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**The exploration of Sustainable International
Business Model Innovation of Small/Medium
Enterprises in the Mountain Bike Industry**

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Abstract

This research focuses on Sustainable International Business Model Innovation (SIBMI) in a Small/Medium Enterprise (SME) context as these companies have unique characteristics that opt for a different approach for development and implementation of SIBMI compared to larger firms. This study interviewed 12 internationally active SMEs in the mountain bike industry which are situated in Northern-America and West-Europe or the United Kingdom. A systematic qualitative analysis is used with inductive and deductive methods, to add to the field of SIBMI within the SME context. The findings propose that the International Business Models (IBM) of SMEs are all sustainable, a niche strategy is dominant, patents are mainly used by N-American companies, close relationship with both local and international partner are key, a distinction is made between a Business to Consumer- and Business to Business- IBM and community building and customer engagement are highly praised. With these additions to the literature field, new and interesting future research directions are presented.

Key words: International Business Model Innovation, Sustainability, Sustainable International Business Model Innovation, Small Medium Enterprises, Internationally Active, Outdoor Sports Industry, Mountain Bike Industry

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1. Introduction

The importance of sustainability in business, and especially in the mountainbike industry, has been well proven and is now distinguished as a well-defined concept in business. In general, sustainability recognises the interdependence between species, the impact on future generations with current practices and it involves many dimensions of performance additionally to classic economic profits (Porter & Derry, 2012). Bansal & DesJardine (2014) argue that time consideration is the crucial factor to the notion of sustainability when short-term financial needs are responded to, without compromising their own and others' future needs. This involves a broader view on business than solely economic performance, as environmental and social factors should also be considered. When sustainable factors are integrated thoroughly, the financial and non-financial indicators of the company lead to long-term value creation (De Oliveira et al., 2023). It is of severe importance that these practices are incorporated in the business model of the company to make for continuous development and improvement of the company.

Firms focus more on sustainability when creating or expanding their competitive advantage as innovation has a positive impact on sustainable performance (Kuzma et al., 2020). Until recent years, Business Model Innovation (BMI) has been studied mostly in isolation of sustainability. However, Amit & Zott (2010) find that BMI does not have to neglect the sustainability aspect because of its voluntary nature. With an integral strategy of a firm's core business case, Sustainable Business Model Innovation (SBMI) can add to social, environmental, and business activities that create customer value and accommodate these concerns (Molina-Castillo et al., 2021). The strategy and implementation of SBMI are crucial for new and established firms to survive, outperform competitors or endure with product and process innovation (Utaminingsih et al., 2022).

SBMI considering smaller firms copes with less resources and lacks dedicated R&D units, so higher employee motivation is crucial to solve problems within the current operations. Despite certain potential benefits, Small/Medium Enterprises (SMEs) face substantial challenges compared to larger firms, especially regarding SBMI. Age and size of these companies make

for a different view on sustainable innovation within their Business Model (BM) (Ferlito & Faraci, 2022). SMEs are crucial for the global economy thanks to their unique characteristics compared to larger firms. SMEs also experience a positive impact of digitalisation as this can increase interactions with foreign customers and suppliers (Abel-Koch, 2016). However, the international aspect on the SBMI of SMEs has not been studied yet.

As context of this study, the sporting goods industry is chosen. Sports are innovative whether that is through developments of completely new sports or innovation within traditional sports such as tennis with modern technologies. In both cases, innovation lies at the core of the development of the sport and is therefore thrived for, from a customer and manufacturer perspective (Buenstorf, 2003). The sports field is naturally entrepreneurial because of the ability to change based on trends in technology and society. This makes them inherently intertwined with culture and embedded in a global society which adapts through innovation development (Ratten, 2019; Ratten & Ferreira, 2017). As sustainability is a crucial aspect in the sports industry (Hautbois & Desbordes, 2023) and sports have an impact worldwide, SBMI is a concept that is valid to be researched in an international context. In the following section this gap will be addressed in order to formulate the research question.

1.1 Problem statement

SMEs often have a functionalist view on sustainability, as the main goal of the business is to gain capital efficiently. Thus, focusing on sustainability for SMEs is seen as harder. To achieve sustainability performance, these practices need to be integrated in the whole organisation (Salvador et al., 2023). This goes against the view of Petkovska (2015) as she argues that SMEs are more capable to incorporate sustainability into their new or existing business models because of their flexibility, adaptability to market changes, and the impact on employment and sharing of knowledge. Larger firms still have the edge on supply chain and financial factors within the SBMI process because of their size and resources (Aguilar-Fernández & Otegi-Olaso, 2018). However, SMEs have the potential to innovate sustainably more easily than larger firms, based on their lean structures. This motivates faster decision making, lack of bureaucracy and a genuinely deeper involvement of the owner which decides how fast sustainable practices are implemented (Harsanto et al., 2023)-

The discrepancy of these claims could come from the perspective and research methods used by the authors, as Petkovska (2015) focusses on innovation within SMEs, Niskanen (2019) on sustainable innovation of the largest multinationals within the sporting goods industry, Hersanto et al. (2023) focus on sustainable innovation within SMEs and Laforet & Tann (2006) prescribe how SMEs could manage innovation effectively and efficiently through optimising organisational structure. Slightly different viewpoints make for an overall positive view of SMEs regarding innovation and SBMI.

The novelty of this study lies in the addition of the international perspective on SBMI, as research has been done in International Business Model Innovation (IBMI) within SMEs (Child et al., 2017), however this neglects the sustainable aspect of BMI. As all BMI should become sustainable soon (Snihur & Bocken, 2022), the urge and significance for internationally active SMEs to take Sustainable International Business Model Innovation (SIBMI) seriously is validated. As this is seen as one of the most effective ways to become sustainable and enlarge the international performance sustainably. The concept of SIBMI is defined as:

“a designed, novel, nontrivial change to the business model’s design adapted for international markets that provides solutions for long-term environmental, social, and economic prosperity and development to the organization and its stakeholders.” – Chabowski et al. (2023, p. 3).

In the article, no distinction is made between SMEs and Multinational enterprises (MNEs). But because SMEs have very different characteristics and qualities compared to MNEs, it is dubious to take over this definition in the context of this study. This thesis will engage in researching how SMEs make efforts and structure their International Business Model (IBM) sustainably with less resources, singular industrial activities, and limited influence on its surroundings (Child et al., 2017; Sampene et al., 2023; Stachowski, 2014). In other words, whether the international aspect plays a significant role in the construction and implementation SBMI of SMEs and which characteristics of the company pressures these choices and actions.

1.2 Objective and research question

The main goal of this study is to explore and make efforts to understand Sustainable International Business Model Innovation in Small/Medium Enterprises. A qualitative research is conducted to find if and how internationally active SMEs in the mountain bike industry incorporate SBMI. With that aim, the following research question is put forward:

How do internationally active SMEs develop and implement SBMI?

To answer this question, relevant constructs of existing literature are carefully selected to form a framework which will be explored. In this exploration, the broad framework of value proposition, value creation/delivery and value capture, is used to see what is applicable to SMEs and how successful SIBMI is achieved. Because of the qualitative nature of this thesis, the theory will be linked to practice to gain inductive insight from the interviews, which will then be linked to literature through a deductive approach. Additionally, apart from the confirmation of the used constructs, such as upstream and downstream value proposition, value capture/delivery and value capture, new relevant concepts could be discovered which will be dealt with in the discussion.

1.3 Relevance

Sustainability is regarded as necessary in today's BMs and business activities. Consumer preferences change and thus, it is relevant to see how the companies innovate towards SBMI and get a hold of these changes internationally. This thesis adds to the prevalence of SIBMI as a novel type of innovation to see how this is applied in the setting of SMEs that revisit their current Sustainable Business Model (SBM) internationally. This research will try to fill in these gaps and try to put forward future research directions based on the results.

The managerial value regards how firms can form or adapt their BM in an innovative and sustainable way to continue or constitute their competitive advantage. As 99% of all companies worldwide are SMEs and add for 50 to 60% of the total value of society (OECD, 2019), it is highly relevant to see how these companies can create SBMs. Considering the higher failure

rate of SMEs over larger businesses (Terziovski, 2010) and the fact that only 33% of small business survive over 10 years, being sustainable from the beginning or changing the initial BM to become sustainable, is crucial (Horton et al., 2024).

Social outcomes of SBMI are strictly imperative, especially in the context of this study as sports are examined to be of crucial importance towards individuals and communities (González-Serrano et al., 2020). Innovating within current and new BMs is therefore necessary to be able to sustain value to society and the individuals within. SMEs are important in the sustainability dynamic shaping in formal political processes, which implies the relevance to recognise SMEs as actors with political agency. This means that the relation and information exchange should happen both ways (Westman et al., 2020). This study tries to give policy makers an idea of how companies are managing the current landscape within the regulations and to what extent law changes would be appreciated by the companies or are needed to nudge companies towards more sustainable business practices.

1.4 Outline

In the next part of this thesis, a theoretical framework will be put forward with relevant constructs that have been studied to form a base of literature of factors that are crucial in SIBMI to forge argumentation for the SME context of this study. Thereafter, the methodology explains how the qualitative study is structured and carried out to answer the research question. Then, the results will be formulated according to an analysis of the conducted interviews that have been coded and conceptualised. After the findings, emerging themes from the interviews will be discussed in conjunction with literature derived themes to then formulate the conclusion. At last, limitations of the study and further research directions will be put forward.

2. Theoretical framework

In this part of the thesis, relevant literature of SIBMI is discussed to create a solid understanding of the concept. First, sustainability will be related to BMI literature to show how companies

innovate their BM sustainably. After the addition and formulation of SBMI, the concept will be related in the context of SMEs and how these companies deal with this innovation. Eventually the conceived picture will be put into an international perspective to argue the novelty of this research.

2.1 Sustainable Business Model Innovation

BM literature has made an extensive leap forward since the mid-1990s, in which the concept was holistically put forward for the first time to explain the interconnectedness of business processes. Chesbrough (2010) even argues that a top-notch BM with a mediocre innovation is more successful than a ground-breaking innovation with a mediocre BM. Innovating a BM is defined as “designed, novel, nontrivial changes to the key elements of a firm’s business model and/or the architecture linking these elements.” Foss & Saebi (2017, p. 17). As the environmental dynamics of a company change, successful and well-established BMs cannot be understood as a permanent given (Schneider & Spieth, 2013). Therefore, innovation of the BM is vital for a firm to sustain or create a competitive advantage.

Companies become more intrigued to sustainable solutions through SBMI because of better risk mitigation & resilience together with higher diversification and value co-creation opportunities (Geissdoerfer et al., 2018). An SBM is

“a simplified representation of the elements, the interrelation between these elements, and the interactions with its stakeholders that an organisational unit uses to create, deliver, capture, and exchange sustainable value for, and in collaboration with, a broad range of stakeholders” - (Geissdoerfer et al., 2016, p. 2).

Derived from the value mapping tool of Bocken et al. (2015), value proposition considers what and to whom the value is provided, value creation/delivery concerns how that proposed value is provided, and value capture takes on how the company creates revenue and capture value in other forms.

Within SBMI literature, three trends have been found by Jørgensen & Pedersen (2018) that address the need of BMI to become sustainable: “(1) the sustainability problem, (2) digitalization and the technological opportunity space and (3) changing consumer preferences and lifestyles” (p.5). Sustainability is regarded as a problem that compromises between environmental and social challenges that need a solution. The current digital developments expose companies to immense sorts of technological opportunities which grant the delivery of smarter BMs. Together with trends in society which enable firms to convey their products and services in novel ways that speak to the new generation of consumers. That is why SBM should incorporate social, economic, and environmental benefits that let value flow mutually among all stakeholders. This includes the natural environment and society as prime factors to consider, which makes it far more complex (Evans et al., 2017). If sustainable developments are understood and addressed, better processes will enable a better response towards growing economic, social, and environmental challenges (Bocken & Geradts, 2020).

Factors that are found to be especially important in the implementation of SBMI, are dynamic capabilities (sensing, seizing, transforming), stakeholder value and organisational design (Bocken & Geradts, 2020; Guo et al., 2022). Sensing considers looking at new opportunities and judging them, which can be linked to value uncaptured proposed by Yang et al. (2017) within SBMI. This focusses on value surplus, absence, destroyed or missed and how to react to these. Seizing mobilises resources to evaluate opportunities and capture value by doing so. Transforming is about continued renewal of the organization to match development in the market. Only when a firm can react to the changing environment, and have a structure to back up those changes, the implementation of the SBMI can be successful. Bocken & Geradts (2020) find that the dynamic capabilities for SBMI have barriers and drivers on a strategic, operational, and institutional level where a constant dialogue between stakeholders and shareholders is forged together into an SBM strategy. This balance of shareholder and stakeholder value should be lived by the totality of the firm - “from strategy, to structure, processes, incentives, and people” – to truly advance SBMI, and go against the dominant corporate logic, sole focus on shareholder value, avoiding uncertainty and short-term perspectives (Sommer, 2012). These alter the institutional level of the firm and work through in the strategic and operational levels.

These insights are prevalent towards multinational enterprises (MNEs) but how these strategic, operational, and institutional -barriers and drivers affect SMEs is not yet clear. Hence, the next section of this chapter will address literature about the SME perspective of SBMI work.

2.2 SBMI in Small/Medium Enterprises

Literature respecting BMI in SMEs is gaining ground with a general understanding of the phenomenon as SMEs are driven by solving specific problems and improving performance and the aim is to create a sustainable solution. SMEs are more open to learn new approaches and incorporate feedback to transition towards an SBM (Troise et al., 2023). Additionally, smaller firms just do things that don't make sense for large MNEs because of scale and novelty of certain technologies. Resilience is build when challenges are overthrown, and in combination with the willingness to support the social and environmental greater good, SMEs see opportunities to shape the local and global agendas (Devos & Chen, 2022).

Sustainable innovation is practiced by SMEs in multiform on a product and process level Hersanto et al. (2023). Especially the focus on process innovation distinguishes SMEs from larger firms as forms such as local sourcing, local employees, homemade techniques, and training to the community are incorporated in the core of these firms. Additionally, local knowledge, closer relations with local environment and using local innovation communities are factors that differentiate the innovation process of SMEs with larger firms (Berthinier-Poncet et al., 2023; Luthje & Herstatt, 2002; Simmie, 2002). The OECD (2000) find that SMEs innovate less in R&D but more so in services, re-engineering products and finding new ways to meet the market demands as well as changing the organisational structure to accommodate this. Even though SMEs innovate differently due to their unique characteristics, Bashir et al. (2022) find the same perspective of value: value proposition, creation, delivery, and capture. SMEs can create a competitive advantage from SBMI when acquiring their dynamic capabilities to increase profitability and overall performance. Value proposition defines a portfolio of product or service solutions to the customer. Sustainable value creation/delivery focuses on monetary and non-monetary value that is created through multi-stakeholder management and incorporate a broad range of these stakeholders with a long-term perspective and how this is delivered to the customer. After the value is delivered, it is key to consider the

results and measurements regarding the performance and goals the company set (Bashir et al., 2022; Ferlito & Faraci, 2022; Saebi et al., 2017).

Literature shows a growing interest in SBMI of SMEs. However, how internationally active SMEs incorporate SBMI has not yet been studied. Hence, the next part of the literature review will focus on this missing element in partially overlapping literature to address the novelty of this thesis.

2.3 Sustainable International Business Model Innovation in SMEs

A factor that has increased the international presence of SMEs, is digitalisation. Digitalisation increases the collaboration across the value chain and increases the performance of R&D activities that foster patents and technological innovations (Marín et al., 2023). SMEs specifically, are more likely to increase trade participation when a firm invests in digitalisation. All this means that digitalisation makes it easier for SMEs to innovate their BM internationally and participate and take a stance in the international markets (Abel-Koch, 2016; Añón Higón & Bonvin, 2023; Jørgensen & Pedersen, 2018).

The focus in the field of IBMI lies in the export and entry modes of a firm that aspires to operate internationally rather than how the total value chain is structured (Nunes & Steinbruch, 2019). In the same article it is argued, that for international practices of firms, changes of the current BM are needed to accommodate the differences in culture, institutions, and regulations. To map BMI of internationally active SMEs, this research uses the model of Rask (2014) which proposes a distinction between upstream and downstream value proposition and where this value is created, delivered, and captured internationally. In the model, key activities, and key resources in the upstream section as well as the distribution channels and customer relationships in the downstream section, are concerned with how product related value is created and handled. Upstream key partners and downstream customer segments consider questions regarding who the customers are: which needs are fulfilled, who the suppliers are and who assists in the value creation process? Upstream channels make for the cost structure and downstream channels are responsible for the revenue flows of the company (Chesbrough, 2010). Considering *Figure 1*, four segments are distinguished in which companies could

structure their IBMI through domestic based, export based, import based and semi-global business models. Additionally, whether the company should own foreign facilities, license the technology, forge a partnership or stick with exporting is a choice that is dependent on a lot of unique company characteristics (Dunning, 2000). Hence, the choice how to structure the BM is something that is quite complex.

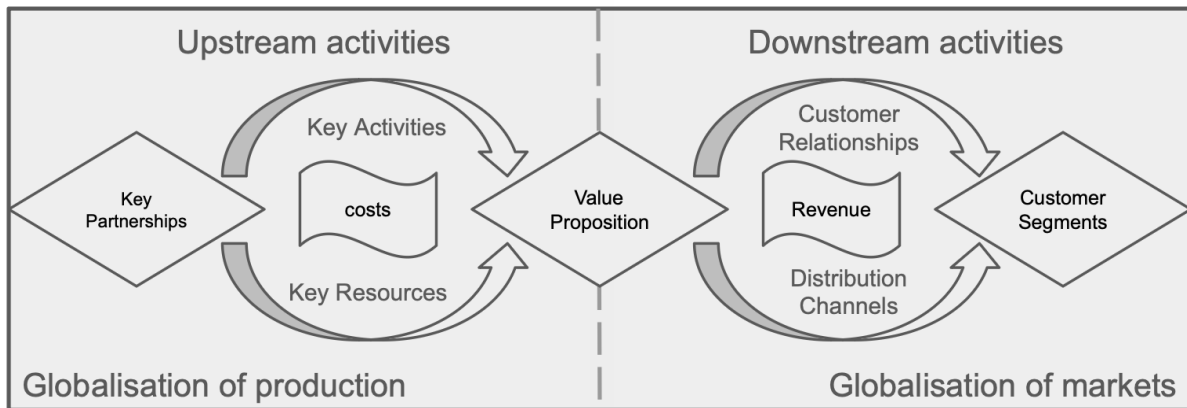


Figure 1: Business Model building blocks in a global value creation perspective (Rask, 2014)

In order to make the value proposition sustainable, a thorough, dynamic and iterative perspective is needed that lead to a superior problem-solution fit and an actual sustainable value proposition (Baldassarre et al., 2017). This is accomplished through stakeholder conversations, problem thinking and testing of the product/service. This, to understand the stakeholders, including and focussing on the users to identify their needs and interest, to finally combine them into an enriching value proposition that is more meaningful and sustainable.

It is noted that the model in *Figure 1* has been developed in a general sense and not specified towards SMEs. However, the same characteristics are used (value proposition, creation/delivery and capture), hence it is valuable and insightful to use in the SME context (Bashir et al., 2022). Adding to that, the relationship with supply chain partners play a key role in achieving SBMs in SMEs, which adds to the relevance (Macchion et al., 2023).

No research has been done on SIBMI in a specific SME context, however the study of Child et al. (2017) finds three distinct IBMs for SMEs, firstly, traditional market-adaptive which focusses on rapid market changes rather than technological innovation. Secondly, technology-exploiters that recognise new technological possibilities to meet the need of the market. Lastly,

the ambidextrous explorer which is concerned with scientific innovation apart and is less worried about the market developments. Within these IBMs, the choice for a certain BM comes down to three factors: industry, home country economic development and international experience of decision makers. The effect of the industry is particularly influential as it is found that this effect is strong and consistent for SMEs. It can be conceptualised as a multi-faceted socioeconomic phenomenon instead of a standard industrial classification of product or service categories (Child et al., 2017). Industry is such a relevant factor as SMEs usually only operate in one industry and are therefore more prone to the homogeneity of the BMs that are used in the particular industry. Certain norms are in place which create an industry identity in which all firms operate, which means certain assets in *Figure 1* are more or less prominent in the industry that is chosen for this particular study. Consequently, BMs are somewhat similar and therefore the BMI is crucial to innovate within this confined environment of the industry. This links to the creativity that the firms need to innovate in their BM and make it sustainable. The sustainability and internationalisation of the BMI are the key to a sustainable and effective business.

This thesis focusses on the application of SIBMI on SMEs as this has not yet been examined. The constructs of IBMI have been studied in an SME context and SIBMI in an MNE context, but not yet combined. This chapter engaged in giving an understanding of these separate constructs and linking them together through the current literature. With this, the gap and relevance of this study are addressed. In the next chapter, the methods are discussed, in which the context of this study is justified and shared how the research will be conducted.

3. Methodology

3.1 Methodological approach

This research adopts the method of Gioia et al. (2013) to take an inductive theory approach with a deductive application. The interviews are interpreted inductively to understand the jargon and industry language and uncensored subjects. These concepts are gathered from the interviews inductively and complemented by deductively gained Themes through literature. The inductive procedure makes it possible to explore how internationally active SMEs use and incorporate SBMI. With this method, implications, and results of SIBMI of SMEs can be uncovered as a results of lacking literature in this domain. This means that the added sustainable view on BMI will be applied on internationally active SMEs to gain understanding of the upstream and downstream value proposition of SMEs. This, to finalise a statement in which the importance and requirement of SME characteristics in the development and implementation of SIBMI.

3.2 Empirical context and sampling

The context of this thesis is the mountain bike industry as an extension of the sporting goods industry. As “the sporting goods industry comprises of sports apparel, sports footwear, and sports equipment.” - (Subie et al., 2009, p. 67), the mountain bike industry can be scaled under this. The main reason why this industry has been chosen is the increase in attention and interest in sustainability of the mountainbike community (Hall, 2023) and how important it is to incorporate sustainability in the innovation process of firms in the industry (Knapp, 2023). Additionally, just as in the sporting goods industry, the mountain bike industry must react to market changes such as COVID, changing customer preferences moving from performance to more fun based, and trends such as electric mountain bikes. These developments go hand in hand with the creation of new race formats that take place all over the world (Morley, 2023). Finally, the demand and interest in the sport has increased past years which resulted in companies releasing more radical innovations and solutions, to problems that customers did not know they had. This shows that companies make real efforts to be as

innovative as possible to gain a competitive advantage over their competitors. The specific context of these companies is focused on Northern America (N-America) and West-Europe or United Kingdom (W-EU & UK) as these geographical areas are responsible for the majority of the important companies active in the market (Maximize Market Research, 2023).

To conduct the research, different SMEs are selected and distinguished between small (<50 employees) and medium sized firms (between 50-250 employees) (European Commission, 2024; WTO, 2024). Additionally, all companies have a revenue that is less than \$50 million. To secure valid and responsible sampling, companies were carefully selected to comply with the goal of this study, SIBMI in SMEs. This was done through research on the website and usage of relevant blogs and other media to retrieve information of SIBMI activities. Within this selection process, all firms operate internationally through exporting, partnerships regarding sales and manufacturing, or distributors. In total, 4 small company and 8 medium sized firms were interviewed. The year the company was founded is also taken into consideration to see if experience in the industry influences certain decisions. Also, a differentiation of companies is made through their country of origin to see if and how different cultures and institutions take part in the SIBMI process of these companies. 7 companies originate from N-America and 5 from W-EU & UK. This is considered as the mountain bike industry is the largest in North America and therefore interesting to see how companies from other areas around the world manage SIBMI. Additionally, experience is important in the ability of SMEs to engage in international activities (Child et al., 2017). Thereafter, the dominant BM is mentioned, putting the most used distribution channel first. These BMs are Business to Consumer (BtoC) and Business to Business (BtoB). Lastly, the ownership of patents is incorporated to see how SMEs handle their technology and innovativeness. All companies have international partners, whether that is through distribution or manufacturing. In the *table 1*, the specified characteristics are shown. In *table 2*, the data collection characteristics are shown.

Table 1

Description of sample

Name	Year Founded	# employees	HQ	Manufacturing	BM/distribution channel	Patents
SME 1	2016	8	W-EU & UK	Taiwan	BtoC & BtoB	No
SME 2	1976	60-70	N-America	in house	BtoB	Yes
SME 3	1985	85	N-America	Japan, Vietnam, Taiwan & China	BtoB & BtoC	Yes
SME 4	2018	120	N-America	in house	BtoB & BtoC	Yes
SME 5	2004	10	W-EU & UK	Taiwan	BtoB & BtoC	No
SME 6	1989	160	W-EU & UK	in house	BtoB	No
SME 7	1970	220	W-EU & UK	Taiwan & Portugal	BtoB	Yes
SME 8	2001	65	N-America	Taiwan	BtoB & BtoC	No
SME 9	2015	15	N-America	Taiwan	BtoC	Yes
SME 10	2013	30	N-America	Taiwan	BtoC & BtoB	Yes
SME 11	1981	55	N-America	Taiwan	BtoB	No
SME 12	1946	200-250	W-EU & UK	Taiwan, China & EU	BtoB	Yes

Table 2

Data collection

Company name	Primary data		Secondary data
	Informants	Interview length	
SME 1	Founder/Owner & CEO	54 min	SME1 website
SME 2	General Manager	52 min	SME2 website
SME 3	Customer Service Lead	27 min	SME3 website
SME 4	Vice President Sales	40 min	SME4 website, video (1)
SME 5	Founder/Owner & Director	60 min	SME5 website
SME 6	Sales Director	41 min	SME6 website, video (2)
SME 7	CRM Specialist	90 min	SME7 website
SME 8	Global Sales Manager	32 min	SME8 website
SME 9	Founder/Owner & CEO	52 min	SME9 website, article (1)
SME 10	Sales & CSR Manager	54 min	SME10 website
SME 11	Founder	53 min	SME11 website, video (2)

3.3 Data collection

To collect the data, semi structured interviews were conducted with a certain amount of knowledge of the selected company. The interviewees have a high-level function within the organisation which enables them to oversee most of the firms' practices and context in which it operates. That is why the interviewees were treated as "knowledgeable agents" (Gioia et al., 2013). The starting point of the interviews was the checklist for SBMI of Ferlito & Faraci (2022) as this depicts the value proposition, value creation/delivery and value capture in a sustainable manner. Furthermore, the upstream and downstream perspective of Rask (2014) was incorporated, to ensure that the international aspect of the SBMI was examined. This way, a broad understanding of the whole value creation process was achieved. Hereby, the drivers and barriers of Bocken & Geradts (2020) were included to open certain areas that include potential solutions and problems that arose from the implementation of SIBMI. These consisted of dynamic capabilities that alter strategic, institutional, and operational facets. It is important to note that existing constructs and concepts were *not* be imposed on the informants to prevent biases and prior explanation (Gioia et al., 2013), to explore these to the fullest. In order to achieve this, the concepts and constructs were addressed discretely with open questions that invite the interviewee to share their own insights. This was done by shortly mentioning the value proposition, creation/delivery, and capture phases of the framework to structure the interview. The interview protocol is shown in Appendix A, as well as the notes that were used to conduct the interview. The following abbreviations are used to show the influence of the questions additionally to the checklist of Ferlito & Faraci (2022), R for Rask (2014) and BG for Bocken & Geradts (2020).

Apart from the primary data of the interview, secondary data was used to compliment the interviews. These consisted of websites, relevant articles and even videos of the company themselves and third parties.

Research validity is imperative, however the way the research is conducted is just as important. Because, only when the data is reliable, the research objective will be achieved (Nii Laryeafio & Ogbewe, 2023). Therefore, to respect the informants and make them feel safe, their privacy,

voluntary nature of participation and anonymity were assured. No option to withdraw was offered as all information had been shared beforehand and if subjects were too confidential, the informants addressed this. This led to not answering the questions in full length or vague answers in some instants. If required or requested by the informants, the transcripts could be shared and discussed before using them for analysis. Hereby, the focus lies on anonymity rather than confidentiality as this could limit the explorative nature of the study when influence from external parties can alter the clarity and pureness of the data. So, rather than confidentiality, anonymity is secured to make sure all data that is gathered can be used without limitations. The obtained data will be stored confidentially and securely (KNAW et al., 2018), after the companies are coded anonymously. This is achieved through cloud storage using the Radboud Research Information Service (RIS) (Radboud, 2024) and hard disk storage of the interviews and transcripts. At all times, it is possible for interviewees to gain access to these documents to remain transparent and open about the research.

3.4 Data analysis

The data will be analysed in a systematic approach to establish thoroughness, confirmability, and dependability among factors. The analysis is two phased.

First, the semi structured interview opted for all facets of the value framework experienced by the SMEs to gain insights from the practical field. The use of an inductive and deductive approach to the data made it possible to first explore new context-dependent concepts which after were controlled and confirmed through well-acknowledged constructs derived from literature. In the first step, first order concepts were constructed in the language and jargon of the company, to properly understand how the companies look at the industry and towards the SIBMI factors and developments. This *inductive* way of understanding the company's SIBMI was combined in certain abstract themes, such as "Internal mission and vision alignment", "Product related sustainability initiatives". After these abstract themes are distilled from the interviews, the second step of the analysis used *deductive* categorisation of these second order themes with the use of the value framework of (Ferlito & Faraci, 2022). This framework consists of "value proposition", "value creation/delivery" and "value capture". As a result, a data structure is introduced to summarise the analysis.

The second phase consists of combining the data structure and inspect where certain subjects and factors were experienced more or less by particular companies. This is achieved by combining new literature to add to the models used in this thesis so far to broaden the scope of the study. This leads to a better interpretation of the newly explored concepts which are then discussed in the final chapter.

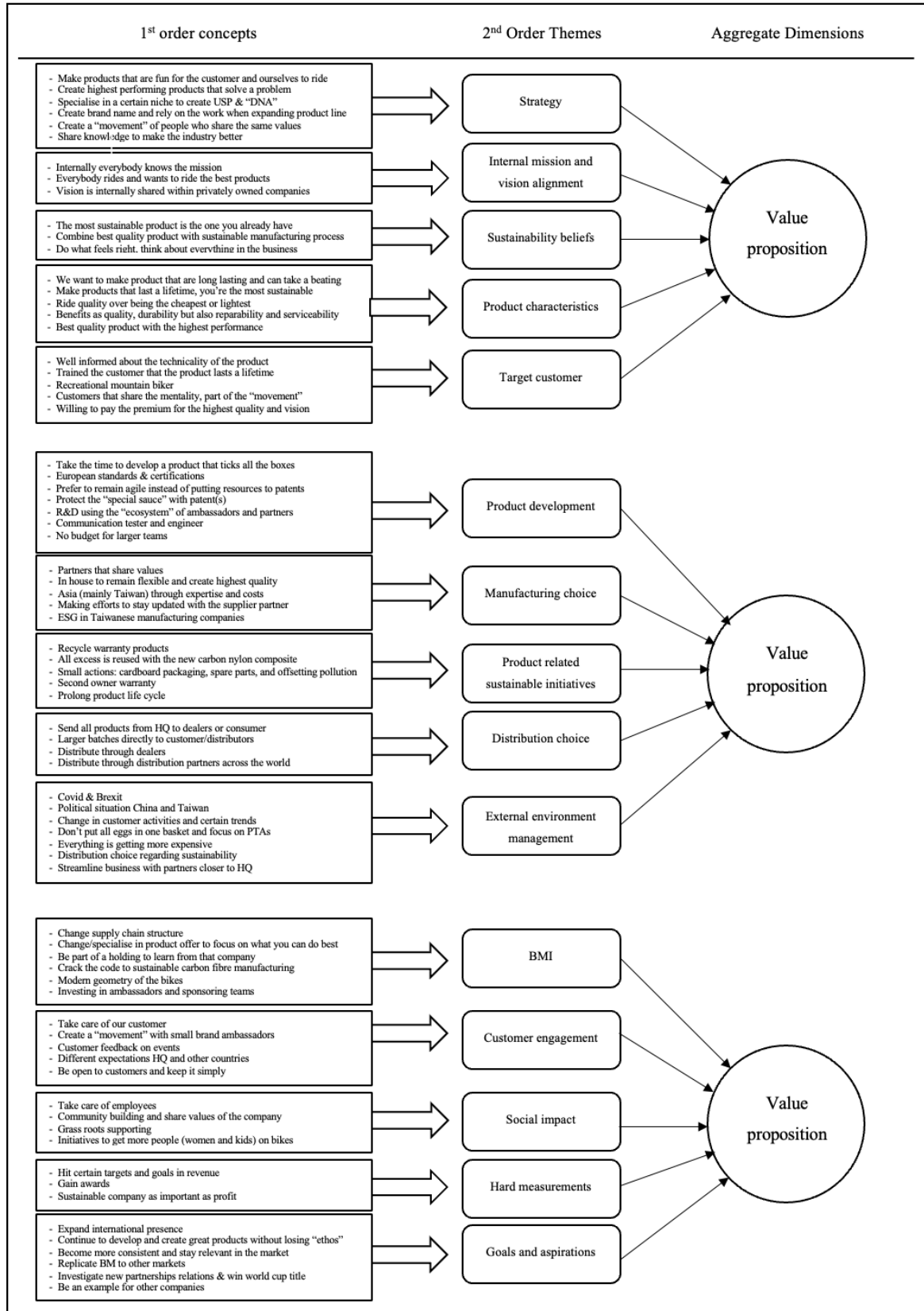


Figure 2: data structure

4. Findings

SMEs in the mountainbike industry experience more consciousness about sustainability in their businesses, even though they have few hard measures to validate this. All the facets of the value framework of Ferlito & Faraci (2022) are carefully considered in the business and spoken about companywide to incorporate different forms of BMIs and where this value originates from. The following sub sections illustrate how these firms deal with certain parts of their value proposition and how they have structured their BM to accommodate this in the creation/delivery and capture of this value. The order in which these are discussed, is taken from the data structure in *Figure 1*.

4.1 Value proposition

First, the *strategy* of the companies. SME1 wants to create a “movement” that embodies the highest performing, longest lasting, and most fun bike to ride. Similar to SME9, SME1 founded the company because they wanted to see change in the biking industry as they saw opportunities to make a better and more sustainable product that lasts longer. SME2 has a practical strategy as they want to solve problems customers experience. As the companies have limited resources because of their size (smaller than 200 employees), specialising in a niche market is part of the strategy that makes it possible for the SMEs to compete with larger firms. In particular, because most of the companies’ proposition is quality focused in those niche markets, they want to make sure the quality is top notch in order to gain trust and legitimacy from the customer. This relates to the company’s perspective on making a product, what does the particular company add to that product that it differentiates it from the competitors with its own flavour or “DNA”. This is done by not trying to satisfy all, focus on what the company can do best to create and deliver as much value to those people as possible. As a main driver, companies want to make products they want to ride themselves and pay a price you seem fit. Firms that have more than 200 employees do not have this product focus as they also sell road bikes or even city bikes. This comes back in their strategy as the prime focus is to increase their market share and want to hit certain financial targets.

How this strategy is shared within the company, comes together in the *internal mission and vision alignment*. Nine out of twelve companies are still privately owned which makes the mission and vision “unclouded” (SME2 – General Manager, interview). As the owners are responsible for the vision, this is translated in the people they employ, which makes the strategy personal. This community and culture feeling is inherent to all companies that employ under 200 people. Controversially, two of the three companies that are not privately owned, are the largest scale companies of this research (SME7 & SME12). The strategy these companies have, is still put forward by the owners but, is interfered with by shareholders of their parents’ company/holding. The exception on this rule is SME10, as a small firm it has been acquired by a European holding as a small company of only 15 employees (at the time of acquisition).

This latter point links to the *sustainability beliefs* specifically, as this is a distinguishing factor among the companies and a particular part of the strategy and the proposition. As most companies are small, no dedicated manager is acquired for sustainability practices or to put the beliefs into practice. These beliefs are integral to the company, and this is part of the mission and vision; combine a quality product with sustainable manufacturing (SME2), as well as the belief that the most sustainable product is the one you already have (SME6). “Do what feels right” is a phrase that has been used a fair few times. So, no dedicated performance measures are used but rather a certain goal or belief is thrived for throughout the company. Sustainability also means making the company stable and strive for longevity, as only then you can make an impact (SME8). At last, SME4 is the only company that has developed a way to make their manufacturing process 100% recyclable, so they can focus on profit as the base of the business processes is sustainable.

These sustainability beliefs also come back in the *product characteristics* where the highest performance and quality are a central theme, as this leads to longer product life cycles. Also, the demands of the customers play a role in the characteristics of the product, as “products should be able to take a beating”. When products are used by professionals and the products can conquer and survive those demands, that speaks a lot about the quality, according to SME3 and SME4. Also, the serviceability and recyclability of the product is crucial for the proposition of the product to the customer to make this as easy as possible. Competitive pricing and weight

are important, but the ride quality goes over these product characteristics in most of the companies' value proposition and USP.

The *target customers* which the companies are trying to reach are in most cases people that either have a lot of technical logic about the product (SME1 & SME6), share similar (sustainable) values (SME2), or just be an avid mountain biker (SME9 and SME10). Especially the same values come back in the strategy of the companies to make products they want to ride themselves, as this is shared among customers (SME5 and SME6). SME 2, SME6 and SME7 have trained their customer to understand the quality they produce as they are a premium priced product.

At last, how the companies interact with their audience is scaled under *customer engagement*, which is an imperative focus point for the majority of the companies. Taking care of the customer with after sales service and engaging with them on events to create a certain community/movement where people share that same passion. This happens online and offline with the help of (international) ambassadors to increase engagement. All companies use social media and other media (forums and magazines) to communicate with the customer. SME5 calls it "old school" but likes to stay close to their roots with good relations with dealers and personal contact face to face adding to online interactions. The ambassadors are also used as a marketing asset to promote the product as they have expertise in "showing the hype" better than the company, according to SME1 and SME11. Customers are evenly enthusiastic when a pro or a fellow customer posts something to show their excitement on social media. As these ambassadors are situated worldwide, the presence of the company is also expanded through this ecosystem with partner ambassadors.

No real international differentiation of the proposition is found within the interview as people ride bikes all over the world and the culture seems to be coherent across different continents. That said, all companies are active in multiple geographical areas, and almost all companies have partnerships in different continents than where the HQ is situated. Which will be touched upon in the following section.

4.2 Value Creation/Delivery

Firstly, *product development* deals with how the proposed value is developed for it to be created. This is done in multiple ways to accommodate the vision and mission of the company. Some companies want to ensure the top-notch quality and the environmental impact of the manufacturing process, by ticking all the boxes. How companies develop and protect these innovations, differs in two perspectives with regards to patents. Some companies protect their “special sauce” by investing in patents and protecting some key technologies to ensure the USP of the product. Five out of seven N-American companies have patents and only the W-EU & UK firms that have over 200 employees have patents. Leading to smaller W-EU & UK firms not engaging in patents. Companies that do not have patents prefer to invest more in the product development and staying agile rather than spending money on getting and defending the patent(s). SME11 does not patent anything to open up their technology to be incorporated by others to hopefully make the manufacturing process more sustainable. Without patents, it is experienced that the uniqueness and technicality of the products speaks for itself, and it is hard to start manufacturing as there are high sunk cost to start. To test these new developments, almost all companies use a so called “ecosystem” of the brand ambassadors and pro teams to test and promote the product. Ambassadors are most used as professional teams are too expensive for most SMEs. Still SME3 does have a racing team and SME5 makes the choice to sponsor a pro team. Also, internal testing is highly used as most of the employees work a considerable time in the industry and could call themselves “experts”.

Thereafter, when the product is developed and ready to be manufactured, a certain *manufacturing choice* needs to be made. This is either done by partners in Asia (predominantly Taiwan) or by the company itself in house. In a lot of cases, different partners are used for different types of product as the expertise is quite specialised within the manufacturing industry in Taiwan. Both are effective but as the expertise of producing bike parts on large scale is the highest in Taiwan, this is more cost effective. These partners are monitored closely, and tight relations are forged by the companies to make sure the business is healthy and that the company shares the same values (SME1 and SME9). These partnerships focus more and more on sustainability, also because of the new regulations of the Taiwanese government where all

manufacturing companies need to add to the ESG goals that were set in 2021 (EUROVIEW, 2022). Whether produced by partners or in house, all companies comply with international certificates and certain quality standards (ISO or third-party audits). SME9 even partners up with a German company to get their products certified by a third party to give a sign of quality to the customer. The companies that make all, or the majority of their products in house are as flexible as possible and take full ownership of the manufacturing process with their own quality control and direct inventory management. This does come at a cost, as these companies have a substantially higher price to accommodate this way of manufacturing compared to the more cost-efficient Taiwanese production processes. Overall, a distinction can be made whether companies outsource their manufacturing process or keep it in house. Companies smaller than 50 employees have too little resources to manufacture in house and manufacture internationally. Between 50 and 200 employees a choice is made to produce in house with a higher price as a result or outsource production to be more price competitive. And finally, companies larger than 200 employees which want to achieve a higher scale with their broader product offering, need to outsource their manufacturing process to accommodate this.

Within this development and manufacturing stages, the companies have specific *product related sustainable initiatives*. These subsist of a few distinct ways, beginning with the smaller initiatives that take less effort of the company; cardboard packaging, availability of spare parts, offsetting pollution and selling apparel from recycled material. The more complex ways to achieve this are recycling warranty products and give out second owner warranty. Some initiatives are a bit controversial and make for sustainable challenges, as certain companies still make their products in less sustainable ways (carbon fibre frames). This material is still chosen as certain ride characteristics can only be achieved with carbon and not with other materials (e.g. aluminium). When developing such a carbon bike or component with a high-quality standard, it increases the lifetime of the product so in that sense it is less harmful for the environment. Thus, there is a balance to strike between using more sustainable materials and increasing the lifecycle of the product. Taiwanese partners are working on new ways to re-/upcycle faulty products or make the manufacturing process more sustainable (SME9). SME4 stands out as they are the first ones in the world to be able to recycle carbon fibre on large scale.

To distribute the made product, a *distribution choice* is made to serve the customer. Three models are used; BtoC, BtoB or a combination of both. All ways align with the values of the companies, but the most important factor that alters the choice is size of the company. If their presence of sales is thus large in other continents, they are almost immediately bound to scale up their production and choose distribution partners in those locations. Efforts are made to streamline the supply chain with direct shipments to distributors. With this companies prefer sea container freight as this is the more cost effective and environmentally friendly compared to air freight. An interesting finding within this subject is that smaller companies (under 50 employees) that are younger (founded after 2010) prefer a BtoC BM. They focus on direct consumer engagement rather than building relationships with dealers. There is a general trend related to the age of the company, as companies that are founded before 2010 solely, or primarily rely on BtoB BMs. Some of these older companies have implemented BtoC BMs that “sell more than people might think” (SME8 – Global Sales Manager), but still a BtoB method through dealers is preferred by these older companies. SME5 prefers BtoB to help customers in their own language. SME11 is motivated to research a BtoC BM but is hesitant about it as a large in-house customer service department is needed to back up this new way of selling products. A BtoC BM makes it possible for SME1 to be present globally as the smallest company, with only 8 employees. Also, the customer service is quicker as there is no party in between and the company can help the customer themselves and take ownership in the customer experience. So, a certain trade off could be distinguished that links to the international strategy of the companies.

To conclude the value creation and delivery phase of the model, companies have a certain *external environment management* to accommodate the international changes that are happening. As SMEs don't have large workforces, majority of the employees are involved in mapping the external environment so a continuingly process of management is in order. This helps to map the opportunities and possibilities of the company to change certain parts of the strategy and sometimes even the BM when needed. One of those developments are the demands that are put on riders and bikes have changed drastically. Where “longer, lower, slacker” in geometry of the bikes, is a development that was crucial for companies to incorporate in their product development. But also, in the non-market environment of the company, such as

COVID and Brexit. These shocks were mainly short term, but some companies still feel the aftermath from them. Where COVID made inventory management crucial, and Brexit forced companies to become more agile and creative in their exporting strategies. Both made raw material more expensive, and this asked a lot of the creativity of companies to make the same quality product with even less resources. A big nonmarket factor for most companies is the political situation in Taiwan and China, as 9 out of 12 companies have partners in Taiwan, this could have detrimental consequences for the businesses. Therefore, companies need to be aware of the developments and spread the risk by not putting all their eggs in one basket (SME8). Specific strategies to accommodate these international changes are the use of certain regulations regarding preferential trade agreements (PTAs) (SME 8) and retrieving production to the same continent where the HQ is situated (SME12). Though, forging even closer relations with partners is also a strategy that is in play, the risk of relying on one supplier is part of the entrepreneurial game but knowing your supplier/partner is also a method to handle the external environment (SME1). Some companies experiencing this first hand with increasing days of wildfires in the forests, which makes sustainability a larger motivation within the company and their business model (SME9). When certain developments and changes are discovered, these are discussed with colleagues and the top level of the company, especially with smaller companies (under 50 employees). This is an ongoing process and integral to most companies to make sure the company keeps innovating and distinguishing itself from the competition.

The international aspect is present in all companies, as they produce and/or deliver their products worldwide. Additionally, partners across the globe are used to develop the product and different BMs are used or researched to see international opportunities to serve customers in different geographical areas and optimise the business processes. The external environment is mainly managed reactively but SMEs make serious effort to be creative within this environment.

4.3 Value Capture

To begin, *BMI* among the companies mainly focuses on specialising in a certain part of the BM. A few of the companies focused on solely carbon manufacturing, as this holds certain properties you don't have with other materials. Together with the geometry of the bikes

“longer, lower, slacker” is something that was mentioned to the extent where that is the core of the company (SME8). Additionally, specialising the product offering and engineer a bike with a similar shape were important for SME1. One company in particular, SME4, cracked the code to a new technology which revolutionised the way a wheel is made. SME8 and SME5 pointed out that collaborating with a pro athlete was also very important for the company as this resulted in brand awareness and recognition which really lifted of the presence of the company in the market. At last, SME9 changed the common BM, which is selling components through distributors and dealers by cutting them out of the supply chain. This enabled them to continue to create the same quality product for a lower price as this saved 30% of the margin. This new BM also made the company more responsive to market changes as they sell directly to customers while providing high quality for a lower price. Within the BMI among companies, the international aspect comes forth constantly as the manufacturing is mainly done in Taiwan. Some choices are made to be less dependent on these partners, but some companies make sure to increase the strength of the relationship with the partners to overcome challenges more easily in the future. So not one strategy or innovation is seen as most effective, as BMI is complex and happens company wide. That said, a combination of internal and external environment changes made for these SIBMI changes where certain challenges are combined with motivations to change. All companies have the internal motivation and drive to integrate certain challenges/barriers to stay competitive with their competition and distinguish themselves in the market through various strategies. Sustainability is incorporated within these changes, that being: longevity of the product, new manufacturing techniques or new ways to approach the customer.

A way the BMI is measured is through *social impact*, as most companies try to have an impact independent from making money. Community building is very important and this shares among customers, as they like to get to know people behind the company. This community building and engagement happens online through social media and other media and also through events which mainly take place close to the HQ of the company. Taking care of the employees with retirement plans and providing a bicycles for all employees is also part of the social impact. Another initiative is to help the next generation to the next level with “grass root” initiatives, where up and coming athletes are chosen to support as established riders are often too

expensive. Another way companies create impact is by providing kids and women lessons or material to get to know the sport and even train them in a way to become a pro. These initiatives come forth out of personal interest and enthusiasm, as these are nice ways to provide the community without receiving any large financial rewards (SME6). SME10 engages in this as well as they are giving back to various local organisations, they feel strongly about any chance they get. These organisations are trail building crews of other initiatives maintain the forest and take care of the planet. This is seen as a trend among almost all companies, where the local environment of the HQ is very important to the company as they want to provide for this community close to their roots.

Still, for mostly the larger companies, *hard measures*, are still definitely in place to hit certain targets and markets. Also getting an award is a hard measure for SME7 to show the quality of the product. Besides that, a lot of the smaller companies roll by the mantra “do what feels good”, this means having a sustainable impact as a company, internally and externally. Still the company should make enough revenue and profit to make sure the company does not cease to exist, as well as creating a budget to keep innovating. Becoming a sustainable and a stable company is just as important as being profitable.

How this impact is measured and aimed to continue in the future, comes forth in the *goals, and aspirations*. The largest companies have the goal to expand their market presence with certain targets of market share. All the other companies want to continue their impact and keep growing the business to become more impactful and stable locally and internationally. SME8 for example, want to copy their HQ BM to other continents while still making sure their unique flavour is not lost. Just keep continue what they are doing while producing and innovating new products is the prime goal while keep engaging with the customer. Also, becoming more consistent and staying relevant in the market. Additionally, making high quality products and continue to develop without losing the “ethos” of the company.

5. Discussion and Conclusion

In the previous chapter, five distinct findings came forth. Firstly, all companies that employ less than 200 people have a very personal part in the strategy of the company and how sustainability is incorporated in this, because this is close to the owner(s)' mission and vision. Secondly, patents play a different role in the product development of companies, where younger and smaller W-EU & UK companies, in particular, do not engage in patents to stay agile. Thereafter, different BMs are used to serve the customer that link to the international motivation and experience of the companies. A certain trade-off is made between BtoC and BtoB where downstream (dealers and distributors) and upstream (manufacturing) partners are key. Fourth, the use of the "ecosystem" of international ambassadors is experienced as vital for the company. At last, financial measures are mostly used by the larger companies and companies smaller than 200 employees focus more heavily on their social impact on the local and international community building and engagement by creating a certain "movement".

5.1 Theoretical implications

This research aimed to explore how SMEs innovate their SBM sustainably and how they structure this internationally. Derived from the analysis and findings, five distinct theoretical contributions are made. These findings are structured in a way to answer the research question, how SMEs first develop and then secondly, implement their SIBMI strategy.

Firstly, to develop an SBM the companies all have a certain mission and vision to propose the value to the customer that is central in the development of the BM. As companies are mainly privately owned, they stay close to their conscious beliefs that their products should be sustainable and look further than the purely economic logic (Sommer, 2012). This validated the claims of Harsanto et al. (2023) as owners are indeed deeply involved in sustaining their BM and no bureaucracy or interference with shareholders is experienced. Employee engagement and motivation that aligns with the owners and strategy of the company, are perceived to the increase sustainable success of a company (Gannon & Hieker, 2022). All companies had either an exporting based or semi-global BM (Rask, 2014) and were mainly

concerned as technology exploiters to explore new developments in the market (Child et al., 2017). Within this strategy, no major discrepancy was found with the different target customers in various international markets. This strategy of the companies is mainly built around a certain niche target customer with a specific type of product to accommodate this proposition. Community building is a large part of this strategy, even though this is mostly done locally, social media and other media make it possible to create a worldwide movement among customers as a feeling of belonging and likeminded people. This goes in against the findings of Steinhoff et al. (2023) as the prerequisites for customer engagement differentiates across country-specific market environment. This could be explained by the industry of this research, which will be touched upon in the limitation section (5.3).

According to Assadinia (2014) a niche strategy enables SMEs to achieve a sustainable competitive advantage in relation to larger firms when exporting their products. To develop this competitive advantage, Desouza & Awazu (2006) find that SMEs should leverage their most critical capability/resource, which is organisation knowledge. Companies understand their resources constraints and frequently act creatively to work around these limitations to ensure proper knowledge management. The agility and practicality of SMEs are fast benefits compared to larger firms, which makes it possible for SMEs to compete with larger firms. SMEs are also known for using external knowledge to compensate the lack of resources to create knowledge themselves (Desouza & Awazu, 2006). Most companies outsource their manufacturing process, even when they have acquired patents, they often rely on partners to manufacture their product through licensing or partnerships (Dunning, 2000).

The usage and investment in patents, small US firms are twice as likely to invest in patents than small UK firms (Mina, 2010), which is in line with the findings. This difference in patent usage mostly derives from the patent system of the respective geographical areas, but exact reasons in culture or institutional differences stays unclear. This could however, be scaled under institutional barriers as US based firms are more eager to avoid uncertainty with ensuring that their technology is not copied (Bocken & Geradts, 2020).

To develop the BM, partnerships are forged upstream and downstream (Rask, 2014) to create and deliver the proposed value to the customer. These partnerships are domestic and international. Most manufacturing, when outsourced, is done in Taiwan which makes the choice for a partnership imperative to align with the BM the company want to use. These upstream partnerships are crucial for the quality and costs for the product (Macchion et al., 2023b), which after the downstream partners are used to distribute the products to the customers to gain revenue (Rask, 2014). When the international scope of the company is thus large, distribution partners are needed to accommodate this volume of products. To ensure these relations are sustainable, proper time and consideration goes into the choice of these partners. Characteristics such as pollution, durability, working environment and sustainability are also considered apart from costs in these partnerships so values are aligned between the companies. Thus, proper stakeholder alignment is experienced internally and externally towards sustainable problem solving BMs (Baldassarre et al., 2017).

Thus, developing an IBM sustainably as an SME, a niche strategy is most frequently used to remain agile and use knowledge management to be competitive with larger brands. When forging relationships with partners, the alignment in values is important.

Secondly, considering the implementation and innovation of the SIBM, companies experience different challenges/barriers and motivations/drivers. As companies have specific strategies, these barriers and drivers differ between companies. Privately owned companies and their lack of shareholders limit the friction towards SBMI internally (Bocken & Geradts, 2020). This personal strategy of the SBM (among companies that employ less than 200 people) can be seen as an institutional driver and is the catalyser for strategic and operational drivers (Sommer, 2012). This links to knowledge management as that is crucial in the evaluation of certain barriers and drives. Companies are aware and conscious about their limited resources but try to be creative and manage their knowledge accordingly (Sampene et al., 2023). Companies are also aware that they can't know everything, and they manage this by doing all the best they can within their capabilities and try to do as good of a research to developments and the external environment as possible. These come back in operational drivers to make the BM more sustainable by being more effective and efficient. SME9, among other companies, work very

closely with their partners in Taiwan to look at new ways to make their product more environmentally friendly and streamline the downstream processes further. Knowledge management and development of these dynamic capabilities are key to accomplish engagement in IB (Nave & Ferreira, 2023). A large institutional motivation for SBMI is the (local) community to make sustainable efforts that speak to the customers and potential riders. Certain initiatives take place to increase the community feeling and give back to the local environment. Another institutional driver is that SME10 experiences free flow of information across other holding owned companies to learn from each other. Especially, SME10 is a Canadian firm, European regulations are really insightful and are experienced as motivation to innovate more. This free flow of information is very effective in a holding structure and could lead to a synergy among companies (Receveur, 2016).

Barriers towards SIBMI mainly lie in the limited resources, which could be scaled under operational, and institutional barriers where partners and market changes alter the development of the company. Other barriers that the companies experience are those external to the company, where the political- and other nonmarket developments are experienced as most impactful (Sampene et al., 2023). Companies are driven by personal motivation and staying ahead of the competition, to change their BM to a (even) more sustainable version, this drive is higher than the (potential) impact of the barriers. This is done with dynamic capabilities as external environment changes are sensed, seized and transformed by multiple, if not all, people within the company and in collaboration with the (international) partners (Bocken & Geradts, 2020; Nave & Ferreira, 2023).

Colovic (2022) talks about large- and small-scale BMI and how small changes lead to timelier foreign market presence, where one or two components of the BM are changed. Large scale changes are a major overhaul where multiple big changes in the company are needed. These changes mainly consist of engaging in (new) distribution partners, streamlining the supply chain and customer service. This links to the implementation of a BtoC BM from companies that are founded before 2010, as most have implemented this new BM compared to their initial BtoB BM. This is a large-scale BMI as an overhaul with manufacturing and distribution partners of the BM was needed to accommodate this development. This BMI can be seen as

process innovation, which is in line with (Harsanto et al., 2023) as SMEs are more effective in process innovations compared to larger firms. Controversially, one of the reasons why smaller and younger companies are able to compete with the more experienced companies in the industry, is the adaptation of digital payments over the years and the general digitalisation around the world (Añón Higón & Bonvin, 2023; Mat Shafie et al., 2020). This enabled these smaller and younger firms to compete world-wide from the beginning. These younger and smaller firms did not have to invest in dealer relationships to operate internationally. More experienced firms had to overcome challenges regarding implementing this new BM as this is seen and experienced as a large-scale BMI.

Independent of the BM that is chosen, all companies smaller than 200 employees are implementing strategies and new ways to engage with customers, through events, social media or through ambassador partnerships who share the hype of the brand to (potential) customers. This is validated, as brand ambassadors have a positive impact on brand image and purchase intention as well as a mediated effect through social media marketing (Sabella et al., 2022). A distinction is made between online and offline brand communities. As offline community context are more concerned with social and personal benefits where online communities demand more information from this context (Hook et al., 2018). This could be something specific the mountainbike industry but both online and offline communities were seen as good engagement with their customers, with the exception of older companies who still preferred face to face interactions.

5.2 Managerial implications

This study has multiple managerial implications for several actors within and outside the industry. The findings are relevant for SMEs with different BMs to research their motivation and strategy alignment with their BM in order to serve their customer internationally, the best way they see fit. Recent developments make it possible for small and younger companies to operate globally with BtoC BMs and compete with other larger and more experienced firms. Already majority of the more experienced companies have implemented a BtoC BM on top of their dealer based BtoB BM, but not all. Companies should ask themselves the question whether they are prioritising personal and physical customer service with dealer partners

through a BtoB BM. Or on the other hand, do the customer service themselves and focus on a BtoC BM where an international presence can be obtained more easily. This choice does have influence on the international aspirations of the company as worldwide presence is very capital intensive with solely a BtoB BM. Especially for smaller firms (under 50 employees), large international goals need to be accommodated by a BtoC BM with outsourced manufacturing.

Secondly, all partnerships are imperative to make the BM more sustainable, as SMEs experience the lack of resources it is crucial to collaborate with partners (international and local) and be transparent about the manufacturing and distribution processes towards SIBMI. This is especially crucial with international partners as different external environmental developments are present than at HQ. There are challenges with these partnerships, however the collaboration is always experienced as good and aligned with the vision of the company to form a joint effort towards sustainable practices. Therefore, the significance of relationships with partnerships is validated and reason to strengthen these even more.

At last, Implications for policy makers are mainly present with the particular patent systems, no difference in performance or success is found among companies that engage in patents. Even though all SMEs in N-America have internal motivation to become more sustainable, new regulations towards sustainability and ESG initiatives of businesses would increase awareness and external motivation to innovate the BM sustainably.

5.3 Limitations and future research

This study is aware of limitations it has; however, this also presents certain future research directions for other scholars. Even though certain bias may occur in qualitative data, especially in the inductive coding phase of the analysis, this is seen as an opportunity to find new concept developments.

First, the specific industry and geographical area that is chosen for this research could be seen as a limitation of this study. Even though sustainability is something that is becoming more and more important in business, the outdoor industry has a much closer relation to nature and the environmental impact of the product (Eigenschenk et al., 2019). This is something positive

but could be challenging to generalise this research to other industries. This links to the industry factor that was proposed by Child et al. (2017), as SMEs within this industry could experience sustainability initiatives different than SMEs active in other industries as they are less concerned with the environment and nature. The study had difficulty to make distinctions between companies within the sample as a lot of possible BMs were not bound by size, or manufacturing process. This shows the complexity and uniqueness of SMEs within this industry, and that not a golden formula is present. Further research should be carried out to find characteristics of companies that are distinct and impact the SIBM effectiveness.

Secondly, this exploratory research validates the existing value framework and adds to the novel concept of SIBMI literature in a SME context with the distinction in motivation and strategy towards a certain SIBM focus and type of BM that is used. The surface of this concept has just been scratched as it is not yet clear which antecedents make for these BM choice differences clearly. Institutional and cultural differences were not the focus of this study, but I invite future researchers to focus on this in more depth as institutional and cultural differences as these play a significant role in the international strategy of firms (Hitt, 2016).

Finally, this research touched upon the community and ambassador aspect that is experience as important among most companies. There is brand engagement with customers and communities but there is no distinction made between local and international community building. This should differentiate according to literature but that distinction was not found in this research (Steinhoff et al., 2023). Therefore, research should be done towards online and offline brand engagement and how this differs across international settings. Additionally, how the international ambassadors really influence the international performance of the companies is not yet touched upon in depth.

Despite the limitations of this study, a significant addition to literature is found that opens up possibilities for further research on how SIBMI is developed and implemented by SMEs.

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Appendix

Appendix A: Question structure semi-structured interview

Questions as structure for the semi-structured interview.

BG: Bocken & Geradts (2020)

R: Rask (2014)

Value Proposition	What is the mission of the company and how is sustainability incorporated?
	How is this mission shared and discussed international- external and internal stakeholders (formally and informally)? Employees, customers, stakeholders, and shareholders. BG
	Who are your customers and which needs are you trying to fulfil?
	How are the products developed and tested?
	Does the firm sometimes experience a discrepancy between the strategic intent of SBM and the operationalisation of the strategy?
	Do you experience certain challenges or opportunities when trying to innovate your SBM? If so, in which areas? BG
	How does the relationship with stakeholders look like and how are these relationships managed?
	Does the company have a specific sustainability committee?
	How do regulations play a part in the value proposition? International rules
	Does the company have a certain ethical code internally and towards the customer?
Value creation and delivery	Could you describe how the company copes with the changing (international) environment and how does company have to accommodate these? R
	How does the relationship with customers look like? Are social, environmental and economic problems addressed to them?
	Does the company have certifications?
	How are the employees and people within the company trained?
	Which and how are (international) distribution channels used? R
	How is the relationship with partners and how are key activities for the value proposition shared and managed? Cultural and institutional factors, BG & R
Value capture	How does the company manage its waste and environmental footprint? Key resources (lack of them) and recycling. R

	How are (international) social and environmental principles considered when deciding on investment plans and strategies? BG
	How is value captured internationally?
	How are the financial performance and the return of investments measured? General and SBM. BG & R
	Did the company attract new investors in the past years? BG
	What are the goals for next year? And the coming years? BG

Notes Interviews:

General introduction question who the interviewee is and what their position is within the company?

How would you **define value** and what is that to your customers?

Value proposition

How is the **mission shared** and discussed **internally and externally**? **Sustainability**
barriers and drivers - motivations and challenges SBMI

Strategy and **operationalisation**, incorporation of customers, stakeholders, and shareholders.

Sustainability department and ethics/legal

Regulations, reactive or proactive

Particular customer focus?

Value creation/delivery

Manufacturing and Distribution -> environment and social (**patents**).

Could you describe and how to cope with **international and ecological changes** in the environment (dynamic capabilities)

Partnerships and ambassadors in key activities and resources

Does the company have any **certifications**?

Value capture

Ecological, social and environmental factors incorporated into **investment plans**

How is the **financial and social performance and measured**, General and SBM

Did the company acquire **new investors** past year? ESG
size of company

Alignment partners

Did you see revenue increase after BMI?

LAST QUESTION

What are the goals and aspirations for coming year?

Appendix B: Relevant Quotes

Internal mission and vision alignment	“we give them a bike obviously with our components because the idea was that say people start working but you don't really cycle. They didn't understand what we made and or the to understand the passion. The people are sort of public who use our products. So, you want to be able to anyone working on our parts in the factory. They ride the bikes with the parts on so they can understand what say a brake lever. Why it needs to be smooth or why? Why it is like it is. So, they give more better understanding of it.” (SME6 – Sales Director, interview)
	“We are here to deliver the highest performing longest lasting products. I mean that is at the end that's who we are. That's what everybody knows here, and it is said all the time. So, you know, that's pretty much the mission here. Our vision is longevity and quality ... and that goes right in hand in hand with the with the sustainability proposition.” (SME2 – General Manager, interview)
	“The reason we've started is we wanted to see change in the industry ... and so we wanted to really prove to riders that you can have, you know, reliable products that are affordable and get incredible customer service. So that's what we set out to do.” (SME9 – Founder/Owner & CEO, interview)
	“We have one owner and his name's *Founder SME2* ... so you don't you don't have a lot of people interjecting into the business, right? If you're going to get your vision and you're really gonna push your vision and you're really gonna drive that, you have to own that.” (SME2 – General Manager, interview)
	“So it's, it's a matter of hiring people who are who have complementary skill sets and can and grow the company and share a vision for you what you what you want the company to be and so that that's in a nutshell what you know where we where we are.” (SME11 – Founder/Owner & CEO, interview)
	“being part of *Holding* and that being like able to talk to *partner* and ask questions, there's a lot more free flow of information and openness compared to if you, if I was just to talk to, I don't know a company like specialised or something like that. So it's really neat to be able to learn and collaborate that way.” (SME10 – Sales/CSR manager, interview)
Strategy	It's a bit of like a movement where if you if people buy our bikes, they join and movement where it's like you kind of make a statement when you when you ride the bike it's like. You your statement is that, uh, we make aluminium bikes, not carbon fibre. (SME1 – Founder/Owner & CEO, interview)
	“we've always been just about trying to create fun. We like to build bikes that are fun for people to ride and I think that's a real a core. A core value is just that we want people to have fun on our bikes. And the great thing about that is it's one of the healthiest things you can do for yourself. It's good, it's good for the person. It's good for the environment. I mean it's just a win, win situation.” (SME11 – Founder, interview)
	“we're always trying to solve a problem that's kind of where we start. We're not a. You know, we don't do things for FAD or fashion. (SME2 – General Manager, interview)

	<p>“So just through various ways that we've made the frames more more efficient to to build. With more a little bit more technology and just refining the process a lot more. So those are some of the things that we'd like the the Asian factories to learn and what's an open book for us. We show everybody who wants to see our factory. We show it to them. It's not. It's it's not proprietary. It's something that other people aren't using but. But we're happy to share that information.” (SME11 – Founder, interview)</p>
	<p>“Half sort of goal really is to produce great product that first and foremost we want to ride. We're all riders here, so we primarily create a product for ourselves.” (SME5 – Founder/Owner & Director & Owner, interview)</p>
	<p>“Our ethos is simple, we make high quality products, no sales waffle. Let the product do the talking.” (SME6 – Website)</p>
	<p>“we don't want to lose that cool (US) flavour that the company has right now, which is probably one of the most important things of the company, the brand, you know the most important value, most important asset of the company right now is the brand. You know we are considered one of the few niche brands that are still left in the world that are independent. Apart from SME4 and SME11.” (SME8 - Global Sales Manager, interview)</p>
	<p>“we started with dropper posts which is I think looking back on it, I think it was a good way to start because it's a very technical product. And so, by executing on those well, we were able to gain a lot of trust with customers. So then when we come out with something very simple like a grip, a customer's like, OK, yeah. I trust these guys to do that. If we had started with grips and then gone to droppers, I think that's a much more challenging obstacle to do.” (SME9 – Founder/Owner & CEO, interview)</p>
	<p>“if we're gonna make a product, it needs to like, what's the *SME10* aspect of it? ... What would we bring to it? How would we what would be different about ours? And so, like one of the best products, I think that we make is our handlebar and how we have a patented our ovalised design ... There's something special to it. And so I think our customers, when they see a *SME10* product or they think about *SME10*, they think about, OK, this is something that is definitely different from everything else that's out there.” (SME10 – Sales/CSR, interview)</p>
Sustainability beliefs	<p>“we don't have different levels of equipment that other brands would do a cheap version or expensive less, but we do one that works. So that's the translation, the direct translation of the value, because we do one that works and that well, why would you make one cheaper or make one make one less quality? ... That's the best way you can do it. So, they're like the most environmentally friendly products, the one you already got.” (SME6 – Sales Director, interview)</p>
	<p>“We have a very deep understanding internally about what we believe value is and that is everything from the design phase all the way into the manufacturing phase which means you know anything from longevity materials that we're gonna use, what's the impact of those materials and then you know is it serviceable, can we fix things ... and then does that actually produce a quality product? I mean, quality has to be #1, right? (SME2 – General Manager, interview)</p>
	<p>“It's really you have a general idea of like is this good or is this bad for the environment and that's that's how we kind of frame things again like eliminating single use plastic like that's pretty obvious like we know what the impact of that is, trying not to do air freight. That's pretty obvious. There's a lot of data around what the carbon footprint differences are between air freight and cargo on a on a ship.” (SME9 – Founder/Owner & CEO, interview)</p>
Product characteristics	<p>“Pricing, you know those two things like we can't, we don't go in and say hey, we're the cheapest and we don't say hey, we're the very lightest those things are really easy to sell off of, right? Like anybody can do that, but where ours is, is actually the ride quality.” (SME 4 – VP Sales, interview)</p>
	<p>“Product longevity is something we always focus on right from the start of every product. When we sell someone a product, we don't want that product to come back. It is a key selling point for *SME6*.” (SME6 – Video)</p>
	<p>“First and foremost, because we do make products that we want to take a beating, we're in the mountain bike business. And so, these are products that need to be robust. They need to be able to stand up season after season. ... Like when I talk about quality, it's durability, it's also repairability and serviceability of our products. All of the products can be serviced at a type of home garage” (SME10 – Sales/CSR manager, interview)</p>
	<p>I think a lot of people don't give enough credit to you is, you know, if you make things last a lifetime, you're the most sustainable, sustainable product you can make.” (SME2 – General Manager, interview)</p>
	<p>“So yeah, at the highest level of racing around the world, that's where the most stringent demands are going to be placed on the product. And so being able to perform and improve the product in those situations, I think is a testament to the quality and longevity of the product.” SME3 – (CS lead, interview)</p>
Target Customer	<p>“We don't have to market it as heavily because we believe we've trained our consumer to understand when they see that that they know that's a lifetime product. It's made out of the best materials.” (SME2 – General Manager, interview)</p>

	“our customers tend to be more technical, I would say and it's the other understanding of mechanics or engineering, anything like that so that's our target customer. There're the part numbers for everything available on the website straight away there's video on how to serve yourself. So, it's always there's nothing hidden that way. So, we'll try and make we do promote the fact it's all available to everyone to service.” (SME6 – Sales Director, interview)
	“We are not. We are not cheap. But we are good and the people that upstairs quality, they don't talk about price and never heard about price and never heard about discount. No, they pay and they want quality.” (SME7 - Marketing manager, interview)
	“So our customer, yeah, tends to tends to be, you know the recreational kind of hobbyist mountain biker who? It takes it serious, but it's not like their whole life and not their whole identity if that makes sense.” (SME9 – Founder/Owner & CEO, interview)
	“We do as high end as we can aluminium, so it's better for statement. It's like, hey, I don't spend more money on a carbon bike. I get a higher aluminium bike because it's more durable. It does it, it just rides better. It doesn't creak and it's more sustainable. So I think that is the value that comes with our brand that people and yeah, that people like really like embracing.” (SME1 – Founder/Owner & CEO, interview)
Customer Engagement	“we try to make our products very approachable where we're not using, you know, industry jargon that maybe is kind of over people's heads. We try and really explain, you know, Emily and her team do a really good job of explaining products in a very simple, easy to understand way that's not demeaning, but it's also, you know, it's just, it's just approachable and we try to not take ourselves too seriously with the way we're describing things. So I think our approach there” (SME9 – CEO/Founder, interview)
	“Get a lot of surprises. For example, the telephone in the Netherlands, we are used to pick up to pick to get the telephone to call, to have an answer. In Austria, now they have an e-mail management ... If you are by dealer and there is something wrong with frame or something and then you want to call to the office, to the Sheriff's Office and ask. Can we fix that, or can we not fix that?” (SME7 – Marketing manager, interview)
	“And on top of that, we provide a quality of service as well as if you ever had a customer service or support question or something like that, they come to us and we are answering them in a timely fashion. We're treating them with respect. We understand how frustrating, it must be to have a product on your bike that you just spend your hardened money on and now it's not working the way you expected. So we want to help you get back out on the road, back out on the trail as quickly as possible.” (SME10 – Sales/CSR, interview)
	“but also we often refer to our customers as like small brand ambassadors and this is start like with every customer start a little relationship that with some less, some more umm and I think the taking care ... does really, really help in selling through the word of mouth. It's again, it's really hard to measure, but you can often see that. You can often see that if we have a new customer in a place where we haven't really sought yet that within a few months more sales will come around there and that that's just really cool. (SME1 – Founder/Owner & CEO, interview)
	“we'd probably prefer it that that everyone speaks through their they're in their own language and we haven't got that capacity ... And I think we've always because we grew up with bike shops and you know what they used to do for us, that was we, you know, we wanted, we always want to support sort of bike shops and. So what we're very grassroots, very grassroots orientated, like that sort of thing ... We go to demos a lot, so we're always this weekend we'll be at a cycle shop. That pretty much for the next six or seven weeks with every weekend. We're at demos. So we're always meeting the public. We're always very public facing. You're talking to people, and to be honest, as you know, mountain biking, it's a passion. We're all passionate people. We love talking about bikes, that's what we do. We and that's, we love sharing that passion with other people basically.” (SME5 – Founder/Owner & Director, interview)

Table 4

Value creation/delivery: representative quotes

Product Development	So even the most the best testers will go in and they'll ride a wheel and they'll come back and say I don't know what it is, but this wheel is different and that is that the hard thing for us, I mean, and it's to understand like it's different now they come back and they say this wheel is different and I like it like it is better, like I don't care what it weighs, what it like cause usually blind tests with them and that's they don't care if it weighs more or less whatever. (SME4 – VP Sales, interview)
	“We're using a company called *Quality control partner* and they're a German company and that's all they do is strength testing and they have various certifications. And so we're able to surpass their highest strength rating. So for us, that's a big deal, right? Like that's a third party that has no bias to tell us what we want to hear and and we're able to get certified by them.” (SME9 – Founder/Owner & CEO)

	<p>“Yeah, Holding owner being European based, but being speaking with companies like cycling companies that are based in Europe that have been working with these restrictions, not necessary restrictions, working with standards that we wouldn't that we don't otherwise have. And then they're like this is how we work within this or talking about suppliers or that type of thing. It's like there definitely is an openness to sharing which is refreshing.” (SME10 – Sales & CSR manager, interview)</p>
	<p>“we wanted to do a rim for a long time, put her name on a rim and we haven't and we didn't for over a decade because we couldn't check one box ... which is the recyclability piece and as a company we made a decision for a decade to not release a *SME2* branded wheel cause we couldn't cross that line. (SME2 – General Manager, interview)</p>
	<p>“There's several patents that we hold ... That's like the special sauce I guess you could say to certain yeah (magic). ... You want to protect that intellectual property for sure. (SME10 – Sales/CSR, interview)</p>
	<p>Great lads on our product again, it comes down to who we like dealing with and ... yeah, we see it as part of the “ecosystem” of, you know, *SME5* is the people we like to support, and we like to support passionate people who you know who like riding.” (SME5 – Founder/Owner & Director, interview)</p>
	<p>“we also have people inside within the company that they're experts in some categories you have, we have a dirt jumper. So those guys are very good developing our *bike model*. We also have the Enduro riders and those that are very important for us with the *bike model* and the *bike model*. I see that you also have guys like me like I have been riding E Bikes for 10 years and I'm basically one of the experts on E bikes.” (SME8 – Global Sales Manager, interview)</p>
	<p>“we'd rather say stay small and move fast and not have to worry about trying to protect our intellectual property. It's people spend a lot of money in lawyers and in courts and everything like that and it's just not, it's not something that we. We've always tried to just stay, stay small and lean. And very, very mobile and ... agile exactly. (SME11 – Founder, interview)</p>
	<p>“we have a very small amount of riders that we do connect with and we do give you know we give them prototype product and we give their feedback and we listen to that feedback. Like it's they're an integral part of of the testing process for us. You know, we just we don't have the budget to attract that type of talent. And I'm also very confident in our team. You know we we've, I've been very fortunate to be able to attract some of the best product developers in, in the industry. And so we tend to do a lot of things in house and like I said, we do work with a lot of our riders to get feedback, but I'd say everything originates from in house.” (SME9 – Founder/Owner & CEO, interview)</p>
Manufacturing choice	<p>So, we believe in owning that technology, taking ownership. That's exactly it. That's why we make everything that we do (in house) is cause we want to own all the technology and we wanna own the ability to make changes, make improvements. Do it better. Whatever it takes.” (SME2 – General Manager, interview)</p>
	<p>“all of our products are designed and tested here in *HQ*, but they're manufactured in Taiwan. And the reason why we well, Taiwan, that's if you look at where majority mountain bike or cycling products, they're manufacturing in Taiwan and the reason why is just the expertise is there. (SME10 – Sales/CSR, interview)</p>
	<p>“But we just keep that relationship (with our supplier). Good and also try to just not just have a personal good relationship, but just have an idea of where they as a company, how they go, where they are going to, what they're working on and that's all we can do. (SME1 – Founder/Owner & CEO, interview)</p>
	<p>“So everyone in the company has always worked on the idea that you're making things that we use ourselves. And also we manufacture things that we that's why we keep everything in the house, we control the manufacturing, so we know exactly how it's made and we can ensure the quality at all times.” (SME6 – General Manager, interview)</p>
	<p>“trying to find a new factory where that that is always a topic that we go through is what are their sustainability practises, how are they you know discarding of waste and then also a lot of them are actually re have reusing especially around like they're using fluids in their CNC machines all of them are recycling and reusing that fluid so that's a really big deal because that that is just tremendous waste ... There are some factories that like are just like industry staples like Velo is one like. They make like 70 or 80% of all saddles and grips for bikes globally. So, I mean they're just, it's hard to not work with them” (SME9 – Founder/Owner & CEO, interview)</p>
Product related sustainability initiatives	<p>“That someone along the lifetime of the bike is going to really enjoy and I'm pretty sure that and our bikes are on the good end of like on the long life and of bikes right now because so many bikes, if ridden properly, they just it's just hard to keep them going well say after like three years and likes tend to like really, really fall apart. ... We also were one of the very few by companies that offers are full warranty. We do five years of warranty also through the 2nd owner there. (SME1 – Founder/Owner & CEO, interview)</p>
	<p>“we sell, I don't know, 1000 pedals, but we only sell 10 internal kits. So, the there's a disparaging people sort of repairing the stuff. So, what we've made the mark, sorry the mark four and the mark five we made them said they'd run longer.” (SME5 – Founder/Owner & Director, interview)</p>
	<p>“And then yeah, I'll continue to offer products that sustain. That at present 40% of our apparel materials are made from the finest sustainably sourced and post-consumer recycled material. Our goal for this next coming 2025 model you have to get to 90% and then his hope is to be close to 100% the the</p>

	<p>following year. Partnering with production facilities. That's yeah, our certified, umm are different standards across the globe and manufacturing than that. So kind of Fair weather certification is when you mentioned blue sign is related to sourcing as well as labour practices. And then just kind of small things that we don't call out umm, although bags that apparel ships in and is received in is all post-consumer recycled polyester polystyrene bags. The hang tag for dealers are all recycled material and use a soy based ink.” (SME3 – CS Lead, interview)</p>
	<p>“we're not we're feeding off the grid, we're feeding the power grid. We're not. We're not using it and. And so we're kind of look at it as feeding the grid. This helps us offset carbon, you know, do carbon offsets.” (SME11 – Founder, interview)</p>
	<p>“This, this, this challenge to sell many of parts which are still on our on our side and yeah we try to use to reuse. All those bars and also a new product, let's say to make sure that also talking about sustainability they you have to trash it but that you reuse those parts that say which are firstly meant for other type of bikes and now we're trying to implement them in in new projects. So in that in that sense we try to to figure out how to to solve this and this is was and was a big challenge” (SME12 – R&D manager, interview)</p>
	<p>“So we always make every available all the spares available, so nothing's disposable. Because we've had that recently, some of the callipers from the manufacturers where our brakes even when they're burning the brakes out. So the seals on the callipers, but you have to buy a new brake. It's impossible to service and because every single one of our parts, you can buy a seal like that. But one pound, one Euro seal you can buy to replace in your break and it's back ring again and we've got customers who are sort of 20/25 year old brakes from Hope still working. (SME6 – Sales Director, interview)</p>
	<p>“Following the regulations about that and also in in let's say in packaging material instead of plastic trying to use as many as possible cardboard for example or paper bags instead of plastic bags. And of course not, you know.” (SME12 – R&D manager, interview)</p>
	<p>“*SME9 refurbish program* and it's a secondary website, you know, basically what we started to do is you know we would get these returns or maybe warranty returns where like something failed. But like structurally the product is fine, right? ... So that's where we had this idea of, OK, let's refurbish these. We can offer them at a heavy discount to customers. We can still have a one-year warranty. So, for the right customer who doesn't care if it's been used before, that's great. And there's a lot of them, right?” (SME9 – Founder/Owner & CEO, interview)</p>
	<p>“So, this is where the kind of the green initiative or recycling side of it comes from it and makes it really interesting is that you know, it's not a green washing, it's not a a, it's not something we just looked at to be like you know, ohh we can recycle it. ... I literally just chop it up and put it into other items, everything from golf clubs to pickleball paddles to tennis rackets to drone parts to agricultural parts that are all all out of excess from the wheels.” (SME4 - VP Sales, interview)</p>
Distribution	<p>“And then products are sent to us here in *HQ* where we do our quality control. It for products that we're going to sell after-market comes to us. So that's like products that will eventually go to a bike shop. Or go direct to consumer, come straight to us if they're going to us like a cycling brand like Santa Cruz, they will go to. They will be shipped from Taiwan to wherever Santa Cruz has their bikes.” (SME10 – Sales/CSR manager, interview)</p>
	<p>“So yeah, the international side, yeah, we try to partner with distributors that have the same vision, have the same understanding of what the product is, right, because we make an expensive product. So, there have they have to understand why it's expensive because we don't our products not expensive because that's what the market dictates.” (SME2 – General Manager, interview)</p>
	<p>“From an international standpoint, if we have large enough volume shipments, we will work with our contract partners there. And again, coordinate large shipments direct from Asia to those distributors. So, we're not bringing everything through golden and then again, so kind of cutting out one step and travel there same with like hardware.” (SME3 – CS Lead, interview)</p>
	<p>“Distribute our bikes through a network of distributors in Europe, South America and Asia and Australia. All the European distributors, they buy our buyers from Taiwan. So, we do drop shipping from Taiwan to Europe and from Taiwan to Asia and to Australia and New Zealand. And we do South America. We do distribute South America through our warehouse in Washington and we sell our bikes in the US and Canada.” (SME8 – Global Sales Manager, interview)</p>
	<p>“There's, you know, there's brands that go direct there. B to C you know direct, and I just don't we've not ever been a final B to C because we see it a bit more holistic than that would probably obviously we see you know we'd like to, we'd grew up and it's probably a bit old school now ... And I think we've always because we grew up with bike shops and you know what they used to do for us, that was we, you know, we wanted, we always want to support sort of bike shops and. So what we're very grassroots orientated.” (SME5 - Founder/Owner & Director, interview)</p>
External environment management	<p>“There were no one understood why they would want them (disc brakes) on the bike, so we did them to a very difficult sell. So we sold more hubs than brakes, so hubs became a popular thing and it wasn't until Shimano made a disc break that suddenly becomes acceptable. So probably when they did this brakes that helped us sell more because it becomes your manufacturer, put mounts on the bikes, it becomes a normal thing then. So it's an accepted technology.” (SME6 – Sales Director, interview)</p>

	<p>“So, we don't do any, we don't do any online direct sales and the industry is really changing right now and that's something that that we need to address. But right now, we just sell through independent bike dealers all throughout (SME11 – Founder, interview)</p>
	<p>“We always try to have like a least a 5 year life cycle on our products which you know it really depends on how much you ride those bikes and all that. But you can probably have a bicycle that you can ride a list for 15 years. What is happening there is that it's not about for how long. That bike is going to last. It's like when the new thing is going to be available and when that new thing is going to make your product. Not as cool or not as competitive as before.” (SME8 – Global Sales Manager, interview)</p>
	<p>“it's very easy to take the easy path and it's not what's best for the environment and you know we see the environmental impact as we have these crazy fires over here now like it we can't do that forever we just can't it's not sustainable.” (SME9 – Founder/Owner & CEO, interview)</p>
	<p>“But although but we see more trend and we also try to investigate about that and we also. Having partnerships with new parties, let's say within Europe, because you also see Asian. Brands or manufacturing facilities coming over to Europe and also of talking about sustainability here, that also makes sense (SME12 – R&D manager, interview)</p>
	<p>“But although but we see more trend and we also try to investigate about that and we also. Having partnerships with new parties, let's say within Europe, because you also see Asian. Brands or manufacturing facilities coming over to Europe and also of talking about sustainability here, that also makes sense” (SME12 – R&D manager, interview)</p>
	<p>“Something to look into actually, I guess. Or you may already know about it, but Taiwan has a government mandate called ESG, which is environmental, social and governance, and every company is required to adopt some sort of practise for one of those 3 segments. (SME9 – Founder/Owner & CEO, interview)</p>
	<p>“I mean, you know, kind of like a macro fear of mine is that China invades Taiwan and that disrupts our ability to do business. And just on a on a social level. The folks who I've talked to, I know this isn't everyone, but like the Taiwanese people I've talked to, do not want to be Chinese.” (SME9 – Founder/Owner & CEO, interview)</p>
	<p>‘And especially when you get into those kind of businesses more the raw materials, you don't always know, it's not like it just shows up on your radar that this was sold out. You just you have to pay attention because all of a sudden, you'll see packaging will change. You're like, why does that packaging different, you know and then you start doing research and then you find out you're like, wait a minute. Who bought who? And then you know, so there is some investigative work on our end to watch those things and watch just simple things to make sure you know, something changes. We take note of that and then we try to go back because it's not, it's not easy following ... And so we do have people who are actually watching it's, you know, it's not even in there really their job description, but they they take pride in that.” (SME2 – General Manager, interview)</p>
	<p>“We have partners in Cambodia that they have a preferential trade agreements with Europe and in the US. But basically, I think that the best strategy is to do not have your eggs in the same basket. you know. Right. Now we all in the bicycle industry were suffering. The past traumatic consequences of COVID and you know the bicycle market in the world is totally ****.” (SME8 – Global Sales Manager, interview).</p>
	<p>“We don't want to be constantly putting the prices up, so you got to find a better way of producing the same quality component at the same costs. A square bar, that could be 60% waste. We then approached a mill, who then produced a thick excluded bar as close to the shape as we could possibly get. Lot more economical, faster machining and environmentally friendly because of less waste. ... and adds strength, so it is a better component altogether.” (SME6 - Manufacturing Director, video)</p>
	<p>“There are so many trails becoming faster and like more open and flowy and. So I think that is something that people also always need to be aware of. It's like, umm, I think bikes will keep getting better and better also because the demands change like the trails change, the level of riding change and maybe even like the it will change where people would want from a bike. ... For example, that more and more people than the next years were realized that just more capable and just faster is not what they want. They want something that's just more fun, that it goes out on and it's just fun” (SME1 – Founder/Owner & CEO, interview)</p>
	<p>“So even now we ship every week, we do an export a bulk export to Europe, which then gets distributed to the shops. ... Brexit didn't make things easy. It did more difficult. But there's always a way around it. So, we don't have a warehouse in Europe, anything. We still ship every week to Europe. But it's actually costing less now, sent to Europe than did before. So just because we're quite efficient” (SME6 – Sales Director, interview)</p>

Table 5

Value capture: representative quotes

BMI	<p>“But one of the big things also in our concepts is that we don't sell full bikes that we've done it in the past, but it's just not a target group that we can really satisfy because we don't have dealers. We sell BtoC only. We've got one dealer in Germany bikecomponents.com and but we may sell direct and we've just found that the customers that are willing to just buy a frame or what we know also do is called a rolling chassis, basically a drive train and brakes set.” (SME1 – Founder/Owner & CEO, interview)</p>
	<p>“And that is the strongest point of Simplon that you can configure your bike. I waited with the suspension and all that kind of things, and then the back is coming to the shop and it's ready.” (SME7 – CRM Specialist, interview)</p> <p>“Really invested heavily in finding new geometries. And we at *SME7* were the first ones that found something that we call giddyup with this and the modern geometry of modern biking. So that was very, very important timing from us. You know, we changed the geometry. We have bikes with longer.” (SME8 – Global Sales Manager, interview)</p>
	<p>“You know, response to the Syndicate team when that came available and again that was a can we do it, can we not, it's a lot of money. You know, being part of the syndicate was massive. We were huge syndicate fans growing up, so you know again that was a bit and that that almost felt like it put us on the map a bit more (SME5 – Founder/Owner & Director, interview)</p>
	<p>“That we utilise and then also the business structure you know we don't sell through distributors, we only sell directly to customers or directly to retailers by doing that you know we're able to that cuts 30% of the price out of the equation. So that's a huge that's a huge deal, right. So like the products that we're selling. Would have a 30% higher value with a more traditional business model, which all of our competitors actually utilise, I think we're the only ones who don't go through this distribution.” (SME9 – Founder/Owner & CEO, interview)</p>
	<p>“Early mid 2010, when the company decided to pivot just to carbon manufacturing and focusing on high performance mountain bike. ... Focused our resources and technology and do that one thing really well and better than we believe anybody else in the market does. And so I think, yeah, have enough focus, not trying to be everything to every rider.” (SME3 – CS Lead, interview)</p>
	<p>“with our business of making the wheels, it was the moment that we figured out that we could make other things with the access from the wheels and that and we launch that business and we started to grow that business. That's where it became really interesting. And things really grow and took off of it. So we could take the waste and be able to make it into other things and sell that same and piece to our customers and the value with it.” (SME4 – VP Sales, interview)</p>
Social Impact	<p>“You know, we don't want to rule the world. We want to build really good bikes and treat our employees well and provide really good experience for our customers. ... we provide health coverage and retirement plans and things like that. So we work, we work very hard. We have very, very low turnover among our employees. We have a lot of employees who've been here a long, long time.” (SME11 – Founder, interview)</p>
	<p>“And I think we've always because we grew up with bike shops and you know what they used to do for us, that was we always want to support sort of bike shops and. So what we're very grassroots orientated, like that sort of thing.” (SME5 – Founder/Owner & Director, interview)</p>
	<p>“When times were good and we had more cash like we were, we were giving back to a lot of various organisations that we felt very strongly about.” (SME9 – Founder/Owner & CEO, interview)</p>
	<p>“we have a fantastic program team that we're involved with called Outlaw UCI Outlaw Cycling, which is a junior UCI downhill program that is a bunch of really young kids that are the best in the world right now and they have a big growth platform below them ... But it's, you know, we're talking kids as young as 14 and out there riding the wheels and really pushing him. And so trying to kinda coach them and to help understand what's going on with them and through their coaches.” (SME4 – VP Sales, interview)</p>
	<p>“when we first were come started as a company with something that the founders wanted to do and that 1% (of revenue) was relatively small, but it was they're able to help contribute to the mountain bike community in around Squamish and the see the sky area. And then throughout the past 10 years that 1%. Has grown significantly.” (SME10 – Sales/CSR, interview)</p>
	<p>“we they kind of just don't make any money and it's that's more our advocacy. So it's we you always if you get kids riding bikes obviously that will be accustomed in the future. So it is definitely that and it's also the kids get used to riding quality products so they all parts so. It's just people getting used to riding bikes more often and enjoying cycling and again maintain. In the past we got we've been cycling stuff a long time ago and that was just trying to make a safe space for women to be interested and encouraged to ride more. So we just it's ways of did advocacy basically on those. So just seen as a how can we help to widen the appeal for cycling, not just brand specific, it's actually just cycling in general.” (SME6 – Sales Director, interview)</p>
Hard measures	<p>“We really want to keep in bring in revenue to the company. So we have money to spend on doing what we want. So that that that is important. As we've told before, revenue is not the most important, the most important to have like a revenue plan that is sustainable.” (SME8 – Global Sales Manager, interview)</p>
	<p>“we have to do different bikes if we produce a new mountainbike or downhill or a bike, we have an award and that is our goal to get the awards that we can prove the consumer that we try to build the best bike that you can buy.” (SME7 – CRM Specialist, interview)</p>
	<p>“We don't really measure it (financial performance). It's not really, it's more just a feeling. It's a feeling really rather than a like we don't have budgets or targets and things like it's more of a feeling.” (SME6 – Sales Director, interview)</p>
	<p>“In 2019, it was 17 or 18,000 bikes. Then then we want to go to 20,000 bikes. Then we get Corona and all the kind of things. And now we have the market that is very stressing and now we've turned it down to. 18 or 19,000 bikes a year. And 5% of that must be come from the Benelux.” (SME7 – CRM Specialist, interview)</p>

Goals and aspirations	“you know and so moving forward just looking at things like that like do we see something coming on the horizon that that we need to because it takes a long time to develop something that we need to start working on today. So our goal is, make sure we’re staying relevant and do not wander from our ethos ever, that has to be the goal.” (SME2 – General Manager, interview)
	“Getting more consistent, more like a stable company where just everything is a bit more of a routine where the income, the expenses, everything becomes just more routine (SME1 – Founder/Owner & CEO, interview)
	“We forecast about again the forecast is just what we think we're going to sell and you know we're trying to think this year our target was to add 10% on turnover ... grow the business to be honest, keep going.” (SME5 – Founder/Owner & Director, interview)
	“In 2019, it was 17 or 18,000 bikes. Then then we want to go to 20,000 bikes. Then we get Corona and all the kind of things. And now we have the market that is very stressing and now we've turned it down to. 18 or 19,000 bikes a year. And 5% of that must be come from the Benelux.” (SME7 – CRM Specialist, interview)
	“For Europe and for Asia and that is what we want to put most of our money in the next couple of years, we want to become more relevant into the European market ... Be able to replicate what we do in the US in other parts of the world without losing the unique US flavour.” (SME8 – Global Sales Manager, interview)
	“And having a world champion was always a big goal for us, we’ve won races and got podiums but to have an overall world champion would really complete the series.” (SME5 – Founder/Owner & Director, interview)
	That's one of the one of our goal goals looking forward is in increase the international business that we're that we're doing because we're just we're selling into the US because it's successful and it's fairly. Yeah, easy for us to do. We need to work harder on our international sales.” (SME11 – Founder, interview)