

Chapter 23

Robustness in the Business Models of the Organizations Embedded in the Circular Economy

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ABSTRACT

The dynamics of ongoing market changes require a new look at business management mechanisms. Often the key element of the organization's operation is to ensure business continuity, which is not easy. This requires strong embeddedness in the decision-making processes resulting from the properly built business model of the organization. A business model becomes a crucial determinant of the organizational success today. The aim of the chapter is to present the place and role of robustness in shaping the business models of organizations embedded in the circular economy. The scope of the chapter includes studies of listed companies that implement the principles of responsible business to ensure their robustness in the short and long term. In the chapter, the author poses a research question: Can the skillful use of the concept of business model robustness in circular economy companies guarantee the organization's ability to ensure business continuity and its high performance?

INTRODUCTION

The dynamics of the ongoing market changes requires a new look at business management mechanisms. Often the key element of the organization's operation is to ensure business continuity, which is not easy. This requires strong embeddedness in the decision-making processes resulting from the properly built business model of the organization. A business model becomes a crucial determinant of the organizational success today. As it can be understood in multiple ways, its conceptualization and operationalization under conditions of pressure, expectations and market uncertainty is interesting. A business model that

DOI: 10.4018/978-1-6684-4503-7.ch023

is the mapping of tangible and intangible assets that create value in a short and long term ensures return from the degree of the potential used for all actors gathered around the organization.

In this interpretation, it is important to build a business model that will resist market changes while adjusting to market expectations. This resistance often manifests itself in the robustness of the business model itself. It can be understood as maintaining the high effectiveness of the business model when aggregating and incorporating the aspects of strategic and operational changes. As the changes apply, inter alia, to the principles of running a business in the circular economy, it is therefore important to implement strategic activities taking into account the circular economy.

It is significant to link the concept of business models towards their robustness in the circular economy. A constructive comparison of business model assumptions with its robustness shapes a new dimension of the effectiveness of companies, especially in the network environment. In such an environment, the way also opens to the principles of using the circular economy to achieve high company performance through the skillful use of the business model. The aim of the paper is to present the place and role of robustness in shaping the business models of organizations embedded in the circular economy. The scope of the paper includes the studies of listed companies that implement the principles of responsible business to ensure their robustness in the short and long term. The author poses a research question: Can the skillful use of the concept of business model robustness in circular economy companies guarantee the organization's ability to ensure business continuity and its high effectiveness?

The scientific management issue presented is related to the definition of mechanisms that ensure the robustness of business models of companies that use the circular economy to ensure their ability to survive while achieving high effectiveness. The analysis of both the national and international achievements of management sciences in the context of the evolution of the management problem allows for the statement of several facts that are theses, namely:

- Management problems are empirical (they have their sources and occur inside and outside the organization),
- Management problems in a pragmatic sense evolve (change) under the influence of changes taking place in the environment (and inside the organization), which results in the loss of the assumed effectiveness of the methods of solving them (they require improvement),
- Management problems emerge faster than the progress of science,
- Science notices problems with a certain delay and develops methods for solving them (Szarucki, 2016, p.47).

BUSINESS MODELS: STRATEGIC ASSUMPTIONS

The concept of business models in management sciences results in much controversy and different looks. There are a lot of definitions of business models that are characterized by different parameters and interpretations. Currently, the essence of understanding a business model is widely discussed, both in terms of reference to a given paradigm, and its place in the criterion of the environment and cause and effect relationships and correlations between other ontological entities. In such a community, a business model leads the way, determining new decision-making centres and creating new impulses in shaping, appropriating and capturing value. A business model, being a benchmark and a reference point that ensures the materialization of strategic ideas through the constructive comparison of various factors, becomes a

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