



Partnering to grow

The role of partnerships and collaborations in business model scalability and growth

Delivery report for the sWASH & grow project. Coordinated by RISE and co-financed by VINNOVA, UDI program (step 3), Sep 2020 – Nov 2022.

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5.6 Academic articles with a focus on the role of validation, scaling of business models and internationalizing within innovation networks	Aug 22	Nov 2022
5.7.1 Report on the development of the tool for innovation design and the process for validation	Aug 22	-
5.7.2 Report from commercializing and scaling of sustainable innovations	Aug 22	Nov 2022

Abstract/Executive summary

This delivery specifically aims to generate insights into the processes and determinants of the scaling up of the relief start-up solutions from a business administration perspective. Drawing on the literatures on international business, strategic alliances and entrepreneurship, we identify partner portfolio reconfiguration at various stages of the new product diffusion process as a prerequisite for growth and scalability. The very nature of the relief operations in emerging markets makes it necessary to expand the considered set of partners beyond the conventional vertical alliance of customers and suppliers to include relief organizations, universities, consultants, local governmental and international governmental agencies. In particular, we expand on how inward-facing compliance-based activities are needed to align business processes with external partner and regulatory demands. We further suggest that at the start-ups should avoid overreliance on either homogenous partner portfolio that limits a firm's ability to capture and create valuable opportunities, or overdiversified partner portfolios, for which there are limited capabilities to manage, and which can put economic strain on the firm. Water supply and remediation firms specifically require both stronger networking capabilities and international orientation to achieve higher growth and performance. We show that underlying business model transformation of the innovative start-up occurs within the international context and exhibits patterns theoretically similar to those of born-global enterprises - and that it is partner-generated opportunities that result in a fluctuating business model portfolio.

Further to and informed by the academic pursuits, two courses have been developed and undertaken on behalf of SIDA seeking to educate leaders within SMEs in the development of sustainable business models, and in Malmö in global product development with relief focus.

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*(please make sure to update the whole table of contents before saving and submitting the report.
These headings are some minimum headings to which more can be added)*

Introduction and background

This report is a delivery within the project “sWASH & grow – scaling off-grid WASH innovations”. The project is coordinated by RISE with 40% co-finance from [VINNOVA](#) (the Swedish Innovation Agency).

The objective of sWASH & grow is *“to develop tools that improve the opportunities for innovators and aid organizations to bring more circular, inclusive and sustainable innovations to those in need”*.

The project involves 28 project partners from Sweden, Bolivia, Lebanon and South Africa representing private-, public-, academic- and NGO-sectors. The goal is to improve the conditions for innovators (sellers) to be able to meet relief organizations’ (buyers) demands. Through the project, innovative solutions will be tested in real environments, upscaled and exported.

Implementation focuses on:

- Identifying success factors for off-grid solutions
- Contextualizing methods for testing, demo and validation that respond to buyers’ requirements and meet the needs of the most vulnerable.
- Quality-assured tools for developing and scaling up innovations based on requirements, needs and price
- Communicating results to stakeholders in the innovation system.

sWASH & grow brings together major global buyers, the innovation system's support functions, and the innovation companies, together in a partnership aligned with Agenda 2030 and SDG 17. More specifically, the project contributes to SDG 6 and 9 on clean water and sanitation and will have an impact on SDGs 2, 3, 7, 12 and 13 on zero hunger, health, energy, production, and climate.

Purpose and background of this delivery

(specify the purpose/objective(s) and background of the delivery in relation to the project background)

This delivery specifically aims to investigate the upscaling process of innovations from business administration perspective and generate insights into the processes and determinants underlying the scalability of sustainable innovations organized in the form of either independent or partly owned small international start-ups that

- (a) operate in emerging economies and are vulnerable to exogenous shocks
- (b) exhibit liabilities of smallness and newness at the early stage
- (c) rely on local and international partnerships for value delivery

Description of this delivery

(what activities were carried out as part of the delivery)

This delivery specifically aims to generate insights into the processes and determinants of the scaling up of the relief start-up solutions from a business administration perspective. Drawing on the literatures on international business, strategic alliances and entrepreneurship, we identify partner portfolio reconfiguration at various stages of the new product diffusion process as a prerequisite for growth and scalability. The very nature of the relief operations within water supply and remediation make it necessary to expand the considered set of partners beyond the conventional vertical alliance

of customers and suppliers to include relief organizations, universities, consultants, local governmental and international governmental agencies. We also examined the information processing and response to external political shocks that the delivery of relief efforts is likely to be exposed to.

A literature review was, naturally, conducted within the process of article composition, important too was an equally meticulous application of concepts - practically, as well as theoretically. Primary and secondary data collection included data supplied by SCB via MONA, survey data, interaction with validation tool developer Parlametric AB on procurement code integration with SNI codes.

Further to and informed by the academic pursuits, two educational endeavors have been pursued. Firstly, A “Trainer of Trainer” lab was developed by RISE for SIDA. The object of the course was to help to create more suitable environments, within emerging markets, towards the promotion of these more circular, inclusive, and sustainable innovations. The second endeavor has been the further development of a course in Global Product Development at Malmö University

Results/Outputs of this delivery

(what are the direct results/outputs from the delivery)

Study (1) examined information processing and response to political crises, as well as suggested how firms undertake inward-facing compliance-based activities to align business processes with external regulatory demands of an organization such as UN or gain advantages by anticipating future policy developments. The findings of the studies (2) and (3) suggest that firms should avoid, particularly at the start-up phase, overreliance on either homogenous partner portfolio that limits a firm’s ability to capture and create valuable opportunities, or overdiversified partner portfolios, for which there are limited capabilities to manage, and which can put economic strain on the firm. The nearest-neighbor matching conducted in study (4) specifically shows that firms within water supply and remediation specifically require both stronger networking capabilities and international orientation to achieve higher growth and performance. Finally, the underlying business model transformation of the innovative relief solutions occurs within the international context and exhibits patterns theoretically similar to those of born-global enterprises. A comparative analysis of the early-stage born-globals and relief solutions scale-ups [study 5] suggests that it is partner-generated opportunities that result in a fluctuating business model portfolio, with relief solutions requiring inward-facing compliance-based activities to align business processes with external partner and regulatory demands.

SIDA train the trainers course (course 1) used using business canvases. This course offered an overview of business model development incorporating a rigorous analysis of collaborators and competitors to offer an insight into how each might be best managed and incorporated into their work. More specifically the intended impact of the lab was to aid change in business practices among small and medium enterprises (SMEs) to apply sustainable business models. SMEs continue to play a crucial role in decreasing poverty in low- and mid-income countries. As innovation increasingly takes place within SMEs, they have a salient role to play in this shift. Our program consisted of 4 sessions which sought to apply and explore methodologies, tools and approaches to enable and support the design of sustainable business models. The lab will also sought to facilitate international dialogue and exchange and promote networking and partnership opportunities between participants.

The second endeavor has been the further development of a course in Global Product Development at Malmö University. Contextualizing work goals is just as salient here as it was within the ToT program. Hence a key focus has been put upon conditionality and embeddedness, emphasising to the course delegate the importance of making sense of the environment within which one is operating and of the beliefs, norms, values and behaviours that are a key component of it.

List of Appendices

Journal Articles

1. Barron, A. and Vanyushyn, V. (2021). Too Many Cooks Spoil the Broth? Organising Boundary-Spanning Government Affairs Units during Times of Crisis. *European Management Review*. <https://doi.org/10.1111/emre.12419>
2. Vanyushyn, V and Lidström, J. (2022) "Prior partnering experience and preferred alliance partner diversity of small firms", *Journal of Small Business and Enterprise Development*, in press [accepted August 24, 2022] E-pub ahead of print: <https://dx.doi.org/10.1108%2FJSBED-03-2022-0177>
3. Vanyushyn, V and Lidström, J. [2022] "Preferred Partner Diversity and Small Firm Performance", *Journal of Small Business & Entrepreneurship*, under 2nd review after minor revisions [DOI here]
4. Nicol, C. and Vanyushyn, V. [2022] "International Networking and Innovation scalability: cross-industry comparison", manuscript [link]
5. Nicol, C. and Vanyushyn, V. and Abrahamsson A. [2022] "The Dynamics of the External Relationships: A comparative analysis of classical INVs and relief-oriented start-ups", *Management International Review*, manuscript [link]

Licentiate and/or Doctoral Thesis

1. Lidström, J. Licentiate thesis, to be defended in January-February 2023, will include one or two of the studies above [link to the thesis]

Conferences

1. Vanyushyn, V. [2021] Keynote speech "[Marketing sustainable innovations: evidence from Swash&Grow project](#)", *Innovative solutions in Modern Science, Education and Practice Conference*, November 11-12, 2021

Courses and educational materials

1. Nicol, C. & Schmidt, N. (2022) [Training of Trainers - Sustainable business model design for small and medium enterprises](#). SIDA course
2. Nicol, C. & Schmidt, N. (2022) Lecture sequence and validation tool application in [Global Product Development](#) at Malmö University

Other

1. Vanyushyn V. [2023, forthcoming] *External relationships and transformation of sustainable business models*, UMU research seminar series, Umeå, Sweden. [link] [link to the report 1]
2. Vanyushyn, V. [2021] Panel discussant, *Forsknings- och innovationstjänster som del av det svenska exporterbidandet för hållbara städer*, VINNOVA/RISE [link]
3. Vanyushyn, V. [2021] [Information flows in times of crisis](#), UMU research seminar series, Umeå, Sweden.