


Chapter 1

Organizational Sustainability and Value Creation by Means of Innovation in Chaotic Environments

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ABSTRACT

Between 2017 and 2020, the RISE model (Route for Innovative and Sustainable Enterprises) has been applied in 86 Colombian organizations of different sizes and belonging to different economic sectors. That model allows any organization's upper management to make a thorough assessment of the company by means of analyzing nine (9) organizational factors with reference to four (4) specific dimensions (social, environmental, managerial, and economic). These nine (9) organizational factors are deployed in 48 variables for analyses, and one of these variables is value creation through innovation. From the assessments and analyses derived from the RISE model, several research-worthy questions arise, such as, Which variables explain better the phenom of value creation through innovation? Which variables must the upper echelons concentrate their efforts on to generate value and grant sustainability? This work aims to present the results of the application of the RISE model and to answer the mentioned questions, especially during these uncertain, chaotic, and turbulent times.

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INTRODUCTION

Amidst all the talk and debate regarding profitability, value creation, innovation, it is paramount to discover just how many organizations can “walk the talk” as Americans are so keen on saying in their colloquial language. And it is not just about the normal, day-to-day, business as usual interpretation of the business world, for whether we like it or not, the world as we used to know it does not exist any longer.

On March 11, 2020, the World Health Organization (WHO) announced that COVID-19 is a pandemic - a disease that is spreading in multiple countries around the world at the same time. This is a rare event, one that we have not seen for 100 years, and humanity is yet to fathom the magnitude of the impact this pandemic will have in people’s lives, with public health, economic and political consequences (WHO, 2021).

Now, it is not a first for mankind to be threatened by a pandemic. Prior to the current crisis mankind had to deal with global public health emergencies, but they have been less prominent: HIV/AIDS since the 1980s, SARS in 2003, and the 2009 H1N1 pandemic influenza. To find a global public health emergency like this one a trip in Marty McFly’s DeLorean is mandatory, for 1918 is the year when such an event took place: the **1918 influenza pandemic**.

Although there is not universal consensus regarding where the virus originated, it spread worldwide during 1918-1919. In the United States, it was first identified in military personnel in spring 1918. It is estimated that about 500 million people or one-third of the world’s population became infected with this virus. The number of deaths was estimated to be at least 50 million worldwide with about 675,000 occurring in the United States (Jonas, cited by Mineo, 2020).

Regardless of the severe damages and affectations the COVID-19 pandemic has had, companies have endured them, managed to stay afloat and some even have become more profitable!

Between 2017 and 2020, the RISE Model - Route for Innovative and Sustainable Enterprises - (Pérez-Uribe, Ocampo-Guzmán, Moscoso-Duran, Ramírez-Salazar, 2021; Ramírez-Salazar, Pérez-Uribe, Salcedo-Pérez, Huffington Smith, 2019) has been applied in a total of 85 organizations from all walks of life within the Colombian economy. These organizations are of different sizes and belong to different economic sectors, which has created a huge myriad of possibilities for hypotheses’ construction.

Just as its forebear, the Model of Modernization for Organizational Management (MMOM), the RISE model was “born and bred” at EAN University, and it is a product from years of devoted efforts and resources to study the genesis of Colombian and Bogotá’s MSMEs. Such efforts have come to fruition in the form of the design of several business and organizational assessment models, two of which are the MMOM and the RISE.

The RISE model allows any organization’s upper management to make a thorough assessment of the company by means of analyzing nine (9) organizational factors (1. innovation, 2. sustainable production, 3. leadership and strategic direction, 4. organizational culture, 5. acknowledgement and recognition, 6. collaborative processes, 7. new markets, 8. technology and 9. financial indicators) with reference to four (4) specific dimensions (social, environmental, managerial, and economic).

In turn, these nine (9) dimensions are deployed in 48 variables for analyses, and one of these variables is value creation through innovation. From the assessments and analyses derived from the RISE model several research worthy questions arise, such as: Which variables explain better the phenom of value creation through innovation? In which variables the upper echelons must concentrate their efforts to generate value and grant sustainability?

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