

Prospects and guidelines for sustainable development of a newly established architectural firm

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Abstract – Every company is created with the desire to implement a new idea, aimed at solving a real problem for customers with an innovative product or service, which in practice means building competitive advantages. This requires the entrepreneur to have a clear assessment of what he does and what he wants to be, to achieve, and most importantly - focus on how he can realize his goals. The purpose of the study is: 1) developing a model that includes the necessary actions aimed at specialization and differentiation, sustainable development of the company and building competitive advantages, 2) empirical research of the model in several newly established architectural firms, which will prove the mutual connections and dependencies in the model and the influence on the process of specialization and differentiation and building competitive advantages.

Keywords – business model, competitive advantages, differentiation, innovation, learning, specialization, stakeholders.

1. INTRODUCTION

Every company is created with the desire to implement a new idea, aimed at solving a real problem for customers with an innovative product or service. These ventures are usually implemented by the owner/entrepreneur with limited resources, which are provided either by him/herself or by a group of investors who believe in the presented entrepreneurial concept.

The new challenges related to sustainable development require the company to find the right balance between entrepreneurial ideas and sustainable practices, which allows it to successfully adapt to the dynamics of the external environment, to survive and/or to realize growth, taking advantage of its innovations. Development prospects are related to a clear definition of strategy, communication and support from stakeholders, development of internal company resources through learning, knowledge transfer, digitalization and creation of an effective business model, which allows the creation of higher value for the customer compared to the competitor.

The first and main problem facing the newly established architectural firm is, above all, the choice of a field of activity (scope) and strategy that will provide competitive advantages and the desired success. The well-known fragmentation of the construction (and

architectural) market creates a number of problems for its activities, at the same time it is an opportunity to create a unique, strategic resource through specific organization and management, specialization, which creates distinctive company competencies.

Historically, architectural firms have been tempted to do many, different and increasingly more projects, to work in different markets, for different clients. Every firm is ready to accept and start any project and site, regardless of the experience it has, just to have work or to have more work. Therefore, one of the most complex critical problems is the problem of choosing the firm's scope of activity, which includes decisions for:

- Territorial scope. The choice is most often a result of the localization of the firm, the competitive environment and demand. This does not exclude the possibility of expanding the scope at a later stage, when the firm is established in the market and recognizable by clients.
- Vertical scope. The company's instinct is to grow, to cover more activities in order to minimize risk and gain an ever-increasing market share. In principle, when creating such a complex business, different activities have different profitability, different attractiveness and it is difficult to build a competitive advantage. It should be sought either in architectural, or in design services, or in the construction itself, or in one of the specified activities along the chain, but not in all activities simultaneously and together.
- Market scope. Every successful company strategy is a function of choosing a market segment where the company can offer its services and the company's extremely good knowledge of customers, competitors in the given field, the given type of project and the ability to develop it better, faster than other companies. The choice of market scope is a consequence of a series of marketing actions related to market research, collection and analysis of information about consumer characteristics, preferences, purchasing propensity and, on this basis, segmentation and selection of a target market where the company can best position itself and convince its potential customers that it offers them exactly the product they want and are looking for.
- Product scope. Selection of a product for the selected target market that the company will create and offer: only architectural services and/or implementation of the created projects.

The choice of scope of company activity is the answer and solution to the problem of building competitive advantages. Choosing a narrow scope of activity for an architectural firm means specializing in a certain type of project, working with specific buyers, in a certain market (in geographical, territorial terms). This is ultimately a factor for differentiating one's own company offer based on market segmentation, outlining the profile of users, evaluating competitors and their offers, and positioning one's own product in the selected target market. This policy costs more money, but practice shows that it ensures the realization of the set goals.

The implementation of the chosen strategy means accumulating experience, knowledge, resources from doing the same project [1]. The development of multiple, different projects, which are most often the same in the eyes and assessments of customers and are won and implemented mainly due to the market power of the company and the ability to control the market, can be a strategy and behavior of individual companies in this market.

The goal of every architectural firm should be specialization in the development of projects that differ, differentiate from the competition and meet the desires of clients from the target market, the goals of the firm and do not contradict the interests of society. This is the basis for developing a strategy that includes clearly defined long-term goals, specific policies, actions and decisions aimed at building competitive advantages [2] and sustainable

company development. From such a perspective, the purpose of the study is: 1) developing a model that includes the necessary actions aimed at specialization, differentiation, sustainable development of the company and building competitive advantages, 2) empirical research of the model in several newly established architectural firms, which will prove the mutual connections and dependencies in the model and the influence on the process of specialization and differentiation and building competitive advantages.

2. RESEARCH

The strategy, oriented towards sustainable development of the company (defensive, offensive, environmentally efficient and proactive), has a main goal - building competitive advantages (product differentiation or price differentiation) and realizing the company's goals in the three aspects - economic, social and environmental, which is also the main motivation for the development of the company. It should create a vision for the future development of the company and the conditions for its implementation. This requires, first of all, an assessment of the correspondence between the idea of sustainability with the mission, vision and the degree to which the idea facilitates the implementation of the strategy. The goal is not only to define a clear, convincing mission and vision, but to implicitly embed the principles of sustainable development in the overall activities of the company.

The newly established firm must constantly balance between creating and offering additional economic, social and environmental value that meets the expressed preferences of stakeholders, allocating scarce resources. One can also add the well-known fact that due to lack of time and experience, information, knowledge, such a firm at the beginning of its activity does not even have stakeholders that it has to seek, attract and create [3]. The newly established firm usually has informal but flexible organization and structure. Decisions are unplanned and unsystematic [4].

Reputation, trust, and legitimacy of the entrepreneur are key intangible resources for the startup and the basis for long-term results. On them, relationships with stakeholders are developed, which are highly personalized, close, unique, aimed at gathering information about their desires and expectations. They are realized through informal and unplanned mechanisms (chance meetings, information from websites, social networks), which deprive them of the opportunity to learn about new important events, changes, and unforeseen circumstances in a timely manner. Limited resources and time do not allow for an active information and advertising campaign.

A key advantage for the company is that all this can be done early on, learning on the fly from its actions and mistakes. First, it must expand its thinking from customers to stakeholders and assess how its product impacts employees, suppliers, communities, the environment, and shareholders. All of this requires more transparency and information about its operations, an assessment of its impact on nature and how the company protects the interests and rights of its own employees and those in the vertical value chains in which it participates. Rethinking tasks in this broader context will ultimately lead to the development of new strategies, practices and business models that are in line with global goals.

The prospects for sustainable development of the architectural firm are determined primarily by the personal, social and environmental characteristics and beliefs of the entrepreneur directing the firm towards non-profit, social and environmental activities (direct financing of non-profit organizations, community service projects of employees,

donations), which, in his opinion, correspond to the strategy. Another option is for the entrepreneur to engage in improving operational efficiency along the entire vertical value chain (upstream and/or downstream), thus realizing economic (reduced costs, delivery times), environmental (requirements for the supply of materials, with zero environmental impact, reused, recycled ones) and social (control over production in related companies, safety, working conditions, pay, etc.) value.

Therefore, the choice - sustainable company development and competitive advantages is a function of the following individual and organizational characteristics - autonomy (the owner's ability and will to use available opportunities), innovativeness (engagement and support of innovations - new ideas, experiments, creative processes, technological processes), propensity to risk (making decisions that engage a large part of the assets), proactivity (assessment of the prospects for market development and stakeholders) and competitive aggressiveness (competitive policies, actions with an existing and potentially new competitor) [5]. Managing a company is becoming increasingly complex and requires expanding the scope of analysis, evaluating a huge amount of information, and making decisions that take into account many additional considerations. The main focus is on how the company's activities affect people and the natural environment as it manages its business, designs, manufactures and sells products, and acquires and uses the facilities and resources necessary to satisfy the desires of customers, stakeholders, and society. The desire to develop core competencies that satisfy only customers with desired products that meet their specific expressed desires is a thing of the past. This is essentially a process of forming a new corporate mindset that encompasses all entities, organizations and relationships that are necessary to formulate and implement strategies and to achieve goals in the present and future and to mitigate the internal and external negative impacts of decisions and actions [6]. The dynamic environment creates opportunities for corporate development based on building and improving connections and relationships with stakeholders, which is a factor in realizing additional value, improving reputation and image and building competitive advantages.

By building its relationships with key stakeholders (government agencies, non-governmental organizations, consumer organizations, environmental groups, etc.), the company can predict events that pose threats to it and eliminate them in a timely manner. On the other hand, with its activities (design, sale of products, used resources, technologies), aimed at satisfying their desires, it affects society as a whole and the natural environment. Synchronizing interests and building trust between the company, customers and stakeholders is essential for developing a successful strategy oriented towards sustainable development.

Hypothesis 1: Communication and support of stakeholders have a positive impact on building competitive advantages and and the sustainable development of the company.

The innovative capacity of any firm is its ability to create, develop and implement a new product or a new process in new markets, by absorbing new knowledge from partners, competitors, customers, from firms operating in other, complementary or interconnected markets. The development of any innovation is the result of the adaptive and absorptive firm's ability to discover, evaluate external, new knowledge and information, to assimilate and integrate them with its internal knowledge, thus practically creating new knowledge. These capabilities of the firm ensure the development and convergence of internal resources, distinctive competencies with the dynamics of demand and technological changes.

The main specificity in the development of any newly established company is related to the identification of processes and activities that encourage and stimulate innovation.

These processes are defined as the “4P” model (product, process, position, paradigm), developed specifically for the study and application in the innovative activity of new companies oriented towards long-term growth [7]. It is based on the hypothesis that successful innovations should include product and process innovations, successful positioning, and a clear definition of strategic goals for company development.

Product innovation directs the company to build specific company competencies, which are a factor in creating a new or changing, modifying, improving an existing product, in accordance with customer needs. This process is a function of the manager's ability to monitor and evaluate changes in demand, technology, knowledge development and training in the company. In its implementation, multiple entities (inside and outside the company) actively participate, with complex interconnected processes in the vertical value chain. Creating and offering a new product requires integrating, coordinating the activities of all units and employees in the company and searching for a new, most appropriate configuration of resources that allows for the realization of goals. Product development is closely related to the development of market competencies - market segmentation, target market selection, advertising, flexible pricing policy, after-sales service and convenience for users.

The main challenge facing the young company is not only the development and implementation of the given idea, but also the preservation of ownership over it, through timely registration of patents, trademarks, industrial designs and other forms of intellectual property protection. Successful innovation in the product and its development has a reverse effect and develop internal resources and distinctive competencies.

Innovation in the process in the newly established architectural firm is associated with the search for information, knowledge about the development of new technologies, external partners or a decision to participate in the development of open innovations. Any change in the process can lead to the creation and development of new technological competencies of the company, to ensure increased productivity and efficiency and show its ability to create and offer higher added value to its customers, compared to its competitors.

Successfully positioning a company's product and convincing customers that this is exactly the product they want can change the market, create a new market, and significantly influence the development of a company's distinctive capabilities. The positioning process requires attracting potential customers and converting them into real ones, seeking new partners for development or improvement, product modification, organizational changes in distribution, advertising, additional services, and conveniences that solve a customer problem.

Strategic choice strongly influences innovative activity and development of the innovative company and includes actions related to protection or expansion of the company's market positions, through skillful combination of organizational and technical development or aggressive policy to occupy a dominant, leadership role based on innovations, as well as human resources management. The entrepreneur must ensure the active inclusion in this whole process of competent employees, consultants, who are innovatively oriented and create conditions for the development of innovations in technological departments, away from commercial, market pressure.

Hypothesis 2: The development of innovations has a positive impact on building competitive advantages and the sustainable development of the company.

The most essential characteristic of any newly established company is the limited material base, resources and capacity, as well as the lack of history, experience, knowledge, routine and reputation. The main goal is company development and growth through training and integration of external skills and knowledge with internal resources.

The starting point in this process is the activity of the entrepreneur, which should concentrate on monitoring the external environment, analyzing development opportunities, selecting resources, developing appropriate skills, training, accumulating organizational knowledge, etc., which allow rapid adaptation to the dynamic external environment and constantly changing working conditions [8]. The task before the company is to make decisions that achieve a balance between the simultaneous realization of social, economic and environmental goals.

Information and knowledge support and facilitate customers (and stakeholders) in the process of comparing alternatives, evaluating competing substitute products, and making a rational and effective decision (from their subjective point of view) to choose and purchase the right product at an acceptable price. In the conditions of constant information flow, facilitation and increased access to information (provided by the Internet, social and global media), increased opportunities for its analysis, assimilation, absorption and transformation into knowledge, customers and stakeholders have facts and specifications about products and processes, which was impossible to happen ten years ago. In other words, customers/buyers and those who produce and market them know too much about each other (whether they always know the truth is another question). Furthermore, customers and stakeholders can share their opinions, perceptions, expectations, critical, negative and positive evaluations with thousands of others who are interested in their opinion about products, advertising messages, process results, waste issues and any negative impacts related to production and use (regardless of how credible and accurate, objective it is). It is becoming increasingly difficult to maintain only positive qualities for the product and the company's activities, using classic, traditional production (creation of an exceptional product) and marketing methods (advertising, promotions) without integrating digital technologies into all aspects of business activities (digitalization of communication between the company and customers, of business operations and the business model). The digitalization process provides faster pace and higher quality of design and implementation and requires fundamental changes in culture, operational organization and principles for creating new products and services.

Central to the digital transition is product information modeling, which integrates data related to cost estimation, time, product design to last longer, be easier to reuse, repair and recycle, and include as many recycled materials as possible. This ensures the creation and supply of a sustainable product, as well as more rights for consumers. The digitalization of the company's activities provides a complete picture and a comprehensive analysis of the product life cycle (from the idea to destruction and reuse, etc.), which stimulates innovation, shortens the development and implementation time and increases productivity. In addition, the system is an effective way to integrate and work together with the entire team, which reduces errors and unnecessary changes, transaction costs, asymmetry and loss of information that traditionally occur within the vertical supply chain, since detailed information is provided to each participant from the very beginning.

Hypothesis 3: Information, knowledge and digitalization have a positive impact on building competitive advantages and the sustainable development of the company.

Defining strategic goals and developing a strategy allows for the creation of a new, sustainable business model, as a system of coherent, comprehensive, clearly formulated structures, rules, procedures that are used by the entrepreneur to organize and manage the company. In a newly established company, this is a difficult and complex process, different from the same process in large, established companies on the market. Success can be the result mainly of training, transfer and assimilation of new knowledge, and on this basis adaptation to dynamic conditions. All this creates a constant reflex in the entrepreneur

looking for new ideas and opportunities for coordinating and reconfiguring resources and competencies, considering his business as a single, coherent system, in which innovations and the interests of stakeholders are the basis.

The development of an effective, working business model in a new, starting-up company has a significant role in achieving sustainable results. The entrepreneur faces various challenges and, unfortunately, a high rate of failure. Today, the idea of the company to create, improve the product, the process of its creation, to introduce new forms of organization, marketing, structure, management, vertical relationships, with which to respond to the dynamics of the environment are aimed at offering products and services that have zero negative impact on the environment and bring benefits to society [9]. In other words, innovations have an important place in the company's business model and are a major factor in achieving sustainable results and building competitive advantages.

The main specificity of creating a sustainable business model in a startup is related to the identification of processes and activities that encourage and stimulate innovation. In a dynamic environment, these efforts must be supported by all stakeholders. Their participation (and especially customers) in the process of creating a new product, offering ideas, constructive suggestions, conducting tests, providing tangible or intangible resources for development and creation of offers is especially valuable [10]. This is a factor that stimulates the company to make new strategic decisions and change the business model in order to increase its efficiency. In the conditions of digitalization of processes, when information is easily accessible, the joint activity of the newly established company with stakeholders is a factor in promoting the environmental, social aspects of the offered products, services, trademark, which is a factor in attracting customers, etc.

Hypothesis 4: Creating a sustainable business model has a positive impact on building competitive advantages and the sustainable development of the company. (Fig.1).



Fig. 1 Theoretical model: Focus of company activity - Specialization and differentiation - Company strategy and actions aimed at building competitive advantages

3. RESULTS AND DISCUSSIONS

The empirical research was conducted using a developed and applied methodology to evaluate the defined hypotheses. The study included eight architectural firms founded by architects who had recently graduated from university. All are oriented towards sustainable construction and a circular approach (design of residential and public buildings, landscape solutions, applying innovative technologies, energy-efficient solutions, ecological and recycled materials in every phase of design and construction, combined with high standards of aesthetics, quality and functionality). Three of them have a clear choice of scope and focus of the activity, while the rest work on the principle of 'trial and error'. The selected companies have similar resources and competencies related to organization and management.

The information was collected through a survey conducted among owners/entrepreneurs who have complete information and knowledge about their own company they manage. The survey includes four parts that follow the formulated hypotheses and allows to determine the correlation and assess the influence of the independent variables (stakeholders, innovation, knowledge, information, digitalization and business model) on the dependent one.

Entrepreneurs are asked to assess the impact of the indicated factors on the company's activities, marking their answers from 1 to 5, where 1 means "completely does not respond" and 5 means "completely responds" on the Likert scale (Appendix 1). The survey is formulated in an understandable way, the necessary explanations for certain terms have been added, but do not exclude the influence of the subjective factor when assessing the achieved results, a function of the specific practices applied. The Cronbach's Alpha coefficient was also used, whose high value (higher than the accepted base of 0.7) proves internal correlation and consistency of the questionnaire, representativeness of the final results.

When analyzing the results of the survey, the average values of the answers given in the survey were first calculated, which show the influence of the independent variables on the building of competitive advantages and the sustainable development of the company (the dependent variable). On this basis, the Pearson coefficient (R) was calculated for the entire sample and the coefficient of determination/certainty (in %) - R², which gives a more accurate estimate and shows what percentage of changes in the independent variable will lead to changes in the dependent one (the remaining percentages up to 100 define the coefficient of uncertainty). The calculated Pearson correlation coefficient is significantly greater than zero, which by definition rejects the null hypothesis of independence between the studied variables and proves a positive relationship between actions aimed at specialization and differentiation, sustainable development of the company and building competitive advantages. The results are summarized and presented in Figure 2.

The results obtained allow us to draw the following conclusions from the study:

The entrepreneurs surveyed highly appreciate the role and importance of communication and support from stakeholders ($H_1=0.734$), which reduces the environmental and social pressure on the company. Their participation (and especially that of customers) in the process of creating a new product, offering ideas, constructive suggestions, conducting tests, providing material or intangible resources for development and creation of offers, distribution is particularly valuable [11]. This is a factor that stimulates the company to make new strategic decisions and change the business model in order to increase its efficiency. In the context of digitalization of processes, when information is easily accessible, the joint activity of the startup company with stakeholders

is a factor in promoting the environmental, social aspects of the offered products, services, brand, which is a factor in attracting customers, etc.

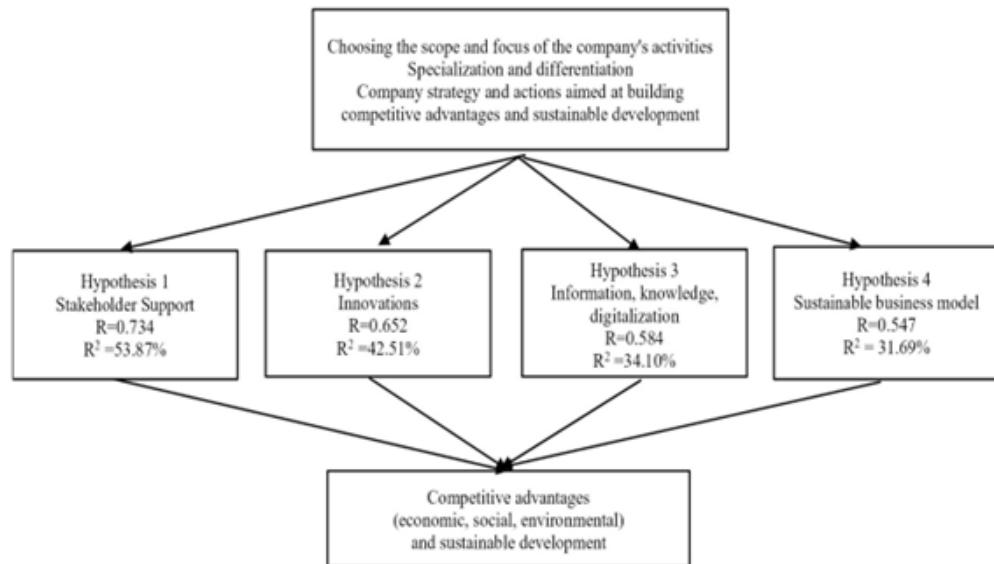


Fig. 2 Correlation between the company actions of a newly established architectural firm aimed at building competitive advantages and sustainable development of the company (Pearson coefficient - R and coefficient of determination/certainty (in %) - R²)

Criticisms, suggestions, comments or expressed wishes from stakeholders can be received easily and quickly in the company and used by it to implement changes. Although customer satisfaction remains critical to achieving positive results today, it is only one component of an increasingly broader vision that also includes satisfying the interests of stakeholders and society. The task before the company is to make decisions that achieve a balance between the simultaneous realization of social, economic and environmental goals.

The development of the company's innovation competencies allows for the stabilization and strengthening of relationships with customers and suppliers, which stimulates and ensures the desired company growth, and over time it ensures the expansion of relationships and the development of new technologies with partners, entering new markets (H2=0.652). The internal processes in the company, related to its organization, culture, and employee selection, encourage the staff and their motivation to develop and implement new innovations. The entrepreneur and his team increasingly take thoughtful, conscious steps and decisions, tailored to the specifics of the company and the specifics of the market in which it operates, which is again a factor in the development of the company. The inclusion of potential customers in the development of the new product, cooperation with established organizations, allow easier and faster adaptation to changes in the external environment and changes in internal resources. The ability to objectively and timely assess internal resources and the possibility of their development through the construction of an effective integrated vertical system, the development of knowledge and skills based on a system of training and employee stimulation are important factors for the realization of the strategic goals set by the newly established company.

The surveyed entrepreneurs highly appreciate the role of knowledge and information, especially digitalization, but also the difficulties they face ($H3=0.584$). The collected information is the basis for developing various development scenarios, assessing technological changes, learning and acquisition, knowledge transfer from partners, developing scientific and research activities, assessing the behavior of customers and competitors. In recent years, significant improvements have been observed in the development of information and communication technologies, which lead to global connectivity (internet and mobile network), both for established and start-up companies. The process of digitalization causes significant changes in company processes and capabilities, which allow various activities to be carried out regardless of time and distance, creates new interconnections between products, processes and services, new business networks and inter-company relationships, which generally requires a fundamental change and a significant transformation in business strategy and creates several difficulties.

In their activities, newly established companies constantly study the behavior of large, competitive companies, analyze their actions, experiments and thus learn from them. This allows them to be flexible, to apply imitation in their actions and to develop. Such behavior implies a lower chance of failure and losses, compared to companies that do not experiment, do not improvise, due to fear of failure or due to greater self-confidence. It is very difficult to determine exactly how managers analyze and evaluate information to reach the right decision, but it is a fact that the more active a company is in these activities, the greater its chance of success, and mistakes, omissions, and losses remain a constant companion in the uncertain environment [12]. The accumulation of experience, combined with company specifics, stimulates innovation and strengthens organizational growth. Over time, the company's development should be oriented towards deepening ties with other companies and scientific institutions, which expands the information base it has, its exchange and integration, and stimulates the development of its own training system.

The main specificity of creating a sustainable business model in a newly established company is related to the identification of processes and activities that encourage and stimulate innovation. In a dynamic environment, these efforts must be supported by all stakeholders. Innovation, stakeholders are the link between the business model ($H4=0.547$) in the start-up company and sustainable development [13]. It focuses on connections, interaction with direct and indirect stakeholders, information exchange between participants in the vertical chain, and the creation of new combinations of products and services, in which environmental, economic and social aspects are leading. Innovations as a main component of the business model should be aimed at changes in the organizational structure, supply chain, management system, development of a new marketing mix (product, distribution, advertising).

New products on the architectural market must offer higher added value, customer satisfaction through improvements, quality, functionality, increasing the relative share of reused recycled materials, reduced production costs, opportunities for shared consumption, etc. In other words, in creating a business model oriented towards sustainable development of the company, the description of the product, services, customers, the establishment of effective vertical relationships, the method of creating, offering, realizing the additional social, environmental and economic value and its distribution between stakeholders, the company and society must find a place.

4. CONCLUSIONS

In the proposed study, the author analyzes the prospects for the development of a newly established architectural company in the conditions of a dynamic external and internal environment and increasing requirements for environmentally and socially responsible activity. For this purpose, a model has been developed and empirically tested, which includes the necessary actions (stakeholders, innovation, training, digitalization and business model), aimed at specialization and differentiation in order to build competitive advantages and sustainable development.

As mentioned, every company starts work with the idea of creating something newer, better, faster, to offer a solution to at least one problem of stakeholders, to balance between the realization of economic, social and environmental goals.

A main factor and incentive for the development of the startup company are the personal relationships of the owner and the accumulation of social experience through engagement in voluntary social and environmental causes, donations, and collaboration in the digital network and platforms within the company's own target market and between different markets. In the conditions of a changing external environment, the entrepreneur is faced with the challenge of constantly changing his internal resources, to look for different ways, paths for a new configuration and reconfiguration of resources, which also means a high percentage of risk and failure. The main methods he applies are "trial and error", improvisation and imitation. These practices allow the development and formation of the company's knowledge and skills for building new combinations and integrating resources. Creating an effective, working business model in a new, startup company plays an essential role in achieving sustainable results. The development of innovative and proactive capabilities, as well as taking measured risks, allows the accumulation of new, valuable information, which facilitates the construction of competitive advantages. With strong dynamics of the external environment, they must be protected and preserved by searching for new configurations of resources, applying well-known practices, which, however, are implemented in a specific way and at different costs.

The choice of scope and focus of the activity means specialization and differentiation of the company's offer, which is the path to building competitive advantages and sustainable company development. At the next stage, the company's competitive advantages can be expanded, enriched by:

1) Including other additional services, facilities, improvements that are interesting to customers and solve their problem.

2) Expanding market share by stimulating demand, increasing the buyers and sales volume, provided that the business has the unique resources that create competitive advantages.

3) Increasing the additional value offered, which also allows for cost differentiation.

4) Creating a mechanism that prevents competitors from duplicating the company's product or resource, which preserves the competitive advantages created through patents, trademarks, licenses, copyrights, etc.

The success of any newly created, innovative company depends mainly on how quickly and at what cost it will reach the desired end result, compared to its next best competitor. Unfortunately, the reality is different and poses the main question: how to expand the effect of a process innovation that provides cost reduction and zero waste in the direction not only of the economic, but also of the social and environmental aspects. And also how a product innovation that creates and offers environmental and social added value to customers and stakeholders can also allow the realization of the economic goals of the

company. The pressure of investors, who first of all want a return on their investment and only then can they think about new investments with an ecological and social effect, actually puts the realization of economic goals first. Increasing profits, financial stability are factors that make the startup company, at the next stage, focus on solving the social and ecological problems of society. In this sense, a strong factor for sustainable development of the company and the opportunity to build competitive advantages in all three dimensions, and not just focusing on profit, is finding a balance between short-term and long-term goals, a function of innovation, knowledge transfer, training, digitalization, and stakeholder support.

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