

Chapter 76

How to Create, Develop, and Sustain an Organization: The TIES Model

João M. S. Carvalho

Universidade do Minho, Portugal & Instituto Universitário da Maia, Portugal

ABSTRACT

This chapter provides a summarized and objective review of the relationships among market orientation, innovation, entrepreneurship, business models, creation of value, and sustainability to help an entrepreneur in the process of creating, developing, and sustaining any type of organization. The methodology follows a theorizing approach based on many empirical and theoretical studies on these subjects. It presents a new model—targeting innovation, entrepreneurship, and sustainability (TIES)—based on previous developed models and using an integrative approach. It pretends to be a strategic systematization of what makes an organization successful. This type of conceptual analysis can be an opportunity to bring together aspects related to our common future, namely a new economic development that encompasses the evolution of peoples' needs towards a societal wellbeing with reduced social exclusion, a healthier planet, and a more balanced psychological sustainability.

INTRODUCTION

This chapter begins with the theoretical framework that underlies the concepts of market orientation, innovation, entrepreneurship, business model, creation of value and sustainability, and the relations among them.

My work as university teacher and professional trainer on profit and non-profit organizations, as well as my research of innovation and entrepreneurship phenomena, led me to gather a body of knowledge and experiences that may be systematized in a theoretical framework that holds various models that were developed over time. Obviously, all these theoretical and practical developments are based on the research of many colleagues, referenced in the bibliography, as well as the experience of many entrepreneurs.

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To create an organization and maintain its sustainability and growth is a difficult task for everyone. It starts with a business idea that aims to meet human needs, whether for profit or otherwise (Carvalho, 2016: The 4i model – idea, information, implementation and impact). The best way to succeed in business is to have a product (goods, services or ideas) that first meets the satisfaction of consumers, users, or prescribers, and all possible stakeholders. Thus, underpinned by a Market Orientation Model (e.g., Carvalho, 2009), an entrepreneur can support the design of a new product, as well as to continue the business at any time. In the idealization of a new business or when developing an existing one, innovation is critical to capture future customers that ensure the continuity of the organization. As such, it is important to study models that systematize the various ways to achieve innovation (e.g., Keeley et al., 2013; Kumar, 2012; Morote & Nuchera, 1997; Schumpeter, 1934). The 8P Innovation & Differentiation Model (Carvalho & Marnoto, 2016) allows the entrepreneur or manager to concentrate strategic thinking around the key dimensions for this process to happen in organizations, either continuously or disruptively.

The second step is about information. The decision-makers should be informed as fully as possible. This phase entails hard work to estimate demand, analyze actual or potential competitiveness of the organization, evaluate the business sector and competition, and study the applicable law and the requirements of authorities that have power over the business domain. If the business environment is favorable, there is still the need to test the product on the market as well as marketing strategies for each market segment. It is often necessary to get professional support to do market and marketing research. However, it is possible for an entrepreneur, with few resources, to carry out some studies with more affordable techniques to get a more precise view about the sustainability of the business.

The third step concerns implementation of the business. Setting up a business entails, in addition to assessing its feasibility, the existence of lenders or investors, if the entrepreneur does not possess enough equity. Thus, it becomes necessary to design and write a business plan that demonstrates its viability. Initially, a basic business creation model (e.g., Carvalho, 2016; Carvalho & Jonker, 2015; Osterwalder Pigneur, & Tucci, 2005) can be followed, allowing the entrepreneur to have a vision of what is essential to come up with the idea to reach the market. For a complete plan, it is useful to apply the Advanced Business Creation Model (e.g., Carvalho, 2016; Carvalho & Jonker, 2015), covering completely the entrepreneurial process, the creation of a business model and strategic and financial planning.

The last step of the 4i model is to assess results, performance and impacts on stakeholders. Customers demand more than economic value in the products they purchase. There are social, ecological and psychological concerns that must be considered in the moment of decision-making. As we know, emotion overrides often the so-called economic rationality. Today, customers do not mind paying more if the product is more environmentally friendly and the organization is more socially responsible. Therefore, one proposes the use of an assessment model (e.g., Tableaux de Bord, Balanced Scorecard, REQI) for internal evaluation of results and performance, together with a measuring tool like Core Organizational Stakeholder Impact (Carvalho, 2013b), designed to assess the impact, internally and externally, on the organizations' stakeholders. The consequence of these impacts can be evaluated in relation to the levels of sustainability in the broadest sense, encompassing individual (psychological), collective (social), environmental (ecological) and economic issues.

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