

# Sustainable Entrepreneurship: Innovation Practices for Long-Term Business Growth

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## Abstract

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Sustainable entrepreneurship has emerged as a rapidly growing field that integrates economic viability with social and environmental responsibility. This study examines how innovation supports sustainable ventures in achieving long term resilience and competitive advantage. A systematic literature review methodology was applied to synthesize peer reviewed research on sustainable entrepreneurship, with particular focus on business model innovation, digital transformation, ecosystem collaboration, and circular economy opportunities. Articles were collected from major academic databases and analyzed through thematic coding to identify recurring patterns and theoretical insights. The findings indicate that innovation is a central mechanism through which entrepreneurs identify sustainability oriented opportunities, redesign value creation processes, and scale impact driven solutions. Digital technologies were found to enhance stakeholder engagement and support open innovation strategies that strengthen sustainable performance. In addition, circular economy principles provide pathways for ventures to embed resource efficiency and closed loop practices into their growth models. Overall, sustainable entrepreneurship requires integrated innovation across digital and circular strategies to achieve triple bottom line outcomes.

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## **1. Introduction**

Sustainable entrepreneurship has emerged as a distinct and rapidly expanding stream of entrepreneurship research, reflecting a shift from purely profit driven venturing toward business creation that deliberately integrates economic viability with measurable social and environmental value. Recent scholarship shows that the field is increasingly multidisciplinary and innovation centric, positioning entrepreneurs as key actors in addressing grand challenges while still competing in mainstream markets (Anand et al., 2021). In this context, innovation practices are not treated as optional add ons, but as the core mechanism through which sustainable ventures discover opportunities, design scalable offerings, and build defensible advantages over time especially as markets, regulation, and stakeholder expectations evolve (George et al., 2021).

A growing body of peer reviewed work highlights that long term business growth in sustainable entrepreneurship depends on the venture's ability to continuously reconfigure how it creates and captures value, not only through product and process improvements, but also through business model innovation, digital innovation, and ecosystem collaboration (George et al., 2021). Digital technologies, for example, can expand the toolbox available to entrepreneurs enabling new ways to mobilize stakeholders, prototype solutions, and scale impact oriented models. Empirical evidence also suggests that firms can strengthen sustainability oriented innovation when they build platform capabilities and pair them with open innovation strategies that balance inbound and outbound knowledge flows (Wang et al., 2023). At the same time, sustainable entrepreneurship

frequently requires rethinking opportunity identification itself, such as recognizing circular economy opportunities that embed reuse, redesign, and resource efficiency into the venture's value proposition and growth logic (Diacono & Baldacchino, 2024). Therefore, this study focuses on how entrepreneurs operationalize innovation across business models, digital capabilities, and circular strategies to achieve resilient growth while sustaining triple-bottom-line outcomes in the long run (Yin et al., 2021).

## **2. Literature Review**

Sustainable entrepreneurship has rapidly evolved into a vibrant and multidisciplinary research domain, reframing traditional entrepreneur centric approaches to incorporate environmental stewardship, social value creation, and long-term economic viability. Contemporary systematic reviews emphasize that sustainable entrepreneurship research increasingly focuses on how ventures integrate sustainability into core business logic, highlighting innovation and business model development as central mechanisms for realizing sustainability oriented opportunities (Abbas & Bulut, 2024). In particular, sustainable entrepreneurship is conceptualized not merely as a strategy to balance profit with purpose but as a dynamic locus for creating new forms of value that respond to grand societal challenges such as climate change and resource scarcity. This shift underscores the need for innovation practices that extend beyond product redesign to encompass systemic business model innovation, stakeholder engagement, and organizational transformation.

Research has shown that digital technologies are pivotal in this context, serving as enablers of connectivity, stakeholder inclusion, and value capture that strengthen sustainability outcomes when embedded within entrepreneurial business models (Gregori & Holzmann, 2023). Through the digitalization lens, business models become sites of value co-creation where digital platforms and connectivity reshape how sustainable ventures mobilize resources, innovate offerings, and scale impact. Complementary scholarship on business model innovation toward sustainability and circularity underscores the importance of reconfiguring value propositions, delivery mechanisms, and value capture logics to support a transition to more regenerative and resource efficient economic systems (Karuppiyah et al., 2023). Within this broader innovation agenda, circular economy principles emerge as a fertile source of entrepreneurial opportunities, prompting ventures to design non-linear business models that emphasize reuse, recycling, and closed loop processes, advancing both ecological and competitive goals (Klofsten et al., 2024). These developments suggest that sustainable entrepreneurship entails continuous adaptation and reconfiguration across digital capabilities, business model frameworks, and circular strategies to build resilience and long term growth while sustaining triple bottom line outcomes.

### **3. Methods**

This study adopts a Systematic Literature Review (SLR) methodology to synthesize and evaluate existing scholarly knowledge on sustainable entrepreneurship, with particular emphasis on innovation practices, business model

transformation, digital capabilities, and circular economy strategies. The SLR approach was chosen because it provides a structured, transparent, and replicable process for identifying, selecting, and analyzing peer reviewed research relevant to the study's objectives. Academic articles were collected from major scientific databases such as Scopus, Web of Science, and Google Scholar using carefully defined keywords including "sustainable entrepreneurship," "business model innovation," "digital innovation," "circular economy," and "triple bottom line." Only peer reviewed journal publications written in English were considered to ensure the quality and reliability of the reviewed sources.

The review process followed several stages, beginning with an initial screening of titles and abstracts to exclude irrelevant studies, followed by a full text assessment based on predefined inclusion and exclusion criteria. Selected articles were then systematically analyzed through thematic coding to identify recurring patterns, theoretical perspectives, and key findings related to how entrepreneurs operationalize sustainability oriented innovation. The synthesis focused on uncovering how sustainable ventures create and capture value through innovation driven strategies, digital platforms, and circular business opportunities. By employing this SLR method, the study provides an integrated understanding of the mechanisms that support resilient growth in sustainable entrepreneurship while maintaining long-term economic, social, and environmental outcomes.

## **4. Results & Discussion**

The findings from this systematic literature review reveal that sustainable entrepreneurship is increasingly driven by innovation as a strategic mechanism for achieving long-term resilience and competitive advantage. Across the reviewed studies, entrepreneurs are consistently positioned as central actors in addressing grand societal challenges through ventures that integrate economic, social, and environmental objectives. This supports the argument by Anand et al. (2021) that sustainable entrepreneurship has become a multidisciplinary field where innovation is essential rather than optional. In particular, innovation practices enable ventures to identify sustainability oriented opportunities and develop scalable solutions that align with evolving stakeholder expectations and regulatory pressures (George et al., 2021). The results further indicate that long-term growth in sustainable entrepreneurship depends on the continuous reconfiguration of value creation and capture processes through business model innovation, ecosystem collaboration, and adaptive capabilities (Yin et al., 2021).

A key theme emerging from the review is the transformative role of digital technologies in strengthening sustainability oriented innovation. Digital platforms enhance connectivity, facilitate stakeholder engagement, and support new forms of value co-creation, confirming the insights of Gregori and Holzmann (2023). Additionally, ventures that combine digital capabilities with open innovation strategies are better positioned to balance inbound and outbound knowledge flows, thereby reinforcing sustainable competitive advantage (Wang et al., 2023). Another significant result highlights the growing importance of circular economy

opportunities, where entrepreneurs redesign business models to emphasize reuse, recycling, and resource efficiency (Diacono & Baldacchino, 2024; Klofsten et al., 2024). These findings align with broader research suggesting that circular business models are critical pathways for sustainability transitions and entrepreneurial impact (Bocken et al., 2018). Overall, the discussion suggests that sustainable entrepreneurship requires integrated innovation across digital transformation, circular strategies, and business model renewal to sustain triple bottom line outcomes while achieving resilient growth.

## **5. Conclusion**

This study highlights that sustainable entrepreneurship has become an increasingly important and rapidly expanding field that integrates economic performance with social and environmental responsibility. The systematic literature review confirms that innovation is a central driver in enabling sustainable ventures to remain competitive while addressing major global challenges. Entrepreneurs are no longer viewed solely as profit oriented actors, but as key contributors to sustainable development through innovative business creation and value generation. The findings support prior research emphasizing that sustainable entrepreneurship requires continuous adaptation and strategic innovation to respond to evolving stakeholder expectations, regulatory pressures, and market demands.

Moreover, the review demonstrates that long-term resilience in sustainable entrepreneurship depends on the ability of ventures to reconfigure value creation through business model innovation, digital transformation, and ecosystem

collaboration. Digital technologies provide new opportunities for sustainable entrepreneurs to enhance stakeholder engagement, scale impact oriented solutions, and strengthen open innovation processes. In addition, circular economy strategies offer promising pathways for entrepreneurs to embed resource efficiency, reuse, and closed loop practices into their growth logic. Overall, this study concludes that sustainable entrepreneurship achieves resilient growth when innovation is operationalized holistically across digital capabilities, circular approaches, and sustainable business model renewal, ensuring the realization of triple bottom line outcomes in the long run.

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