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CONTEMPORARY SUSTAINABLE BUSINESS DEVELOPMENT STRATEGIES: CHALLENGES AND PERSPECTIVES

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СУЧАСНІ СТРАТЕГІЇ СТАЛОГО РОЗВИТКУ БІЗНЕСУ: ВИКЛИКИ ТА ПЕРСПЕКТИВИ

The relevance of the research is determined by the overall significance of contemporary sustainable development strategies for businesses. These strategies are formed based on key sustainable principles and approaches, but their impact varies (they differently assist or hinder business entities' prospects for economic growth, their influence on the environment, and their role in achieving social well-being). Business sustainability measures can focus on integrating environmental principles, social responsibility, economic efficiency, innovation and technology, stakeholder interests' realization, and so forth. Therefore, the article aims to identify the challenges and prospects associated with various focuses on modern sustainable business development strategies (or on a comprehensive approach to conducting entrepreneurial activities aimed at achieving long-term economic growth and profitability while minimizing negative environmental impact and promoting social well-being). The research findings indicate that the primary goal of sustainable development is to formulate a long-term action plan aimed at transitioning to a balanced state of business, which can be defined through the lens of environmental, social, and economic effectiveness. This action plan requires continuous improvement and adaptation to changing market conditions. This transition requires the identification and systematic consideration of all challenges and prospects that may be key to the successful implementation of sustainable practices in business. Among the primary challenges of sustainable business development strategies are financial barriers, organizational changes, regulatory requirements, market conditions, and technological challenges. It has been demonstrated that the manifestation format of challenges can be diverse and adjusted through accompanying perspectives. The prospects of sustainable business development strategy predominantly manifest themselves through the lens of ecological resilience, increased social responsibility, and economic resilience.

Актуальність дослідження зумовлена загальною значущістю сучасних стратегій сталого розвитку бізнесу. Ці стратегії формуються на основі сталих ключових принципів і підходів, однак спрямованість їх дій різноманітна (вона різним чином впливає на перспективи економічного зростання для суб'єктів бізнесу, силу їх впливу на навколишнє середовище та роль у досягнутому соціальному добробуті). Так, заходи сталого розвитку бізнесу можуть мати базовий фокус на інтеграцію екологічних принципів, на

соціальну відповідальність, на економічну ефективність, на інновації та технології, на реалізацію інтересів зацікавлених сторін та інше. Відтак, стаття спрямована на ідентифікацію викликів та перспектив, що формує той чи інший фокус сучасної стратегії сталого розвитку бізнесу (розглянутої через комплексний підхід до ведення підприємницької діяльності, спрямований на досягнення довгострокового економічного зростання і прибутковості за мінімізацію негативного впливу на навколишнє середовище та сприяння соціальному добробуту). За результатами дослідження констатовано, що основною метою сталого розвитку є формування довгострокового плану дій, спрямованого на перехід у рівноважний стан бізнесу, що може бути визначений через призму екологічної, соціальної та економічної ефективності, вимагає постійного вдосконалення та адаптації до змінних умов ринку. Цей перехід вимагає ідентифікації та системного врахування всіх викликів і перспектив, які можуть стати ключовими для успішного впровадження сталих практик у бізнесі. Серед основних викликів стратегії сталого розвитку бізнесу фінансові бар'єри, організаційні зміни, регуляторні вимоги, ринкові умови та технологічні виклики. Доведено, що формат прояву викликів може бути різноманітним та коригуватися коштом супутніх до них перспектив. Перспективи стратегії сталого розвитку бізнесу проявляють себе через призму екологічної стійкості (зниження негативного впливу на навколишнє середовище, оптимізацію використання ресурсів, зменшення відходів), підвищення соціальної відповідальності (покращення умов праці, залучення місцевих громад до проєктів, та підвищення стандартів соціальної відповідальності) та економічної стійкості (ефективного використання ресурсів, підвищення конкурентоспроможності, та доступу до нових ринків).

Keywords: business, ecological resilience, social responsibility, economic resilience, waste reduction, sustainable business development.

Ключові слова: бізнес, екологічна стійкість, соціальна відповідальність, економічна стійкість, зменшення відходів, сталий розвиток бізнесу.

Target setting. The relevance of the research is determined by the overall significance of contemporary sustainable development strategies for businesses.

These strategies are formed based on key sustainable principles and approaches, but their impact varies (they differently assist or hinder business entities' prospects for economic growth, their influence on the environment, and their role in achieving social well-being). Business sustainability measures can focus on integrating environmental principles, social responsibility, economic efficiency, innovation and technology, stakeholder interests' realization, and so forth. Given the variability of focuses in contemporary sustainable business development strategies, their formation is a complex, dynamic process that requires deep analysis and adaptation to constantly changing market and societal conditions.

Analysis of research and publications. Sustainable business development is a complex and multi-faceted issue that has been actively researched by many scholars. In their works, researchers such as Kif'yak V. I., Filipchuk N. V., Melnyk L. G., Zhukov S., Masligan O., Todierishko E., have examined various aspects of this topic.

According to L.G. Melnyk, sustainable business development is ensured by an adequate strategy of its development, which generates a series of challenges and prospects driven by the constant search for subsystems from production of goods, trading goods, or services to maintain its equilibrium state.

Kif'yak V. I. and Filipchuk N. V. define such an equilibrium state through the lens of ecological, social, and economic effectiveness.

Zhukov S., Masligan O., and Todierishko E. point out that the equilibrium state cannot be defined without detailing its own circle of challenges and prospects in forming a sustainable business development strategy. Therefore, the formation of a modern sustainable business development strategy is a complex process that requires consideration of both challenges and prospects.

The equilibrium state of business, defined through the lens of ecological, social, and economic effectiveness, requires continuous improvement and adaptation to changing market conditions. The detailed elaboration of these challenges and prospects is crucial for the successful implementation of sustainable practices in business.

The wording of the purposes of article (problem). The purpose of the article is to identify the challenges and prospects associated with various focuses within modern sustainable business development strategies (or with a comprehensive approach to conducting entrepreneurial activities aimed at achieving long-term

economic growth and profitability while minimizing negative environmental impact and promoting social well-being).

The paper's main body with full reasoning of academic results. Attention is drawn to the fact that sustainable business development is an approach to conducting activities in goods production, trade of products, or provision of services to consumers, ensuring economic growth and competitiveness through development strategies aimed at minimizing environmental impact and promoting social well-being [5].

It is established, that the primary goal of such development is to formulate a long-term action plan aimed at transitioning to an equilibrium state of business. This state can be defined through ecological, social, and economic effectiveness. It requires continuous improvement and adaptation to changing market conditions.

This transition requires the consideration of all challenges and prospects that may be key to the successful implementation of sustainable business practices.

It should be noted that according to scientific literature [1; 5-6], the main factor synthesizing the emergence of various challenges and prospects inherent in sustainable business development strategies is the absence of stable components in such strategies. However, there are still key guidelines for formation, among which are:

1. Ecological sustainability. Formed by measures aimed at reducing emissions and waste, the efficient use of resources, and adopting renewable energy sources. The prospects for implementing such measures lie in ensuring the business's ability to sustain its operations and productivity while maintaining ecological balance, minimizing environmental impact, and efficiently utilizing natural resources.
2. Social responsibility. Formed by measures aimed at workers' rights and working conditions, community impact, and diversity and inclusion. The prospects of implementing such measures lie in ensuring decision-making that facilitates the achievement of the financial goals of the business entity while taking into account the needs and interests of employees, consumers, communities, and other stakeholders.
3. Economic efficiency. Formed by measures aimed at innovation and technological development, production optimization, and strategic planning. At the same time, the prospects for implementing such measures lie in ensuring

the business's ability to achieve maximum productivity and profitability with minimal resource expenditure. This perspective reflects the degree of optimization in the utilization of financial, human, material, and other resources to achieve set goals

Thus, the main guidelines and potential focus for forming a modern sustainable business development strategy are diverse, as evidenced by the data provided in Table 1.

Table 1. Key guidelines and potential focus for forming a modern sustainable business development strategy

Strategy component	Main guidelines for formation	Possible focus of the main guidelines for forming a modern sustainable business development strategy	Prospects for implementing measures
Ecological sustainability	Reduction of emissions and waste	Implementation of technologies and processes to reduce greenhouse gas emissions, toxic substances, and waste volumes	Ensuring the business's ability to sustain its operations and productivity while maintaining ecological balance, minimizing negative environmental impact, and efficiently utilizing natural resources
	Efficient use of resources	Optimization of the use of natural resources such as water, energy, and raw materials to reduce consumption and costs	
	Renewable energy sources	Investments in renewable energy sources such as solar, wind, and hydro energy to replace fossil fuels	
Social responsibility	Workers' rights and working conditions	Ensuring fair working conditions, adherence to workers' rights, promoting their professional development, and creating a safe working environment	Ensuring decision-making that contributes to achieving the financial goals of the business entity while taking into account the needs and interests of employees, consumers, communities, and other stakeholders
	Community impact	Supporting local communities, investing in social projects, ensuring transparent and ethical interaction with all stakeholders	
	Diversity and inclusion	Ensuring equal opportunities for all employees, regardless of their background, gender, age, or other characteristics	
Economic efficiency	Innovation and technological development	Implementation of cutting-edge technologies and development of innovative products and services that enhance efficiency and contribute to sustainability	Ensuring the business's ability to achieve maximum levels of productivity and profitability with minimal resource expenditure.
	Production optimization	Improvement of production processes to increase productivity, reduce costs, and minimize environmental impact	
	Strategic planning for value enhancement	Long-term planning and forecasting for adaptation to market changes and environmental conditions	

Source: formed based on [1;3-4]

Thus, sustainable business development is a complex and multifaceted process that requires a comprehensive approach and continuous improvement. Due to the multifaceted nature of sustainable business development strategies, a wide range of perspectives emerges from their implementation.

The implementation of measures aimed at enhancing ecological sustainability within the framework of a sustainable business development strategy generates numerous perspectives, the possible format of which is illustrated in Figure 1.

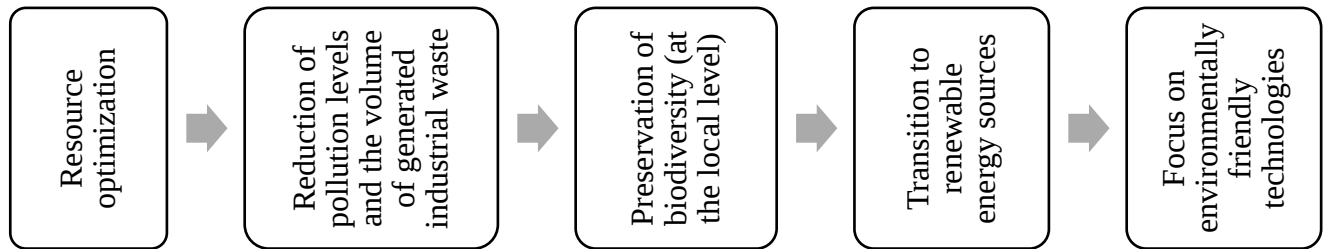


Figure 1. Perspectives of sustainable business development strategy formed by measures to enhance ecological sustainability

Source: formed based on [1;6]

So, among the perspectives of a sustainable business development strategy formed by measures to enhance ecological sustainability, we should include [1; 6]:

1. Rationalization of resource usage through optimization of natural resource utilization (such as water, energy, minerals, and biological resources [6]) and the adoption of methods and technologies that reduce resource consumption and prevent depletion.
2. Reducing pollution levels and the volume of generated industrial waste through the reduction of greenhouse gas emissions, toxic substances, and other pollutants into the air, water, and soil, as well as implementing waste management systems such as recycling, reuse, and composting.
3. Preserving biodiversity through the protection and restoration of natural ecosystems (such as forests, wetlands, and oceans [6]), supporting and conserving the species diversity of flora and fauna.
4. Transitioning to renewable energy sources by replacing fossil fuels (coal, oil, gas) with renewable energy sources (such as solar, wind, hydro, and geothermal energy [6]), investing in the development and implementation of new renewable energy technologies.

5. Emphasizing clean technologies by utilizing and developing technologies that reduce the negative environmental impact, such as green building technologies, environmentally friendly manufacturing processes, and energy-efficient products.

Implementation of outlined perspectives enhances the environmental benefits for businesses, manifested in cost reduction from decreased material and energy consumption, lower waste disposal expenses, minimization of risks associated with violating environmental laws and regulations, and more.

The implementation of measures to enhance social responsibility within the framework of the business's sustainable development strategy generates a range of perspectives, the content of which is outlined in Figure 2.

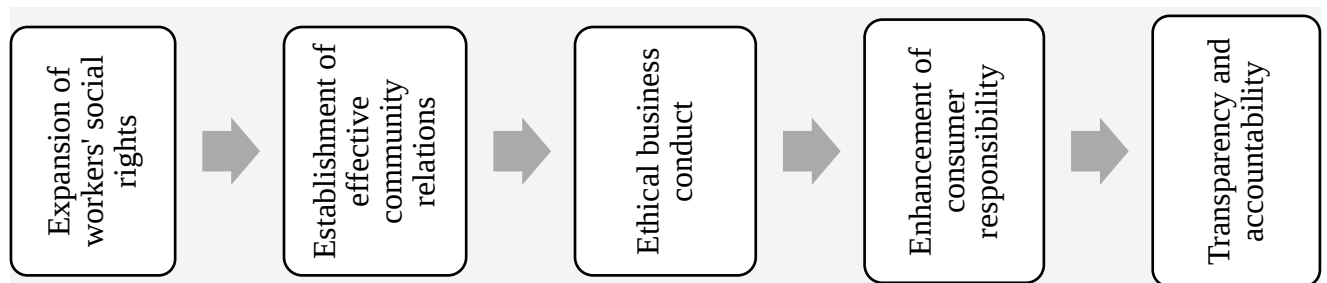


Figure 2. Perspectives arising from measures to enhance social responsibility within the framework of sustainable business development strategy

Source: formed based on [5-6]

So, the perspectives of the sustainable business development strategy, formed by measures to enhance social responsibility, include [6]:

1. Expansion of workers' social rights by ensuring fair wages, safe and healthy working conditions, and adherence to labor rights.
2. Establishment of effective community relations through participation in social programs, philanthropy, and support for local initiatives, and projects.
3. Ethical business conduct by adhering to ethical standards in all areas of operation, from production to marketing.
4. Strengthening consumer responsibility through the production of products and services that are safe and beneficial for consumers, as well as by informing consumers about their composition and their impact on health and the environment.

5. Reporting and transparency through the publication of reports on social responsibility, which contain information about the business's activities in this area.

The outlined perspectives implementation enhances the social benefits of the business manifested through the strengthening of the brand and trust from consumers and investors, as well as customer loyalty.

The implementation, within the framework of the sustainable business development strategy, of measures to enhance ecological sustainability, forms a series of perspectives outlined in Figure 3.

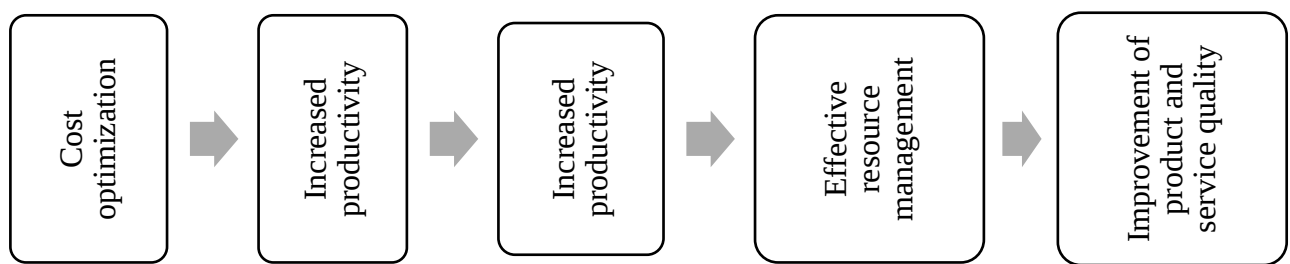


Figure 3. Perspectives emerging from measures to enhance environmental sustainability within the framework of sustainable business development strategy

Source: formed based on [5-6]

So, the perspectives of the sustainable business development strategy, formed by measures to enhance environmental sustainability, include [5-6]:

1. Cost optimization through reducing production and operational expenses (by increasing productivity, cutting costs on raw materials, energy, and other resources) and/or implementing cost management systems that identify and eliminate inefficient expenditures.
2. Increased productivity through the adoption of new technologies and management methods to enhance labor productivity and operational efficiency, as well as the automation and digitization of business processes to reduce manual labor and improve task accuracy.
3. Innovation and development through investments in scientific research and the development of products and services that meet market demands and promote sustainable development, as well as the implementation of innovative solutions that reduce costs and improve product quality.

4. Efficient resource management through optimal utilization of material, financial, and human resources to achieve maximum results, implementing resource management tactics that consider long-term goals and sustainability.
5. Improving the quality of products and services by implementing quality standards and control at all stages of the production process, as well as evaluating and refining products and services based on consumer and market feedback.

The implementation of outlined perspectives enhances the economic benefits of the business, or the positive outcomes that the business entity gains from the implementation of effective strategies and practices aimed at optimizing resource utilization, reducing costs, and increasing profitability.

It's worth noting that the range of perspectives stemming from the formation of a modern sustainable business development strategy is quite broad. However, each of them represents only a probability that can be realized or not, due to the manifestation of a number of challenges, among which are:

1. Financial Barriers. These challenges arise from the fact that implementing sustainable technologies and practices within a strategy often requires significant initial investments. Not all investments in sustainable development yield quick returns. For a more detailed overview of financial barriers that arise in forming a sustainable business development strategy, refer to Table 2.

Table 2. The content of financial barriers in forming a sustainable business development strategy

Challenge	The substance of challenges	Characteristics of challenge manifestation
Initial costs	Implementing sustainable technologies and practices often requires significant initial investments. This may include expenses for new equipment, technologies, training for staff, and other necessary resources	Priorities related to sustainable development may be overlooked in competition for funding allocation, especially when short-term gains take precedence
Long-term profitability	Not all investments in sustainable development yield quick returns. Some of them may require a long time to achieve financial benefits, which can be problematic for entities with limited financial resources	

Source: formed based on [5; 6]

2. Organizational changes. These challenges are because new strategies implementation may encounter resistance from employees and management, who are accustomed to the old ways of working. These challenges arise from the implementation of new strategies, which may be met with resistance from employees and management accustomed to old methods of work. Furthermore, transitioning to sustainable practices typically requires new knowledge and skills from the personnel. So more detailed account of the organizational changes arising from the formulation of a sustainable business development strategy is provided in Table 3.

Table 3. The content of organizational changes that arise during the formation of a sustainable business development strategy

Challenge	The substance of challenges	Characteristics of challenge manifestation
Resistance to change	The implementation of new strategies may encounter resistance from employees and management who are accustomed to old methods of work. Changing corporate culture requires time and significant effort	Priorities related to sustainable development may be compromised if it requires significant changes in corporate culture, including a review of values, shifting focus from short-term profit to long-term sustainable development goals, inclusivity, transparency, and accountability
The need for new skills	The transition to sustainable practices may require new knowledge and skills from the personnel. This means that companies should invest in training and developing their employees	

Source: formed based on [1;4-5]

3. Regulatory requirements. These challenges arise from the fact that businesses face continuous changes in environmental and social regulatory requirements, necessitating quick adaptation of their operations. Additionally, compliance with international sustainable development standards can be a daunting task for businesses, especially if they operate in multiple tax jurisdictions [4-5].

4. Market conditions. These challenges stem from the fact that businesses that have already implemented sustainable practices may have competitive advantages. This is particularly relevant as consumers increasingly prefer environmentally responsible products, although their preferences may change [4]. For a more detailed account of the market conditions arising from the formulation of a sustainable business development strategy, please refer to Table 4.

Table 4. The content of market conditions that arise during the formation of a sustainable business development strategy

Challenge	The substance of challenges	Characteristics of challenge manifestation
Competition	Business entities that have already implemented sustainable practices may have competitive advantages. It can be challenging for newcomers in this market to catch up with the leaders	Priorities related to sustainable development may be lost if business entities are unable to continuously improve their products, services, and processes, implement new technologies, and find ways to reduce costs and enhance quality
Changes in consumer preferences	Consumers increasingly prefer environmentally responsible products, but their preferences may change. Business entities must be prepared to quickly respond to these changes	
New demands and standards	Regulatory requirements regarding sustainable development may change. Business entities have to comply with these requirements and adapt their practices according to new standards.	

Source: formed based on [3-4; 6]

Therefore, market conditions can pose a challenge for companies formulating sustainable development strategies, as they require flexibility, prompt response to changes, and ongoing maintenance of competitiveness [3].

5. Technological challenges. These challenges arise from the fact that new sustainable technologies are constantly emerging in the market, so investing in them can be risky, especially if these technologies are not fully tested or have high costs.

It's important to note that the manifestation of challenges can vary and be adjusted depending on accompanying perspectives.

Conclusions from this study and prospects for further exploration in this area. Within the scope of the study, attention is drawn to the fact that sustainable business development is an approach to conducting activities in the production of goods, trading, or providing services to consumers, which ensures economic growth and competitiveness through strategies aimed at minimizing negative environmental impact and promoting social well-being. The following conclusions have been drawn:

1. The main goal of sustainable development is to establish a long-term action plan aimed at transitioning to a balanced state of business. This transition can be defined through the lens of ecological, social, and economic effectiveness, thus requiring continuous improvement and adaptation to changing market conditions. This transition requires the identification and systematic

consideration of all challenges and opportunities that may be key to the successful implementation of sustainable practices in business.

2. Among the main challenges of a sustainable business development strategy are financial barriers (namely high initial costs for implementing sustainable technologies and processes, long payback period for investments), organizational changes (namely resistance to change from staff, the need for training and adaptation to new requirements), regulatory requirements (namely changes in legislation and regulatory requirements, costs of compliance with standards), market conditions (namely competitive pressure, changes in consumer preferences), and technological challenges (namely rapid technological development, the need for constant updating and integration of new solutions). The manifestation format of challenges can vary and be adjusted by accompanying perspectives.
3. The prospects of sustainable business development strategy manifest themselves significantly through the prism of ecological sustainability (embodied in measures to reduce the negative impact on the environment, optimize resource utilization, and minimize waste), enhanced social responsibility (embodied in initiatives to improve working conditions, engage local communities in projects, and elevate standards of social responsibility), and economic resilience (embodied in measures for efficient resource utilization, enhancing competitiveness, and accessing new markets).

It is important to note that the primary trigger for synthesizing the emergence of various challenges and perspectives inherent in sustainable business development strategy is the absence of fixed components in its format and measures. This implies that sustainable business development strategies are dynamic and flexible, constantly evolving in response to various internal and external factors. Such variability allows for identifying the development of a mechanism to ensure business adaptability and readiness for swift responses to new challenges and opportunities as prospective areas for further research.

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