the demands of the consumer.

Netflix is one of the most popular and streamed subscription platforms on demand with about 201 million subscribers amongst other competitors like Amazon Prime Video and Disney+ (Stoll, Estimated number of SVOD subscribers worldwide from 2020 to 2027, by service in millions, 2022). The founders of Netflix Reed Hastings and Marc Randolph started the company by mailing DVDs to their customers in 1997 (Netflix, n.d.) which resulted in a successful business model. The service to allows consumers have access and watch unlimited movies without having to worry about due dates or late fees i.e. a subscription-based service.

Characteristics of Entrepreneurs

Innovative ideas, discovering societal needs, and turning them into opportunities for both the company and consumers are all done by an entrepreneur. Hence the question of who an entrepreneur and which skills are one needs to create the impactful changes needed by society.

First, starting with the basic definition of entrepreneurship which is having the skill to start new businesses especially if opportunities result from the business (Cambridge University Press & Assessment, n.d.). Since the world develops constantly, just having the skills to start a business isn't enough because more is wanted. Hence a more modern definition of entrepreneurship includes transforming the world by addressing major issues such as bringing about social change or developing an innovative product that challenges the status quo of how we live our lives daily (Martins Ferreira, 2022) which brings about satisfaction.

An entrepreneur also as an individual must possess character traits such as risk-taking, Autonomy, innovative mindset, solution-orientated, the willingness to prioritize the needs of others, etc. which

can be greatly influenced by the environment one is in. Networking, taking self-initiative, having a basic understanding of finance principles, and analyzing previous business models are skills that are eventually acquired through self-taught knowledge or knowledge from educational institutions.

Now applying this information to the most demanded streamed platform Netflix (Stoll, Netflix - statistics & facts, 2022) and its founders, although consumers did not see the need of having access to stream a movie anywhere, Reed Hastings and Marc Randolph saw this as an opportunity to turn their idea into a new business model that was executable, and it is now used worldwide. Furthermore, Netflix can be watched in multiple languages by diverse cultures and ethnicities. This enables consumers to be informed about other cultures around the world as well as to have the opportunity to learn new languages. Although Netflix is just for streaming purposes, it can be seen as an educative platform too. Additionally, it brought about societal changes where peers can exchange opinions on a series thereby encouraging human interactions. Flexible and affordable subscriptions are offered i.e. which makes it accessible to everyone, providing the option to stream movies and series either live or offline anywhere.

With such multiple offers, consumers have varieties that lead to their satisfaction, and since digitalization played a role all those aspects contributed to the company's success.

Summary

Entrepreneurship is more than just creating a business. It is observing the environment and its community while trying to think of how life can be made easier either by improving existing innovations or coming up with something that wasn't considered a necessity just like Netflix.

Therefore, the more the world continually develops knowledge becomes a crucial element that will help identify the necessities of society or from where new things can evolve. In other words, educational institutions need to incorporate study modules like Management and Entrepreneurship in International Business Administration programs to help students understand the fundamentals and develop a better understanding of the disciplinary boundaries between both. The analysis of past case studies and businesses regardless of their success rate will be an eye-opener for further improvements in the future.

Hence, educational institutions need to adapt to the changes because yesterday's business models are not the business models of tomorrow

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The Role of Entrepreneurship in the Future of Mobility

Maurice Torbeck

Innovation

It occurs all around us at any second of the day, keeps our society moving and modernizes the systems. Innovative thoughts and ideas become increasingly important in the entrepreneurial context. Especially keeping the climate crisis in mind, a whole society changes in their behavior, in their way they consume, think, travel and basically live.

By now, close to everyone must be aware of this problem, and it's time for a change. Especially time for entrepreneurs to establish a new way of transferring new innovative ideas into business models. In the case of the International Business Administration & Entrepreneurship program at the Leuphana University Lüneburg this entry regards the entrepreneurship module of this study program in the self-selected case of the new micro-mobility provider Tier Mobility.

To stop the climate crisis, it is important to figure out what is causing it. Referring to a pie chart from the Bundesumweltministerium from the year 2016, the biggest Co2 causing sectors are the energy economy with 37.8%, followed by the industry with 20.7%. In third place is traffic and mobility with 18.2%. It is out of question that each of these sectors require an immediate renaissance, but the focus in this chapter is on the traffic and mobility sector.

Entrepreneurs now come up with ideas to reduce the co2 emissions and especially the traffic sector was able to experience a significant change in the last couple of years.⁵

Tier Mobility: A Big Changemaker in the Fight against the Climate Crisis

To reduce the air pollution, the goal is to cause a change of mindset so that people start using more public transportation or other mobility service providers, for example new micro-mobility providers such as Tier Mobility. Tier and its competitors Lime, Bolt, Voi etc. are known for their rapidly developing offer of small electric scooters all over big cities. The increasing popularity was significant, since everyone from a certain age on with a smartphone and a bank account of some sort can rent a scooter. Not only are they fun to ride, it also is a quick and easy way of

⁵ NDR (2019)

transportation. The big use of these scooters, especially in the urban areas, proves that the establishment of the new mobility service is a huge success and a good step towards fighting the climate crisis.

The Innovative Business Model

One of the key entrepreneurial aspects of Tier Mobility is their innovative business model, which disrupted the traditional mobility industry by offering a new, innovative approach to provide transportation in cities. Well established mobility companies such as Uber or Lyft, for example, have many differences in their approach. Unlike Uber or Lyft, Tier focuses on micro-mobility, which can be defined as small mobility vehicles such as e-scooters, while Uber and Lyft have their primary focus on ridesharing and taxi services. By focusing on these smaller, more agile ways of transportation, Tier can provide a lot more flexibility and convenience to their users. To reduce Co2, the public transportation should become more attractive to the users. Instead of seeing those two mobility projects as different areas, Tier Mobility combines them by forming partnerships and therefor supports both sectors. Those partnerships allow users to combine scooter or bike rides with bus or train trips, which can help reduce traffic and improve air quality.⁶ Tier does not just make transportation in the city very sustainable and convenient, but also safer. The user's safety is a significant topic, which Tier has a big priority on. So, they established features such as dual brakes, front and rear lights, reflective surfaces and some scooters even carry a helmet that can be accessed by unlocking the scooter.⁷ Lastly, the user's experience. Tier has created a service that provides a high-quality users experience, both in terms of the quality of their vehicles and the functionality of their app. Their vehicles are designed to be comfortable and easy to use, with features like adjustable seats and handlebars.⁸

⁶ (*Partner With TIER | MaaS & Public Transport Integrations*, 2022)

⁷By now, close to everyone must be aware of this problem *Segregated infrastructure: the key to micro-mobility safety and adoption | TIER Blog*, o. D.)

⁸ (*How to Use the TIER App & Vehicles*, 2023)

Reduction of Costs through Innovation

A challenge the company faces right now is that according to the analytics company McKinsey, about 50% of the revenue is being spent by the process of picking up the scooters in a transporter, bringing them to a warehouse, recharging and repairing them. Investors therefore ask themselves if it is even possible to make profit out of the scooter rentals. To avoid this problem and keep the investors satisfied and comfortable in this situation, Tier Mobility established removable and quickly changeable batteries, which can easily be replaced with fully loaded ones by the Tier employees. That saves the transport of a lot of scooters and therefore reduces costs by a lot. But in the future, Tier Mobility wants to take it a step further. The plan is to get the users to change the batteries by themselves. The implementation is supposed to provide many batteries charging station all around big cities. The plan is to have a charging station always within 500-meter distance, for example in grocery stores & gas stations. Three sides profit in this case, since those stores get more potential customers, Tier Mobility can reduce their cost by a significant amount and the user gets a couple of free minutes for the next scooter use. In order to implement the idea, Tier teamed up with the former Tesla engineer George Kalligeros. In the early stages of this project, Tier is required to make big investments in the infrastructure of cities.⁹ Even still now, Tier Mobility is on the way to dominating the market. According to their self-statement at the beginning of 2019 they had a daily revenue of €20.000. Founder Lawrence Leuschner keeps on looking for new investors to get closer to achieving their goal. At the end of 2018, they received their first large investment of 25 million euros. Investors such as “North zone”, “Speed invest “or “point nine capital” have big trust in the development of this market. Tier’s goal in that case is to achieve more profit than the competitors from the USA.¹⁰

Conclusion

In conclusion, Tier Mobility is a good example for the change makers in the climate crisis, which disrupted traditional business ideas in order to establish innovation. By their key focus on customer experience and sustainability, Tier mobility managed to become one of the top players in several

⁹ (Schwär, 2020)

¹⁰ (Deutsche Startups, 2019)

European and international markets. Furthermore, Tier has become a role model for other smaller players, which will lead to a quicker development of this industry within cities and a therefor quicker development towards fighting the climate crisis. However, the rise of the company hasn't been without challenges and therefor it needs to stick to their agile, adaptable and socially responsible ideals in order to maintain its leadership position.

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Sustainable Entrepreneurship: Everdrop

Vanessa Wobser

Entrepreneurship

Entrepreneurship is defined as the process of discovery, evaluation and exploitation of opportunities. Its success consists of three phases. Phase I is the opportunity identification. Phase II is the refinement of business concepts and resource acquisition. Phase III is survival and growth.

I expect to learn much more about these phases in the module “Entrepreneurship” of the study program “International Business Administration and Entrepreneurship” at Leuphana university in Germany. It is important to know how to identify business opportunities and to see which tools were useful in the past since there are different ways to approach the topic. For example, some entrepreneurs start from a sustainable viewpoint to see what they can achieve for sustainability, while others focus on monetary gain. It would be interesting to get to know these different kinds of ways. It is equally important to figure out how to create a working business concept to let the ideas and opportunities become reality. Entrepreneurs need a good estimation of their needed resources to work as efficient as possible. The module should increase awareness of important resources that would not come to mind in the first moment. It should help to develop a good structure and a plan to lastly achieve survival and growth. When entrepreneurs reach that phase, it is necessary to know how to identify working structures, maintain them and build even more growth. There is a lot to learn about all the three phases, which are important to be successful in the end. Therefore, it is useful to attend this module.

Sustainable Entrepreneurship

For me personally it is important for which reasons somebody takes entrepreneurial actions. Entrepreneurs and their firms have a big impact on society. They decide which consumption opportunities exist and they can influence the customers viewpoint. Sustainable entrepreneurship is a good way to create something positive for the world and change something to the better. Munoz and Cohen define sustainable entrepreneurship as “discovering, creating, and exploiting entrepreneurial opportunities that generate social and environmental benefits to the communities to promote sustainability” (Munoz/Cohen, 2018).

In the following I will analyze the three phases of the sustainable start-up Everdrop.

Everdrop

Everdrop is a German consumer goods brand that sells cleaning products. These products are supposed to reduce environmental problems. You buy small drops, which you put in a spray bottle. Then you add water from your sink and you have your finished cleaning product. When the product is used up, you just buy new drops instead of liquid cleaner. Most liquid cleaners contain 95% of water, which gets saved, when you buy the drops. On top you save tons of plastic spray bottles, because you reuse the same again and again (Löwe, 2020). The start-up won the “Deutscher Nachhaltigkeitspreis Design 2021”, which is a German award that honors great transformation of products regarding sustainability. Their products are also marked with environmental and quality seals for example FSC or Ecocert (everdrop, n.d).

Phase I

Phase I of sustainable entrepreneurship is opportunity discovery in the social and environmental field. The start-up was founded by Chris Becker and David Löwe in 2019 (everdrop, n.d.). In an interview the co-founder David Löwe talks about the founding process. They started from the viewpoint that they wanted to have an impact on the environment. He emphasizes the importance of an “inner question of sense” by which he means that overcoming the barriers of founding a business is easier when you work purpose driven (Löwe, 2020).

Phase II

In Phase II you create your business by setting up a concept and check your resources. Everdrop has financed itself with the means of the founders. Löwe emphasizes that testing is the key. They tested every product in a testshop as a minimum viable product (ibid). A minimum viable product is “that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort”(Ries, 2009). Furthermore, the founders defined their target group. They defined their main target group as LOHAS (Lifestyle of Health & Sustainabilitys), but principally they wanted to offer their product to the general public, because to change something en masse you need to reach as many people as possible. They achieved that

by having the sustainable concept, with a modern design for a fair price (Löwe, 2020). In the area of marketing, they focused on advertising online (ibid)

Evaluation

Everdrop is a company which went successfully through these three phases of sustainable entrepreneurship. They are very transparent. On their website you can see every product, you can follow their supply chains, you can read about their certificates and awards, about their used ingredients, etc. A special thing about the company is that you can also read about their fails on their website. They tell you, what is faulty about their products and how they try to change it in the future. Only in the area of finances they are not transparent. On their website you cannot find anything about that and in interviews they only give vague numbers.

All in all it is a company from which we can learn, because it is successful as a company while doing something good for the environment. From our module “Entrepreneurship” I also expect to learn from real-life-cases like Everdrop. In this case we could learn how Chris Becker and David Löwe went through the phases of entrepreneurship. It would be interesting to learn how different businesspeople use different tools to become successful. This module is one of the most important modules for the students, that want to be an entrepreneur in the future.

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Effectuation: How Sophia Amoruso Built and Lost the Nasty Gal Empire?

Gabriela Zarzecka

Introduction to Sophia Amoruso's Story

In times when people dream of setting up their businesses and appearing on the global economic market Sophia Amoruso is an interesting case of a woman who technically became an entrepreneur by accident. This girl, despite the subsequent collapse of the empire she created, basically did something extraordinary. Starting from nothing, became a millionaire before turning 30 - she achieved what seems impossible for many at first glance. When the 22-year-old back then founded Nasty Gal in 2006 as an eBay online store called Nasty Gal Vintage for which she photographed and shipped items for sale (found at local thrift shops in San Francisco) from her bedroom, she had no idea that just six years later, Nasty Gal will be already a \$100 million company that, at its heyday, had up to 200 employees and brick-and-mortar stores in Los Angeles and Santa Monica. The firm got named "Fastest Growing Retailer" in 2012 by Inc. magazine, whereas Amoruso ranked 53rd on the Forbes Americas list of self-proclaimed women in 2016 before her business collapsed. Even though it filed for bankruptcy in November 2016, and Sophia sold Nasty Gal to BooHoo Group for 'only' \$20 million in 2017, after years of rapid growth, she became a self-made millionaire, who has a story that inspired and keeps inspiring lots of people, especially young women, all around the world. But how it happened? And what does the knowledge about effectuation gained during the Foundations of Management & Entrepreneurship course have to do with that case?

Sarasvathy's Principles for Effectuation

Saras Sarasvathy's Effectuation Theory (2001) explains the entrepreneurial decision-making action-taking technique making an aspiring entrepreneur choose the next, best step by examining the resources available to achieve his goals while constantly balancing them with available financial means and actions. Effectuation varies from causal logic in having a particular aim and the method for achieving it, combined with a set of accessible resources. Sarasvathy believes that causal reasoning is unsuitable for entrepreneurial activities because they are inherently

unpredictable and dangerous. The essential for this theory *Pilot-in-the-Plane* worldview projects the future as something people can shape through decisions they make, influencing how their lives will look like, whereas four effectuation principles sound as follows: *Bird-in-Hand*: One must learn how to develop solutions using the resources available by him already. *Lemonade principle*: Failures and surprises are unavoidable, but they may lead to uncovering exciting possibilities. *Crazy Quilt*: Getting new collaborations might offer alternative funds and fresh ideas for the enterprise. *Affordable loss*: One should only invest the amount he is ready to lose. In widely discussed entrepreneurship processes, this worldview and four principles are used to plan and carry out the next best steps and modify project strategies based on the results of one's operations.

Effectuation in Terms of Nasty Gal Rise and Fall

Sophia Amoruso has practically not planned her career, however, the girl achieved a gigantic success starting from scratch, that is, using the things and resources she had at hand (as in the aforementioned *Bird-in-Hand* rule). The very start of setting up a store on the eBay platform was a suitable solution for her, which she could afford at that time and began to work better than she expected. The girl was not afraid of making mistakes because she did not have a specific business plan, and practically nothing to lose, it was a form of earning extra money, which unexpectedly began to bring more and more income and led the business in a direction she would not predict opening up unimaginable possibilities for her (the *Lemonade principle* effect). Amoruso also had a lot of luck which is always useful, not only in running a business, because around 2010 Nasty Gal got called a “big cultural phenomenon”, which means that mainly thanks to her creativity and resourcefulness but she managed to hit the point where this type of investment grew on such a huge scale, so apparently there was a demand for it. As how *Crazy Quilt* principle says “entering into new partnerships can bring project new funds and new directions” that is what happened in this case. Amoruso, who initially took care of everything herself, hired her first employee from Craigslist, which is classified ads website in the US. To quote the former CEO of Nasty Gal “before venture capital came in [in 2012], I owned 100 per cent of the business, and we were profitable. We had exploded: we went from \$1.1 million in [annual sales] to \$6.5 million to \$28 million [in 2011] in three years with no digital marketing and no outside investors”, so the company was developing at a dizzying pace. The problem, and probably also the factor that mainly contributed to the collapse of the business, according to Amoruso herself, was the moment when Index

Ventures came in with \$40 million from their growth fund, thus expecting Nasty Gal to increase its annual turnover from 28 to 100 million dollars more in just one year. The fourth and last principle of the Effectuation Sarasvathy's Theory (2001) *Affordable loss* says to invest as much as we are ready to lose and I think that in this case, the investment by Index Ventures was a shock that big that affected the fate of Nasty Gal's story. This investment completely changed the dynamics of a still young and developing company, to such an extent that both the team nor Amoruso herself were not able to fully keep up with the pace of change that was expected of them. Everything was happening so fast that 100 people were hired practically overnight, and the development plan did not have much data to support it. Quoting as Sophia said over time "things became too complex too fast".

Conclusion

I think that Sophia Amoruso's ending in the context of Nasty Gal is best summarized by her quote when asked about the firm's loss, she replied: "I mean, the company sold for \$20 million in bankruptcy. So, in the grand scheme of things that can happen in your early 30s, yeah I'm proud of it". And in my opinion, this is the most correct approach. The woman objectively achieved something practically unimaginable in the business world at such a young age. Having almost no idea about it, she created a fashion retail empire which, despite bankruptcy, continued to sell for huge money, and now, having both knowledge and experience encourages thousands of women not to be afraid of starting their own businesses, at the same time warning them against the mistakes she made. For me, this courage and consistency, the fact that after Nasty Gal's failure, Amoruso tries to find her place in the business world again choosing a slightly different venture, shows features that are the most crucial in terms of entrepreneurship.

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II. SUSTAINABLE AND RESPONSIBLE MANAGEMENT

How does Oatly Integrate Sustainability into their Management?

Caroline Bode

Introduction

Environmental Impact of Dairy Products

Every visit to the supermarket is like a voting-slip. With every grip to a dairy or cows milk we increase our carbon footprint, as a third of all greenhouse gas emissions caused by us humans come from livestock farming. (*Dairy vs. plant-based milk: what are the environmental impacts?*, o. D.)

Drinking a glass of milk every day would make about 229 kg of greenhouse gas emissions of an individual. With an ever-increasing variety of plant milk alternatives, we can have the opportunity to contribute to a change, as oat milk for instance has an increasingly lower environmental impact. (*Milk Choice and Environmental Impact*, o. D.-b)

A Brief Introduction to the Company Oatly

As previously said, a big variety of different plant milk alternatives has emerged during the last years, however there is one thing which they have in common: they are all dairy- and cruelty free. To support this statement, there is a company that stands out when adopting the lens of sustainability management, namely Oatly. Founded in the 1990s at Lund University in Sweden, Rickard Öste started with a Research on lactose intolerance, the impact food can have on the environment and how food contributes to the damage of the environment. (*How Oatly Became an International Success*, o. D.)

Sustainable and Responsible Management

Before we dive deeper into the sustainable structures of the company, we first need to provide a theoretical framework for sustainable and responsible management in order to see how Oatly applies to it. Starting off, there are a few reasons for companies to care about society and the natural environment, one of them is global societal responsibility, by transforming general societal reasons for sustainability into business reasons. Furthermore, a corporate business reason is fundamental, as sustainability influences business risks and opportunities, which cannot only lead to an

improvement of efficiency and profit, but also to an amelioration of the reputation. Finally, a personal reason can also be a driving reason for companies to successfully integrate ecological and social aspects into an economic environment (Fernando, 2022)

In addition to that, it can be said that management is also about getting things done. And the question for companies then is, how they can integrate sustainability into their management. A further aspect that we need to take into consideration is the question of purpose one has when it comes to management.

Application of Sustainable and Responsible Management

Many actions of the company underline and highlight how sustainability is the underlying core value on which their management is based on. One striking example is that Oatly measures their employee's willingness to act sustainably and responsibly with the aid of a committed co-worker index in which they formulate questions regarding this domain that need to be answered. This gives each individual employee the opportunity to actively contribute to an even more sustainable environment. (*Oatly will set the example as a future company*, o. D.-d)

This action meets with what Toni Petterson, CEO of Oatly, said during an interview (2019): “[...] “...No, you need to make sure that everyone has an engagement, and it will come naturally, the starting point must be that they understand the value of what they are doing on the sustainability part” (Bocken, o. D.-b). In addition to that, Oatly has created a “to-do list”, which indicates the steps the company wants to take in order to achieve their sustainability goals, led by the chief sustainability officer Ashley Allen. (*Sustainability Plan*, o. D.). There are specific goals assigned to three different pillars. One pillar is about how Oatly wants to change the food system (*Drive a food system shift*, o. D.). Secondly, the company explains what measures they take in order to be future orientated. What this means is that they want to fully switch to renewable energy in the next 5 years, in contrast to a percentage of 76% in 2021. (*Oatly will set the example as a future company*, o. D.-e). Equally important is the last pillar, namely, how to achieve a shift and make people want to eat or drink more plant-based products. One thing that they did, was to show what big of a positive one can have on the environment by consuming their product. As this would not lead to much without a comparison to other products, Oatly “[with other food brands, NGOs and scientists in Germany – officially launched the transparency initiative Together for Carbon Labeling (TCL) to develop a scientifically based standardized and product-specific CO₂e

calculation and communicate it transparently within the food industry [...]” (*Oatly will lead the charge to empower a plant-based revolution*, o. D.). Coming back to the question for what purpose the company is doing their business, Oatly has a clear answer to that. According to the head of creative at Oatly, they want to give their products a voice, meaning that by the strength of their marketing, it is shown how people can benefit from them, not only because of their high nutritional value, but also because no living is going through suffering during the production process. As management also comes with a lot of risks and fallbacks so this also affects Oatly. With their slogan “Milk but made for humans” the dairy industry felt threatened and sued the company, although biologists approve the statement. This shows that as much as they wanted to make a change as a sustainable company, they experienced obstacles. Even though many argue that to drive marketing in this way, they could get enemies. But Oatly, on the contrary, argues that they can also get people to like what they are doing. The point of that is, that companies sometimes need to take risks in order to be successful. (*Oatly, The Entrepreneurs 342 - Radio*, o. D.-b)

Why is it Important to Deal with Sustainable and Responsible Management in Business Programs?

In times of rising crises, we must identify the challenges we face and then try to formulate solutions. The question which then arises, is how to make changes in a sustainable and responsible way. It is also about dealing with possible risks, and fallbacks that we may come across. Especially for business students it is important to reflect on what the core tenets of management and business administration are in order to know how we can tackle the challenges with respect to sustainable and responsible management. In the present day we need to consider different perspectives, that is why it is important to be confronted with different opinions, as it plays a role when it comes to including stakeholders and different scientific domains, that is why it is important to include group work in the business program.

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Sustainable Entrepreneurship

Carlotta Bierwag

What Entrepreneurship, as a Module, is About

Being an entrepreneur is about discovering something new and innovative. It can be a business idea, or the improvement of something not profitable. Sometimes it influences a whole community or society, but it can also improve the lives of certain people or different areas. Entrepreneurship depends on the individuals, their incentive, actions and personalities.

The market changes continuously and new trends are created. The improvement of businesses is based on changes in the market by using the customer's feedback. Entrepreneurs can use different methods to turn their ideas into a real business. But entrepreneurship is also about evaluating and exploiting opportunities, for example to solve social problems without making money.

Universities build the basis and convey the knowledge. "The relationship between entrepreneurship and universities is a key factor in the educational, social, and economic development of individuals, groups, businesses, and regions." (Crammond, 2023, p. 1) Students are taught different methods and the fundamental knowledge how to become an entrepreneur is given. Education is almost the foundation of success. For example, students learn how to create a business plan or to build an economically successful business. The requirement for entrepreneurship is the personal interest, the motivation to be innovative and the creativity to create something new. Universities can support students with different programs for young entrepreneurs and lectures about entrepreneurship or other relevant topics. On the one hand side, the universities create important knowledge, but on the other hand they can reinforce and motivate their students to become an entrepreneur. Also, students acquire social skills and get the possibility to create a network, where they can support their ideas and businesses and get to exchange with other young entrepreneurs and experts. The students themselves can influence each other, get inspired by each other and develop their personality.

Why Entrepreneurship is Relevant and Interesting

With entrepreneurs, who create new ideas and businesses we can contribute to the development of the society. It gives us the opportunity to make our world a better place and improve it. Problems

like climate change can be weakened by sustainable entrepreneurship. Different sectors for example like the energy sector get more sustainable when new ways of winning energy are developed. Entrepreneurship is a good possibility to design and save our own future and the future of further generations. People can take responsibility by creating innovative and assisting solutions. Without new ideas and businesses, the society would stagnate and problems like climate change would move forward even faster. It also supports the economy within new products and services, which influence the market. With new establishments, entrepreneurs also create new places of employment. Hence the wealth increases and the state has lower social spending.

Entrepreneurship designs new ways of thinking. It can create a new way of living and working, because we generate new possibilities of getting things done. The everyday life and other areas of life can be simplified.

“Universities are centers of knowledge, hubs of creativity, and a means to realize progress which benefits all.” (Crammond, 2023, p. 3) In universities individuals can implement their ideas and be creative. It stretches their personality and helps to develop themselves. The students improve their social and leadership skills. People from all over the world can unite their ideas and businesses to help each other and support development. This is why entrepreneurship in universities must be encouraged.

Added Value of Sustainable Entrepreneurship

As already mentioned, entrepreneurship can be used to do something against social problems like climate change. With sustainable businesses, we can build a new way of living. It can give us solutions for problems that exist these days and can help to avoid crises in the future. The “goal of creating value that persists over time” (Pinna, 2020, p.2) becomes more and more important. “Interest of academics towards sustainable entrepreneurship has rapidly increased over the last two decades.” (Pinna, 2020, p.7) Sustainability is a big topic in different areas to protect the earth and the basis of existence. We can save resources for us and further generations. The basis of sustainable entrepreneurship should be to use our resources consciously and sustainably because they are limited. Companies who want to exist in our future economy and be profitable need to include the sustainable thought. “Inclusion of social and environmental concerns into corporate

goals would benefit the company.” (Pinna, 2020, p.1) It is a topic of crucial importance we cannot imagine a future without. Therefore, entrepreneurship must be sustainable.

Founding of Wildwuchs

The Wildwuchs Brauwerk is Hamburg’s first organic brewery. It was founded in 2014 by Friedrich Carl Richard Matthies, also known as Fiete, and his siblings. They started to brew at a brewery in Bleckede (Hamburg). Later on, they rented a place in Wilhelmsburg (Hamburg) and started their own brewery. The idea is to use organic and regional ingredients only. The hops are delivered by Hopfen Biohof Friedrich and the malt by Rhön Malz GmbH. Both are selling sustainable and regional products. The Wildwuchs corporates with the “Regio AG”, where local businesses support each other.

Fiete creates different and special tastes of beer with different ingredients. An example is the beer “Broid”: Broid is made from stale bread that cannot be sold the next day. They get the bread delivered by a local bakery and use it to brew the beer. It takes on a special flavor and the bread is reused instead of being thrown away.

For the brewery they use the energy of Green Planet Energy which is more environmentally friendly than some other energy providers. With their products and their profit, they support different projects like the Loki Schmidt Stiftung. The Loki Schmidt Stiftung advocates for animal and nature conservation. To commercialize their products, they do not use platforms like Amazon. The beer is sold in their brewery in Wilhelmsburg, in regional shops or online on their own website.

The Wildwuchs tries to be sustainable in all areas and supports other businesses and entrepreneurs with the same values. The business of Wildwuchs constantly grow and expand.

Wildwuchs as a Relevant and Interesting Case of Entrepreneurship

The Wildwuchs unites something, that is constantly bought and improved it. They include their values of sustainability and regional products to create beer on their own. From the founding until now the business has grown. Fiete creates new beer, his wife manages the personal belongings, and his siblings and parents are also integrated in the company. The number of employees increases constantly.

They took their personal interest and combined it with the relevance of sustainability these days. The company contributes to the society and is also a profitable business. The founders followed their own goals and created an innovative business, Hamburg's first organic brewery. Some cooperation with other breweries and companies with similar goals helped them to become known and to grow. For example, for their events they get organic food by other sustainable companies.

As already said, sustainability is important in different parts of our life. The Wildwuchs tries to make their business sustainable in all areas. They combine it with a profitable business but put their values over making money. For example, they do not sell the beer on Amazon, because the philosophies do not correspond with each other. This example of entrepreneurship shows that passion and the authentic manner of representing their values is a good way to manage a successful company. Sure, you also need a product that people want to sell, but the Wildwuchs took something that is already on the market and adapted it to the interests of today's people.

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Origin Materials: A Sustainable Solution

Katrin Franke

Introduction

In today's world there are so many trends, catastrophies and problems that just solving one should not be that hard, you just have to choose. So why not select climate change as the biggest and multidimensional problem the earth and its creatures currently have to face. 45 % of all emissions originate in the production and use of daily products ("The Material Problem", n.d.). Origin Materials has the answer, developing a technology and products that not only have a carbon neutral process, but are also binding atmospheric carbon, making their process carbon negative. This chapter shortly analyses Origin Materials and their founders development to make their company reach today's potential and success.

Good to Know

The Basics of Entrepreneurship

Entrepreneurship is "... the process of discovery, evaluation, and exploitation of opportunities; and the set of individuals..." (Shane and Venkataraman 2000, S. 218f).

Still the most common association with entrepreneurship is having a great idea emerging out of societal trends or a niche and making big money with it. Therefore, setting financial profit as the main driver. The financial and economical perspective is part of the process, but more contributes to being an entrepreneur and leading a business to success. The strategic and management perspective, the institutional perspective and the most important perspective of psychology. It concludes in the individual taking action as the key factor of entrepreneurship. Every project depends on the people that make it happen.

Going back to the original definition of entrepreneurship, creativity and knowledge is used to discover and evaluate ideas or products. The founder might use creativity to find new ideas in trends or knowledge to improve typical approaches or products . Reflecting the second part of the quote "evaluation, and exploitation" (Shane and Venkataraman 2000, S. 218f), those opportunities need to be put in action. This can be achieved through three different strategies. One of them is the

Lean Startup Strategy, which is production focused by starting and experimenting and then learning from the process. Consisting of the steps implementing a product, selling the product, getting feedback and then improving the product (pivoting). In a nutshell different perspectives and the individual are important to bring your startup to success.

Origin Materials

Origin Materials is a company “Looking for potential where others had given up trying” (“About”, Origin Mat, n.d.). It was founded by John Bissell and Ryan Smith and is a stock corporation located in Sacramento, California, USA. Since the founding in 2008 they focus in finding a substitutional product or technology to replace the common highly carbon positive production on petrol-based products, for example polyethylene (PE). The company developed a technology that is turning the atmospheric carbon into carbon negative products such as, chloromethyl furfural (CMF) that can be converted into polyethylene terephthalate (PET), hydrothermal carbon (HTC), which is used in many versatile based industries and other products. This circular strategy of using carbon that is captured in biomass through photosynthesis as their resources allows them to reduce tones of greenhouse gases. In addition to the development of these products and technology they formed alliances with Nestlé Waters, Danone, and PepsiCo introducing their products to the markets of industrial and apparel textiles, automotive parts, insulating foams and others. They became a multi-million dollar cooperation (Vinoski, 2021).

Taking Action

Origin Materials started with two graduates holding a B.S. of chemical engineering having a thought to start a business. They identified a possibility to improve an existing product based on fossil fuels.

The two founders used their knowledge to take advantage of this opportunity by developing their circular system of reusing the atmospheric carbon. They are downsizing the emission problem by introducing a sustainable, even carbon negative technology. Proving that entrepreneurship is more than the financial profit of one person or company.

As mentioned before only having an idea is not enough to get a business to success or develop a competitive product. Taking action is the key factor. J. Bissell said “[he] had a lingering thought

to do something entrepreneurial for most of university” (Bissell, interview 2023) at one point putting this thought into practice. The first technology the founders developed showed them their way of action. Using the information they gained from that and the positive feedback loop they received once they started a company in that domain, helped them to develop the technology and products they have today. Still the technical nature of their product made the process of developing differently from many others. The risks in the chemical and material industry are more fateful and therefore cannot be first discovered by the market, they should be eliminated before the product enters the market. Furthermore customers in these industries need huge amounts of a product to actually use it. It is a high risk if the product does not meet the expectation, because with a new technology and way of production come high costs (Bissell, interview 2023). In J. Bissell words their way of building Origin Materials “[has the same principals as the Lean Startup System of improving a product], but the resulting process looks very different.” (Bissell, interview 2023).

Both founders brought diverse knowledge into the process. Combined they hold expertise and knowledge in research and development, engineering, business development in the chemical industry, intellectual property protection, chemical and materials technology and both hold a B. S. in chemical engineering (“Team”, Origin Mat, n.d.). Never the less they said that gaining more knowledge and capability by getting awards and even host and visit a one-week crash course in venture entrepreneurship were the most important factors. Without this they might not had recognized the opportunity that was in their technology (Bissell, interview 2023). This knowledge also covers the different perspectives of entrepreneurship for example intellectual property protection as the institutional perspective. Additionally their knowledge of business development and the alliances with Nestlé Waters, Danone, and PepsiCo reflects their strategic perspective. These alliances supporting their Product and technology development financially. This and the fact that origin materials is a stock corporation represents the financial and economical perspective. However J. Bissell said to have a partner with the same concrete goal was also one of the most important aspects (Bissell, interview 2023).

Conclusion

Origin Materials is the future oriented company that is perfectly described with their own quote of “Looking for potential where others had given up trying” (“About”, Origin Mat, n.d.). This not only shows their goal to improve today’s society and environment, but also their team’s motivation

and strong mindset to go further than other people have before and not to give up. J. Bissell said his drive and with it the ongoing development of Origin Materials was an evolution from hope to grit to analytics. Each step of the company's and their founder's path shows the importance of not only knowledge, but also of the individual person, his actions and experience, in the development of becoming an entrepreneur.

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Sustainable & Responsible Management at Vinted

Michelle Gerlach

Introduction

Global Emissions of the Fashion Industry

According to the UNECE (2018), the fashion industry is responsible for 10% of global carbon emissions and 20% of global wastewater. In addition, it is said to be a huge contributor to plastic pollution in the world's oceans. They estimate that every year around half a million tons of plastic microfibers end up in the ocean due to the washing of plastic-based textiles. Knowing the figures which are caused by the fashion industry let one think about a more environmentally friendly and sustainable way to shop for clothes. The company Vinted created an alternative way to shop and is a good example of the work against the throwaway culture. Linking the case of Vinted to the elective "Sustainable and Responsible Management" of the IBAE study program at Leuphana University enables us to get a better grasp of performed management.

Vinted

Vinted is an online platform for buying, selling, and exchanging secondhand clothing and other goods through person-to-person transactions (Zisa, 2022). The company was founded in 2008 in Lithuania by Milda Mitkute and Justas Janauskas as a simple online prototype without any marketing plan. The platform started growing after introducing a forum-style community. In 2017, new management took over and in 2020, the company experienced a significant increase in revenue. Vinted was valued at 4.5 billion USD in May 2021 (Zisa, 2022). Today they operate as a fee-free marketplace, meaning that users can buy and sell items without having to pay any fees to the company. The shipping method can be selected by the buyer and the seller sends the package directly to the new owner (Craig, 2022).

Sustainable & Responsible Management

In the study program "International Business Administration and Entrepreneurship" (IBAE) at Leuphana University the elective "Sustainable & Responsible Management" can help us to better understand Management, especially in real-world examples. The course focuses on how

organizations can contribute to more sustainable development, so specifically on other values or impacts next to the profit of a company. Management is about getting things done through people and the course specifically asks how things are done and for what purpose, but from a lens of sustainability and responsibility.

Importance of the course for the future

Nowadays it is more than interesting for business students to gain skills in sustainable management, it is necessary. Our earth doesn't have infinite resources and wasting them will mean damaging future generation's resources (Dilmegani, 2022). In the 2022 Edelman Trust Barometer, 52% of the 36,000+ respondents in 28 countries think that businesses are not doing enough regarding climate change. This highlights the need for a shift toward more sustainable and responsible businesses and the importance of the IBAE course for our future.

Management at Vinted

The content of the Sustainable & Responsible Management course can help us to understand management in the case of Vinted. Some important managerial actions took place in the last years, which led the company to the success it holds today. The company is a suitable example of good and sustainable management practices and their significance for businesses to thrive.

Vinted saw a huge increase in revenue after a new management was introduced in 2017, including Thomas Plantenga the current CEO of Vinted (Gardt, 2020). Plantenga let go of half of the 240 staff members, closed four offices, and disestablished the fees on sales, which was the main source of income at that time. As mentioned in our lecture, examples of good management practices are downsizing, repositioning, and focusing to face current challenges, which is strongly represented in this case. Plantenga told Techcrunch in 2018 that "The business was completely burning down" (Gardt, 2020), this underlines that Vinted needed a shift to maintain their business. He was dedicated to changing the direction of the company. To innovate the firm, three new sources of revenue were introduced. Ads, buyer protection, and visibility boosts. The boosts enable sellers to put their offers on top of the list, in return, they pay a fee. In 2018 the net revenue increased to 32.9 million euros, but through marketing costs, the net loss increased to 42.9 million euros (Gardt, 2020). Nevertheless, the management was able to lead the company to a rise because they took responsible action to achieve the common goal of bringing the sustainable platform to a greater

part of the public. Vinted's management practices succeeded, and today the platform has more than 65 million members in 16 countries ("Don't wear it? Sell it!", n.d.).

Management from a Sustainable & Responsible Perspective

What is important besides good management practices is that managers must understand the grand challenges we face today, for example, the fight against climate change. Vinted has sustainability embedded in its business model but still tries to be more sustainable. One of the main challenges the company faces are the emissions produced by shipping and logistics. In 2022 Vinted launched a new mail-order firm called 'Vinted Go' (Haalck, 2022). The goal is to reduce emissions and home deliveries by creating pick-up points that are linked by electric vehicles ("Helping you go forward", n.d.). Vice President Vytautas Atkocaitis of Vinted Go says that their team worked hard over the years to combine a network of delivery partners for multiple markets, which resulted in a wide selection of affordable delivery options. This helped Vinted to promote the acceptance of secondhand items (Haalck, 2022). Again, this highlights one of the key pieces of information of our course. Managers get things done with the help of people, in a team, and in this case from a lens of sustainability and responsibility with a focus not only on the profit of the company but on their environmental impact.

Conclusion

Vinted has a sustainable consumption approach to overcome the emissions of the fashion industry and the elective "Sustainable & Responsible Management" helps business students to understand the importance of organizations in contributing to a more sustainable future. Linking the course principles with the case, showed that Vinted's business success relates to their management practices and especially to their organized work in teams. Good management practices matter for contemporary business challenges and are the key to a responsible and impactful business. Especially the organization of joint work is essential to achieve a common goal. Furthermore, we can see the recognition of the company's responsibility in today's world and can highlight that they see their management practices also from a sustainable lens. However, the company still faces challenges in making the platform even more environmentally friendly, specifically regarding emissions caused by shipping. Nevertheless, Vinted remains a good example of the importance of sustainable and responsible management in the business world.

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Patagonia: Climbing the Mountain of Sustainability

Hanna Katharina Grieb

“Patagonia is in business to save our home planet” (Beer, 2018)

What sounds like a paradox describes the mission of the clothing company Patagonia, founded in 1973. Patagonia produces hard-wearing outdoor clothing and gear, with an original focus on mountain clothing. The company addresses a clothing market that is focused on minimizing environmental impacts, promoting sustainability, and fostering a closer connection between people and nature (Selfless Clothes, 2021).

Despite growth-oriented management being important to compete with the market, the relevance of sustainability management is strongly increasing. With today's movement towards eco-friendly and ethical production, companies can take different approaches to address sustainable concerns.

“Don’t buy this jacket” (Patagonia, 2011)

On Black Friday, 2011 Patagonia ran a full-page ad in the New York Times with a strong call to action: “Don’t buy this jacket”. The ad was intended to address the issue of consumerism and raise awareness of the impact of textile manufacturing on the environment (Patagonia, 2011). Two years after running this ad, Patagonia managed to experience strong growth. How has Patagonia managed to use this message to influence consumer behavior and generate more sales while remaining sustainable? To answer this question, a closer examination of sustainability management and its implementation at Patagonia will be taken.

The Concept of Sustainability Management

Sustainability management encompasses company strategies, operational capacities, expertise, behaviors, and cultures. It aims at products and processes, services, and the supply chain, and pursues an optimal balance between business performance and results, considering economic, environmental, and social criteria at temporal and spatial scales (Gartner, n.d.). To manage sustainably means to reduce negative environmental and social impacts and instead, create positive approaches that support the economic success of the company. Representing such a sustainability strategy requires close cooperation between various functions within and outside the company.

Within companies, it is often introduced through internal teams or specific project groups. This can be a critical factor, as sustainability management is sometimes not sufficiently integrated across all areas to operate effectively and holistically. Ideally, the operation does not only take part within the team but also with the support and commitment of the top management by providing needed resources and communicating this vision within the company and to all external stakeholders (Idowu et al., 2013).

The Summit of Sustainable Success?

Patagonia has a broad strategy for sustainable management. The requirements and measures cover Patagonia itself as well as stakeholders throughout the supply chain, including subcontractors and sub-suppliers. This paper will focus on the initiatives *Worn Wear* and *1% For The Planet*.

1% for the Planet

1% For The Planet is an international coalition of companies that have committed to donating one percent of their annual sales to environmental protection. The non-profit organization was founded by Yvon Chouinard and Craig Mathews, Patagonia's owners, and includes over 5,000 companies as of 2022 (One percent for the planet, n.d.). Patagonia itself has donated 1 percent of its annual sales to preserving and restoring the natural environment since 1985. In total, over \$140 million have already been donated to international groups that each engage in specific local projects (Patagonia, n.d. a).

For example, Counting Coral, a non-profit organization seeking to save coral reefs, has received 40 percent of its funding from *1% For The Planet* and is helping to revitalize marine life by planting coral sculptures on damaged reefs (One percent for the planet, n.d.).

Worn Wear

In 2013, Patagonia founded *Worn Wear*, a secondhand marketplace aiming for sustainable use of clothing and prevention of fast fashion - the consumption of cheap but poor-quality clothing that causes environmental damage. The partnership is between Patagonia and its community. Customers can have their clothes repaired for free or attend workshops to learn how to repair gear. Since 2005, over 415,000 garments have been repaired in North America. Furthermore, clothing can be resold or changed on the *Worn Wear* Marketplace (Patagonia, n.d. b).

In addition to these initiatives, Patagonia focuses on using recycled materials and ecological processes. For clothing mostly used for high-performance sports, this is a high ambition. To counter the climate crisis, Patagonia is planning to become carbon neutral by 2025 - a goal that, according to EU regulations, does not have to be achieved until 2050 (Europäische Kommission, 2021). Currently, the proportion of recycled materials is 68 percent. By 2025, Patagonia aims to use 100 percent recycled materials. 76 percent of Patagonia's distribution centers are powered by renewable energy. In the United States of America already 100 percent of the stores are powered by renewable energy (Selfless Clothes, 2021).

Outlook

Patagonia takes a variety of approaches to sustainability management. It supports both small-scale and international projects. The company holds itself and its stakeholders accountable, while also offering solutions for consumers to act more sustainably. Some approaches might not be fully feasible at this point, such as the direct, holistic abandonment of chemicals and petroleum in the manufacturing process (Selfless Clothes, 2021). Nevertheless, it is important to identify potential solutions, such as *Worn Wear*, and to strongly prioritize the implementation of these solutions. Although Patagonia has good approaches, it can do more. Most of Patagonia's factories operate in Asia, which is associated with a higher risk of human rights violations and low wages (Selfless Clothes, 2021). Instead, production could be moved to Europe to ensure better working conditions, fair wages, and even more sustainable production. The climate crisis and the associated scarcity of resources require rapid and consistent action, for which time is one of the biggest challenges. Thus, it is important for management to sharpen its focus and adapt it to the needs of society and the environment. Not only should this be initiated in already existing structures but also achieved through the education of future founders and managers. This allows sustainability management to be introduced into companies as a matter of course and continuously built up through expertise.

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Share GmbH: Saving The World With Sustainable Consumption

Lilly Carlotta Gütschow

Introduction

In 2020 there were over 700 million people without access to clean drinking water (Tiseo, 2023). Moreover, according to World Bank forecasts, over nine percent of the people on earth lived in extreme poverty (world bank, 2022). With the purpose of changing these numbers, the share GmbH came up with the idea to provide assistance to people in developing countries and made social protection to their main company goal (M. Zeuchner, personal communication, 10.01.2023). In order to reduce the social inequalities among the world the share GmbH developed a “buy one, give one”- concept¹. Throughout the last decade there arose more and more enterprises which are driven by the mission to solve socio-ecological problems and therefore can be defined as sustainable entrepreneurs (Terán-Yépez et al, 2020). Sustainable Entrepreneurship is one of the modules of the IBAE-program at the Leuphana university.

Definition of Sustainable Entrepreneurship

Sustainable entrepreneurship can be defined as “the discovery, creation and exploitation of opportunities to create future goods and services that sustain the natural and/or communal environment and provide development gain for others.” (Patzelt, Shepherd, 2011). Entrepreneurs bring together the necessary resources and people to realize projects and ideas together (Schaltegger, Wagner, 2011). Although, the meaning of the word “sustainable” changes depending on the context, the origin of the word becomes visible in this definition. “Sustainable” in general signifies fulfilling the needs of present generations without compromising the requirements of future generations,

while ensuring a balance between economic growth, environmental protection and social well-being (Ben-Eli, 2018). Therefore, it can be seen as a sub-field of conventional entrepreneurship where the focus lies more on maximizing profit (Pablo Muñoz, Boyd Cohen, 2017). It is specified as a combination of social entrepreneurship and ecopreneurship (Binder, Belz, 2015). Consequently, it takes into account the social as well as the environmental focus of business management. In addition, sustainable entrepreneurship has the purpose to identify social or ecological problems and replace current market failures with more sustainable, innovative alternatives.

Characteristics of Sustainable Entrepreneurship

One main attribute of sustainable entrepreneurship is the focus on business ideas and solutions which have a long-term effect to provide the society real improvements and not only short-term support (Schlange, 2006, p.1). Therefore, a real innovation is needed which has to be an enrichment for society and the environment. Due to that innovation, current market gaps must be filled and inefficient, unsustainable alternatives have to be replaced. In order to achieve these goals, the stakeholders need to be open-minded regarding collaboration with other market participants (Schlange, 2006, p.9). For that reason, the well-being of the society and the environment should be treated as a high priority. Therefore, transparency in all of the business processes is crucial in order to make the effects and impacts of the company visible.

Share GmbH as a Representative of Sustainable Entrepreneurship

The share GmbH was founded in 2017 by Sebastian Stricker, Iris Braun, Ben Unterkofler and Tobias Reiner in Germany (share.eu, 2023). The company concept is based on the founding idea of using the consumption of their products as a basis for aid projects. Therefore, the purchase of one of over 100 share products generates a percentage donation which flows into aid projects in the areas of nutrition, drinking water, hygiene and education. Depending on the product the company donates up to nearly 40 percent of the sales price. The share GmbH stands for the new way of fulfilling the desire for social justice through social consumption. Their product selection ranges from school supplies to hygiene products and snacks, covering the main areas of daily needs. These products are offered in German drugstores and supermarkets, and recently also in some airlines (Scheppé, 2022). In 2021, this concept has made the company one of the best-known

social impact brands in Germany, with more than 100 employees and 30 million funded aid projects.

Business Model Analysis of the Share GmbH

Regarding the business model of the share GmbH, the company does not concentrate on short-term solutions as contributions in kind but for the most part on long-term support (share.eu, 2023). Therefore, their main focus lies on establishing infrastructure and imparting knowledge. The share GmbH discovers market failures and complex social problems that require more attention and support as education and food supply in Uganda for instance. In order to realize these projects and address as many people as possible, they cooperate with several partners and other organizations and attach importance on to the integration of the locals. “Together we can achieve more” is one of their main company principles. Contrary to conventional entrepreneurship, the share GmbH does not invest much money in advertisement which represents that economic growth and sales maximization is not the main focus. The company is guided by the sustainability goals² and values the demonstrable effectiveness of their donations and transparency regarding the longevity of their projects. Therefore, they use QR-codes on the packaging of their products to provide easy and fast access to production details and information about the donation. Moreover, the share GmbH uses a cloud platform with the purpose of implementing their due diligence and achieving their sustainability goals by managing the supply chain and evaluating their projects. These measures make their business concept innovative and set it apart from other “buy one, give one” - companies.

Relevance of Sustainable Entrepreneurship

Sustainable entrepreneurships have a high importance for the society and the environment not only because they offer improvements and solutions on local level, but also because of their ability to fulfill gaps and treat issues that have been neglected by politics and the industry (Kyrö, 2015, p.51). Especially in times of increasing consequences of climate change and still drastic social inequalities. Therefore, they can be seen as a tool for a transition towards a more sustainable society as they have a big influence on other market participants and are evoking attention for crucial topics and problems. Furthermore, they are supporting the cooperation within the market.

Conclusion

As a conclusion, one can say that the share GmbH meets the characteristics of sustainable entrepreneurship in their business plan. Such sustainable entrepreneurs clearly have a big positive impact on the environment and the society at local and global level due to their market innovative alternatives and new ideas. Moreover, because of their role model character, sustainable entrepreneurs can lead to a general change in the economy towards a more sustainable one.

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Bio-Bean As A Prime Example For Sustainable Entrepreneurship

Franziska R. Hanßen

What is Sustainable Entrepreneurship?

A Definition of Entrepreneurship

Entrepreneurship can be explained as the exploitation of business opportunities (Pinna, 2020). That means that a venture or idea can be turned into something profitable through the usage of entrepreneurial thinking and concepts. These include the “discovery, evaluation, and exploitation” of before mentioned ventures (Shane & Venkataraman, 2000). Thus, entrepreneurship is a skill to be learned to be able to take the necessary steps towards efficiently making use of an opportunity.

A Definition of Sustainability

Sustainability can be divided into three domains, social, economic, and ecologic sustainability. In each of the three domains to reach a sustainable state means to satisfy the needs of the present generation without reducing future generations’ abilities to satisfy their own needs (Farny & Binder, 2021). Therefore, to analyze the sustainability of an organization for example, each of the domains must be considered separately, however the organization can only be categorized as sustainable, if each of the three domains are also defined as such.

How Can Entrepreneurship and Sustainability be Combined?

Since ecologic, economic, and social threats have worsened or new ones have emerged, businesses cannot further be only about making profit. However, conventional market structures, production techniques or other parts of businesses fail to manage the current threats humanity is facing. With sustainable entrepreneurship nonetheless, society might be able to overcome these threats when exchanging the conventional business structures for sustainable alternatives (Rosário, Raimundo, & Cruz, Sustainable Entrepreneurship: A Literature Review, 2022). Accordingly with its new practices, sustainable entrepreneurship is essential for solving problems like climate change or the wealth gap. If businesses stopped prioritizing profit above all else and took the social and ecologic aspects into account, not only would society and the environment benefit from that but also the business itself. A huge part of entrepreneurship later is marketing a product or service to gain

customers. And while the product or service itself with its functionality for example, is a big factor to a customer's buying behavior so is the company's reputation equally as important. Statistics show that "92% of consumers have a more positive image of companies that support social issues and environmental efforts" and "87% will purchase a product because a company advocated for an issue they cared about" (Campbell, 2023). Consequently, businesses that are more sustainable are progressively gaining appeal for customers. Hence, sustainability and entrepreneurship should be combined to not only have a positive impact on the planet but also to improve the company's reputation and with that the sales.

Why Should Students Study Sustainable Entrepreneurship?

As mentioned before, entrepreneurship is a skill with the different steps to be taken at different points in time when exploiting an opportunity. Therefore, it should be taught to students to understand different ways of entrepreneurial thinking and the skills needed to act as an entrepreneur. With this skillset that students can gather in universities, they are more likely to have success later when starting their own business as they already have an idea on what the challenges, they are about to face look like and can prepare or even prevent some from happening. This is also visible in a study that was conducted in China 2022 (Yan , Huang, & Xiao, 2022). Without these skills for example in domains like creativity, innovation, or teamwork, it will be harder for entrepreneurs to solve problems and adapt to changes. However, it must be said that having studied entrepreneurship does not automatically result in success.

When combining entrepreneurship with sustainability students are already given examples of sustainable solutions for certain problems and influenced with a sustainable mindset. Consequently, teaching sustainable entrepreneurship is a valuable contribution to the knowledge and skills students take away from university.

What is bio-bean?

The United Kingdom based company bio-bean is an innovate business that focuses on the recycling of coffee grounds. It was founded by Arthur Kay in 2013 and has gotten several sustainability awards thus far. Their products include Coffee Logs (which are compressed coffee grounds for wood burners or multi-fuel stoves), coffee pellets (used in biomass burners), Inficaf (a material made from coffee grounds used in plastics, cosmetics, automotive friction and more),

and natural flavors and fragrance (for cosmetics, dyes, pigments, as well as food or beverages). By cooperating with coffee shops, cafes, and other coffee suppliers, bio-bean receives waste and through several processes like drying the coffee grounds, produces their products. bio-bean thus can be seen as a sustainable business and is also invested in the circular economy concept.

The Sustainability Impact

After just 10 years, bio-bean has already recycled almost 40,000 tonnes of coffee grounds and with that saved almost 9,000 tonnes of CO₂ emissions (bio-bean, 2023). Not only does the company contribute to the reduction of CO₂ emissions since the reuse of coffee grounds emits less CO₂ than the anaerobic digestion (bio-bean, 2013), moreover with their products, bio-bean also provides eco-friendly alternatives in heating and the flavor industry. Calculated with Eunomia Research & Consulting, bio-bean has a negative carbon footprint of -187kg CO₂ for every tonne of coffee grounds that is processed by them (bio-bean, 2022). That means, that besides bio-bean not having a carbon footprint of their own they even manage to save CO₂ emissions through their processes.

Next to its environmental impact, it also exhibits great transparency and ethics, contributing to their social sustainability. It offers its workers a great amount of financial security and received a good rating for the health, safety, and wellness of the workers at bio-bean (B corporation, 2022). Furthermore, since bio-bean is a rather small business with 31 employees and works mainly in the United Kingdom it is also a positive factor to the local community and its economy.

However, its social impact is mostly recognizable with bio-bean's thrive for a circular economy. By taking the coffee grounds of coffee suppliers it helps these to dispose of their waste (since coffee waste disposal is costly due to the weight of it) and receives their material for production while making a positive impact on the local economy.

Why is bio-bean an Excellent Example for Sustainable Entrepreneurship?

What started with the idea of a student in 2013 developed into a business that has been succeeding for 10 years (bio-bean, 2023). bio-bean works as a great example for sustainable entrepreneurship. It shows, how a corporate business and sustainability can be combined to make a meaningful impact and improve on global challenges like climate change. By not focusing only on profits but

shifting the target to being ecologically and socially sustainable instead, bio-bean works as a prime example of what a sustainable business should look like. It represents improving on sustainability issues while still managing to be profitable enough to have lasted the last ten years.

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H&M Group: Leading the Change towards Circular and Renewable Fashion

Hannah Jungbluth Ríos

Introduction

The global textile and fashion industry is an ever-growing market. Its total market size is anticipated to reach USD 1,420 billion by 2030. While in 1975 “only” ~24 million metric tons of textile fibers were produced worldwide, by 2021, that number had nearly quintupled to an amazing +113 million metric tons! Producing that amount of textile fibers comes at a heavy price. According to the United Nations Environment Programme, fashion industry may account for up to 10% of global carbon dioxide output -more than international flights and shipping combined! Moreover, the manufacturing of modern textiles relies heavily on petrochemical products, and the textile industry accounts for an estimated 60 million tons of plastic, corresponding to 20% of the total plastic produced worldwide every year. If that was not already bad enough, of the ever growing, huge amount of textile fibers produced, only a small fraction gets recycled. Nearly 90% percent of the total fiber input used for clothing is ultimately incinerated or sent to a landfill.

Unsurprisingly, fashion brands have come under heavy criticism thanks to their contribution to environmental pollution, and rising consumer awareness is forcing the industry to re-think their business model.

H&M Group

H&M Group -founded in 1947 in Sweden- is one of the largest fast fashion companies in the world. The company has a wide variety of brands, the best known being H&M but including others like COS, Monki, Weekday, ARKET, and others. In 2020 the H&M Group had more than 4800 physical stores in 75 different markets, with online shopping available in an additional 54 countries. The company directly employs over 153,000 people, with over 1.6 million people working worldwide within its overall value chain. In 2022, the total net sales of H&M Group worldwide amounted to around US\$ 22.25 billion.

Initially being a traditional fast fashion company, H&M more recently admitted to the company's contribution to environmental wasting and pollution. In 2016, they announced their ambition to

become a circular business and become climate positive by 2040, reducing and ultimately eliminating the company's negative impact of economic activities on the environment.

To this end, H&M Group developed a roadmap that contributes to its climate and biodiversity ambitions. This strategy follows three principals:

- Circular products: products that last longer and are made from safe, recyclable and sustainably sourced materials that can recirculate multiple times.
- Circular supply chains: Fuelling systems that recirculate products and support circular production processes and material flows.
- Circular customer journeys: Providing accessible ways to experience and engage in circular fashion where products are used more, repaired, reused, and recycled.

One of the key features of entrepreneurship is discovering, evaluating and exploiting opportunities. It has been estimated that the circular fashion industry has the potential to become a US\$ 5 trillion market in the next few years. It is very likely, therefore, that H&M's decision to move in this direction -in addition to being motivated by a drive to become more environment-friendly- was also helped by a huge market opportunity that has been spotted and which the company wants to exploit. As consumers become increasingly environmentally conscious, H&M can differentiate themselves from competitors and enhance their brand value by adopting such models, which is expected to result in higher sales, customer loyalty, and a better reputation.

Moreover, also from the entrepreneurship financial perspective, circular business models can be beneficial for businesses in other ways. Not only would the opening-up of new business opportunities create new revenue streams as mentioned above, but also, by adopting this novel business model, H&M Group can reduce their dependence on virgin raw materials, which are expensive to extract and process, and rely on the more cost-effective use of recycled or repurposed materials. It will also help H&M mitigate risks with resource scarcity and volatile commodity prices. However, with the adoption of this new business model, there may be some initial problems since by transitioning there are upfront costs, such as investments in new technologies, supply chain restructuring, and employee training. Another obstacle to achieving their circular economy is that the company needs a vast supply chain, as well as a collaborative and innovative industry as a whole. But H&M Group already has made sure of that by promoting and catalyzing innovation with the Global Change Award, this has provided significant financial and technical support to the

'circular fashion' industry. Also to make the transition easier one mechanism that H&M Group is employing to finance its own transition is raising money through a sustainable-linked bond (SLB). From an institutional perspective, circular business models can help institutions meet sustainability goals, reduce their environmental impact, and conserve resources for future generations because it promotes resource conservation by minimizing waste and extending the life of products and materials. It also can assist H&M to improve regulatory compliance because the model complies with these regulations and avoids potential fines or penalties. It also fosters innovation and collaboration, which can lead to new partnerships, technologies, and opportunities. From a strategic perspective, circular business models can bring several benefits. Firstly a competitive advantage compared to other companies as it attracts environmentally conscious customers, and builds brand value. Also, as already mentioned above, it allows for cost savings, enhances innovation, and is a way of risk mitigation. Lastly, adopting circular business models can improve stakeholder engagement by demonstrating a commitment to sustainability and environmental responsibility. From a psychological perspective, there are also benefits like increased sense of purpose, resulting in increased motivation and job satisfaction by employees thanks to knowing that their work is contributing to environmental sustainability and social responsibility. It also engages consumers in meaningful ways, as they become more aware of the environmental impact of their consumption choices. By offering environmentally friendly products and services, companies can appeal to consumers' desire for sustainability and social responsibility.

Conclusion

With the adoption of H&M's new business model, the company is aiming to reduce their environmental impact, at the same time hoping to tap into new business opportunities. The most significant benefit of a circular economy for fashion will be for the environment, allowing to mitigate global challenges such as climate change, biodiversity loss, and water insecurity.

H&M Group's market share of the fashion industry is huge, meaning that their change in its linear economy may have a great impact on the entire industry. Although the company may face challenges in adapting their new business model, the long-term benefits of circularity, including cost savings and enhanced brand value, can make it a worthwhile investment for the H&M Group.

Clearly, it has to be mentioned that sustainability has become a major buzzword in the sector, and the push towards the green and sustainable movement might seem like an attempt to keep up with the current trends, or a way of greenwashing the company.

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Sustainability as a Success Factor: Tesla's Visionary Corporate Management

Kamaldeep Kaur

Introduction

Tesla, Inc. is an American company specializing in the production of electric vehicles, battery products and solar energy products. Since its founding in July 2003 by Marc Tarpenning and Martin Eberhard, Tesla has undergone a remarkable development and has become one of the leading companies in the field of electric mobility. This growth and success of Tesla is primarily due to the vision and leadership of co-founder Elon Musk. [1]. In today's business world, corporate governance plays a crucial role in the design and implementation of business strategies. In this context, the question arises to what extent sustainable corporate governance is relevant in the case study in Tesla.

Relevance of Entrepreneurship

In the following the relevance of entrepreneurship in the Tesla company will be discussed, beginning with the explanation of the term entrepreneurship. Entrepreneurship is the founding of companies based on innovative business ideas. Entrepreneurship is also seen as a dynamic process that requires passion and energy in terms of implementation and development of new ideas. This process is guided by vision, change and renewal. After the term entrepreneurship has been defined, the types of management will be discussed below. Entrepreneurship has different approaches and strategies how a company can be managed. As a rule, five different approaches can be used: Value-based, sustainable, strategic, normative and market-oriented management. [4] Corporate management follows different goals with its approaches. On the one hand, an order is to be ensured, which refers to both material and social level. On the other hand, the goal is to awaken initiative. By initiative one understands the urge to sketch a plan and to achieve accordingly made goals. Initiative is an instrument that aims at the self-realization of the people working in the company. [5] Furthermore, it is the goal of the management to awaken the community spirit, so that the organization as a cohesive unit achieves the goals of the plan. In most cases, community spirit is essential for corporate strength.

Entrepreneurship in Tesla

Regarding Entrepreneurship, Tesla followed a certain strategy which Elon Musk described in 2006: "The strategy of Tesla is to enter at the high end of the market, where customers are prepared to pay a premium, and then drive down market as fast as possible to higher unit volume and lower prices with each successive model" (Musk, 2006). Hence, Tesla's supply chain management aimed to reduce operation costs and produce an affordable product which on the one hand had the short-term goal of generating product acceptance and on the other hand a long-term strategy for growth and profitability. The viability of the Entrepreneurship of Tesla can be measured by the current numbers in sales. A record of 400,000 reservation for the Model 3 is plausible indication for the success of Entrepreneurship.

Sustainability in Tesla

In the previous section, the essential aspects regarding entrepreneurship and its core tasks were explained. Another relevant aspect, which is increasingly taken into consideration in entrepreneurship today, is the topic of sustainability. In the present time a sustainability consideration is not to be excluded due to current ecological problems and economic defaults. In the following, the sustainability process in the Tesla company will be examined in more detail. First, the term sustainability is defined so that an understanding of the complexity and diversity behind the term is built up. According to the UN World Commission on Environment and Development, sustainability can be defined as follows: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Holistic View of the Company's Contribution and Challenges

As mentioned before, sustainability is a complex topic, which is why it has to be considered on different levels. Through the end product, ergo the vehicle, Tesla is indeed sustainable with regard to the reduction of pollutant emissions at the end consumer, but a holistic view of the company and its processes must be undertaken for a plausible evaluation of the sustainability of the Tesla company. [10] Due to current climate conditions, conversion on renewable energy is of enormous importance. Through the zero-emission drive technology that Tesla uses in its vehicles, the company is making a significant contribution to sustainability compliance. Scientists have

predicted climate change of 2.5 to 10 degrees due to the increase in carbon dioxide. Furthermore, the increase in industrial production in China, Germany and the United States has accelerated the depletion of global oil reserves. The explosive growth in industrial production must meet the insatiable consumption and growing global demand for consumer goods. Because of this, the need for renewable and diversified energy sources has risen all the higher. Moreover, in 2014, the UN General Assembly adopted a sustainable energy source for the years 2014 to 2024 for everyone. The founder of Tesla Elon Musk believes that renewable electrical energy can be generated when the wind does not blow or the sun does not shine. If sustainability is assessed with regard to the entire value chain, Tesla's sustainability is questionable with regard to sociological aspects. Cobalt is a material required for the production of lithium-ion batteries, the mining of which is questionable in terms of human rights. Child labor, violence and environmental pollution are a negative side effect of the mining of cobalt, which is why the sustainability of Tesla, considered over the entire value chain, must be viewed critically. However, Tesla's management has decided to switch to lithium-ion technology due to raw material issues and criticism of the common cathode material, cobalt. The switch is from the conventional LCO battery to LFP battery, which, according to Elon Musk, should account for 75% of current production

Conclusion

In conclusion, Tesla's success is due to its innovative and dynamic entrepreneurial strategy guided by visionary leadership. The focus on sustainability in the manufacture of electric vehicles and renewable energy products is an essential part of the company's business model. However, a holistic view of the company's sustainability should also consider the social and environmental impacts of the entire value chain, including raw material extraction. Tesla management has taken steps to address these concerns, such as switching to more sustainable battery technology. Overall, sustainable corporate governance is important in Tesla's case study because it enables the company to balance its business goals with social and environmental responsibility to ensure long-term success.

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Sustainable And Responsible Management Applied To Ørsted

Luis Silvius Kreuzer

The Versatile Rebranding of a Danish Energy Company

Climate change is not just a theoretical approach, it is a real and oppressive issue affecting our planet right now. Mostly driven by the actions of human beings, the Earth's climate is changing rapidly, destroying entire ecosystems and wildlife. (Estrada, 2015). 90 companies in total are responsible for 63 percent of worldwide emissions of CO₂ and methane between 1751 and 2010. Half of these emissions have raised since 1986 (Heede, 2014). In order to change these shocking numbers, companies are obligated to reduce overall emissions. A Danish company used to be called DONG energy earned most of its profits by selling heat and energy which mostly came from coal. After some time however, the management planned a shift regarding a goal of generating up to 85 percent of heat and power from renewable sources by 2040 (Neubert, 2020). By that DONG energy which is nowadays known as Ørsted managed to climb up the ladder to become the world's largest producer of offshore-wind energy hitting their goal 21 years before deadline (ibid.). Especially in regards to Ørsted's past, some may ask how this Danish company accomplished such huge success in a short period of time. Therefore, in the following I am going to give some details about this concern's history. DONG Energy (Danish Oil and Natural Gas) firstly came into existence in the 1970s as a state-owned energy business, mostly relying on coal energy. By extracting oil and gas from the North Sea Denmark tried to decrease dependency from the Middle East. In 2006 DONG Energy amalgamated with five of the most influential Danish energy companies. Two years later Ørsted's management formulated the 85/15 plan including 85 percent renewable and 15 percent conventional energy resources, mainly targeting wind energy at first (ibid.). This whole process was initiated by a decrease in gas prices in the United States, leading to enormous amounts of American coal making their way to Europe. As a result of that, coal replaced gas as favored energy source, negatively effecting the firm's profits (ibid.). Therefore, the company sold off its gas and oil business in 2017 to shift their priorities on green and renewable energy sources. According to an article from the website CompaniesHistory, the concern was meanwhile rebranded as Ørsted, after Danish scientist Hans Christian Ørsted who shed light on electromagnetism.

Former Ørsted Senior Vice president Martin Neubert stated:” Within the past couple of years, we have reentered the onshore-wind market and moved into solar PV [photovoltaic] and storage solutions. These moves will help diversify our technology mix so we can better meet the demands of our customers. What’s important to note is that we are moving into these technologies at scale. North America, for example, is a large market for onshore wind and storage solutions, and we are investing there. Everything we do reflects our vision to create a world that runs entirely on green energy. And while offshore wind has the potential to power the world, we’re convinced that a broader technology mix will support the growth of our company even better.” (ibid.).

Fulfilling this vision, Ørsted substantially influenced the extension of offshore wind to the global market, also being the first initiator to set footsteps in Taiwan.

Sustainable and Responsible Management Concerning Ørsted’s Shift

Within a study of Guénola Nonet, business students were asked to give a definition for the concept of responsible management. The responses provided by the participants incorporated various notions, such as sustainable management being connected to ethical and social perspectives that are also present in current literature. As currently research is lacking in defining responsible management, Nonet came up with set of definition:” It is based in the development of moral values, soft skills, systemic thinking, and a shared vision that is respectful participative and inclusive. Responsible Management is embedded in corporate practice, and is empowering to stakeholders. It relies on continuous learning and improvement.”(Nonet, 2016).

All of these valuable skills and approaches were necessary within Ørsted’s management, especially when regarding how efficient the shift from conventional to renewable energy sources was accomplished. Additionally, as DONG energy was well established at that time, the company had to deal with opposition, as many people did not believe in the concern’s success of relying on mainly renewable energy sources by 2040 (Neubert, 2020).

However, as it turned out the shift was pervaded in an even shorter period of time. By looking at this successful story you can tell that having a clear vision with the right mindset also belongs to responsible and sustainable management. Systemic thinking was also a key component leading to the concern’s achievement owing to the fact that Ørsted had from early on more than 50 experts working on sustainable energy plans (ibid.).

Relevance of Sustainable and Responsible Management as a Module

As in today's world with the drastic change of global climate principles for responsible management changed. Sustainable education becomes increasingly embedded in different business schools around the world as its impact can be extensive:" As educators of the next as well as current generation of business leaders, business schools are in an unique position to influence the mindsets and actions of some of the largest and most powerful organizations on the planet."(Parkes, 2017).From there on the relevancy of sustainable and responsible management goes beyond than just courses in class. These modules can have a big impact on the world people will live in, especially in regards to climate change.However, many business schools are obligated to alter their general approach due to latest critiques questioning the lack of emboldment of students (Nonet, 2015). To enhance encouragement of students, business schools and universities should represent the ideas and values that are taught (Martell, 2012). Over and beyond governmental institutions and entrepreneurs should help fulfilling future goals concerning sustainable and responsible management, as these instances can have such impact on students.

Conclusion

Especially by looking at Ørsted's transition from conventional to renewable energy sources, also including how time efficient this process was achieved, one can conclude that the relevance of sustainable and responsible management as modules in educational institutes becomes increasingly higher. These academies can have a big influence on how the world will look like in the future by inspiring and motivating young people.

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Coffee for Future: Sustainable and Responsible Management at Avenir in Lüneburg

Franziska Lindert

Avenir – FairFive GmbH

“Consumers expect – and demand – businesses to share the social value of the community” (Addis & Grünhagen, 2014). A local business in Lüneburg that shares many of their consumers’ environmental and social values is FairFive GmbH, the corporation behind the local coffee roastery and café Avenir (FairFive GmbH | Implisense, n.d.). FairFive was founded in 2014, and in the same year, the Avenir Café opened its doors in the city center of Lüneburg. In 2021, FairFive changed its structures to become a collective, making every employee with more than twenty hours of weekly working time part of the company’s management. Hence, FairFive GmbH aspires to be a participative organization with communal management (Avenir - Kaffee & Gastronomie, 2022).

Avenir focuses on the import of fairly produced coffee with transparent cultivation and production. In addition to the store and café in the center of Lüneburg, Avenir opened a second café location with a coffee roastery near the Ilmenau river in 2021 (Avenir - Kaffee & Gastronomie, 2022).

IBAE at Leuphana University

As of 2021, business administration is studied by 240,866 university students in Germany (Statistisches Bundesamt, 2022). At Leuphana University in Lüneburg, 147 students enroll in the major program for a Bachelor of Science in International Business Administration and Entrepreneurship (IBAE) every winter semester (Verfürth & Leuphana University Lüneburg, 2023). But why exactly do students choose this specific program? What differentiates IBAE at Leuphana from other universities’ Business Administration programs?

To begin with, “the English-speaking major in International Business Administration & Entrepreneurship (IBAE) is designed for changemakers in the 21st century” (Verfürth & Leuphana University Lüneburg, 2023). It is a modern study program, including modules in fields that are often overlooked in traditional business administration programs, such as sustainability management or cultural entrepreneurship. In addition, Leuphana University’s interdisciplinary

college model helps Bachelor students relate content from the IBAE major program to other fields of study in the minor and complementary studies for a more balanced education.

Sustainable & Responsible Management

One of the modules that make the study program unique and future-oriented is the elective Sustainable & Responsible Management, a module usually attended by students during their fourth Bachelor semester (myStudy-Team Lüneburg, n.d.). Within the module, students can choose from two different seminars that cover different aspects of future-oriented, sustainable management, such as corporate digital responsibility or technology in relation to sustainability (myStudy-Team Lüneburg, n.d.). In general, the module explores the responsibility of managers and organizations by considering issues like sustainable marketing, technical and institutional challenges towards a sustainable future, shared values, and strategies to organize for responsibility. This is especially important when considering the United Nations Sustainable Development Goals (SDGs) and their aim to achieve “peace and prosperity for people and the planet, now and into the future” (United Nations, n.d.) by 2030. In order to achieve the SDGs in the next seven years, education is crucial. Not only should everyone be aware of these goals and the challenges still surrounding sustainable development today, but students should be educated and enabled to help achieve these goals and a better future globally, no matter their field of study. Therefore, it is important to implement modules like Sustainable and Responsible Management at Leuphana in all business administration programs. Often, students even become active themselves and demand to learn about sustainability and its implementation in their respective subjects during their time at university (Molthan-Hill, 2017).

Relevance – Sustainable Management at Avenir

Given its character as a participative, communal collective, FairFive GmbH is an ideal example showcasing the importance of sustainable and responsible management. Avenir’s form of organization allows the collective to consider various perspectives and make well-balanced decisions. Additionally, the company represents important values, such as fair production standards and sustainable cultivation of coffee. Furthermore, Avenir is very transparent in showcasing the company’s books and statistics on the website (Heidschnuck, 2023).

Here, the importance of sustainable and responsible management as a part of education is broadly visible. Without knowledge about sustainable management, it would be impossible for the company to ensure fair and sustainable cultivation, production, and import. In this context, responsibility is a key term. As a coffee-selling corporation, the founders of FairFive recognized the potential associated with fair-trade coffee and their responsibility to the environment, their business partners, and their customers. In an ideal, responsible, and sustainable world, everyone's needs and values are recognized, respected, and met. With their knowledge about responsibility and sustainability, the company enabled fair management. Additionally, Avenir uses its reach to communicate these values to its customers. Ideally, customers gain awareness and knowledge about sustainable practices and possibly even change their consumption behavior. Without education about responsible and sustainable management, collectives, sustainable brands, and fair value chains would be impossible. Therefore, it is crucial to highlight sustainable and responsible management as a key component of business administration education programs, not only at Leuphana but at universities all over the globe. By including aspects like sustainability in education, current and future generations of students are enabled to change the world in order to shape a more sustainable future, for example along the lines of the aforementioned SDGs. This is especially important when considering the fact that more than a third of German carbon emissions since 2013 have been caused by only thirty companies, showcasing the large influence of managers in those companies on global climate change (Tagesschau, 2022).

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Sustainable And Responsible Management

Cooky Lotz

Stiff, Theory-driven Business Able to Hold up with Sustainability?

It would be wrong to reduce the term "business" to a minimum and call it old-fashioned. That would be wrong, because business encompasses a wide range of academic disciplines covering topics such as marketing, human resources, or management. As we face new obstacles every day, management around the world bears some responsibility the need to transform management structures and ideas into sustainable options and goals.

Now that sustainability is becoming a center in a global context, it is time to look at global sustainable management. More and more universities take it as a task to adapt the business curriculum to innovation, creativity, and sustainability. This is also the case at Leuphana University of Lüneburg. With the study program International Business administration and entrepreneurship, Leuphana has a concept in which standardized modules such as mathematics and accounting are represented, but the focus falls on the electives, which focus on managerial skills and especially on sustainability.

The elective focuses on questions like: How can companies contribute to a more sustainable future?

The aim of the Sustainability and Responsibility module is to develop skills such as open mindedness and sustainable thinking, but also to consider what it means to lead sustainably and to look critically at companies and their actions, focusing on the impacts and opportunities. (1)

Case Study about ALDI Nord

Aldi Nord is known as one of Germanys biggest discounters.

Aldi Nord was part of a family business which started as ALDI in 1914. The goal was to supply the mining population of the country. This should happen with the best quality and the lowest prices. Aldi became a complete success. In 1960, the company was divided in Germany into ALDI North and Aldi South, when the siblings Theo and Karl Albrecht could not agree on the sale of tobacco. (PEREIRA, 2023)

The two sons of the founder died in 2010 and 2014, and since then their successors have taken over the Aldi chains. Aldi North came out but now with new goals for a sustainable and better future. These goals are goals that have been adapted to the SDG's (Sustainable development Goals) 12 (Responsible Consumption and Production), 2 (Zero Hunger), 17 (Partnerships for the Goals), 8 (Decent work and economic growth), 6 (Clean Water and Sanitation), 3 (Good health and Well Being), 7 (Affordable and Clean Energy). Their goals are found in the areas of packaging, climate protection, responsible use of water and forest conservation. (Umwelt – Wir Unternehmen Verantwortung, 2022) The 2021 Sustainability Report lists the goals, their description and status, as well as the Sustainable Development Goal. The statuses include whether the project is ongoing, has been successful, has been partially achieved, or whether the goals need to be revised.

One goal that has already been achieved includes the net removal of all plastic inserts in fruit and vegetable crates. By the end of 2021, plastic inserts will have been removed from fruit and vegetable crates in all Aldi stores worldwide. (*Ziele 2021*, 2020) In reference to the elective Sustainable and responsible Management it is clear to see Aldi Nord did start with the question 'how can we as a company contribute to a more sustainable future?'

Highlighted by the case study of Aldi Nord, it is important to adapt to the future with innovative and creative ideas. Especially if we focus on the responsibility companies must not only uphold Sustainability but to educate their consumers and employees and possibly motivate them to start think about their behavior critically. Same goes for the educational system that teaches future Stakeholders and Managers.

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Spinnova: The Sustainable Revolution in the Textile Industry

Johanna Mädler

A Winning Concept: Spinnova

The approach of imitating nature to create a more sustainable fashion industry is the idea behind the innovative startup spinnova. Juha Salmela, as a cellulose expert at VTT (Technical Research Center Finland), attended a conference at Oxford University in 2009 where a presentation by a spider scientist encouraged his later founding idea. The addressed similarity between spider web proteins and nanocellulose inspired him to produce textile fibers in a mechanical process rather than by chemical means, which implies a revolution in fiber production (T&N, 2021). In the following lines, the challenges of the fashion industry will be discussed in order to gain a better understanding of the scope of Salmela's idea. As can be seen from the following graph, there is a positive covariance between the development of textile fiber production and the share of chemical fibers.

Synthetic fibers, such as polyester or polyamide, account for about 65 percent of all textile fibers due to their low cost. While in 2015, 98 million tons of oil were needed for their production, this value is expected to increase to 300 million tons by 2050. The consumption of resources and the associated CO₂ production make the textile industry one of the biggest climate sinners in our world. Cotton is also not a more sustainable solution due to the high-water consumption and the use of pesticides (Reichert, 2019). In order to meet the textile needs of the growing society without increasingly burdening the environment, there has been a lack of a solution so far. Within the framework of an EU project, the founder began to expand this idea. After a short time, he applied for a patent for his innovation. In January 2015 Salmela and Janne Poranen, whom he met at VTT, founded their own company spinnova (Spinnova, n. D.). Since then, the company has grown steadily and today has one of the most innovative concepts that can drive sustainable development in the fashion industry. By using clever physics, the company can convert cellulose into a sustainable textile fiber without using harmful chemicals. Another promising factor is that the fiber does not lose quality during upcycling. This is one of the biggest problems in the conventional industry and the attempt to implement a cradle-to-cradle system. In addition to wood, waste products such as leather scraps, wheat straw or cotton waste can also be used, adding further

value to the environment. Textile fibers are estimated to be the single largest contributor to greenhouse gas emissions in the fashion industry. Spinnova thus represents one of the easiest options for fashion brands to reduce emissions. An expert assessment shows that Spinnova's carbon footprint is 72 percent lower than that of conventional cotton. The byproduct of Spinnova's factory is excess heat, which is fed back into a local district heating network. This allows the production to save more CO₂ emissions than it emits (Spinnova, n. D.).

The success as well as the interest in Spinnova is confirmed by the cooperation with several leading brands, such as *Adidas*, *marimekko* or *The North Face*. Today, Spinnova achieves an annual turnover in the double-digit million range, which is currently compensated by high investment costs. Together with *Suzano*, one of the largest wood pulp producers, the first mill, with the aim of commercial production, was completed and started up last year. The company was also successfully listed on the Nasdaq Helsinki First North Growth Market. Another production facility and smaller pilot projects with brands are already being planned for the coming years (Schroder, 2023).

IBAE and the Importance of the Entrepreneurship Module

IBAE (International Business and Entrepreneurship) is a study program with great relevance that is offered by Leuphana. It is designed for the 21st century and is aimed to change makers who want to advocate for a new way of doing business. The main aspects here are socially responsible entrepreneurship and sustainability in an international business world (Leuphana, n.D.). As the description of the program states, entrepreneurship plays a major role in it. Why is that? The term entrepreneurship is essentially shaped by the economist Joseph Schumpeter, who distinguishes the entrepreneur from the manager. While the manager is merely an administrator, the entrepreneur appears as an innovator. He destroys existing structures to make room for new ideas, which he picks up and establishes (Gründerszene Lexikon, 2019). In today's fast-paced world, to meet the needs and demands of the times, one must have the mindset of an entrepreneur. The consideration of the problems of the people brings not only success, but also the possibility of creating added value. Considering the biggest challenge mankind faces, climate change, sustainable entrepreneurship is especially in demand and in current focus to find solutions. For this it is indispensable to educate the young generation with the help of study programs like IBAE, which reflect this will to innovate.

Intersection of the Case Spinnova and the Entrepreneurship Module

The case of Spinnova is an excellent way to highlight the relevance of the entrepreneurship module. Through his curiosity and openness, founder Juha Salmela was able to create a solution to one of the biggest problems in the textile sector. Interdisciplinarity and the courage to put an unprecedented idea into practice are factors on which the future is built. Old structures and long-standing paradigms have often been consolidated over many generations and beliefs and are therefore not easy to break down. However, Spinnova's example shows that it is possible to make a difference through willpower, collaboration and good, sound ideas. Not putting profit first but creating benefits for the environment and humanity is how success is shaped in the future. To be prepared for the challenges you face when you rethink the future, you need to have a good foundation. This can be created by the study program IBAE and the module Entrepreneurship.

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Patagonia: A Success Story of Sustainable Management

Nele Mehrkens

The Importance of Sustainable Management

In recent years, there has been an increased focus on Sustainability and Responsibility as its importance increases in society. Sustainable and Responsible Management addresses the social and environmental challenges of our time by integrating not only environmental and social but also economic aspects in decision-making. This form of management is about contributing a more sustainable development in organizations. Unfortunately, some brands and organizations claim to apply a sustainable development by lying about their impact on the planet, which is called “Greenwashing”. Greenwashing is a form of “behavior or activities that make people believe that a company is doing more to protect the environment than it really is.” (*Greenwashing*, 2023). Some brands use Greenwashing as a marketing strategy because sustainability and taking responsibility is more important due to environmental issues like climate change. Fortunately, some brands not only claim to integrate aspects like sustainability and responsibility but also implement it. By compensating harmful components in the supply chain and improving their process of decision-making whilst taking environmental aspects in consideration, businesses can integrate sustainability into management.

Finding a way to integrate sustainability into management matters because it creates a broader impact for different environmentally important aspects. With that, sustainable marketing also takes place in contemporary business challenges. “Sustainable Marketing is the promotion of environmentally and socially responsible products, practices and brand values” (Wright, 2022).

Patagonia

To becoming more sustainable, there are many different opportunities businesses can take, e.g. donating profits to sustainable causes, sourcing sustainable materials and packaging or creating a product that contributes to sustainable living. To focus on one aspect, Patagonia donates profits to sustainable causes with their “1% for the planet” project. The fashion brand which was created in 1973 by Yvon Chouinard and his wife pledges 1% of their sales to preserve the natural environment since 1985 (Wright, 2022). In general, the brand takes multiple actions in terms of

helping the planet and showing activism against climate change. The CEO of Patagonia, Ryan Gellert, says about the role of Businesses concerning the challenges of the present: “The climate crisis poses an existential threat; if we don’t clean up our mess we’ll be history. [...] We must use all tools at our disposal to secure a safer [...] future.” (*Climate Goals - Patagonia*, n.d.). To invest in nature, Patagonia launched the corporate capital fund “Tin Shed Ventures” which provides start-up capital for environmentally and socially responsible start-ups (*Approach – Tin Shed Ventures*, n.d.). The brand took off when Chouinard sold rugby shirts imported from England to climbers in the 1970s. As of 04/05/2022, Yvon Chouinard’s net worth is estimated at 1.2 billion dollars. However, he gave up this billionaire backlog by handing over the company to a nonprofit in September 2022 (*Yvon Chouinard*, n.d.).

How Does Patagonia Show the Relevance of Sustainable Management?

Sustainable and Responsible Management is essential because it recognizes that business operations have a direct impact on the environment and society. The goal is to minimize the impact while achieving long-term economic growth. One of the ways Patagonia has shown its commitment to sustainable management is by encouraging its customers to wear their clothing for a longer period of time, as well as to repair or reuse them. Saving resources has a positive effect on the planet. Another aspect which is important for the module Sustainable and Responsible Management is the concept of CSR. CSR stands for Corporate social responsibility and refers to “a company’s responsibility for society in the sense of sustainable business practices” (*CSR - Sustainability and CSR*, n.d.). Some Examples for including CSR into management are minimizing negative consequences on the planet like Greenhouse gas emissions or Energy efficiency. In 2020, Patagonia was already at 100% renewable electricity in the United States and at 76 % globally. Their goal is to reduce the use of energy in the supply chain and thereby reducing their over-all footprint. They aim to use renewable energy throughout their supply chain without exception by 2025. In addition, they want to use solely renewable or recycled materials for production in order to reduce carbon emissions. This results in saving water and reducing the amount of plastic waste in the oceans. (*How We’re Reducing Our Carbon Footprint*, 2021). This project shows how important it is that businesses recognize the challenges of today and integrate sustainable production into their corporate philosophy. This is not only a step towards a more sustainable future but also shows that sustainability and profit are not mutually exclusive.

Another aspect of CSR is a company's social responsibility. This includes the respect for human rights and a fair payment. As a founding member of the Fair Labor Association, Patagonia is committed to paying fair and secure wages. As of 2020, 12 of the 31 garment manufacturing companies involved already paid a living wage. Living wage, as opposed to minimum wage, allows the employee a decent standard of living. Work is currently underway to increase this extent in order to secure the livelihood of workers nationwide (*Living Wage - Patagonia*, n.d.). As mentioned earlier, Patagonia is part of the "1% for the planet" movement and has already donated over \$140 million to make a difference for the planet (*1% For the Planet - Patagonia*, n.d.). This shows that only one percent of sales can help to invest in the preservation and restoration of nature. Furthermore, this is a good example of why we need to learn more about sustainability and responsibility in terms of management, as it shows once again that these aspects can be in line with a successful company. Patagonia is also a good example of offsetting and reducing our carbon footprint. Not only are they committed to fair wages and human rights, which are also an important part of sustainable and responsible management, they are reducing their footprint by relying on renewable energies and offsetting the carbon emissions generated in the supply chain. So overall, Sustainable and Responsible Management deals with how these topics can be integrated into company management. Patagonia shows that there are many different ways to do this. Donating income or compensating environmentally harmful work processes are examples of how a positive impact on the environment can be achieved. With that shown, it becomes clear that Patagonia as a fashion brand has not only been a pioneer in sustainable management for many years, but at the same time shows its success story with a focus on the environment. All in all, one can say that including sustainability and responsibility into management and learning more about environmental and human impact is vital for current companies and managers in our time where climate protection is becoming increasingly important. Having such knowledge is highly relevant for change-makers of tomorrow, who bring social responsibility and sustainability into their companies in order to prevent a negative impact on our world. This focus on Sustainability also helps students differentiate whether a company like a fashion brand truly integrates sustainable corporate culture into its business or uses Greenwashing to trick customers into buying their products.

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Fast Fashion and Sustainability: It's Complicated!

Sophia Morris

Introduction

Hennes and Mauritz (H&M), a Swedish multinational fashion company with high international turnover and presence, has made significant efforts to incorporate sustainability and responsibility into its operations. It aims to incorporate a circular economy where it reduces waste by collecting used clothes in its stores for recycling. H&M has also implemented a code of conduct that outlines ethical standards for its suppliers. Although, they often raised concerns and attracted criticism, particularly due to overproduction and the fast fashion industry's impact on the environment. Nonetheless, H&M's most attractive feature is that it can be seen as *a middle ground between Prada and Primark* in terms of price and target audience as it offers trendy and affordable clothing to a broad range of consumers. But how can H&M afford to sell such fashionable clothes at such cheap rates sustainably? Is it just outsourcing and smart distribution of labor? In the following chapter, we will discuss the ills and fits of the fast fashion industry through the running example of H&M's management practices, if they truly are as sustainable and responsible as the company advertises it to be or if it is just a way of greenwashing the brand to amass monetary gains. In recent years, with new fashion trends coming to stores every week the answer of what is really trending keeps evolving. From two seasonal shopping sprees to bear with the coming season, now-a-days most fashion forward consumers tend to buy almost every week. *It is also common for these shoppers to actually never wear what they purchase. With 1 in 6 people working in the textile industry (2)*, it is one of the world's most labor intensive industries. If you recall from one of your school lessons, sustainability has three important pillars, namely- ecological, economic and social responsibility. If there are so many people working in the industry, then who shall take the social responsibility of these individuals to ensure a sustainable system?

Corporate Social Responsibility (CSR) – Whose Responsibility?

CSR is a business approach that involves a company taking responsibility for its impact on society and the environment. It is a concept that refers to a company's commitment to operate in an ethical and sustainable manner, beyond just maximizing profits. Although, *the mandate for profit at all costs is beginning to stand in direct opposition to the values that we share*. However, in a consumer

capitalistic society, we the consumers need to be more conscious and mindful of the impacts of our decisions. The Corporate social responsibility of a big brand such as H&M might be limited to consideration for the social, economic, and environmental impacts of the company's operations and decisions. This can include activities such as reducing the company's carbon footprint, promoting diversity and inclusion within the workplace, ensuring fair labor practices and ethical sourcing of materials, supporting local communities, and philanthropic giving. We, the consumers truly have more influence than we give ourselves credit for. So, if one of your friends claims to buy only sustainably acquired clothes every two to four weeks and the other limits his possession growth to two clothing items per year which might or might not be acquired in most sustainable manner, you know which one is making better ecological decisions. But if we all become minimalists, how will our economy grow?

Materialism: Are We All just Gold Diggers?

Minimalistic consumers are those who live with less and consume only what they need, as opposed to constantly pursuing material possessions and consumer goods. While this can lead to lower levels of consumer spending, it can also lead to increased savings and investment, which can have a positive effect on the economy over the long term. On the other hand, excessive consumerism can lead to overconsumption, high levels of debt, and an unsustainable economy. When people spend beyond their means, it can lead to economic bubbles and crashes, as we have seen in the past with the housing and financial crisis in 2008. Circulation, as suggested by H&M is clearly *not the solution for over-productions and over-consumption*. Clothing articles need to be made to last longer so people have to buy less frequently. Some examples of concrete changes brought by consumers are the increased demand for sustainable and eco-friendly textiles like organic cotton, bamboo and recycled polyester. According to a report by grand view research, *the global sustainable textile market is expected to grow at a compound annual growth rate of 9.5% from 2020 to 2027*. Furthermore, H&M is the *second largest user of organic cotton*. The company claims that *all of their material will be sustainable by the end of 2030* (3). But who really monitors if the goals set by big brands actually see the light of day?

Call the Fashion Police!

H&M has set goals and commitments related to sustainability, ethical production, and other social and environmental issues. These goals are often monitored and verified by third-party organizations, as well as by the brands themselves through internal audits and reporting. The company publishes an annual sustainability report that provides transparency on its sustainability efforts and progress. The changes can be made transparent for the consumers in the retail end but what about changes in the supply chain? If sources are to be believed, which claims that fast fashion industries outsource their production to developing countries with cheap and abundant labor to save costs and increase monetary profits, then the fast fashion industry might not be as sustainable as it looks in the retail stores through eco-friendly labels and “conscious” fashion drives. Although outsourcing production lines has its own advantages like access to specialized skilled experts and low-cost high-quality clothes but do these really over-power disadvantages like intellectual property risks as brands may have less control over their designs, less frequent quality checks and worst of all no safety measures for workers in developing countries with no workers’ unions or laws in place to protect them? Are the garment workers in Bangladesh paying the price for our cheap clothing choices? H&M outsource production to several countries around the world, including Bangladesh, china, India and Turkey. According to H&M's website, they work with over 1,800 independent suppliers in around 40 countries, and their products are made in approximately 1,400 factories. H&M has a code of conduct for suppliers that includes standards for working conditions, fair wages, and environmental sustainability. The company also conducts audits of its suppliers to ensure compliance with these standards. H&M has committed to paying a "fair living wage" to workers in its supply chain and has pledged to improve working conditions in the factories it sources from. Regarding Bangladesh specifically, H&M has been working with suppliers in the country since the 1980s. H&M has also been involved in efforts to improve safety standards in the Bangladesh garment industry, following a factory collapse in 2013 that killed more than 1,100 people. H&M was a signatory to the Bangladesh Accord on Fire and Building Safety, which aimed to improve safety standards in the country's factories. The Accord has since been replaced by the ready-made garment (RMG) Sustainability Council, which H&M is also a member of.

Conclusion and Future Outlook for the Fast Fashion Industry

All things considered, H&M can use its brand image, international presence, competitive advantage and digital capabilities to bring significant change in the fast fashion industry. Change that would ensure that production is as environmentally and ecologically viable for the future generations as the consumption. Just as important to note is the statement that fast fashion is a response to growing competition and to maintain the market position, a competition that the consumers have created. Therefore, we need to make conscious decisions as buyers of a more sustainable economy. H&M is only one of the many fast fashion industries that seeks to honor the planet through responsible management, the fashion industry is much bigger than just one such organization, it includes the consumers and the administration of a nation.

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Edeka's New Way of Thinking

Marleen Nehls

Edeka's New Way of Thinking "Wir lieben Lebensmittel" (We love food) — is a phrase we've all heard before. When thinking of the grocery giant Edeka we envision the rows of cheese, wurst, vegetables and treats we love so much. But what makes Edeka so successful and does it have to do with entrepreneurship? This question will be answered in the course of this article. Firstly we'll look at Edeka as a business and take a look at what entrepreneurship is. Further we'll analyze if and how Edeka implements entrepreneurship.

Edeka

Edeka is a German based supermarket chain with over 11,000 stores, 404,900 employees, 3,500 independent businesses and had a revenue of 62,7 million euros in 2021 (Verbund Edeka, 2023). Edeka includes seven company-owned corporations as well as independent franchise stores as part of a cooperative network of enterprises (Business insider, 2023). This means that Edeka is not a company as a whole but rather operates multiple smaller franchises and businesses to achieve a common goal. The company is made up of three main parts: The headquarters of Edeka in Hamburg, the regional wholesale businesses and the individual business owners (Business insider, 2023). The latter selects and buys products in masses and then resells these products to Edeka's individual retailers. The last mentioned are apart of the nine cooperatives from EINFÜHRUNGSKURS GEOLOGIE 2 their region which own 50% of the shares of the regional Edeka corporations. Each business owner has an equal say including a share in their regional cooperatives. They use the name, colors and logo of Edeka to represent themselves. This concept offers a universal picture for customers which gives them trust in the company and their products. Edeka is one of the most modern and regional supermarket chains in Germany. As their company grows, so does their desire to take on the task to expand and simultaneously stay regional. Edeka has many future oriented ideas to improve the regional offer including improving Germany's rural area. Their first model "Inter-municipal supply nodes" (translated from German) involves combining multiple independent communities, who do not have the ability to generate enough revenue for themselves, with each other to create a new brought-together business through an Edeka position (Verbund Edeka, 2018). Combined with their second model "bundled service

offering” they can create a regional reference point with multiple functions. Exceeding a standard supermarket, offers such as pharmacies, barbers and the post can be found within an Edeka.

Entrepreneurship

Entrepreneurship is defined as “[a] skill in starting new businesses, especially when this involves seeing new opportunities” (Cambridge Dictionary, 2023). More specifically it involves discovering, evaluating and exploiting new opportunities (Shane, 2000) as well as addressing social and ecological problems and finding solutions. Opportunities often arise as new trends come up. Entrepreneurship focuses on developing these opportunities to change the current way we deal with social or ecological situations. This brings us EINFÜHRUNGSKURS GEOLOGIE 3 back to the latter of addressing problems. When there is an idea to solve a problem, it is the entrepreneur who converts it into a functioning solution, not necessarily to the benefit of profit. Theoretical perspectives that entrepreneurship takes into account are the financial, strategic, institutional and psychological perspectives. Questions that must be answered are: When capital do I need to start a business? What strategic approach do I need to use to make my business profitable? What laws and norms do I need to consider? Do I have the right psychological mind set to master creating a business? Most importantly entrepreneurship is about the entrepreneurs, the individuals that seek opportunities and act upon them. An entrepreneur must have the psychological as well as action taking abilities. Creativity, knowledge, stress tolerance and personal initiative belong to these abilities.

Entrepreneurship in Edeka

So now the question still remains, if Edeka is entrepreneurial: I would agree so, because of multiple reasons. Firstly entrepreneurship needs constant new ideas and creativity. By having multiple individual business owners apart of Edeka’s regional cooperative there is a lot more input and more ideas that flow within the business. This creates opportunity for communication and conversation for new ideas to be created. Secondly I would argue that Edeka has taken the opportunity of sustainability and transformed it into a functional and accessible form of grocery shopping. Due to their wide range of products it promotes the organic and regional products which supports farmers in Germany. Edeka is bringing ecofriendly products closer to the consumer making them more EINFÜHRUNGSKURS GEOLOGIE 4 inexpensive in the long run because

they can be produced more and for cheaper. Through change in society sustainability and ecological concern is becoming a crucial thought in everyday situations. Edeka has implemented solutions to make grocery shopping more sustainable. By putting “Bio”-certified/organic, fair trade and regional products in their assortment, they have found a new and growing customer range. Edeka uses this as a marketing strategy, but this is not just a strategy. When visiting their website there is an obvious indication for the quality of products they represent. This can also be observed when visiting one of their stores. They always have fresh meat and cheese ready to be cut just for the customer. This also points to a customer oriented philosophy. Their interests lie not only in profit but also of social and ecological change. By putting a huge focus on affordable quality of products over quantity of profit, they ironically achieve both. In addition the franchisees of Edeka have huge benefits when becoming apart of the franchise. They are set in a business model that has proven to be successful. They still have the risks of any other business but with the benefit of a supported operation behind them. This is also an advantage for the franchise as they can grow their profit off of an additional retailer. They save resources and money as they don't have to grow a new branch in order to expand their company.

Furthermore, due to the wholesale businesses within Edeka the franchisees benefit immensely as the prices of products are usually cheaper because they are bought in larger sums. Edeka generally also benefits from the franchisees as it is a business that is owned and operated by entrepreneurs (in this case, independent retailers). EINFÜHRUNGSKURS GEOLOGIE 5 Overall Edeka can be considered entrepreneurial because of their new and innovative way to view the retail market. They use societal and ecological problems and transform them into a working and benefiting business. Their business model benefits not only them but also small regional farmers and the public which is a main point of entrepreneurship.

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Corporate Sustainability and Stakeholder Theory Applied: Patagonia

Caterina Battista Panozzo

Definitions of CSR, CS, and Stakeholder Theory

The concept of a “social contract” between business and society is based on the idea that business is able to function thanks to the “license to operate” afforded to it by society, therefore it has an obligation to serve the needs of society. It is in this context that a business strategy called Corporate Social Responsibility (CSR) was developed (Association of Corporate Citizenship Professionals, n.d.). CSR is based on the Corporate Citizenship (CC) approach, according to which once companies have met their basic economic and legal responsibilities, they should take on ethical and philanthropic responsibilities on a voluntary basis. Some examples include corporate foundations that support charitable organisations, corporate/employee volunteering, and corporate giving. Today, the concept of CSR has expanded and the EU defines it as follows: “enterprises should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders”. In recent years, society has become increasingly aware of the threat posed to human life by climate change, which is strictly linked to companies’ activities. Therefore, the business mindset has shifted: sustainable economic growth is no longer just a business imperative, it is critical to our future. For this reason, another business strategy was developed, by the name of Corporate Sustainability (CS). Differently from CSR, CS isn’t limited to the sustainability of the company’s products and supply chain; it is also preoccupied with whether the consumption pattern and lifestyle proposed by the company enable or hinder sustainable development. Concretely, CS includes all aspects of CSR, but it additionally seeks to redesign the business model of companies by offering a product or service that helps consumers be sustainable. CSR and CS can be applied to the day-to-day workings of companies thanks to an organizational management approach called stakeholder theory. According to Edward Freeman, the founder of this approach, a stakeholder is any group or individual who influences the company and/or is influenced by it. This includes non-economic, societal stakeholders which do not have a direct market relationship with the company, but nonetheless can have great relevance for its economic success. Some examples are employees,

customers, suppliers, local communities, environmental and governmental groups. To create value for all its stakeholders and cultivate successful relationships, management must take up the social and environmental issues considered key by important stakeholders (McAbee, 2022).

The CSR Strategy of Patagonia

An example of a company that applies corporate sustainability to its full potential is Patagonia. Founded by Yvon Chouinard in 1973, Patagonia is an American clothing company that produces and sells outdoor clothing. According to the Global Reporting Initiative (GRI), Patagonia has achieved a B-level, which certifies its status as one of the most sustainable brands in the sports & outdoor clothing sector (Highsnobiety, n.d.). According to its mission statement, the company's objective is to "build the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis." To operate in adherence to its values, Patagonia has developed a variety of CSR policies. Firstly, the company engages in activities that pertain to the CC domain. Its employee activism program allows workers to allot up to two months of their annual working time to environmental conservation projects (Tom, 2021). Patagonia is also renowned for its philanthropic corporate donations. In 2002, Yvon Chouinard co-founded a non-profit called 1% for the Planet. Companies participating in this initiative can choose to invest in research for climate solutions or support environmental groups (1% For the Planet, n.d.). Patagonia's efforts aren't limited to charitable initiatives, the company's commitment to protecting the environment is reflected in its CSR activities. The firm rejects fast fashion and focuses on building sustainable and fair products that are durable, repairable, and recyclable. In fact, 94% of their line uses recycled materials, and only organic cotton is employed, thereby reducing water consumption and carbon emissions (Patagonia, n.d.). An important part of Patagonia's core values is the fight against societal issues such as over-consumerism, and the promotion of fair and healthy working conditions for its workers. Through the lens of stakeholder theory, Patagonia's CSR approach prioritizes key stakeholders such as customers and employees. To hold its suppliers to the highest environmental and social standards, Patagonia co-founded the Fair Labor Association (FLA), a non-profit that protects workers' rights around the world. Moreover, a premium is awarded by the firm to workers that produce Fair Trade Certified products, who can then decide how to spend the funds (Patagonia, n.d.). Patagonia dedicates a lot of energy to educating customers about the importance of consuming less to reduce their environmental

footprint and protect the planet. This point was illustrated powerfully by the advertising campaign ‘Don’t Buy This Jacket’, which encouraged consumers to make thoughtful purchases, buying only what they need. In addition to this, the company curates a website called Action Works, which connects individuals to local environmental protection groups. Patagonia demonstrates its commitment to recycling clothes through the Worn Wear program, an e-commerce shop that offers second hand Patagonia gear (Patagonia, n.d.). These initiatives directed at customers illustrate the evolution of Patagonia’s business model towards CS.

Patagonia’s Innovative CS Initiative

The implementation of CSR to the core business activities of companies is an important step towards sustainability. Nevertheless, the business environment, from customers to regulators and the media, is pressuring companies to find new solutions to climate change, which is already under way. It is necessary to identify radical solutions and develop a fundamentally new corporate sustainability transformation strategy. Therefore, in 2022 a new chapter in Patagonia’s life began when Yvon Chouinard gave away ownership of his \$3 billion outdoor apparel maker. The shares of the company were put into two trusts: the Patagonia Purpose Trust, which holds all the voting shares (2% of the total) and is overseen by members of the founder’s family, and the Holdfast Collective, a non-profit which holds the remaining, non-voting shares. Each year, the money Patagonia makes after reinvesting in the business will be distributed to the Holdfast Collective to help fight the environmental crisis (Clifford, 2022). Thanks to this innovative structure Patagonia was able to set a new bar for corporate sustainability, with Chouinard declaring “Earth is our only shareholder”. The natural environment cannot express its demands, but nonetheless it is an entity that affects and is affected by the decisions of companies around the world. Patagonia gave nature a powerful voice to advance its own interests, sending the important message to the business world that the involvement of vulnerable stakeholders is the trademark of sustainability management done right.

Conclusion

In the context of the analysis of management strategies, it is important to take into consideration examples such as that of Patagonia’s corporate sustainability strategy. This is because, for a company to secure itself a place in the economy of the future, it must strive to integrate sustainability issues in its broader organizational strategies through energy, material, and water

efficiency measures together with product design improvements. At the same time, a business should engage in practices such as social and sustainable entrepreneurship, the empowerment of vulnerable stakeholders, and offering consumers a more sustainable lifestyle. Corporate sustainability is not only beneficial for increasing financial success, reducing risks, building brand reputation, and attracting investment, it is also the key for achieving sustainable development.

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The Concept of Sustainable Entrepreneurship Applied to the Startup Amanase

Svea Rauschenberger

Sustainable Entrepreneurship

These days, issues like post-pandemic economic recovery, climate change, the wealth gap and unequal access to opportunities and resources are increasing. These issues present the business enterprises and entrepreneurs with a new challenge.

Therefore, the need for the concept of sustainable entrepreneurship is emerging. The World Commission on Environment and Development (WCED) defined sustainability as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Rosário et al., 2022: p.9). There is no unified definition for sustainable entrepreneurship because it can take different forms and approaches depending on the business. However, most definitions share the following elements: Sustainable entrepreneurship is a business strategy that aims to create and run businesses that contribute to economic, social and environmental sustainability. “The core activity of sustainable entrepreneurs is [...] to search for business ideas to solve environmental and social problems, to identify the market potential of inventions, and to realize market success with them.” (Schaltegger, 2013). Sustainable entrepreneurship does not primarily focus on the profit maximization but on creating long-term value and benefit for the society and environment. It is opportunity oriented and aims at generating new innovative products, services, production processes, techniques and organizational models which make a positive impact on society and environment and improves the quality of the next generations’ life (Schaltegger, 2013). A sustainable entrepreneur characterizes a strong passion for sustainability and desire to make a positive impact on the environment and society. Furthermore, a sense of moral responsibility is a driving intention. The personality of the sustainable entrepreneurship is determined. For example, a compassionate person is more likely to run a sustainable business because he or she is concerned about future development (Rosário et al., 2022: p. 16). However, a greedy person will prioritize the financial profit and therefore rather decide for the conventional entrepreneurship, which operates profit-maximizing (ibid.). Due to this knowledge, the personal values of a sustainable entrepreneur are usually connected to life

satisfaction and the social, economic and environmental circumstances. A deeply commitment to continuous improvement is also a key factor for this business model. Sustainable entrepreneurs should continually evaluate their sustainability performance, measure their impact, and strive to improve their sustainability practices over time.

Sustainable Entrepreneurship Applied to the Startup Amanase

Amanase is a German-Ghanaian startup founded by Hendrik Reimers and Denis Gündes. It is the subsidiary company of fairafriC. fairafriC is a social business, which as the only European company relocated the value chain of organic chocolate in the country of origin. Not only the cocoa cultivation but also the chocolate manufacturing and packaging take place in Ghana. Amanase claims itself to be the fairest chocolate-startup in the world and their mission is to change the cocoa industry for the better. Therefore, they reinvented the chocolate to make it sustainable, organic, vegan, CO₂-neutral and without any bitter aftertaste. They closely work with local cocoa farmers and initiatives to ensure fair working conditions, fair wages, and social projects. Besides the development and production of the chocolate, they also educate the local people and train them to become chocolatiers in Ghana. Thus, they create jobs and future perspectives for the local population. (Amanase, n.d.; fairafriC, n.d.) In a personal interview with one of the founder of Amanase Denis Gündes explained what it means to run a sustainable business and what challenges sustainable entrepreneurs have to face. He names as the basic issue of the economy the aim to generate the most profit, which has to be overcome to make a positive change. Amanase also has to economize profitable to be and stay competitive but Gündes states that they have higher expenses due to their business model and therefore finally less profit than companies implementing conventional entrepreneurship. For example they pay higher wages, pay extra for biodegradable packaging, pay extra for organic cocoa cultivation and in the end can sell less chocolate, because a certain amount of the organic cocoa gets mixed with the conventional due to the conventional machines and therefore cannot be sold as organic chocolate anymore. (D. Gündes, personal communication, 18.01.2023). That leads to another challenge: The existing conventional structures, which interfere with the development of sustainable entrepreneurship. That is why sustainable entrepreneurship has to deal with “creative destruction” (Schaltegger, 2013). “Sustainable entrepreneurs destroy existing conventional, unsustainable production methods, products, market structures, and consumption patterns, through their convincing, superior, more

sustainable offers.” (ibid.) By replacing the unsustainable products and structures the market can be sustainably restructured and developed (ibid.). If we want things to change, we must break with the idea of expansion because it naturally leads to environmental damage and resource scarcity (Mulqueen, 2022). Accordingly Denis Gündes expressed that it is not the intention of Amanase to expand to a disproportional level. He further claims: “We must manage to build an economically functioning company that is in harmony with nature. We take responsibility for nature and society and give people a valuable perspective for the future with new jobs and apprenticeships.” (D. Gündes, personal communication, 18.01.2023). Moreover, it is a question of “how you define success” (ibid.). Success can take various forms. It is not only about the financial profit but also about making the people’s life worth living or reaching sustainability goals. (D. Gündes, personal communication, 18.01.2023). This mindset illustrates that the mentality of a sustainable entrepreneur differs from the driving motivation of a conventional entrepreneur. Thus, Amanase implements the concept of sustainable entrepreneurship and contributes with their business idea to economic, social and environmental sustainability. Additionally, Denis Gündes agrees to the necessity of further development and continuous improvement because innovation is limitless (D. Gündes, personal communication, 18.01.2023).

Relevance and Conclusions

Sustainable entrepreneurship deal with pressing environmental and social issues, such as climate change, pollution, biodiversity loss, scarcity of resources, poverty, and inequality by creating business ideas and strategies that operate in environmentally and socially responsible ways to protect people, the planet, and profits. Sustainable entrepreneurs are driven by personal values and the peoples’ demand for a shift towards sustainability. A lot of mistakes have been made in the past, new problems have arisen and a new entrepreneur-generation aims at solving these problems. Nevertheless, sustainable entrepreneurs make a positive impact, research verifies that it requires collaborations between entrepreneurs, governments, markets, and corporations to achieve the desired levels of sustainability (Rosário et al., 2022: p.17). It is not the task of sustainable entrepreneurs to find new ways to build short-term profit inventions. Profit should come with providing sustainable development, which required a fundamental change in the conventional concept of entrepreneurship (Mulqueen, 2022). There are already some companies like Amanase, which are aware of their social and ecological responsibility and demonstrate that sustainable

entrepreneurship can be successful – financially, socially, and environmentally. It is an approach to meet the current issues and, in the long term, contributes to economic, social and environmental sustainability. “For successful entrepreneurs of the future, the bottom line will become entwined with social responsibility and ecological problem-solving.” (Mulqueen, 2022).

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Sustainable And Responsible Management: A New Way Of Acting Far Beyond Traditional Business Models

Laura Richter

The Typical Business World: Known for Inhumanity and Stiffness?

The typical business world- known as a profit orientated field combined with hard work and a lot of ignorance for example due to greenwashing. This cliché is often discussed when talking about Management and Entrepreneurship in huge companies. But what if we had a responsible and sustainable management centered in the wider global context made for major future changes such as digitalization and climate protection?

This question refers perfectly to the train of thought of universities, such as Leuphana University in Lüneburg, Germany, which offers innovative business studies made for today's world. When looking at how to create such a future study concept the International Business Administration and Entrepreneurship, also called "IBAE" program is a good example. Besides the standardized modules like mathematics, statistics, financial and management accounting it offers special elective modules like sustainable and responsible management. The aim of this future module is to make a change in this world, think critically about topics and get to know other perspectives on management. The elective sustainable and responsible management builds on core modules of the first semesters like marketing and strategies. The change in its traditional structure allows students to not only get to know skills needed in today's business environments, like open-mindedness, sustainable thinking or responsible leadership, but also to critically reflect on how companies can contribute towards a more sustainable future in certain fields. The elective furthermore highlights how many companies are not aware of their actions and impacts and what possibilities society has to improve management. So, the overall principal of getting out of the traditional business study model is to reflect on the modules from the first semesters, like finance through the lens of sustainability and to think about how to organize for responsibility. (Verführth, 2023) To deepen these topics, it is necessary to not only teach theory but to also combine theory with practice. One of the most important aspects about practice are case studies illustrating how these theoretical skills can be implemented in a company. But how do we learn from case studies?

Case Study about ZF: Sustainability Meets Digitalization and Responsible Management

One example for trying to implement a sustainable, responsible and digitalized management is the automotive company ZF. As a leading global technology company ZF, or “Zahnradfabrik Friedrichshafen” has a lot of power concerning the automotive industry worldwide supplying systems for passenger cars, commercial vehicles and industrial technology while working hand in hand with market leaders such as “Volkswagen” and “Mercedes-Benz”. Additionally, ZF has its own future workspace distributed all over the world where young engineers and creative thinkers are able to face the future of mobility by for example working on sustainable electric mobility cars or autonomous electric minibuses which are about to support public transport in inner- city circles (ZF Friedrichshafen AG, Welcome to ZF- the future of mobility, Unbekannt). In the following, it is important to know that this chapter is focusing on the aspects of ZF’s sustainability concepts and how these are performed as well as ZF’s values as part of performing sustainable and responsible management.

Concerning the **aspect of sustainability** there is a variety of ways how the company tries to change the world that will be discussed shortly due to the extent of this chapter. While the companies target is to reach climate neutrality by 2040 the company launched a sustainability campaign under the catchphrase “acting now”. As a part of this campaign the industry committed themselves to using electricity solely or green power from renewable sources through 2030 with the aim of producing its own green energy. Although technology is not as far as allowing to produce with the current state of art the company could only reach the limit of seven to ten percent of own energy production maximum. Consequently, by developing our future and generating more sustainable ideas, industries like the automotive one would be able to generate green power themselves and not only covering about two percent of the electricity demand, like at the moment at ZF’s Schweinfurt location in Germany. (ZF Friedrichshafen AG, Acting now , Unbekannt) To report changes in sustainability in the company in an accurate manner it exists a sustainability annual report, like on the website given from 2021. The annual report is very detailed and contains information about new transformations, such as a sustainable inner- city shuttle, but also about sustainability developments or announcing awards for young people with new sustainable ideas like in 2021 sustainable packaging material made of seat belts that would otherwise end in the

waste. Another important aspect given in the annual report is Remanufacturing, which included to create electric drives only in twelve weeks with more than 80 percent reused parts of the Aftermarket. For that reason, the most important dimensions of sustainability are sustainable and circular products and operations for example recycling resources as well as climate action in different projects for example in Czech, Mexico, Solihull (UK) and India. Due to regular floodwaters in 2015 pushed into homes, hospitals and schools in Chennai, ZF decided to help and create a ZF Go Green Team made of 156 volunteers who cooperate with the Tamil Nadu Forest Department, the traffic police, educational institutions, and non- governmental organizations to help people and companies in developing countries. One example is the “Mini Forest Project” implemented in 2017 which included planting many seedlings on the edge of the factory premises to find a contribution for the arid region. (ZF Friedrichshafen AG, Annual Report 2021, 2021)

Concluding there are many more projects focusing on Sustainability, including the participation in green financing but also on **people and lasting values** as part of responsible management. Besides focusing on the Sustainable Development Goals quality education, affordable and clean energy, economic growth, innovation, sustainable communities, responsible production, climate action and partnerships for the goals ZF also values the dimensions “acting for people” and “acting for lasting” values. To solidify these values the automotive company has guidelines like the Declaration of Principles concerning the respect on human rights, the code of conduct for employees and the business partner principles. Referring to the code of conduct ZF has a guideline in cooperation with principles of the UN Global Compact in which discrimination or unequal treatment based on gender, skin colour, religion etc. is not tolerated. Furthermore, long lasting values, like passion, anticipation, diversity, empowerment, and accountability are supported by special excellence awards. The target group of these awards are employees all over the world who present new ideas how to improve communication, tolerating human rights and a fair working atmosphere. The selection of the finalists is widespread, a group from Portugal presented for example a concept to deal with their own feelings during the pandemic, the digital boot camp for more home office work or a project to optimize the process of facility evacuation for employees with impaired hearing. (ZF Friedrichshafen AG, ZF way- our principles, 2021)

All in all, ZF has a lot of ideas how to perform sustainable and responsible management in a new way, far away from the well-known stiff business world. The company not only offers opportunities for new sustainable and technological ideas for the world but also implements most

of the values by projects in different countries. Regardless, more companies should participate in creating future workspaces and supporting sustainable thinking. Without the support of other companies, society and politics, reaching the climate goals will not be possible because of limited access to new technology. Overall, how can companies and society reach that new way of business, sustainable and responsible thinking?

In reference to the beginning innovative programs like IBAE's elective sustainable and responsible management can be a solution for a developed future orientated thinking. Times are changing and so does society, the world and education. The mentioned aspects like integrating sustainability in traditional business processes highlighted by the case ZF are important to develop innovation and creative thinking and especially are necessary to think beyond current profit-orientated business models. It is important to integrate this elective to think about new transformations like sustainability reports and non-profit orientated projects illustrated in the case of ZF. It is not only the task of companies to prepare their employees for a sustainable new age but also the task of the educational systems to prepare future stakeholders or business actors different as in traditional times. ZF is a good example for how change in education can look like and how important it is to engage and develop new ideas to safe our future. While concepts like the code of conduct can help us develop a strong sustainable mind- set and interpersonal relationships, motivation for change is needed for example through sustainability awards. We do need transformations in our train of thought and especially the powerful business world must change in order for the rest of the world to do so. And one step towards a better world is definitely the change in education.

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Sustainable and Responsible Management

Bruno Maximilian Schönfelder

Relevance of Sustainable and Responsible Management

Sustainable and Responsible Management is extremely important for every company or any business that wants to be successful and competitive in the future. As Charles Darwin already said, “It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change” (Charles Darwin, 1809-1882). If we look nowadays, climate change is the biggest problem for the planet and hence for companies as well. Therefore, sustainable, and responsible management is highly relevant for every business to be successful in the future. There are also many benefits to working responsibly and sustainably. There are many reasons which prove that acting responsibly and sustainably leads to a more successful business. First, an environmentally sustainable company is more likely for employees. A study has shown that 71% of job seekers prefer a company with sustainable practices (*IBM Study: COVID-19 Pandemic Impacted 9 in 10 Surveyed Consumers' Views on Sustainability*, 2021). Second, sustainably produced products are rather bought. A study has shown that 29% of consumers on average have shifted to purchasing sustainably produced products with less harm to the environment (*2021 Global Sustainability Study: What Role do Consumers Play in a Sustainable Future?*, 2021). Third, you'll protect your business and mitigate risks. You don't want to see your company because of a scandal on the front page of a newspaper (*The Importance of Sustainability in Business | HBS Online*, 2019). Due to the rising consciousness of climate change, journalists reveal constantly companies that do not work sustainably and responsibly which leads to a loss of customers. Forth, a company that works sustainably and responsibly is more attractive to investors. Investors try to figure out what will be successful in the future and sustainability is the core of investments. These investments allow a business more financial opportunity (*Seven great reasons why every business should have a sustainability policy*, 2021). Fifth, a sustainable company is more efficient. A sustainable company saves costs for example by reducing waste reduction and lower energy consumption (*Seven great reasons why every business should have a sustainability policy*, 2021).

Additionally, there are international conventions like the SDG's and the Paris climate agreement for acting sustainably and responsibly. They set goals like reducing CO2 emissions, fair work, and no poverty. Members of these agreements develop laws for any kind of sector that companies must fulfill. Therefore, it is important that every company focuses on sustainable and responsible management to be free of restrictions and punishments in the future.

There are still more benefits from leading your business sustainably and responsibly, but these points illustrate the relevance of the module well. The consciousness about the climate and acting responsibly is increasing and noticeable in business. Sustainable and responsible management is necessary for a successful business in the future. Companies and entrepreneurs must adapt to climate change to survive and be competitive.

Ford

When it comes to climate change the car industry is obviously one of the biggest problems that must be solved. Apart from brands like Tesla are other brands such as Ford pioneers in adapting to the future and acting responsibly and sustainably. Ford is one of the biggest carmakers in the car industry and is responsible for a big amount of CO2 emissions. Three-quarters of Ford's CO2 emissions are produced by its vehicles itself which is 135 million metric tons of carbon dioxide (*Sustainability*, 2022). Therefore, Ford announced in 2020 that they want to achieve being carbon neutral by 2050 (*Ford will bis 2050 klimaneutral werden und veröffentlicht CO2-Zwischenziele im neuen Nachhaltigkeitsbericht | Deutschland | Deutsch | Ford Media Center*, 2020). The company exhibited a program with 3 major points on how they want to achieve this goal. First, they want to tackle the problem with the vehicles themselves. Second, to reduce the emissions from its factories, and third, to reduce the emissions from its suppliers. Additionally, Ford is the only automaker in the U.S. that committed to reducing its CO2 emissions in line with the Paris Climate Agreement and Ford joined the European Green Deal. Apart from the goals did Ford already achieve that all production sites in Europe are using 100% renewable energies (*Ford Nachhaltigkeit – unser Beitrag für eine bessere Welt | Ford DE*, o. D.). Besides, Ford's "living roof" of the "Ford Rouge Center" is one of the biggest green roofs in the world. It turned 10 in 2023 and has a size of 454,000 square feet and offers many advantages for the fabric (*Ford Rouge Factory Tour Living Roof | The Henry Ford*, o. D.). The roof achieves to keep the fabric estimated 10 degrees warmer in winter and 10 degrees cooler in summer which reduces energy costs

significantly due to its size. Ford achieved to reduce the CO₂ emissions by the fabrics incredibly, all fabrics worldwide produced less than one coal-fired power plant in 2019 (Calma, 2020). The “living roof” is a good example of the fifth point from the beginning. Sustainable and responsible management leads to higher efficiency. As Ford already does pretty good work with its factories, Ford focuses on the bigger problem, the cars themselves. Therefore, Ford wants to invest 29 billion dollars in e-cars and self-driving cars by 2025 (2022). Ford announced it to bring seven complete e-cars cars on the market by 2024. Ford achieved already a big success with the “Mustang Mach-E”. The “Mustang Mach-E” was the second most-sold SUV in the U.S. and is still demanded (Parikh, 2022). Ford is constantly growing and adapting to the environment as Henry Ford did when he implemented the production line as one of the first carmakers in the industry in 1913 (*Henry Ford, Mass Production, Modernism, and Design*, o. D.). Ford started to adapt to the environment since its establishment and continues. By implementing the “living roof” in 2013 Ford was one of the pioneers of being sustainable and responsible which paid off extremely. Ford saved incredibly much money just by the roof through the savings in heating and cooling the factory. The program and goals of Ford are sustainable, responsible, and adapted which makes it competitive and successful. Ford achieved the best sales result since 1999 in 2019.

Conclusion

To summarize everything sustainable and responsible management is extremely relevant for any business which wants to be successful and competitive in the future. As people care more about the planet and adopt a healthier lifestyle, the demand for sustainable products rises. There are many benefits from sustainable and responsible management which I’ve mentioned in the beginning. Many people think that sustainable and responsible work is not profitable but that’s not the case. As I’ve illustrated investments like the “living roof” are paying off in the future and are profitable. Ford is a good example of sustainable and responsible management. The company focused early on climate change and started to develop a plan which they follow and still adapt. Ford was able to achieve the second most successful e-SUV on the market and the best sales result since 1999 in 2019.

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Green Candy

Jessica Schebesta

Case: Katjes

The following chapter deals with the third biggest confectionary company on the German market – *Katjes Fassin* (Terpitz, 2020). In 1950 the company was founded by Klaus Fassin as a family-owned business. Initially, liquorice was the creation which made the company popular, followed by many other products. In contrast to dominating competitors, *Katjes's* range consists of completely vegetarian creations, which are made of natural ingredients (Terpitz, 2021). The company consistently gained a growing community of consumers – especially in the last ten years. In particular, the development of turning many vegetarian sweets into vegan ones led to a positive consumer feedback (*Bonnie Strange Feiert Katjes-News: Veggie Goes Vegan!*, n.d.). Since 2020 *Katjes* declares its production in Germany as climate neutral (Terpitz, 2021).

Module: Management

“Management is the art to get things done through people.” - Mary Parker Follett

In the International Business Administration and Entrepreneurship study program the module “management” is explained as a broader field which includes business policy, organizational behaviour, international management, human resource management and entrepreneurship as parts that belong to the core of management. Furthermore, there are several perspectives from which a more specific interpretation of fields and cases is possible, for instance, economics or psychology. Nevertheless, the module clarifies the difference between responsible and irresponsible management to pass on a realistic perspective on the cooperate world and avoid a naive understanding consisting only of the bright side of management. However, the focus of this essay will be on responsible management leading to the case of *Katjes*. Responsible management consists of the capability of planning and organizing a structured performance to achieve certain goals. Therefore, social structures in companies can be different depending on the shaped role of management in certain environments. For instance, there might be authorial hierarchies, on the one hand, and open participative organizations, on the other hand. The participative option avoids clear positions of power by defining management as a collective task. Additionally, managers should be aware of ecological and social challenges, and to understand how their company might

be involved into it in form of opportunities but also risks, to be able to shape the future of a company. An example is climate change which concerns the whole society. Therefore, it is important how managers decide on a company's actions regarding sustainability choices. Moreover, management is about strategy. It decides whether a certain form of management leads to a demise through legitimacy conflicts, recovery through innovation or success of a company. The sustainable success of a business can be defined by the investment it is making into its employees. This investment is about empowering employees through initiatives, creating a climate of cooperation and renewing or increasing their moral. In a nutshell, management deals with people and the ecological and social challenges of society. It is crucial whether opportunities are recognized and if managers are willing to initiate a responsible change.

Sustainable Management: The Katjes-Spirit

The role of Katjes' employees is a leading voice in their philosophy of a sustainable business. Especially, through the sustainability team the employees can take part in decisions or bring in ideas because the works council is part of the team and has a representative role. The sustainability team analyses and works on ways to develop the company and checks on possible improvements or progress within the supply chains. That implies that technically every employee can make an impact on the orientation of the company which is driven by the "sustainability spirit". In general, there is a strong cooperation with the work council. For instance, the right to co-determination is well-established concerning staff-related decisions as well as forward-looking decisions about the entire company. Furthermore, an initiative, regularly discussing requests and matters of the workforce, was created to provide an easy-going work atmosphere. This demonstrates a climate of cooperation and a balance of efficiency and a friendly work environment that is also supported through managers. There is also the opportunity to hand in ideas which would have a positive impact on the environment or social challenges. Katjes as a company chooses ideas to realize which also increases the satisfaction of the employees and integrates them into the sustainability philosophy (Wahle, 2022).

Also, the head manager regarding sustainability decisions, Anette Dierks, claims that it took some time to convince the employees of the increasing focus on sustainability. Nevertheless, it was necessary to reach a commitment from the work force to grow into the principles of the company (Terpitz, 2020).

On the other hand, Katjes focuses on the external challenge of climate change which requires a competent management to really make an impact. It faces the social component of consumer behaviour which changes over time. This implies the increasing “awareness on environmental, social and ethical consumption” - Busch (2020). Furthermore, there is the macro level of general challenges as the climate change which also influences the consumer’s behaviour (Busch, 2020). Facing these processes, companies such as Katjes take their opportunity to present their products and their image in positive way suiting current trends in society. Even though, Katjes constantly works on enhancing the economy, there is still potential to improve some aspects. For example, the carbon emissions produced during the supply chain could decrease more (Terpitz, 2020). Because Katjes advertises to produce on a climate-neutral level since 2020 (Terpitz, 2021), however, this statement does not include the supply chain but only the production in Germany. But the company avoids sugar beets which come from other places outside Europe. Nevertheless, the company possesses exemplary achievements as in 2021 when Katjes supported and sponsored projects in India and areas in Africa, which work on climate protection. Finally, the renunciation of animal gelatine and the modernization of the factories contribute to a reduction of carbon emissions and have a positive impact on the climate (Wahle, 2022).

In conclusion, Katjes is on its way to build a more sustainable company especially, in comparison to other confectionary factories it is competing with. The management is a great example to illustrate the creation of a cooperating work environment while also facing major societal challenges in a responsible and reflected way.

Relevance

International Business Administration and Entrepreneurship as a study program aims on creating an innovative alternative in developing the classical economics program. It is supposed to educate and prepare its students for upcoming or already existing challenges of the 21. century and how it may apply on an economic context. In a world with a drastic increase of complexity it is crucial to illustrate and discuss new perspectives on how the consisting concept of the economy can be improved and which transformations are necessary to be able to work on future-related problems. Therefore, management and especially sustainable management is highly relevant when it comes to changes in economy which deals with networks and orientations of companies, the usage of resources and consumerism in society. Managers may have the most deciding impact on

developments of strategies and turn-arounds in economic decisions regarding sustainability anticipating the future. Furthermore, they are the ones who work either on internal or external sustainability developments, what is clearly explained in the case of Katjes. Finally, the awareness regarding many challenges like climate change are more present than ever which leads to the opportunity to using this initiative and turn it into something innovative in justifiable management purposes.

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Lemonaid Beverages: A Sustainable and Responsible Business Model

Svea Annika Schmidt

Introduction

The course “Sustainable and Responsible Management” teaches the importance of responsibility and sustainability for companies to improve the circumstances of workers, the community and even the entire world. These practices can be seen in how Lemonaid Beverages manages its business. Nevertheless, social businesses like Lemonaid Beverages still struggle against institutional challenges, which they are fighting to overcome.

Elective: Sustainable and Responsible Management

“Sustainable and responsible management” focuses on addressing contemporary challenges and issues in sustainable and responsible management. This includes aspects such as the responsibility of managers and organizations, how companies organize for responsibility and integrate their sustainability program as well as how they relate to their stakeholders. Management in organizations is a key element in contributing to sustainability and responsibility, which themselves are vital components needed for the survival of our society against threats like climate change or malpractice of technology and, one step further, for our society to thrive. The course covers topics such as the success or failure of companies, sustainable marketing and overcoming technical or institutional challenges to archive a more sustainable approach.

Case Study: Lemonaid Beverages

Lemonaid Beverages is a prime example of how a business can contribute to sustainability and responsibility.

Introduction to Lemonaid Beverages and their Mission

Lemonaid Beverages, which consists of the two brands “Lemonaid” and “ChariTea”, is a Hamburg-based and -founded social business. It sells a variety of beverage related products, such as bottled lemonade, iced tea and loose tea, as well as merchandise like t-shirts or bags and

products like soap dispensers or saltshakers made for upcycling empty glass bottles from their lemonade or iced tea (Lemonaid Beverages, n.d.).

The Lemonaid and ChariTea beverages are made from simple ingredients (pure juice, water and cane sugar), which are produced organically and fairtrade (Trinken hilft, n.d.). Because of the high standard Lemonaid Beverages has set for itself, they are paying higher prices for the raw ingredients, which leads to higher income for the local farmers, and thus, the farmers have the means to improve their own community and contribute to sustainable agriculture (Lemonaid Beverages, n.d.).

Additionally, each product sold contributes a small amount of revenue to the Lemonaid & ChariTea Foundation, the companies own charitable organization. The foundation contributes to various local organizations that aim to develop livelihoods in the global south, more specifically in South Africa, Rwanda, Madagascar, Peru, Mexico, India and Sri Lanka. These are mainly entrepreneurial, income generating and educational projects, such as “Improving the Productivity of Small-Scale Farmers” and “Support of Indigenous Students”. This way, they support the local community directly, with the aim of developing self-sufficient and economically independent livelihoods (*About Us - the Lemonaid & ChariTea Foundation*, n.d.). In total, the foundation has raised more than 7,000,000 euros and supported more than 60 projects, around 100 cooperatives and about 1,000 launches of companies (*Sozialer Als Der Staat Erlaubt*, 2022).

Issues with the Government

As mentioned before, technical and institutional challenges can stand in the way of businesses succeeding with their ambitions of contributing to responsible and sustainable development. Lemonaid Beverages is currently struggling due to regulations regarding the sponsoring of their foundation (*Sozialer Als Der Staat Erlaubt*, 2022). Not long before, they were issued a warning because their Lemonaid products didn't contain the right amount of sugar to be considered lemonade (Husmann, 2021).

Sponsoring of the Lemonaid & ChariTea foundation

Lemonaid Beverages has run into issues with the German finance authority. According to current German law, a company may sponsor for-profit organizations and can get a tax break for that sponsoring. However, the sponsoring of a charitable organization or foundation is seen as having

too little return service and is thus considered a hidden profit distribution. The repayment of the taxes of the sponsoring would amount to millions. Giving the money to the Lemonaid & ChariTea Foundation as a tax-deductible donation is also not an option, because in Germany a company is only allowed to do that for 0.4% of its profit. The work of the Lemonaid & ChariTea foundation and similar ones require more than 0.4% of profit for the work they are doing (*Sozialer Als Der Staat Erlaubt*, 2022).

The current legal situation is hindering social businesses' beneficial work and, furthermore, threatening their very existence. To change this, Lemonaid Beverages has started an official petition which aims to get the government to provide the legal requirements for the sponsoring of charitable organizations to be recognized as a tax-deductible disbursement (*Petition 138681*, 2022).

Lemonaid Contains too little Sugar to be Considered a Lemonade

In 2020, Lemonaid Beverages had a run in with the German law over the amount of sugar they put into their lemonade. Lemonaid Beverages were issued a warning by the authority for consumer protection of Hamburg and Bonn because their Lemonaid didn't meet the sugar requirements for a beverage to be considered a lemonade. For the company, this meant that they would have to change the print on the glass bottles, which would have forced them to destroy the incorrect bottles, which would have caused a loss of millions of dollars. Lemonaid Beverages took action against this regulation and succeeded. Now, Lemonaid may sell their beverages as lemonade if they label it containing less sugar. The bottles did not have to be destroyed (Husmann, 2021).

Conclusion

Lemonaid Beverages has successfully implemented business practices that contribute to the improvement of our society and provide an example for other businesses aiming to achieve similar goals. The "Sustainable and responsible management" course provides the necessary foundation for future managers to transform businesses towards responsibility and sustainability. This is of increasingly important as threats to the world become more prominent and current standard business practices and structures actively contribute toward this growth. Understanding how to overcome these technical and institutional challenges is vital to ensure success for a business, as seen in the case of Lemonaid Beverages.

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Shell: Oil Company Changes Towards Sustainability

Nela Schulte

Introduction

In today's world we have to face many challenges. Climate change, Covid, War in Europe and energy crisis are only some of them. Climate change is perhaps one of the greatest challenges of our time. To continue living well on this earth we have to think bigger. There must be a change of perspective not only at the individual level but also at the institutional level. This chapter will be about the global brand Shell, which is primarily associated with the core business of oil and gas from exploration to service stations and trading. Shell has set itself the goal to provide more renewable and cleaner energy and to be CO₂ neutral by 2050. The extent to which this project can be linked to sustainable entrepreneurship is also explained in this chapter.

Shell as a Company

The company was founded in 1907 and became one of the world's largest petroleum and natural gas companies (see Company history | Shell Global o.D.).

Shell is a global institution with more than 80,000 employees in more than 70 countries (see About us | Shell Global o. D.). Shell is a global group of energy and petrochemical companies.

The company has set itself the goal to provide more renewable and cleaner energy and to become a net-zero energy business by 2050 or sooner (see What does Sustainability mean?| Sustainable Development | Shell Global o.D.)

In February 2021 the company announced „Powering Progress“. This sets out how sustainability can be better integrated into business strategies and how Shell can accelerate its transformation into a zero-emissions company. This strategy includes four main goals in support of their purpose. These goals are: Generating shareholder value, Achieving net-zero emissions, respecting nature and powering lives.

Generating shareholder value means gaining a „growing value through a dynamic portfolio and disciplined capital allocation“ (What does Sustainability mean?| Sustainable Development | Shell Global o.D.).

Achieving net-zero emissions includes „working with our customers and other sectors to accelerate the transition to net-zero emissions“ (What does Sustainability mean?| Sustainable Development | Shell Global o.D.). Respecting nature means reducing waste and making a positive contribution to biodiversity. Also protecting the environment is included in that goal. The fourth goal included in the „Powering Progress“ is set as „powering lives through our products and activities, and by supporting an inclusive society“ (What does Sustainability mean?| Sustainable Development | Shell Global o.D.).

Sustainable Entrepreneurship

Sustainable entrepreneurship is mainly the achievement of sustainable innovations that target the mass market and benefit a larger part of society (see Schaltender 2013).

Actors or companies that make a significant contribution to sustainable development through their core business can be called sustainable entrepreneurs (Schaltender 2013).

In today’s society sustainability became one of the most important goals to achieve. This refers to every aspect of everyday life.

„Sustainable entrepreneurship is opportunity-driven and aims to develop new products, services, production processes, techniques and forms of organization that significantly reduce social and environmental impacts and increase the quality of life“ (Schaltender 2013).

Why Having Sustainable Entrepreneurship as a Module

In today’s world it is important that sustainability plays a greater role in all of our lives. Sustainability should not only play a role in private life but also in corporate life. For the present and future generations it is important that sustainability becomes a matter of course. It is therefore essential that sustainable aspects of entrepreneurship are already taught during studies.

Learning not only how to maximize profit but also how to achieve them in a sustainable way is or should be a major skill.

Conclusion and Outlook

In conclusion can be said that Shell has great ambitions to make the company more sustainable. By definition sustainable entrepreneurs can be called „actors or companies contributing

substantially to sustainable development with their core businesses“ (Schaltender 2013). With their goals to provide more renewable energy and to be CO2 neutral by 2050 they can very well be called sustainable entrepreneurs. This can be said because the changes benefit the whole society in a sustainable way and because Shell aligns its main business with sustainability goals. The extent to which this goals will be achieved cannot yet be determined but their achievement will determine our judgement of sustainable entrepreneurship. As one of the largest firms of its kind, they would lead the way towards sustainability and a more sustainable future. Fact is not only the realization of the goal to become CO2 neutral is a challenge, but also the fact to do this under the same brand name. Normally, a new brand would be created for this project, because the Shell brand name is of course automatically associated with the gas stations and oil in the public’s mind.

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Capitalism: Threat or Opportunity of Sustainable Management?

Jonas Stolle

Introduction: Overview of the chapter's topic and purpose

Climate change has become one of the biggest threats to the earth and its population. Due to that, it is nowadays a major topic in society and therefore in business and economics as well. With capitalism being a widely spread economic system, especially among western countries, which views large amounts of consumption not only as profitable but also as a necessity for a lasting economy, the question arises whether it is compatible with sustainable management and sustainability overall. The following chapter takes the American retailer of outdoor clothing, Patagonia, Inc., as an example and elaborates on how the company uses management and leadership as an opportunity for sustainable business development.

Capitalism

According to the Oxford Learner's Dictionaries, capitalism is defined as “an economic system in which a country's businesses and industries are controlled and run for profit by private owners rather than by the government” (n.d., definition section). Due to the limited space available in this chapter, it is not possible to provide a detailed analysis of capitalism in general, but some key aspects and their effect on the environment need to be defined before an in-depth analysis of the case of Patagonia. Capitalism can harm the environment since profit and economic growth are often prioritized. Hence, it can encourage the exploitation of people and natural resources, but it is important to note that capitalism is not inherently bad for the environment; it rather depends on how it is executed.

Patagonia, Inc., and Why it is Relevant

Patagonia was founded in 1973 by Yvon Chouinard, who was a passionate rock climber and environmentalist. The company started as a small clothing company; however, over the years, Patagonia has grown into a global brand that is now most recognized for its commitment to sustainability and social responsibility (“Company History”, Patagonia Inc., n.d.). Chouinard's significant decision in September 2022 to transfer the entire company “to trusts and nonprofit organizations” (Porterfield, 2022, para. 1) underlined Patagonia's reputation. Yvon Chouinard's

business approach is focused on utilizing the prosperity generated by Patagonia to safeguard the very source of that wealth, rather than exploiting natural resources to generate wealth (“Company History”, Patagonia Inc., n.d.). This decision, along with the way leadership, alternative management, and entrepreneurship are encouraged within the company, makes Patagonia a suitable example for this topic and therefore this chapter.

Key Business Factors for Patagonia’s Success

One of the central features of successful entrepreneurship is a common goal along with shared values within a company, which in Patagonia’s case are mainly having a positive impact on the environment along with the associated activism. Chouinard’s business strategy is unique; it connects exactly these environmental sustainability achievements with capitalistic goals like running a private, profitable, and growing company. The public debate on climate change causes consumers to have an increased value in the way of production and origin of clothes. According to Marshal Cohen (as cited in Stratten, Stratten, 2017), a retail analyst at NPD Group, customers “will spend 10% to 15% more on ethically produced clothing” (para. 12). This means that Patagonia’s values do not only have a positive effect on the environment, but they are also especially good for business. The fact that Chouinard has pursued sustainability goals since he founded the company and publicly as well as transparently discusses his achievements not only makes his business model more authentic, but it is also a great advertisement, nowadays more than ever before. An article published on September 15, 2022, by Statista shows that Patagonia, Inc., “has seen annual sales of over \$1 billion for the last three years” (Armstrong, 22, para. 2), which therefore proves that success. The company uses that money, among other things, for funding innovative start-up businesses with shared goals: “We will continue our history of funding, mentoring, and connecting entrepreneurs that use business to address environmental problems, just under a new name” (“Tin Shed Ventures: Funding the Next Generation of Responsible Businesses”, Patagonia Inc., n.d., para. 2).

Just as important as a general understanding of entrepreneurial actions is the functioning leadership of a company. Great leaders do not only tell people what to do; they also make business decisions that often include tough choices and certain risks. Chouinard is driven by the values that he most likely shares with all of his employees and stakeholders. His leadership and especially his assertiveness are exemplified by the decision to donate an additional \$10 million to organizations

fighting climate change, which is equivalent to the tax savings after the former president of the United States Donald Trump lowered the corporate tax rate (Porterfield, 2022). From only a profit-driven business perspective, this would not have been a good decision, but the founder of Patagonia stands up for his values, takes environmental responsibility, and sets an example for other businesses. One aspect of true leadership can therefore be expressed by setting an example for others, leading value-driven and for a collective interest rather than only a personal interest.

What is a great leader with a vision but without a functional workforce? Nothing, because it always needs a management concept for internal business structures to maintain shared values and achieve a common goal. Yvon Chouinard seems anything but ordinary and conservative, which might be another reason for his success. In his book *Let my People Go Surfing*, published in 2005, the author gives an insight into the company's cultural values. For instance: Flexible working hours; letting employees dress however they want; or the architectural arrangement of no private offices to encourage communication ("Company History", Patagonia Inc., n.d.). Back in 1984, Patagonia addressed a social problem, namely the lack of childcare, and by solving this problem, Chouinard set a positive example for the close relationship between employee satisfaction and management. The solution was an on-site childcare center, at that time one of only 150 in the United States ("Company History", Patagonia Inc., n.d.). Even when the founder considered selling the company and donating the resulting money to various organizations, he rather "decided to transfer its ownership to keep the company's workers employed and maintain Patagonia's values" (Porterfield, 2022, para. 5).

Conclusion

In conclusion, the case of Patagonia, Inc., and its founder, Yvon Chouinard, on the one hand, shows that capitalism and environmental sustainability are compatible with each other, and on the other, how important topics like management, leadership, and entrepreneurship are for success. Chouinard told the New York Times (as cited in Gelles, 2022) about his vision of capitalism as an opportunity, saying: "Hopefully this will influence a new form of capitalism that doesn't end up with a few rich people and a bunch of poor people" (para. 5). Taking advantage of the capitalistic system, running a profitable business, and creating many jobs, all while staying true to the company's values and reinvesting in our planet, is exemplary. With his leadership and management, he sets a great example for other businesses, especially upcoming start-ups.

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Sustainable & Responsible Management: Greenwashing in Today's Businesses

Refiye Kevser Türker

Sustainable & Responsible Management International Journal of Management Education looks at the evolving nature of the UN Global Compact's initiative focused on business schools—the Principles for Responsible Management Education (PRME) as it reaches the end of its first decade and as we enter the era of the Sustainable Development Goals (SDGs) (Parkes et al., 2017). Responsible and sustainable management in business, therefore, has become a concept that is widely discussed in the last few years. This form of management gained importance with the rising awareness of the environment and other ethical issues. Responsible and sustainable management involves taking a long-term view of the social, environmental, and economic impact of business decisions and practices. The practice of such management means recognizing the success of a business is interconnected with the health and well-being of society and the environment and that businesses have a responsibility to contribute positively to both, rather than focusing on the profit and the turnover of the company itself. Responsible management contains making ethical and socially responsible decisions that benefit not only the business itself but also its stakeholders, including employees, customers, suppliers, and the wider community. This can include practices such as fair labor practices, ensuring employee health and safety, and transparency in business operations and communications. In order to ensure long-term economic viability, sustainable management entails making decisions and acting in ways that reduce the negative environmental effects of business activities. The practice can involve cutting back on the use of resources and energy, eliminating waste, and obtaining products from environmentally friendly sources. The long-term effects of corporate decisions and practices on future generations must also be taken into account for sustainable management. A dedication to continual improvement, involvement with stakeholders, and teamwork with other firms and organizations are all necessary for responsible and sustainable management. Businesses can increase their reputation, foster stakeholder trust, benefit society and the environment, and promote long-term economic success by adopting responsible and sustainable management practices. As a result of the difficulty in the implementation of this specific management style, not every business can accomplish it. However, due to the positive visibility of responsible management, many companies that are not interested

in making ethical choices may follow a path to fake their ethical and environmental goals to benefit from the positive image, which can be encountered as greenwashing in today's businesses sometimes. Greenwashing & the Case of Volkswagen The "green" phenomenon of the '90s disappeared as rapidly as it appeared, but today many manufacturers are again revisiting the value of promoting their products, or even themselves, as being green to attract a growing environmentally aware segment (Furlow, 2010). To be able to attract the "green" audience and trend, the concept of greenwashing has become a significant issue in today's businesses. Greenwashing is the dissemination of false or incomplete information by an organization to present an environmentally responsible public image (Furlow, 2010). Unfortunately, there are many companies, from big to start-ups practicing this unethical way of business. A current example of a greenwashing case is one of the biggest German motor vehicle manufacturers, Volkswagen. The VW emissions crisis, often known as Dieselgate or Emissionsgate, started in September 2015 when the German carmaker Volkswagen Group received a notice that it had violated the Clean Air Act from the US Environmental Protection Agency (EPA), according to an article by BBC News. Volkswagen has made a significant push to sell diesel automobiles in the US, supported by a massive marketing campaign highlighting the low emissions of its vehicles. However, the EPA declared that VW had installed illegal software into their diesel vehicles, in violation of the "Clean Air Act." The automaker was under investigation by regulators from several nations when the news broke. The EPA's results only apply to 482,000 vehicles in the US. Meanwhile, VW has acknowledged that the so-called "defeat device" is installed in around 11 million cars globally, including 8 million in Europe. After the tests, it was found that the engines emitted nitrogen oxide pollutants up to 40 times above what is allowed in the US, which is the opposite of the "green claims" of the company. After the "incident," the stock price of the company dropped by a third in the days that followed. The group's chief executive at the time, Martin Winterkorn, stated his organization had "broken the trust of our customers and the 3 public." The issue directly caused Mr. Winterkorn to resign, and Matthias Mueller, the former CEO of Porsche, took his place, which was a move to prove the "ethical" side of the company. The Importance of Sustainable & Responsible Management in IBAE According to advertising firms Ogilvy and Mather, greenwashing practices are growing in the last decades to epidemic proportions (Hsu, 2011). Therefore, there is now a greater need for awareness to solve this critical issue. One of the most important ways to achieve this is through education. Businesses schools and educators now face a

need for change in the curriculum toward responsible and sustainable management. In education, the challenges include developing responsible leaders who are prepared to deal with complex and value-laden issues in economy and society (Dyllick, 2015). Therefore, the relevance of the module under the elective of Sustainable & Responsible Management in IBAE is significant for today's businesses. With the concepts and the ethics of management provided to future business owners and entrepreneurs, the cases similar to the given example can be decreased. Additionally, the trust between businesses and customers can thrive with the help of necessary education being offered to the students. Overall, sustainable and responsible management is essential for businesses to thrive in the long term and to contribute to the well-being of society and the planet, and to achieve this, an environment where individuals can engage with such concept is much needed.

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Patagonia: Leading the Way in Sustainable and Responsible Management

Carl Vincent Wieske

Introduction

In recent years, companies have become increasingly aware of the importance of sustainable and responsible management. One company that has made significant strides in this area is Patagonia, an outdoor clothing and gear company based in California. This essay will analyze how Patagonia has implemented sustainable and responsible management practices, as well as identify areas for improvement.

Supply Chain Management

Patagonia places a strong emphasis on ensuring fair wages and safe working conditions for all workers in their supply chain. They have a comprehensive Supplier Code of Conduct that outlines their expectations for social responsibility, and they conduct regular audits of their suppliers to ensure compliance (Bosco, M., 2017). In addition, Patagonia has established the Fair Trade Certified™ program to ensure fair wages and working conditions for factory workers.

Environmental Initiatives

Patagonia is committed to reducing their environmental impact by implementing sustainable practices throughout their operations. They have developed a list of preferred materials that prioritize the use of environmentally friendly materials such as organic cotton and recycled polyester. Patagonia also implements a closed-loop manufacturing process to minimize waste and maximize the use of materials (Patagonia, n.d.). They have even gone as far as to create a program called Worn Wear, which encourages customers to repair and reuse their Patagonia products rather than purchasing new ones.

Corporate Social Responsibility

Patagonia takes a proactive stance on corporate social responsibility. They have donated 1% of their sales to environmental causes for over 35 years through their self-imposed Earth Tax

(Patagonia, n.d.). Patagonia founder Yvon Chouinard even donated the entire company for \$3 billion in 2022 to fight climate change (Scipioni, J., 2022). Patagonia has also taken a strong stance on political issues that impact the environment, such as publicly opposing the Trump Administration's rollbacks on environmental regulations. In addition, Patagonia has used their platform to advocate for environmental causes through their Patagonia Action Works program. Patagonia Action Works is a digital platform that connects individuals with grassroots organizations working on environmental issues (Patagonia, n.d.). The platform allows users to search for and sign up to volunteer for events and activism opportunities in their local communities, donate to environmental causes, and share their own personal stories about their connection to the natural world. Patagonia Action Works aims to empower individuals to take action on the environmental issues they care about and create a network of support for environmental activism across the globe.

Critique and Suggestions

While Patagonia is a leader in sustainable and responsible management, there is always room for improvement. One area where Patagonia could improve is in the area of transparency. While they provide a great deal of information on their sustainability initiatives, they do not provide much information on their supply chain. In addition, while Patagonia has made significant strides in reducing their environmental impact, they still have work to do in areas such as water usage and greenhouse gas emissions.

Conclusion

Patagonia has become a model for sustainable and responsible management in the fashion industry. By placing an emphasis on ethical supply chain management, environmental initiatives, and corporate social responsibility, Patagonia has demonstrated that it is possible to run a successful business while prioritizing the planet and people over profit. While there is always room for improvement, Patagonia is leading the way in sustainable and responsible management and setting an example for other companies to follow.

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Sustainable and Responsible Management: The Patagonia Way

Kerem Özen

Introduction

The world we live in is changing quickly and it demands adaptability in order to transform it into a better future. Humanity faces numerous challenges that evolved over the last centuries impacting social and environmental areas. Subsequently, it is highly relevant to prepare future generations for solving these ever-increasing challenges. This article explains Sustainable and Responsible Management using the example of Patagonia and discusses the relevance of including it in a Business Administration bachelor's program.

The Story of Patagonia

Patagonia is an outdoor clothing retailer based in Ventura, California. The company is widely known for its Responsible and Sustainable brand image. Before Patagonia became a worldwide success, it all started with Yvon Chouinard, a passionate climber who has a strong connection to nature. Chouinard originally founded 'Chouinard Equipment' focusing to offer the best possible climbing equipment. Because of the high standards in design and quality the company became vastly successful in the US, but the profit margins were very low. Chouinard began to see clothing as a way to help support the marginally profitable equipment business (Patagonia, n.d.-e). His approach in clothing was the same as in equipment, high standards in design and quality. Patagonia Inc. was founded in 1973 and through trial and error, the outdoor clothes from Patagonia were enhanced gradually and tailored to the needs and demands of the customers. Patagonia early on started to write blogs about their new outdoor clothing techniques, teaching people about effective solutions which built a strong community between the company and the customers (Patagonia, n.d.-e). Today, Patagonia Inc. is a company with approximately 2000 employees across the globe and over 70 retail stores worldwide (Cascade Team, 2023). The last three years the annual sales reached over 1 Billion USD making it "#1 Market Share Holder in the Outdoor Apparel Market (near 10%)" (Martin Armstrong, 2022). This success is rooted in the exceptional community Patagonia has built over the last decades.

What is Sustainable & Responsible Management?

There are numerous understandings of what management is, but at its' core management is the practice of effectively combining resources in the frame of an organization with the intention to reach a certain goal. Sustainable and responsible Management is referring to the same practice however it takes the sustainable and responsible impact of that practice into consideration. Management is about getting things done. But how are things done? For what purpose are things done? These are questions that need to be asked in order to solve the world's biggest challenges. A crucial point of differentiation between conventional management and sustainable and responsible management lies in the goals that are formulated for the organization. Conventional management is primarily driven by the normative goal of economic success (revenue, profit). In sustainable and responsible management, the driving factor is the sustainable and social impact achieved by the organization. The key discipline is to fulfill the threefold balance of economic, social, and environmental goals. The difference in goals consequently effects the organization's understanding of 'success'. While conventional management evaluates success based on how much revenue is generated, sustainable and responsible management measures its' success by the socio-ecological impact of the organization. Therefore, success is not always apparent in sustainable and responsible management since "the contributions to society and the environment" are "difficult to quantify and aggregate" (Julia Katharina Binder & Frank-Martin Belz, 2015). Furthermore, sustainable and responsible management is not only good for the environment and society, but it is also highly beneficiary for the organization itself. The effect of corporate social responsibility (CSR) depicts that very well. According to a research paper about CSR, "Consumer CSR perceptions have a strong direct effect on a company's perceived integrity and also influence its perceived credibility, both directly and indirectly, insofar as they impact perceived quality and consumer satisfaction." (Valérie Swaen & Ruben Chumpitaz C., 2008). This means that CSR forms the image of an organization making it more credible which has the potential to build a community of loyal customers.

How Does this Concept Relate to Patagonia?

Yvon Chouinard planted his deep connection to nature and his strong feeling of responsibility into the values of the entire company. In 2013, Chouinard has published a book with the title 'The Responsible Company' which reflects on the development of Patagonia and its' responsible

guidelines. The mission statement of Patagonia is the following: “Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.”(Yvon Chouinard & Vincent Stanley, 2013). The mission of Patagonia becomes very clear. The main objective is to build the best product and provide value for the customer. The prerequisite is to offer that under the condition to be eco-friendly and find solutions for the climate crisis. There is no part about expansion or economic success. Patagonia has proven itself immensely dedicated to that mission statement. This can be observed through various campaigns and measures taken. For instance, Patagonia states that that they are responsible for 224,565 tons CO₂ emissions and only 2% of it is produced by their own operations, the rest is emitted in the supply chain.

Nevertheless, Patagonia takes full responsibility of the entire 100% and steadily tries to optimize greenhouse gas emissions (Patagonia, n.d.-c). Moreover, Patagonia is highly transparent with its’ environmental and social footprint. Patagonia is self-aware of its footprint and states that “Everything we make has an impact on the planet.” (Patagonia, n.d.-d). Therefore, Patagonia introduced its’ ‘Footprint Chronicles’ that maps out the sourcing, labor and manufacturing of the products. It includes “a map of all the textile mills, farms, and factories that are a part of creating products for the company.” (Kelsey E. Petrie, 2016). Furthermore since 1985, Patagonia has pledged 1% of sales to the preservation and restoration of the natural environment. This means that 1% of all sales (already over 140 million USD) are donated to local and international environmental groups that make a difference in their community. Chouinard refers to this stating: “This is not philanthropy. This should be a cost of doing business. It’s paying rent for our use of the planet.” (Patagonia, n.d.-a). In addition, Patagonia predominantly uses recycled materials in the products and pioneers the clothing industry by being the first company to 100% trace the down feathers used in clothing. (Patagonia, n.d.-b). There are numerous more measures and campaigns that highlight the sustainable and responsible mission of Patagonia. Patagonia’s success underlines that sustainable and responsible management go hand in hand with economic success.

Sustainable and Responsible Management: Why Should it be Taught?

The example of Patagonia shows how much can be done in order to fight the challenges that humanity faces. The world we live in has changed. It is time that education changes too. The people who study today are the creative minds who need to solve the challenges of tomorrow. The crises are increasingly growing and companies like Patagonia set the new status-quo of what it means to

be responsible. It puts pressure on other companies and organizations to do the same. It is very clear that “If companies succeed in managing change in a socially responsible manner, this will have a positive impact at the macro-economic level.” (*Corporate Social Responsibility: A Business Contribution to Sustainable Development*, 2002). This is the same for students and people overall. If humankind succeeds in managing change in a socially responsible manner, this will have a positive impact at the macro-humanity level. A module like Sustainable & Responsible Management is decisive for putting other modules into context and vital for a a better future.

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III. Accounting and Finance

Monobank as an Example of Entrepreneurship in the Digital Age

Mariia Adamenko

Ukrainian businesspeople are actively looking for methods to take advantage of these developments in the age of digitization, where an increasing number of chances are opening up for individuals to solve their problems without having to leave their homes. The COVID-19 epidemic has only expedited the digitalization process, forcing companies to adopt new operational and customer service models. As a result, the relevance of entrepreneurship in the digital age has increased as more and more business people try to come up with creative answers to the problems raised by these fast evolving conditions. Monobank is the first mobile bank in Ukraine. Monobank is a retail product from Universal Bank JSC which resulted from a collaboration with Fintech Band. A modern Universal Bank created in 1994 and providing a variety of services to natural persons and legal entities. It is a member of TAS Group since December 2016. Monobank provides service without branches, almost all services are provided via a mobile application. For some operations (deposit / receipt of cash in foreign currency) servicing is carried out exclusively through the cash desks of Universal Bank. In 2017 bank won the nomination "Best Ukrainian FinTech-startup" of the PaySpace Magazine Awards, and in 2018 won the main award in the category "Neobank of the Year" of the FinAwards 2018. As of August 23, 2021, it serves more than 4 million customers, with the daily number of active users reaching 1.3 million. The total amount of issued loans exceeded 4 billion hryvnias.(Kraus, Kraus, and Shtepa 2022)

Such successful entrepreneurship in the digital age serves as a testament to the importance of innovation and problem-solving in today's rapidly changing world.

The prerequisite for the emergence of a monobank was the nationalization of the largest Ukrainian bank, Privat, which was announced in December 2016. His former top managers decided to create an IT company that would develop ready-made technical solutions for bankers. This is how Fintech Band appeared. Its founders understood that these days a fintech project can cost much more than a regular bank. Examples for them were such neobanks as Monzo, Revolut, as well as the Russian Tinkoff Bank, which, after going on the IPO in London in 2013, was valued at 7 capital - an unattainable multiplier for traditional banks.

The goal of the start-up Monobank is to create an IT business that will assist other banks in developing cutting-edge products. By utilizing the most recent technology and methods, the fintech band was able to offer high-quality and reasonably priced financial services. Because there aren't many branches, to start. A credit card with excellent terms and a mobile application are the key offerings of Monobank. Almost 100 experts work for the Fintech Band. (“Історія Monobank — першого в Україні банку без відділень” n.d.)

The greatest mobile app will make managing finances as convenient as possible for Monobank customers. Monobank issues customer credit cards, offers depositing alternatives, and offers other services. Monobank only operates on mobile platforms. The Monobank-specific mobile app offers a range of banking services like free money transfers, an easy way to pay utility bills, the ability to participate in the bank's special offers and earn cash back, controlling your financial operations, and quick and efficient customer service that will respond to all of your questions over the phone or in the messenger of your choice (Viber, Facebook Messenger, Telegram).

Original features are what makes a business more attractive to customers. They are engaged in attracting and retaining customers engaged in finding and attracting attention to the market. Therefore, coming up with original features should be rare for any entrepreneur. One of the original features added by the bank was the appearance of SHAKE TO PAY. It was activated in an unusual way. If you shake the smartphone with the application open, the search for nearby devices will be activated. If someone nearby does the same, the apps will find each other and activate the P2P transfer function between the two cards. This is convenient when you need to transfer money to a card to a person who is not in the contact list. One will not have to dictate the card number, and the other will have to enter it by hand. Up until April 2019, the majority of banks thought that limiting cash withdrawals and internet transactions was enough to keep bank cards secure. Yet, the programmers at the Ukrainian Monobank improved their security center with five additional features: 1) the option to demand a card PIN code for each transaction; 2) the option to refuse payments if the transaction's location does not line up with the phone's GPS; 3) the option to disable contactless payment; 4) the option to turn off the magnetic strip to prevent cloning; and 5) a restriction on cash withdrawals from ATMs. These features make it more difficult for thieves to take money from clients.

The ability to specify the CVC2 code, the three-digit security code on the back of the card, was added as a special sixth feature to Monobank's security settings two months later, in June. This code is frequently targeted by fraudsters because, if they can get their hands on it, coupled with the card number and validity period, they can use it to make online payments that are unreputable. It is possible to set a personal code that may be changed at any moment, or Monobank offers a dynamic CVC2 code that changes every hour. Not only is this special function available in Ukraine, but it is also uncommon in the global banking industry. (“Історія Monobank — першого в Україні банку без відділень” n.d.)

The main feature of Monobank is that access to banking services is possible around the clock, all you need is a tablet or smartphone. In 2021, the bank's client base increased from 3,244,116 people to 5,000,000 people, mostly clients from Kyiv and the Kyiv region. In May 2022, the number of clients increased by another 800,000. In almost five years of operation, the bank received about UAH 410 million and sent UAH 494 million. The referral program also made a great contribution to the development of the bank's client base, 980,000 participants invited their friends to join Monobank, and now the number of invited people is 1.9 million. This is how 30% of new customers came to the bank. (Вероніка 2022)

Another feature of Monobank is the return of part of the money from purchases, i.e. "cashback". Customers can return a certain amount of purchases every month, which made it possible to attract even more customers to this service. From 2019, a new function in the virtual bank is that you can earn "cats" for your activity. Accordingly, customers who use the application and bank cards will be able to receive the so-called reward for activity. This is just a virtual picture, 132 which will be able to interest both existing and new customers. If you are not at all interested in such a game, you can disable this function. Monobank took an active side during the war, supports the army and continues release updates. Monobank ended the first quarter of 2022 with a loss of approx UAH 109.6 million. The reason for this dynamic was the war that began on February 24, 2022, between Russia and Ukraine. Project co-founder Oleg reported on the negative dynamics Horokhovsky in his Telegram channel. According to statistics, January was very good month and profitable, February was already closed with a small plus, and in March almost 1million hryvnias of reserves were formed for the loan portfolio. Since April 1, Monobank has reduced base rate for bank credit products up to 1.6% per month.

During the war, the bank's clients sent almost half a billion hryvnias to help the Armed Forces, Oleg Horokhovskyy reported this. UAH 260 million out of 160,000 payments were transferred to assistance to the army from personal cards and UAH 210 million from 351,000 payments from the card is Support.(Клуб n.d.)

In conclusion, the digitalization process has given people the ability to find solutions to their issues without leaving their homes, and the COVID-19 pandemic has further sped up this trend. Actively looking for ways to profit from these trends are Ukrainian businesspeople. A great example of entrepreneurship in the digital age is Monobank, the country of Ukraine's first mobile bank. As of August 23, 2021, the mobile application for Monobank provides a variety of banking services that have drawn over 4 million customers. The company's founders at Fintech Band recognized the value of developing a cutting-edge product. The growth of the bank's customer base has been aided by its referral program, "cashback" function, and reward for activity. Monobank continues to operate in spite of obstacles like the conflict between Russia and Ukraine. The bank's incentive for activity, "cashback" function, and referral program have all helped to grow its clientele. Despite difficulties like the conflict between Russia and Ukraine, Monobank keeps releasing updates, funding the military, and lowering base rates. The success of Monobank is evidence of the value of creativity and problem-solving in the quickly transforming world of today.

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Toyota Motor Corporation Ltd.

Sofia McMaster

Introduction: Company History and an Overview

Toyota Motor Corporation, a Japanese multinational company, is one of the largest automobile manufacturers and was founded in 1937 by Kiichiro Toyoda, headquartered in Aichi Prefecture, Japan (Sugiyama, 2023, Toyota Motor Corporation, 2012a). Toyota's product quality, reliability, fuel economy, safety and customer loyalty are highly rated (Bratton, 2022), and the manufacturer recorded the highest worldwide sales in the last three years (Sugiyama, 2023). Today, Toyota has 559 consolidated subsidiaries, including brands such as Lexus and Daihatsu, as well as production factories and research centres in 51 locations in 26 countries, including 12 Japanese factories (Toyota Motor Corporation, 2022), which is operated under the leadership of the president Akio Toyoda (Toyota Motor Corporation, 2023a).

Management Philosophy in Toyota

An organisation intends to achieve a specific purpose by systematically arranging the people, and management is the process of implementing the various actions effectively and efficiently by coordinating people's efforts (Robbins, Decenzo, 2001, pp. 3-5). As Wenzel defined (personal communication, November 30, 2022), the automobile industry experienced a revolution in the 20th century and impacted management thinking. Toyota is not an exception, and its large organisation is structured with multiple divisions led by six operating directors (Toyota Motor Corporation, 2023a). Toyota's management philosophy is expressed as the "Toyota Way", which is based on "kaizen" (continuous improvement) and "respect for people": it is also adopted in the famous "just-in-time manufacturing system" (Lutkevich, 2023). Furthermore, while producing automobiles globally, the company expanded its vision to enhance mobility and enrich lives with safety: Toyota states in its global vision that it is committed to quality, ceaseless innovation and respect for the planet and will meet these challenging goals (Toyota Motor Corporation, 2023b).

Financial Status at Toyota (Fiscal Year 2022 - April 2021 to March 2022)

After the covid-19 restriction loosened, the economy improved during Fiscal Year 2022, and more people started repurchasing cars. Although the effect of the Ukraine war was not apparent then,

total sales of Toyota vehicles in 2022 increased by 7.6% compared to 2021 to record total global sales of 8,230 thousand units (sales increased outside of Japan by 14.2% while decreased by 9.5% in Japan). In terms of the consolidated income status, Toyota's sales revenue increased 2022 by 15.3% compared to 2021. The operating income increased by 36.3% by decreasing the cost of multiple activities. As a result, the total net income increased by 604.8 billion yen, a 26.9% increase compared to the previous year. (Toyota Motor Corporation, 2022b, p.2)

Table 1: Toyota's Consolidated Income Statement (FY2022)

Sales revenue	31,379.5 billion yen	increase of 4,164.9 billion yen or 15.3% compared to 2021
Operating revenue	2,995.6 billion yen	increase of 797.9 billion yen or 36.3% compared to 2021
Net income attributable to Toyota	2,850.1 billion yen	increase of 604.8 billion yen or 26.9% compared with 2021
Cost decreased in: Marketing efforts, effects of changes in exchange rates, cost reduction efforts, expenses, and other		

Adapted from Financial Summary FY2022, by Toyota Motor Corporation, 2022, p.2.

Entrepreneurship

According to Robbins and Decenzo (2001), entrepreneurship is initiating a business venture, organising the necessary resources, and assuming the risks and rewards (p. 61). Toyota started as a textile machine company, and Kiichirō Toyoda, the later founder of Toyota Motor Corporation, invented the automated loom for making textiles. Later he started to produce automotive vehicles in Japan (Toyota Motor Corporation, 2012b), characterising Toyota as a company with an entrepreneurial spirit from the beginning. Currently, this spirit leads the company to the "Woven City" experimental project. With the vision to "Expand mobility. Enhance humanity. Engage Society" (Woven Planet Holdings, 2021), mobility's possibilities are expanded and connected to

information, goods, energy, logistics, health, education, security, and so on, to build well-being for the environment and people in a city of innovation (Woven Planet Holdings, 2023).

Sustainable and Responsible Management

Toyota aims to "contribute to the sustainable development of the society and planet through the business activities" by promoting sustainability under the Toyota Philosophy (Toyota Motor Corporation, 2022a, p. 6). Toyota Sustainability Data Book describes the company's activities, including "green purchasing policy" (p. 13), CO2 emission reduction (p. 14), carbon neutrality through zero-emission new vehicle production, reduction in logistics emission and car recycling (p. 17), zero CO2 emission in global plants by 2050 (p. 25), renewable energy and creation of hydrogen (p. 27), and so on. In addition, to contribute to society in diverse ways, the Woven City project provides the experimental platform (Woven Planet Holdings, 2021). Together with the entrepreneurship attitude, Toyota has already converted various sustainable and responsible ideas into entrepreneurial projects in many areas, e.g., carbon neutrality projects, Woven City projects, and so on, to combine the global sustainability challenges and Toyota's company targets.

Conclusion

Continuous improvement and people's well-being, the focus of Toyota's fundamental corporate philosophy, "Toyota Way", seem to be the solid base for the company's attitude in managing other fields. Toyota's Sustainability Data Book suggests that Toyota tackles sustainable and responsible management with a continuous improvement approach, and Toyota proposes new solutions for the people and society with an entrepreneurship mindset (pp. 6-27). Therefore, it is highly interesting to see how Toyota converts from a large automobile producer to a mobility company and how it achieves carbon neutrality.

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Tomorrow: The Future Of Banking

Steven Te Nyenhuis

Introduction

Tomorrowbank is a Hamburg-based social business founded in 2018 by Inas Nurelding, Michael Schweikart and Jakob Berndt with the vision to use money as a lever for positive change (Mobile Banking with Tomorrow: Sustainable & Smart, n.d.).

"You got to throw a better party than those destroying it" (Robert Marc Lehmann - Mission Erde, 2022, 23:10) is Jakob Berndt's principle and he started Tomorrowbank with a clear mission: to redirect money towards positive change and to create a bank that is fully committed to sustainability and social responsibility (Robert Marc Lehmann - Mission Earth, 2022)

Today, the bank is a leading example of how entrepreneurship can be used to drive positive change in the world. In this chapter, we will examine the relevance of various modules of the Foundations of Management and Entrepreneurship program through the lens of Tomorrowbank, and we will see how this innovative bank is making a real difference in the world while setting new standards for sustainable entrepreneurship.

Tomorrowbank

In the case of Tomorrowbank, we can see in particular the relevance of entrepreneurship. Due to the particular business model of the bank and its commitment to sustainability and social responsibility, these points become particularly clear. But first, the question is what does Tomorrowbank do at all? The social business has gained recognition and acclaim for its innovative approach to banking. The bank offers a range of mobile banking services that are designed to be smart but also sustainable. It has made a commitment to only invest in projects that are socially responsible and environmentally sustainable. Tomorrowbank is trying to be part of the solution to change the ecological and social change and to bring the "glaring imbalance" (Robert Marc Lehmann - Mission Erde, 2022, 6:10) into order. Only a very small proportion of the more than 1500 banks (Bankstellenentwicklung Im Jahr 2021, n.d.) are participating in this. The investments of many German banks go in large parts into destructive, yesterday's industries such as the nuclear weapons industry. (Happe & Richter, 2016)

So, what exactly is Tomorrowbank doing differently?

It does not invest a single cent in destructive industries, but only in sustainable change. It is oriented towards 3 impact levers: what happens to the money in the accounts, what happens to the fees when paying and also the climate-neutral bank account. The bank invests its money, for example, in green bonds, renaturation in North Rhine-Westphalia, social housing in Holland and much more. Each payment incurs a small fee, which is used to support climate protection projects in the Global South. With the third impact lever, the footprint of the average European is offset, but you can also specify your individual activities and offset them additionally, such as a flight. (Mobile Banking with Tomorrow: Sustainable & Smart, n.d.)

Furthermore, Tomorrowbank has all the important factors that a modern and innovative neobank needs for a clear and simple use. Tomorrowbank has achieved this in particular because of its strong connection to the community, as the voices of the community are heard and taken into account in the development of the company.

Management & Entrepreneurship of Tomorrowbank

Entrepreneurship is “the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them.” (Shane & Venkataraman, 2000) It is about identifying opportunities to improve the life of oneself, the community or the ecological environment and also taking the risk to develop and market it. It is not necessarily about making a profit, but rather about recognizing and realizing the opportunities. Tomorrowbank has identified a problem, namely that many banks are not sustainable and are a major negative factor for the environment. Moreover, social responsibility is often neglected. From this situation, a business model was developed that should have a good impact. Since entrepreneurship revolves around the individual, we can see from the example of Jakob Berndt that he is a classic entrepreneur. In addition to Tomorrowbank, he has also built up Lemonaid and ChariTea, two other companies that are very successful. Another important aspect of entrepreneurship is the psychological perspective, which focuses on the concept of build-measure-learn we have learned. At Tomorrowbank, there is a very community-based development where the bank works closely with its customers and receives feedback to improve its products and services. This enables them to react quickly to changes and adapt their business. Another important aspect is the strategic and management perspective. Tomorrowbank is about differentiating themselves from the competition and finding

out what they can do better. By focusing on sustainability and social responsibility, they have created an almost unique offering that allows them to stand out from other banks. In the course we also learned about external and internal management. External management involves networking, persuading, building support for common goals and representing the company externally. Internal management involves planning, organizing, leading and controlling within the company. These skills are also very evident at Tomorrowbank. With only 120 employees, they serve a total of over 120,000 customers, which is an extremely high range for the number of employees. (Mobile Banking with Tomorrow: Sustainable & Smart, n.d.) This is a good example of successful internal management, as it needs a good structure to work with this number of customers. But also externally the company is very well represented, has a successful external policy. For example, co-founder Jakob Berndt, who studied cultural studies at Leuphana University and helped build Lemonaid and ChariTea, successfully represents the company externally and represents its values. With these management approaches, Tomorrowbank is an example of successful management and entrepreneurship. The company has managed to combine all resources and talents in the company to achieve positive change and build a successful business. With a holistic approach that addresses all the above-mentioned aspects on an entrepreneurial, sustainable, psychological and strategic level, Tomorrowbank has managed to position itself as a leading bank for sustainable and socially responsible actions.

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Mass IT Layoff in 2023: What Can We Learn from this Case?

Kirill Vasilev

Introduction

Over the past half year, most large international IT companies have fired 5 to 30% of their employees. In total, in the European and American markets, according to various estimates from 150 to 250 thousand highly qualified IT specialists were left without work (Syed, 2023). In this text, using the knowledge gained in the International Business Administration and Entrepreneurship (IBAE) course, I will try to figure out what causes massive layoffs and consider the largest layoffs using the example of the largest corporations such as Twitter, Google, and Meta and analyze how different companies fulfill this “challenge” and I will reflect on the topic of “good” Big Tech companies. To analyze this situation, I used the knowledge that I received in the courses "Finances", "Strategy", and "Operations" — they helped me understand the decision-making process and the factors that contributed to the layoffs.

Finance and how it Affected Massive Layoffs

All companies are focused on revenue growth, and IT companies are no exception. The previous two years have been anomalous in terms of the global financial performance of IT companies. During the lockdown due to covid, there was an increase in all Internet services and online services. And after the covid, the states threw a lot of money (*Pandemic-related Assistance - Federal Ministry of Finance - Issues*, n.d.) into the economy, because of which people spent more, advertising revenues were higher, and all markets were growing. Companies hired more people and invested in promising projects. Has there been such a dramatic drop in revenue over the past year that companies have started to run out of money? Not certainly in that way. For example, Microsoft's 2022 net revenue fell 12.47% to \$16.42 billion (*Microsoft 2022 Annual Report*, n.d.) which is still a huge amount and the company is not poor. Job cuts in IT companies tried to analyze The Verge and Forbes. And they went beyond the explanations “in IT now there is a pandemic boom and post-pandemic decrease.” According to The Verge, “*one measure people use for measuring tech companies’ investment value is revenue per employee — and having hired all this stuff during the pandemic, that means revenue per employee has gone down.*” Forbes added to the list of reasons for layoffs the need to reallocate human and financial resources and the desire to

show financial growth even in the absence of such. Summing up all the information, we get the following conclusion: during the pandemic, against the backdrop of rapid growth, as well as after the pandemic, IT companies received a lot of "cheap" money from investors, increased the number of employees, but at some point, they reached the "ceiling" of growth, and profit in terms of 1 employee began to decrease due to rehiring. Therefore, for the "beautiful" new financial statements, the companies decided to cut some of the employees.

An interesting paradox here is that Jeffrey Pfeffer, a professor at the Stanford Graduate School of Business, generally believes that layoffs do not cut costs, but reduce income.

Strategy: Could AI be Stealing Jobs from Programmers?

The modern technology market is constantly changing, and we, as strategists, constantly have to adapt to this and build short-term and long-term strategies. But sometimes the world does not develop the way we want. This case study is a great example to see what IBAE students will face in their future work. One of the most striking factors that can be highlighted against the backdrop of a wave of reductions is the rise in interest in text generators after the release of ChatGPT on November 30, 2022. Even the developers themselves of the now most popular service for generating text and solving other user tasks (13 million unique visitors had used ChatGPT per day in January) did not expect so much interest in their product (Roose, 2023). And every major company is trying to present its artificial intelligence tools. Does this affect the short-term strategies of companies? Obviously yes. Microsoft, Google, Meta, and other companies are trying to race to make their press releases and announcements of new products based on AI, embedding it either in communication programs like Microsoft Teams or in a search box, like Google and Microsoft. And even the management of companies themselves admits that sometimes they release far from ideal and not the final product (Roose, 2023) to be first and on the wave of AI popularity to increase the user base of their products. But for the release of new products in a short time, where all developers are involved (from a machine learning engineer to website development), resources are needed. This means that this cannot be a factor in laying off such a large number of specialists, at least in those companies that are engaged in AI.

In the long-term scenario, according to some "optimists" from IT, ChatGPT will write code for all programmers and deprive them of work. But is it? In fact, at this stage of its development, artificial intelligence can only solve simple tasks (*Made a Calculator Using Python With No Python*

Knowledge. Absolutely Wild., 2022). So shortly it will not replace all developers at once, although it greatly simplifies the solution of tasks, which increases productivity in terms of one employee. But these tools are too recent for employees to get accustomed to using them effectively at work, and we have been able to capture how the industry is changing. According to experts, this can only happen in five to ten years.

Consider examples of long-term strategies of companies:

Meta's long-term strategy is focused on building the metaverse. Another main idea of Meta's long-term strategy is to invest in different major areas, including Reels, community messaging, commerce, ads, privacy, and AI. Analyzing Mark Zuckerberg's full statement (Zuckerberg, 2022) one can understand that the company has been targeting AI for a long time, and in the long term its plans do not change.

The same conclusion for Google, which states in its annual report (Alphabet Inc., 2021) that “[We] ...are investing in research efforts in AI and quantum computing to foster innovation across our businesses...” That is, the company has been moving in this direction for a long time, and there are no noticeable changes in the long-term strategy.

Twitter has never been focused on AI at all, and new CEO Elon Musk is investing in AI at OpenAI (Farrukh, 2023), developer of ChatGPT. It's highly unlikely that the industry's focus on AI would have had any effect on Twitter's long-term strategy.

All this brings me to the conclusion that the current cuts have nothing to do with AI, and this is just a removing of surplus, which again refers us to Part 1 "Finance" of this paper. To date, no other major events have occurred that could affect the long-term strategy of the companies.

Operational Approach

That is another important part of IBAE course and students should study it to not repeating these mistakes. How do companies approach layoffs from a management point of view? As I discussed above, The Verge cited investor pressure and a focus on profitability per employee as the main reasons, as well as management inertia “*everyone fires, and we fire.*” The publication uses a wonderful quote from Jeffrey Pfeffer, a professor at the Stanford Graduate School of Business. In his opinion, IT companies copy each other in their layoffs, as “*thinking is hard work, so most*

managers do not do it" (Lopatto, 2023). First of all, it looks unprofessional from the point of view of management, in addition, it can lead to PR collapse, and we should not repeat it for the sustainability of the company. For example, I believe that such management shows to us...

Big Lies from Big Tech Companies

This is not about economics, but about how dehumanization thrives in the face of layoffs. We have seen huge businesses grow, created with talent, enthusiasm. We knew friendly bosses in T-shirts and hoodies who said that employees are all «one big family». But suddenly that emotional connection, with never-before-seen perks in the workplace, turned into a brutal alienation. Employees without explanation were turned off access to work tools and even badges, and then they were informed of the dismissal not in person, but through a letter. Most often, companies use family mentality for selfish purposes to squeeze as much as possible out of their employees.

Conclusion

In conclusion, I want to say once again that one and the same problem can be viewed through different prisms: financial, strategic, operational. Having knowledge in these areas, one can not only lead the company to sustainable development (finance), but also understand how to work with long-term and short-term strategy and avoid mistakes of competitors, as well as apply corporate culture, which will not be as deceitful as the others. Applying this knowledge deeply to the layoff case, I gained a lot of valuable insights. More than the problem could be understood by the mere interested person who heard somewhere in the news that "it's all because of the crisis".

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The Role of Financial Accounting Using the Example of PWC

Mathis Lembcke

About Pwc

PricewaterhouseCoopers (Pwc) is a company that offers consulting services to other companies, NGOs, or public groups, whether they are global, local or middle- market players (PricewaterhouseCoopers [Pwc], n.d.- d). The company has 325,000 employees in 152 different countries and 13,000 of them in 21 locations of Germany (Pwc, n.d.- d). They offer three divisions of services: Assurance, which are audit- related services, tax and legal and finally general advisory on management (Pwc, n.d. -d). The first division will be the most important for this chapter, because it deals with international and national accounting standards and regulations as well as internal or external reporting which will be covered later (Pwc, n.d.-a). Pwc claims to “provide support to companies not only in all phases of their development but also at all locations” (Pwc, n.d. -d). The company advertises the long experience and capability of their employees in accounting facing complex problems, the interdisciplinarity of their teams in case of specialization and the digitalization of solutions in accounting and reporting (Pwc, n.d. -a). Furthermore, Pwc affirms to work with “integrity, objectivity and a professional approach” as their values of work (Pwc, n.d. -d). Their purpose is to “build trust in society and solve important problems” (Pwc, n.d. -e).

About the Module Accounting

In the business world there is not a single “accounting”, we differ between financial accounting and management accounting. Financial accounting is mandatory, retrospective, has several regulations and focusses on the external reporting, primarily to stakeholders (but the internal management could also make use of the information) while management accounting is not mandatory, retro- and prospective, with no mandatory rules and focusses on the internal reporting which produces information for the strategic and operational management. The goal of accounting is to determine the success of a company by the determination of profit and loss. Financial accounting does that by comparing income and expenses, while management accounting determines profit and loss by comparing performance and costs. Financial accounting has two key functions: the first, already mentioned, is information for external (and partially internal)

stakeholders and the documentation, which means all financially relevant transactions need to be recorded chronologically, completely and with an ordinary system. The accounting systems focus only on the financial items like assets, debts and equity, but can also include the sustainability report which gives ESG information to the stakeholders in format of a non- financial report. The key aspects of financial accounting are the balance sheet (with asset and liability accounts) and the income statement (with revenue and expense accounts) which are combined to the annual report in the end of the business year. If necessary, there are additional notes to the annual report like cashflow statements or management reports, but this depends on the kind of company and its size. The external reporting is all about reduction of information asymmetries between the company and its stakeholders, which means one party has more information on the business of the company than the other one. Despite determining the success of a company, financial accounting cannot show how exactly value is driven to their business (e. g. innovations, quality, customer loyalty or employee capability) which is measured in management accounting using a balanced scorecard. It balances financial measures of success and non- financial measures of the drivers of future financial performance. Management accounting is very important for decision making, allocating resources and rewarding performance. Financial accounting is mandatory and gives information on a company's success to the stakeholders in the first place, but also to the upper management in the second place. Both need bookkeeping as their most common tool to keep ordinary and reliable results on business information.

Accounting in the Case of Pwc

This chapter focusses on the relevance of accounting in the case of Pwc. Financial accounting is mandatory for all companies, international or national and can be very complex with difficult and diverse issues to manage. Pwc helps companies to solve these issues and supports them in the rising field of International Financial Reporting Standards (IFRS) and others (Pwc, n.d. -a). IFRS becomes even more important for middle- market companies, because business is getting more international and to increase their revenue in that market, the companies need to follow the international regulations (Pwc, n.d. -b). All companies must share their information on success to their stakeholders to reduce information asymmetries between the two parties, while management accounting is helpful to the company to make decisions on business. Pwc confirms, "Businesses need selective and reliable information in order to be able to manage their operations successfully.

Accounting provides an important basis for making decisions” (Pwc, n. d.- c). These information for business decisions can be important for price calculation, profitability or payments. Some companies want to focus on their daily business without bothering about the reporting and that is why they mandate Pwc to do the audit services while others need advice in accounting for solving complex problems like digitalization of finance, crisis situations or corporate transactions (Pwc, n.d. -a). As one of the most influential accounting companies, Pwc is updated about the most recent regulation and standard changes in accounting and has experts to assist their clients (Pwc, n.d. -c). Aside from that Pwc helps the other companies to determine their success and performance by their consultancy and services while their clients can focus on their business (Pwc, n.d. -a).

Hence Pwc supports the management of its clients and makes sure the reporting of them is ordinary and according to the national and international regulations and standards.

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How the Case of Wirecard illustrates the Relevance of Rigorous Financial Accounting

Max Schröder

Introduction

What is it that comes to your mind speaking of corporate frauds? If you were to answer that question, many of you would most likely mention the name of Wirecard. Once a globally recognized company that offered financial services in the domain of online payment processing, Wirecard has become a synonym for one of the biggest corporate frauds in the past years. In this chapter, I am going to point out how inadequate accounting practices in Wirecard's financial accounting were a precondition for this huge scandal. In connection to that, I am going to emphasize the importance of engaging with financial accounting in today's business world.

Wirecard: A Shining German FinTech?

Before the fraud was discovered in June 2020, Wirecard was considered to be a quite successful company from southern Germany offering financial technology for online payment processes. Founded in 1999 as a startup during the dotcom boom, Wirecard quickly grew during the years after the dotcom crash by "managing payments for online gambling and pornography" (McCrum, 2020). After joining the stock market through a back door listing in 2005, it purchased the bank XCOM which allowed the company to obtain a banking license and thereby enter the banking sector (McCrum, 2020).

Even though several critical reports from short sellers were published in the following years, Wirecard opened offices around the globe and increased the reported revenues so drastically that by 2018 it was no surprise when it became part of the DAX 30 index (McCrum, 2020).

Since there were and still are few European examples for successful startups in the field of financial technology, the company received a lot of attention from investors and had a total market capitalization of € 16.4 billion by the end of 2018 (Wirecard, 2019: 26). According to its annual report from 2018, Wirecard had more than 5100 employees with a reported revenue of € 2.016 Billion and earnings after taxes of € 347 Million (Wirecard, 2019: 121).

Looking at the structure of Wirecard, it attracts attention how many subsidiary companies it had. For instance, the company owned more than 50 of such subsidiaries spread around the globe in countries such as Australia, India, Ireland, or Brazil (Wirecard, 2019: 127).

Financial Accounting

The term financial accounting describes the accounting of a company's external flow of funds and payments. This flow is documented in the balance sheet, which shows the relation of a company's assets to its debts at a certain point in time. Additionally, companies file an income statement which may explain the source of profits and losses by stating revenues against expenses. In contrast to management accounting, financial accounting has a clear focus on external processes and ignores internal financial processes as well as environmental or social aspects. Financial accounting serves the purpose of informing stakeholders such as shareholders, banks, or public authorities about a company's financial success and should give insight into the overall financial situation. This way it allows to understand in how far a company is profitable.

Fraudulent Financial Accounting at Wirecard

Officially, Wirecard pretended to fulfill the legal regulations regarding financial accounting. But a view at the striking lineup of allegations reveals that this was not really the case for quite some time before the irregularities became known to the public. As early as 2008 a German shareholder association accused Wirecard of counting "customer deposits as its own cash" (Fairless et al., 2020), even though this accusation was found to be baseless by German authorities. A few years later in 2015 the Financial Times journalist Dan McCrum described a significant lack of correspondence between the reported cash flow and the balance sheet for the years of 2012 and 2013 leaving questions about the origin of high increases in revenue (McCrum, 2015). Besides, he mentioned obscure and highly unusual accounting practices of treating investments in "Customer Relationships" as assets in its balance sheet (McCrum, 2015). Additionally, short sellers published the anonymous Zatarra report in 2016 stating that Wirecard was involved in money laundering in connection to illegal gambling websites in the United States (McCrum, 2020).

However, it took until 2019 for Wirecard to launch a special investigation because of allegations published in the Financial Times that the company had invented revenues and entire customers on several occasions (McCrum, 2019).

It was that very investigation which finally revealed that €1.9 Billion in escrow accounts did not exist (Wirecard, 2020). As this corresponded to one fourth of the total assets, Wirecard was subsequently forced to file for insolvency. The company also started to disclose escrow accounts as part of its assets since 2016 with the consequence that it became far more complicated for auditors to examine the related receivables (Rinker, 2021). Apparently, auditors did not investigate themselves for years, whether the account balances were indicated correctly. Instead, they relied on false confirmations from fiduciaries. In a drastic way, this failure emphasizes the consequences of a lack of consistent financial accounting and the examination thereof. Of course, there were many more aspects involved such as most probably management fraud and failure of public authorities like the German financial supervision BaFin. These aspects are currently investigated in court. Still, it was possible to discover certain irregularities in the books and annual reports of Wirecard as it was done by the critics mentioned above. But revenues and profits seemed to grow at a breathtaking pace over more than a decade. So many investors as well as auditors and regulators failed to pay sufficient attention to the consistency and truthfulness of Wirecard's and its numerous subsidiaries' figures.

Conclusion

In summary, the failure of Wirecard points out that unprofessional financial accounting occurs even at major international organizations. It may be increasingly challenging to identify such practices in our complex, globalized world. However, it is an essential skill for anyone working with or within an organization because of the severe consequences of a possible fraud. To do so, one must be familiar with the principles of financial accounting and engage with this matter in depth.

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IV. Marketing

The Marketing Strategy of Chick-Fil-A

David Adjei Algner

Marketing in a Business

In an organization, "marketing" refers to the plans, methods, and techniques used to sell a company's goods or services and expand its market share. Market analysis, advertising, public relations, sales promotions, branding, and customer relationship management are a few of these tasks. Enterprise marketing tries to comprehend client expectations and needs to create compelling campaigns that will draw in and retain customers. In the end, this will boost the company's sales and profitability.

Chick-fil-A's Way to Success

The tagline "The Art of Chick-fil-A" relates to the company's unique approach to taking care of customers' needs and constructing its brand identity, which is focused on providing great food and fostering unforgettable dining experiences. This plan includes elements like a polite and amiable workforce, a clean and pleasant atmosphere, and a commitment to moral and neighborhood-centered ideas. The business's well-liked marketing campaigns, which usually feature cows pleading with customers to "Eat Mor Chikin," are also said to follow this broad creative style. Chick-fil-A has a strong brand identity. The focus is on quality, customer service, and community involvement. Chick-fil-A has developed a clear and consistent brand identity. They have a distinct logo and branding. The logo is a straightforward yet instantly identifiable image of a stylized chicken in red and white. Additionally, the business consistently brands itself throughout all its promotional materials, including through the employment of recognizable cow characters and catchphrases like "Eat Mor Chikin."

The "Eat Mor Chikin" cow marketing campaign was developed by Chick-fil-A in 1995 to persuade customers to choose chicken over beef. The Chick-fil-A advertising campaign is becoming more well-known and well-liked. Chick-fil-A knows their customers and uses targeted advertisement, that appeal to the target audience. Chick-fil-A uses customized advertising strategies like digital advertising, social media advertising, and email marketing based on the demographics, interests, and behavior of target audiences. Chick-fil-A may engage with customers in a personalized fashion

using these marketing techniques, giving offers, and enticing purchases. One of the debatable biggest Success Factor is their innovative promotions, one of them a Chick-fil-A Cow Appreciation Day. On Chick-fil-A Cow Appreciation Day, an annual promotional event, diners who dress in cow-themed costumes or clothes receive a free menu item, typically a sandwich or an entrée. The celebration, which usually takes place in July, honors the brand's "Eat Mor Chikin" cow mascot, and raises awareness of menu item A at Chick-fil-a. Every consumer is invited since participation is necessary, which varies from location to location. The fast-food restaurant chain does not formally sponsor or participate in Chick-fil-A Family Day. But as a fast-food restaurant that values families, Chick-fil-A frequently hosts community events and activities for kids and families, including family nights, kids' meal specials, and other similar programs. It is important to ask about family-friendly events at your neighborhood Chick-fil-A because they could differ depending on the area and franchise.

The inventive Menu makes the Fast-Food Chain even more lucrative, the Menu changes from time to time. One of the reasons is the Limited-time menu. The menu offers food and drink items that are served for a brief period in restaurants, cafes, and other eating establishments. Usually, these menu items are offered to pique attention, spread the word, and boost sales. Limited-time menu items can be seasonal, based on a particular event or holiday, or simply a brand-new dish that the restaurant wishes to try out. They can also be used as a marketing strategy to entice customers to visit the restaurant more frequently and try other things. To highlight the creativity of the culinary staff and make the menu interesting for returning customers, limited-time menu items can also be used. Chick-fil-A has developed a devoted client base and kept its status as a leading fast-food brand thanks to its creative promotions and the loyalty of their customers gets rewarded. With the "Chick-fil-A One" loyalty program from Chick-fil-a, customers can accrue points for each purchase. After that, these points can be converted into rewards like free meals and other rewards. Members of the program can also take advantage of exclusive deals and discounts, make reservations in advance, and skip the line by using the Chick-fil-A mobile app. There are multiple tiers in the loyalty program, and based on their annual spending, higher tier members receive better incentives. Chick-fil-A is a fast-food restaurant brand that encourages its franchisees to get active in their communities through sponsorships and activities. The company's overarching concept is to have a good impact on the communities they serve, and this strategy fits into that. Chick-fil-A franchisees may connect with customers and improve their communities by getting involved with

neighborhood groups and events. Consistent messaging: Chick-fil-A's marketing messaging is consistent across all channels and reinforces the company's values and mission. A combination of a strong brand identification, targeted advertising, digital marketing, local engagement, consistent message, and creative promotions can be blamed for Chick-fil-overall A's marketing success.

For Business Students

Marketing is one of the most crucial factors for the success of an organization. Every Food Chain, Clothing brand or social organization must know how to seal themselves. The association depends on how it is seen, an association without social relevance will not prevail. A Business Student has the idea of working in and Organization or start their own organization. Marketing is like the Watch gear of an organization, if one gear stops spinning the watch stops working. As a Business Student you have the obligation to keep the gear spinning. The size of the gear does not matter, company head or marketing team member, all gears need to spin to succeed.

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The Innovative Marketing Strategy of Red Bull

Mario Davila Voigt

Introduction to Marketing

Marketing is a main component of a Companies success, but what is marketing exactly? Everyone defines marketing differently but the core idea of marketing is to analyze the problems of the individual, solve those problems and create a profit with that. In addition the fundamentals of marketing are defined by the 4 Ps: Product, Place, Price and Promotion (Edward, 20120). The product component describes the actual product which is sold and how its sold, that includes the package, appearance and the product's attributes. The place component describes the locations where the product can be purchased. The price component is the determination of how much the product should cost. The promotion component describes how the product is advertised (Santo, 2022). There is also a fifth one which has been discussed about by experts: People. This one describes the understanding of the customers, at the end it always depends on the customers and an investment in understanding the target audience plays an important role in marketing. All these key elements are essential for a successful marketing strategy and need to be analyzed well to create such a strategy (Edward, 2010). There are many marketing strategies and every company has to find the most suitable one for the product they want to introduce.

The Company Red Bull

Introduction to Red Bull

Red Bull is an Austrian beverage company and was founded 1984 by Dietrich Mateschitz. Inspired by east Asian beverages Mateschitz created for about 3 years the formula and a specific marketing strategy for Red Bull. On April first 1987 Red Bull was introduced in the Austrian market and with that the product category of energy drinks was created. In 2022 Red Bull employed 15.779 people in 175 different countries and 11,582 billion cans of Red Bull were sold globally. Compared to 2021 18.1% more were sold and the group turnover increased by 23.9% from 7,816 billion to 9,684 billion (Red Bull, 2023). The reason for such a huge success is the innovative and unique marketing strategy of the company, especially in the early stages.

The Marketing Strategy of Red Bull

To fully understand Red Bull's marketing strategy, one first have to uncover the target audience of the advertised product. In the case of Red Bull the target audience is mainly young people in between 16 to 29 years old. The target audience likes to overcome their limits and has a passion for sports, mainly extreme sports. Additionally with the principles of "more power", the company reflects the target audience. To underline these principles the company created the advertisement campaign of "Red Bull gives you Wings" and introduced a variety of entertaining cartoons. These are not only very memorable but also try to convey that Red Bull makes it easier to surpass your limits, which is exactly what targets their main audience. To reach this target audience furthermore Red Bull hosts and sponsors a variety of extreme sport events (Pacher, 2021). One of the most successful and innovative campaigns in that case was the "Red Bull Stratos" campaign with Felix Baumgartner. In this campaign the Austrian Base-Jumper broke the record of freefall. Red Bull paid 50 million dollars for this event but earned in return from the global reporting 6 billion dollars and global advertising for its brand (ReadOn, 2021). Besides this outstanding event Red Bull hosts and sponsors soccer leagues, ice hockey, flight shows, festivals, mountain bike and motorcycle and ski and snowboard events. Red Bull even owns teams in the F1, NASCAR, soccer and ice hockey. Basically wherever one can find sports associated with action, Red Bull is presented (ReadOn, 2021). Especially young people watch these extreme sport events and associate Red Bull with these "surpass your limits" values and that's exactly what Red Bull wants (Pacher, 2021). They are not only there to sell you an energy drink. They try to implement a lifestyle that is followed by the target audience. In this case customers are supposed to buy Red Bull on a regular basis and include it in their lives like a habit (Dudovskiy, 2012). One could say that Red Bull really analyzed the idea of the fundamentals of marketing especially the component of people and promotion. With the focus on a specific target audience Red Bull analyzed what its customers want and are interested in. Based on that information Red Bull created suitable promotions and campaigns. In the end Red Bull used this niche of the market to become the leader of the energy drink industry.

Comparison to the Module Marketing

As seen in the case of Red Bull marketing can be the key component of success in a company. Therefore the module Marketing in the third semester of the bachelor International Business

Administration & Entrepreneurship is a great opportunity to study about this important element of business administration. Red Bull obviously uses a very specific marketing strategy but besides this one there are far more ways to convey a product to the consumers. The module Marketing will probably teach about similar and very different marketing strategies. The knowledge about different strategies will be important to analyze companies and their marketing such as Red Bull. In addition marketing often can be manipulating as seen in the example of the lifestyle strategy of Red Bull. Studying about these manipulative marketing strategies might make it easier to identify and analyze these tricks of marketing psychologists. Red Bull really did a great job in finding a niche for their product and a suitable target audience. This only can be created through a deep knowledge of marketing. In the module students will be able to gain this knowledge and at the end might be able to create a comparable marketing strategy. There are many different products on the market and there are more to come. Each of these products can be commercialized differently and through this module students will be able to differentiate between marketing strategies appropriate for the given product.

Conclusion

In conclusion, Red Bull's success story is based on their innovative and unique marketing strategy, which successfully targets the desired audience. By analyzing the 4 Ps and understanding the potential of its target audience, Red Bull found a perfect niche for its product in the market. Through hosting and sponsoring extreme sports events Red Bull was able to perfectly reach its customers and implement its brand consistent in their lives. The module Marketing can provide valuable insight into the various marketing strategies used by companies and help students understand how they can analyze and differentiate between them. While marketing can be manipulative, studying about these strategies can help students identify and analyze the tricks of marketing psychologists. Overall, Red Bull's marketing strategy serves as a great case study for students to understand how a strong marketing strategy can drive a company's success.

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The Importance of Marketing in Business

Bamise Joseph

What is Marketing ?

Customer requirements and demands are identified, anticipated, and satisfied through the process of marketing. It entails developing, marketing, and distributing goods and services that cater to the needs of the target market. Along with creating and maintaining a brand's reputation, marketing also entails research to comprehend consumer behaviour and preferences.

A few examples of the many various marketing tactics include advertising, public relations, direct marketing, personal selling, and digital marketing. The goals of marketing are to increase consumer loyalty, generate leads and sales, and raise brand exposure. By employing efficient marketing strategies, businesses may establish their position in the market, differentiate themselves from the competition, and create a lasting impression on customers.

Examples of marketing are content marketing, which is the process of producing and disseminating worthwhile, timely, and consistent content in order to draw in and hold on to a target audience; social media marketing, which is the usage of social media channels to advertise a brand, interact with customers, and raise brand recognition; and referral marketing, which is the practice of rewarding current clients for introducing them to the company's new clients.

Nike: A Pioneer of Marketing

Bill Bowerman and Phil Knight established the international sportswear company Nike in 1964 under the name Blue Ribbon Sports. The two guys started importing and selling Japanese-made running shoes in the US since they both had a passion for the sport. The business changed its name to Nike, Inc. in 1971. The Greek goddess of victory served as the inspiration for the name, and Carolyn Davidson, a graphic design student, created the well-known "swoosh" emblem. The swoosh represents the Nike goddess Nike's wing. Nike is well-known for its aggressive and imaginative marketing tactics, which have helped establish the company as a global leader in sports footwear and gear. Nike's marketing approach includes celebrity endorsements, sponsorship of sporting events and teams, and a focus on product innovation. Nike's "Just Do It" tagline, released in 1988, was one of the company's most successful marketing efforts. Since then, this tagline has

been associated with the Nike brand, appearing in various advertising campaigns and on innumerable goods. The use of celebrity endorsements is another major part of Nike's marketing strategy. Nike has signed numerous high-profile sportsmen to endorsement deals throughout the years, including Michael Jordan, Kobe Bryant, LeBron James, Serena Williams, and Cristiano Ronaldo. In addition to that, Nike not only partners with famous people to endorse their products but also supports several international sports teams and events. These sponsorships help establish Nike as a symbol of excellence and success while giving the brand important exposure. Additionally, Nike makes significant investments in product development and research, which helps set the company apart from its rivals and enables it to maintain a lead in terms of product performance and design. Nike, one of the largest sportswear manufacturers in the world, has also made a significant impact on young people. Nike and its young audience have developed a strong emotional connection as a result of the brand's use of different marketing strategies to draw in their attention over the years. The brand has significantly influenced young people by motivating them to be active and take part in sports. The business has sponsored some of the most well-known athletes in the world, using them as role models for young people. Nike's marketing efforts are known for motivating young people to "just do it" in order to overcome obstacles and achieve their goals. In addition, Nike has actively backed social issues that appeal to young people. Youth who are passionate about social justice and change have connected with the company's stance on issues like racial equality, gender equality, and climate change. Nike advertisements have a history of defying social norms and championing individualism, with a concept that appeals to young people who value authenticity and creativity.

Why is Marketing Important for International Business?

Understanding marketing is essential to comprehending international business. It is essential for assisting businesses in effectively promoting their goods and services to potential clients on international marketplaces. Businesses can grow revenue, diversify their audience, and boost brand recognition by implementing successful marketing methods.

Additionally, marketing aids businesses in adjusting to the social and cultural standards of international markets. To create marketing messages that resonate with consumers in diverse countries, it is crucial to understand their values, beliefs, and preferences. This calls for in-depth market research, which may assist businesses in identifying their target market and creating

strategies that suit their wants and preferences. Additionally, due to the global nature of business, organizations must compete with both domestic and foreign opponents. Marketing tactics can assist businesses in standing out from the crowd and developing a distinctive brand identity. This can be done through creating cutting-edge products, providing excellent customer service, or placing a strong emphasis on sustainability and social responsibility. In conclusion, marketing is an important subject to study when studying international business. It helps businesses acquire a competitive edge, develop a presence in international markets, and comprehend regional customs and preferences. In order to compete successfully in the increasingly connected global market, businesses must invest in creating effective marketing strategies.

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Restoring Reflection in Management Education

Matthias Wenzel

This collection has provided a vivid illustration of why it is relevant to study management and entrepreneurship, in particular the B.Sc. program on “International Business Administration and Entrepreneurship” (IBAE). The breadth of cases mobilized for this purpose is remarkable. The cases span a broad range of industries and contexts, differ in size from “very small” to “very large”, and pursue different purposes such as “profit” and “non-profit”. In spite of this plurality, the overall body of chapters shares several common themes when abstracting away from the specifics of each chapter.

First, the chapters draw attention to “technical skills” needed to manage contemporary organizations in business and society. Technical skills involve the mastery and application of tools and techniques to solve problems in management and entrepreneurship. References to technical skills can be identified, among others, by reference to “how entrepreneurship [...] fuels growth” (p. 25), “how [X] applies key points of management” (p. 83), and “strategies for success” (p. 119).

Hence, knowledge that serves as the foundation of technical skills implies an instrumental reading of management and entrepreneurship, à la “do X to achieve Y”. Such knowledge is not unimportant. Especially knowledge covered in more conventional business administration modules such as accounting and finance is more technical in nature in that it features tools and techniques for getting things done in rather reliable and predictable ways (e.g., bookkeeping). In those areas, predictability and reliability are not only desired, but even essential (e.g., see pp. 413).

However, as many chapters in this volume also reflect, the contemporary turbulence of business and society exhorts management and entrepreneurship to go beyond predictability and reliability. Specifically, they foreground the importance of “adapt[ation]” (p. 87), “disrupt[ion]” (p. 169), and an “entrepreneurial spirit” (p. 199), among others.

Such references can, second, be associated with “conceptual skills”. Conceptual skills are one’s ability to understand and enact problems at hand against the background of theoretical management and entrepreneurship concepts. Whereas technical skills are aimed at a fixed set of (management and entrepreneurship) problems to be solved, conceptual skills do not predefine problems at hand. Instead, they are open to ever-new challenges that arise in business and society.

This, again, has implications for the content of management education, at least in IBAE: The profile modules in the program put great emphasis on conceptual skills.

This focus likely raises questions. For example, just like one may ask why high school education doesn't teach students in declaring taxes, one may ask why IBAE doesn't focus more fully on the transmission of knowledge needed to build technical skills such as writing a business plan.

Answers to these questions are rooted in the very nature of conceptual skills. Specifically, the problem-sided openness of conceptual skills enables their carriers to respond to unfamiliar and even unexpected situations at hand. Those who are able to learn quickly thanks to conceptual skills should, then, be able to adapt quickly to situations for which they have no technical skills at hand. In other words, although high school education does not train students in the *specifics* of declaring taxes, the *generalist* nature of high school education should deliver the foundations for graduates to find their way through this process. Similarly, although IBAE partly, but does not entirely focus on training students in technical skills alone, the conceptual skills acquired in the *generalist* IBAE program should enable graduates to quickly understand and find solutions to the *specifics* of the problems at hand (e.g., writing a business plan).

A focus on conceptual skills, then, complies with the idea that organizations currently find themselves in turbulent and uncertain business terrain—as many of the chapters in this volume have illustrated. If the contemporary business terrain is turbulent and uncertain, spending years and years in specialist education focused on a narrow set of technical skills can (but certainly does not have to be) a waste of time: Who knows whether these technical skills will be needed in a few years if the business terrain changes quickly and moves into uncertain directions? Reversely, those who are able to understand and enact the unfamiliar and unexpected problems arising in the future will be the ones who can deliver the answers needed in turbulent and uncertain business environments. As such, a focus on conceptual skills also complies with a broader understanding of “entrepreneurship”, one that extends beyond the process of “founding a new venture” that is associated with specific technical skills (choosing the right legal form, declaring taxes, etc.). Entrepreneurship may, but does not have to include founding a new venture, but it more often than not tends to be more than this process in that it draws attention to discovering, creating, and recognizing opportunities, creating or harnessing disorder and disruption, as well as creativity, ingenuity, and innovation.

Yet, for conceptual skills to deliver on these high expectations, a third type of skills must be acquired: reflection. Reflection is the ability to engage in deep-level considerations of a subject matter. It allows skill carriers to surface—and, by implication: question and criticize—hidden patterns in streams of activity. For example, the way an organization is managed on a day-to-day basis may systematically reproduce a neoliberal ideology, one that is not directly visible as such and can, therefore, be accessed only through reflection. Or in spite of written codes and guidelines promoting gender parity, the hiring procedures of an organization may display hidden gender inequalities, ones that can only be understood through a reflective engagement with the patterns of day-to-day hiring practices.

Without reflection, carriers of conceptual skills are at risk of (mis)understanding and enacting unfamiliar and unexpected problems against the background of the ever-same views and assumptions based on which prior problems have been engaged with through the eyes of known theoretical concepts. Reflection, in turn, is an action that reflects back on itself. In doing so, it is at the same time a self-formative act of self-reflection that also leads skill holders to question their own views and assumptions (Habermas, 1972). Hence, reflection enables carriers of conceptual skills to approach unfamiliar and unexpected problem with fresh eyes. As such, it is foundational for conceptual skills to do justice to the turbulent and uncertain nature of contemporary business and society. Likewise, reflection is foundational for technical skills. Without it, carriers of technical skills are unable to draw connections between problems and tools at hand to generate solutions.

Given its importance, the formation of reflection is a running theme and central maxim in IBAE. All courses and seminars practice reflection in one way or another.

In the context of university education, reflection may be self-evident to some, but it isn't. As Habermas (1962, 2022) argued and recently renewed, reflection is a deep-seated skill practiced by human beings in modern societies, but it has been increasingly suppressed by the instrumental means-ends logic of bureaucratic parts of business and society (strategy, politics, etc.), as well as the growth of consumer and media culture that fosters unquestioned and echochambered lifestyles (e.g., through social media that polarize opinion formation by displaying like-minded content instead of promoting reflection through diverse content).

In part, management education may be complicit in this dynamic. As Vaara and Fäy (2012) argued, management education reproduces problematic (e.g., neoliberal) beliefs, values, and practices by teaching management tools and concepts without much reflection. Central to such management education, according to Vaara and Fäy, is to train students in the “management jargon” needed to gain access to the well-paid upper-management levels of organizations. Questioning the tools and concepts behind such jargon is, then, a secondary objective at best. Yet, as Vaara and Fäy highlighted, the lack of reflection in many programs of management education cannot be attributed to instructors alone. As they argued, instructors respond to an instrumental expectation raised by students to deliver a degree, e.g., to land a decent job after graduation. This brings us back to the beginning of this book: Why to study IBAE? Just for instrumental reasons, such as landing a decent job? Or are there deeper reasons?

Due to the central role of reflection, it seems important to restore it in management education where it might have been lost. Yet, given that the partial loss of reflection in management education is part of a broader dynamic that cannot be ascribed to instructors alone, it seems insufficient to render reflection a maxim in IBAE’s courses and seminars: At the same time, students’ participation in restoring reflection seems necessary and warranted. In contrast to technical skills that follow predictable and reliable patterns, reflection defies such patterns that can be “transmitted” from teacher to student in rather conventional ways. Instead, reflection has to emerge “from within” those who aim to acquire this skill by “doing” it (Habermas, 1972).

That IBAE students—as elaborated in the beginning of this book—tend to “know” why they come to Leuphana to study this program beyond merely instrumental, content-empty reasons is a solid starting point for restoring reflection. Active participation in the courses and seminars is an additional one. Without it, it is impossible to practice reflection.

Given that the grand challenges of our time exhort us to question and break with past patterns, and to unleash the creativity needed to generate new ones, restoring reflection itself seems to be one of the grand challenges of our time to be tackled. IBAE aims to make a contribution in this regard by forming students as reflective practitioners who are able to challenge, question, and transform the status quo in business and society. Be part of this journey!

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