

Fostering Sustainable Entrepreneurship by Governmental Entrepreneurship Agencies The Case of Almi Blekinge

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Abstract: The importance of entrepreneurship for economic growth has long been recognized. It is also widely agreed that we are facing a sustainability challenge, which, according to the Intergovernmental Panel on Climate Change, is largely created by the economic activities of the industrialized society. Corporate social responsibility and other global initiatives have not been sufficient in changing industry processes to more sustainable activities. Governments regulate activities in society through laws and guidelines, thus there is a clear role of governments in regulating the quality and outcomes of entrepreneurial initiatives in order to advance a sustainable development of society. The researchers' purpose was to understand how the governmental entrepreneurship promotion agency, Almi is fostering sustainable entrepreneurship and to recommend improvements. With a qualitative research method, the case of Almi Blekinge was studied. The research shows that Almi has the possibility to shape the entrepreneurial outcomes by adjusting the current mechanism with planetary socio-eco boundaries of sustainability. The recommendation is that Almi should steer their advising services towards a coaching dynamic where contributions to the socio-ecological system are assessed with the ultimate goal for companies to contribute to sustainable growth.

Keywords: sustainable entrepreneurship, SMEs, government, Almi, Blekinge

Statement of Contribution

Christopher Busiku is an International Development professional with extensive experience in designing and carrying out United Nations backed development projects in Developing Countries. He has successfully worked with International Development agencies including UNDP, CARE, LWF and FHI360 on development issues such as Gender based Violence, HIV/AIDS, and Refugee repatriation. His interest in addressing the social cost of international economic activities in Developing countries helped the group to quickly agree on the topic of fostering sustainable entrepreneurship by government entrepreneurship promotion agencies. His background in Social research also helped the group to design the thesis research. He also contributed in data analysis and writing the research report. His passion and experience in creating a psycho-social space where multiple and diverse stake holders are empowered to establish common purpose and work together, helped the group to emerge as a team during challenging moments.

Jean Pierre Candiotti Bustamante is a passionate entrepreneur with a strong academic background in business administration and entrepreneurship. He graduated in 2014 from the MBA program Strategic Entrepreneurship at Jonkoping International Business School. His academic background facilitated in putting into context the diverse interests of the thesis group members such as sustainable entrepreneurship, government agencies promoting economic activities and local studies on entrepreneurship. Jean Pierre did a literature review and showed the team members different topics such as sustainable entrepreneurship, theories of the state, national systems of entrepreneurship, and innovation systems. In cooperation with the thesis members a theoretical justification of the study was found by merging the role of entrepreneurs in bringing innovation to the markets and the role of governments in regulating the outcomes of entrepreneurial initiatives. Jean Pierre also contributed on writing the convergence of findings, conclusions and recommendations.

Eva Milletorp is a change agent at heart, an organized initiator and engaged entrepreneur with in-depth knowledge of entrepreneurship in the region from previous academic studies at Blekinge Institute of Technology. Furthermore, Eva has extensive professional experience from different sectors both in Sweden and internationally and with her international background and start-up energy, she steered the group, early on, to get organized around the subject as she brought forth the initial idea of how the government could support, through their entrepreneurship fostering agencies, sustainable development to a much higher degree. By using her leadership abilities Eva contributed in organizing and getting the very diverse group into working together and keeping the deadlines. Successfully, she acted coordinator with the Almi offices and Region Blekinge, she also gathered information on the system of Blekinge and Sweden and contributed with gathering the findings and with translating the documents from Swedish to English. Moreover, Eva acted as an energizer, keeping the focus on where the group was heading, what needed to be done and contributed to writing the finding, the conclusions, the recommendations as well as the final editing of the report.

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Sincerely,

Christopher Busiku

Jean Pierre Candiotti Bustamante

Eva Milletorp

Karlskrona, May 21st 2015

Executive Summary

Due to the large number of Small and Medium Enterprises (SMEs) in the world economy, they have a substantial collective impact on the environment. Many of the SMEs, especially in developed economies, tend to be located within the services sector, and have no obvious “dirty” industrial practices. However, the assumption that SMEs have low environmental impact is not accurate. SMEs may collectively be responsible for as much as 70% of all global pollution (Scharper 2000). There is recognition that a fundamental change is required to reduce detrimental environmental and societal impacts created by our currently unsustainable business practices (Hall, Daneke and Lenox 2010).

The quality and stability of the environment and human society are strongly correlated (Pacheco, Dean and Payne 2010) and governments have a responsibility to pursue the perpetual positive relation between the environment and human society. For Ebner (2006), the state is both result and diffuser of the evolution of the capitalist civilization. Acs, Autio and Szerb (2014) highlight the importance and role of the government in regulating the quality and outcomes of entrepreneurial initiatives.

To reduce the environmental impacts, among the responses from companies we find general corporate social responsibility (CSR) initiatives and the Global Reporting Initiative (GRI). These and other schemes have not been sufficient in reducing the detrimental impacts or in creating sustainable products or contributing to creating a sustainable society. CSR strategies are mainly used to disclose social and environmentally responsible behaviour to their stakeholders by communicating limited amount of substantial information and/or "diverting attention" of practicing corporate and social irresponsibility (Perks, Farache, Shukla and Berry 2013).

The importance of entrepreneurship in the economic growth process does not only concern the creation of employment and contributions to the economy with new incomes; such as taxes, but also in the role of bringing innovations to the system and changing industries. Due to the innovation capacities of the entrepreneurs, many still believe that despite SMEs current contribution to the sustainability challenge, entrepreneurship can make significant contribution towards revolutionizing industry towards sustainability.

However, many researchers on sustainable entrepreneurship are skeptical on the promise of entrepreneurship regarding addressing the sustainability challenge based on the history that many business solutions to environmental and social problems have led to negative externalities creating new social and environmental challenges (Hall et al. 2010).

Academics in the field of entrepreneurship think that there is a need to understand the conditions where entrepreneurship simultaneously creates economic growth, while advancing environmental objectives and improving social conditions (Hall et al. 2010).

This research addresses the question of how government’s entrepreneurship agencies can promote sustainable entrepreneurial initiatives that advance environmental objectives and improve social conditions?

It employs a qualitative research methodology that examines the case of Almi, the largest public sector agency that fosters entrepreneurship and growth in Sweden.

To understand the mechanism that Almi uses to foster sustainable entrepreneurship it was necessary to investigate multiple sources of information using methods such as document review, interviews and observation.

The collected data was contrasted with the Framework for Strategic Sustainable Development (FSSD) a science based framework for planning in complex systems that uses sustainability principles upon which the social-ecological system operates. From the vision of a sustainable society, actions are back-casted in order to lead any kind of organization in the right direction towards sustainability.

The main findings and conclusion of the research are presented below:

There is a clear non-connectedness between policy and action.

The Ministry of Enterprise in its role as owner of Almi mandates that state owned companies should contribute to sustainable growth. In addition the Owner's Directive from the Ministry of Enterprise state that all state owned companies should have a well-reasoned, firmly grounded policy and strategy, as well as stated strategic goals in the area of sustainable entrepreneurship. Almi's mission is to contribute to sustainable growth, moreover, Almi's ambition is to be a positive force in sustainability, to inspire and support entrepreneurs in sustainable development.

Paradoxically the interviewees state that Almi's core purpose is not to promote sustainable entrepreneurship and that Almi's mission is to create economic growth and help people to make their businesses grow. Almi through their customers could shape the outcomes of the companies, thus their impact on society and environment.

The non-connectedness between policy and action could be due to the fact that sustainable entrepreneurship is a fairly new concept at Almi and the organization is in a transition process with regards to sustainable entrepreneurship and business advising for sustainable entrepreneurship.

There are gaps between Almi's current understandings of sustainable entrepreneurship when compared to the FSSD as shown below.

Systems Level

Almi's perception of system consists of several equally important sub-systems.

The current mechanism of Almi to foster sustainable entrepreneurship sees the system relevant to sustainability as the intersection of three equally important sub-systems: economy, society, and ecology. This is further elaborated as laws and regulations, owners and mandates, employees and working conditions, suppliers and their working conditions, customer needs and desires, society and wellness, and climate/environment. Almi's perception of system however does not express the earth and the society as a system with specific inter-related subsystems governed by specific scientific laws, to help understand humans' effects on society and nature or the sustainability challenge as well as the conditions

that must be met for the social ecological system to remain in a certain desirable state. Hence the link between system and their definition of success is unclear.

Clearly Almi's conception of the system for sustainable development does not help to understand sustainability and sustainable entrepreneurship. A more accurate representation of sustainability is with a nested perspective where the entrepreneur's organization is inside society and this inside biosphere, thus the impacts of the organization affect society and biosphere. Here is where the FSSD's description of the earth and the society as a living system as well as the basic scientific laws behind the system's behaviors, can enhance Almi's system perspective.

Success Level

The seven sustainability issues used by Almi do not suffice to lead sustainable entrepreneurial initiatives.

Almi's current mechanism to foster sustainable entrepreneurship relies on 7 sustainability principles: Environment, Human Rights, Labour Rights, Anti-corruption, Business Ethics, Equality, and Diversity.

The environmental guidelines

The environmental guidelines highlight the importance for companies of being careful about business operations' impacts and suggest reducing the use of natural resources, pollution and waste. This sustainability guideline highlight that negative impacts can happen during own operations, through the production of the materials or products bought from suppliers or during the consumption of products.

Regarding the use of natural resources, Almi's current mechanism highlight that sustainable use of resources means that today's operations/organizations shall not compromise a good access to resources by the generations of today and of the future. Regarding pollution and waste the formal guideline recognizes that entrepreneurs should think about reducing energy use and CO2 emission. Furthermore, the guidance indicates that emission can happen in the air, water or land and in the form of toxic chemicals.

Almi's formal guidance for sustainable entrepreneurship recognizes that impacts on the environment are important and that this correlation can be very complex therefore the entrepreneurs could ask help from the local municipality or the local government, the Swedish Environmental Protection Agency or specialists in the area.

The weakness of Almi's environmental guidelines is that there is no clear linkage of the success principles to the basic outlines and behaviours of the ecological system. This can make it difficult for the entrepreneur to understand the basis of the guidelines. Furthermore, the environmental guidelines given may not be sufficient in helping the entrepreneur avoid potential sustainability challenges not yet known. The FSSD does clearly show this linkage and how human activities impact the ecological system. The application of the FSSD will strategically guide entrepreneurs towards sustainable entrepreneurship. Complying with the three ecological principles will take companies and their operations in the right direction towards sustainability.

The sociological guidelines

The sociological guidelines used by Almi to guide an enterprise towards sustainability include: human rights, labour rights, equality, diversity, anti-corruption and business ethics.

Those social guidelines start with the United Nations declaration of human rights and highlight the fundamental principles and rights at work from the convention of the International Labour Organization. Factors that determine a good labour environment and health must take in consideration physical and psychological well-being, both at and off work.

Ethical business models require that the company acts honestly and fairly towards authorities, customers, suppliers, organizations and others that in different ways are impacted by or has an impact on the businesses of the company. And anti-corruption refers to not getting involved in money laundering, fraud and giving and accepting bribes.

The weaknesses of Almi's sociological principles are that they are overlapping, not enough nor concrete to guide organizations toward sociological sustainability. The application of the FSSD by complying with the five sociological principles will strategically guide entrepreneurs towards sustainable entrepreneurship, taking companies and their operations in the right direction towards sustainability.

Using the FSSD, we suggest the following definitions for sustainable entrepreneurship and sustainable economic growth.

Sustainable entrepreneurship is:

Entrepreneurial initiatives that support humans' capacities to meet their needs now and in the future and that enables the eco-system to continue indefinitely within its natural cycles. Those initiatives simultaneously create economic growth, improve social conditions, and advance environmental objectives.

Sustainable economic growth is:

The growth that leads towards sustainable development, the development which meets the needs of the present without compromising the ability of future generations to meet their own needs. This sustainable growth does not refer to constant economic growth.

Strategic Level

The current mechanism of Almi for identifying and prioritizing actions towards sustainable entrepreneurship is based on forecasting on known problems in the environment and society. The known problems regarding the environment relate to scarcity of non-renewable resources, pollution and waste management. The known problems regarding society relate to social unrest and other social difficulties due to lack of adherence to human rights, labour rights, equality, diversity, anti-corruption and business ethics. The mechanism used by Almi, business advising, to adhere to the seven sustainability issues in the work with the entrepreneur follow a 3 step process. The first step is to understand the business model by asking questions about the brand, value chain and its various stakeholders and their

expectations. The second step is to decide what sustainability issues are most relevant for the entrepreneur, given the business model, brand and stakeholders' expectations, and how far the entrepreneur has gone with the sustainability questions. The third step is called conclusion and the entrepreneur is asked to define their risks, opportunities, and action plan.

The weakness of relying on forecasting on known problems is that the entrepreneur risks creating new sustainability problems that are not yet known. Forecasting from known problems does not take in consideration the roots of the sustainability challenge such as contributing to the systematic increase of substances extracted from the earth's crust, systematic increase of substances produced by society, systematic increase of degradation by physical means as well as subjecting people to systematic barriers to integrity, influence, competence, impartiality and meaning.

A policy for supporting employment of young professionals, social inclusion of immigrants, and increase of gender equality

Almi puts special focus on specific social targets (young people, women and immigrants). This focus is particularly important for the creation of an inclusive society, specifically to insert young professionals in the Swedish labour market; to increase gender equality; and to insert in the labour market the 20% of the population in Sweden that are immigrants (first or second generation). The work of Almi in the social aspect contributes to creating a more equal society.

Actions Level

The specific actions would depend on the specific issues and situation of the specific company. The general action would be to acquire sustainability knowledge and planning skills as evidenced from encouragement of clients to buy Almi's sustainability manual, seek best practices from peers and expert organizations.

Tools Level

The tools used by Almi to guide entrepreneurs on their sustainability work are mainly:

- The people, planet, profit visual representation of sustainability as the intersection of those three sub-systems
- A visual representation of the value-chain
- The seven sustainability issues developed by Swerea, (explained at the success level in chapter 3)
- The extended version of the seven sustainability issues - the fifteen sustainability areas developed by Swerea (explained at success level in chapter 3)
- The current analysis tool (3 stages) developed by Be a difference (explained at strategic level in chapter 3)
- The GRI for internal reporting

The weakness here is that none of these tools capture the socio-ecological boundaries of sustainability at a system level, therefore none of them do so at a success level. The recommendation is to use the FSSD to patch the main gaps in the understanding of strategic management of sustainable entrepreneurship.

Glossary

Backcasting	the process of starting a planning process from a <i>desired</i> future – which may not be likely from today’s point of view
Eco-system services	sunlight, oxygen, fresh water, nutrition, heat, energy - that what the eco-system delivers to civilizations necessary for their survival
Externalities	consequence of industrial or commercial activity, which affects other parties - the effects in nature or society that are the consequences of business processes
Funnel paradigm	the closing walls of the funnel illustrate the current degradation of the socio-ecological system, due to systematic errors in societal design. The wall of the funnel levelling out illustrates a society that has become sustainable
FSSD	Framework for Strategic planning towards Sustainable Development, which is a five level framework, used for planning processes in complex systems, which will allow the planning team to understand the sustainability challenge, the complexity of the interrelations of the subsystems and helps develop a common purpose with the team
Green-washing	A communication strategy with the purpose of presenting product on a way that do not harm the environment. This term give the connotation of not informing customers with enough information or accuracy.
Nexus	a connection or series of connections linking two or more things

Small to Medium sized Enterprises	a company with no more than 500 employees, SMEs constitute approximately 90% of all enterprises and 50% of employers globally
Sustainable	able to be maintained at a certain rate or level - that does not violate the sustainability principles
Sustainability	conserving a social and ecological balance by avoiding depletion of social and natural resources
Sustainable development	The development which meets the needs of the present without compromising the ability of future generations to meet their own needs.
Sustainable entrepreneurship	Entrepreneurial initiatives that supports humans' capacities to meet their needs now and in the future and that enables the eco-social system to continue indefinitely within its natural and social boundaries. Those initiatives simultaneously create economic growth, improve social conditions, and advance environmental objectives.
Sustainability Principles	8 principles of the FSSD that outline the boundary conditions of socio-eco sustainability.

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1 Introduction

This paper examines the role of government entrepreneurship agencies (GEA) in fostering sustainable entrepreneurship. It addresses the question of how government's entrepreneurship agencies can promote sustainable entrepreneurial initiatives that advance environmental objectives and improve social conditions.

This thesis employs a qualitative research methodology that examines the case of Almi, the largest public sector agency to foster entrepreneurship and growth in Sweden. To understand the mechanism that Almi uses, it was necessary to investigate multiple sources of information using methods such as document review, interviews and observation.

1.1 The Sustainability challenge behind economic activities

Human survival and flourishing is dependent on a functioning ecological and social system. Humanity depends on the ecosystem services for breathing, provision of food, clean water, and other supplies; and also delights in viewing nice landscapes. As a collective, humans also depend on a society that enables general wellbeing among the inhabitants.

There is growing evidence that the ecosystem and the social fabric upon which humans depend are being systematically degraded by industrial methods that deplete resources, pollute the eco-system and undermine people's capacities to meet their basic needs (Goldthorpe 1984). There is a likelihood that the natural cycles of the eco-system will become seriously or even irreversibly impaired, which carries a danger to human existence and to the modern industrial economy itself.

Evidence of this problem is not new. By 1972 a number of natural scientists began to show these risks to modern industrial civilization. Using computer models, Donella and Dennis Meadows highlighted the serious risk of modern industrial civilization collapsing soon after AD 2000 due to pollution of the biosphere and exhaustion of natural resources for the production of energy, food and materials. Since then additional studies examining various aspects of the environment and society have reached similar conclusions (Hillary 2000, Scharper 2000). Most recently, the Intergovernmental Panel on Climate Change, IPCC, (2015) argues that economic activities have created many of the environmental problems our society faces today including climate change, ozone decline, nuclear radiation, industrial toxins and widespread air and water pollution. Most of the scientists who have studied this area agree that there is an irrefutable link between current industrial growth and degradation of ecological systems (Goldthorpe 1984).

The creation and growth of small and medium enterprises (SMEs) has an important role in the macroeconomic system due to fiscal contributions, creation of employment, and renewal of markets and industries.

SMEs form a major portion of all economic activity and represent about 95% of all private sector firms in most modern nations (Scharper 2000). In Europe around 90% of all enterprises are small or medium-sized (Hillary 2000). Due to the large number of SMEs in the world economy the collective impact of SMEs on the environment is substantial. Many of the SMEs, especially in developed economies, tend to be located within the services sector, and so have no obvious “dirty” industrial practices. However, the assumption of SMEs having little environmental impact is not accurate. SMEs may collectively be responsible for as much as 70% of all global pollution (Scharper 2000). There is recognition that a fundamental change is required to reduce detrimental environmental and societal impacts created by our currently unsustainable business practices (Hall et al. 2010).

Some observers believe that efforts toward corporate social responsibility have been mainly used for communication purposes to shelter or restore a company’s reputation (Vanhamme and Groben 2008). These CSR strategies are used to disclose social and environmentally responsible behavior to their stakeholders through communicating limited amount of substantial information and/or "diverting attention" of practicing corporate and social irresponsibility (Perks, Farache, Shukla and Berry 2013). Thus, it is important to find a way to support companies (SMEs) in improving their operation and moving beyond simply protecting their reputation such that they contribute meaningfully to sustainability.

1.2 The role of entrepreneurship in the economic growth process

Small businesses and entrepreneurs have long been recognized as important contributors in the economic system. The importance of entrepreneurs in the economic growth process is not just the creation of employment and contributions to the economy with new incomes but also in the role of bringing innovations to the market and changing industries (Galindo and Mendez 2014). The future prosperity of any economy depends to a considerable extent on its success in promoting entrepreneurship and innovation. Small firms and recently established firms, have an important role in the development and growth of an economy (Lundström 2009). SMEs are the most important sector of a nation’s economy due to their role on creation of jobs, source of innovation, creation of competition and seed of businesses of the future (Hillary 2000).

According to Schumpeter (1911) the entrepreneur’s main function is to form new combinations and revolutionary changes, which result in the opening up of the economy and its static circular flow is reoriented towards a new dynamic path (Carlsson 2003). Innovation and entrepreneurship are seen as the discontinuous emergence of new combinations of products, processes, markets, and organizations (Carlsson 2003). Academics and practitioners in the field of entrepreneurship define entrepreneurship as the process of

discovering, creating, evaluating and implementing business opportunities and possibilities (Dean and McMullen 2007, 58).

The question of which type of firms (large incumbents or new entrepreneurial firms) bring innovativeness to the market has long been discussed in the field of entrepreneurship and one of the most popular descriptions is:

“New combinations are, as a rule, embodied, as it were, in new firms which generally do not arise out of the old ones but start producing beside them; in general it is not the owner of stage-coaches who build new railways”
(Schumpeter 1934, 66).

Other evidence has been found, however, particularly when focusing on radically new products. Dolfmsa and Van der Velde (2014) found that, innovative industries contain relatively many small firms, rather than new firms (or a growing number of new firms) and large firms. This reveals the importance of entrepreneurship on bringing innovations to the market.

The discussion of the size and age of companies in bringing innovations shows that large companies can expect to benefit from economies of scale in research and development by spreading the cost over a larger base and is more likely to be used for incremental and process innovations which is what larger firms tend to focus on more than smaller firms (Cohen 2010, Dolfmsa and Van der Velde 2014). While large firms may be able to tap into a pool of information that is more varied, transfer of knowledge for innovation within a large firm is not obvious and as a result while there may be more opportunities arising in large firms to develop innovations, there may actually be fewer of these to actually be recognized in a large firm as compared to a new firm (Stock, Greis and Fischer 2002).

Another identified aspect in innovations and life cycle of a company is that in newly established firms the entrepreneur and the new employees are more motivated to contribute to innovation efforts, and also specific contributions can be noticed (Uhlener, van Steel, Duplat, Zhou 2013). Christensen (1997) claims that industries, which experience relatively high levels of new firm entry are more innovative.

Innovations and entrepreneurship have a positive correlation with economic growth whereby all three variables would have circular effects and enhance entrepreneurship activities and the latter would in turn have positive effects on innovation and economic growth (Galindo and Mendez 2014).

The question for contemporary society is - can this engine of innovation bring entrepreneurial activities that revolutionize industries for good and contribute to sustainable economic growth?

1.3 The role of government entrepreneurship agencies in fostering sustainable entrepreneurship

Entrepreneurship is increasingly being renowned as a significant channel for bringing about high-profile thinkers and innovation to sustainable products and processes (Hall, et al. 2010). Pacheco, Dean and Payne (2010) argue many writers view entrepreneurship as the engine of sustainable development and that innovative entrepreneurial activities will bring the next industrial revolution and a more sustainable future.

The literature on sustainability and entrepreneurship use popular terms to refer to this kind of entrepreneurship such as: green entrepreneurship, environmental entrepreneurship, eco-preneurship, and social entrepreneurship (Pacheco et al. 2010). Others define the concept of environmental entrepreneurship as: “the process of discovering, evaluating, and exploiting economic opportunities that are present in environmentally relevant market failures” (Dean and McMullen 2007; 58).

However, in the context that entrepreneurs have been recognized as a vehicle for innovation of sustainable products and services, negative externalities have been shown. Based on history that businesses’ solutions have led to negative externalities that are now being addressed, Hall et al. (2010) raise the question - to what extent do new products and services pioneered by entrepreneurs create new social and environmental challenges? They declare that there are major gaps in our knowledge of whether and how the process of sustainable entrepreneurship will actually unfold. Finally they state that further research should study the conditions where entrepreneurship simultaneously creates economic growth, while advancing environmental objectives and improving social conditions (Hall et al. 2010). Similarly York and Venkataraman (2010) raise the question under what conditions and how entrepreneurial action can address such ecological and sociological problems? Also, Hall et al. (2010) claim that there is little understanding of how entrepreneurs will discover and develop those opportunities that lie beyond the pull of existing markets.

The business behavior of new, small and medium size enterprises may be influenced by general environmental conditions but also by the specific actions of other social stakeholders such as governments with the formation of fiscal systems and the related orientation of economic policy. For Ebner (2006), the state is both result and diffuser of the evolution of the capitalist civilization and that even government may carry out the entrepreneurial function and create social transformation. Similarly, Acs, et al. (2014) highlight the importance of the institutional contexts in regulating the quality and outcomes of entrepreneurial initiatives. Meek, Pacheco and York (2010) argue that, integrating theories of entrepreneurship, sociology and institutional theory, centralized institutions (governments) and decentralized institutions (socially determined) is important and impacts the entrepreneurial activity.

Taking into consideration the ability and role of the government offices in influencing entrepreneurial activities, the authors of this thesis ask the question - how can government’s entrepreneurship agencies foster sustainable entrepreneurial initiatives that advance environmental objectives and improve social conditions? This question is explored in the context of entrepreneurial initiatives supported by Almi, the biggest

public operator for promotion of entrepreneurship and growth in Sweden, and contrasted with the Framework for Strategic Sustainable Development (FSSD). The FSSD is a science based framework for planning in complex systems that uses sustainability principles based on a scientific understanding of how the eco-socio system operates, to backcast actions that will lead any kind of organization in the right direction towards sustainability.

1.4 Purpose

To understand and recommend improvement to Almi's methods on fostering sustainable entrepreneurship in the business advising service.

1.5 Research Questions

RQ1: Through what mechanisms does Almi foster sustainable entrepreneurship?

RQ2: In what ways can the standard mechanisms of business advising operations at Almi be improved to strategically lead sustainable entrepreneurship?

1.6 Scope and limitations

This research seeks to understand and improve Almi's business advisory services regarding sustainable entrepreneurship guided by Almi at a National Level and practiced by Almi Blekinge at a regional Level.

2 Methods

2.1 Overall approach and rationale

To address our research questions a qualitative research study of Almi, the government agency with the mandate to promote entrepreneurship in the Swedish economy, was conducted.

Marshall and Rossman characterize qualitative research as one that assumes a systematic inquiry must occur in a natural setting rather than an artificially constrained one such as an experiment. It is research that entails immersion in the everyday life of the setting chosen for study, values and seeks to discover participants' perspectives on their worlds, views inquiry as an interactive process between the researcher and the participants, is both descriptive and analytic, and relies on people's words and observable behaviour as the primary data (Marshall and Rossman 1995, 4).

According to Zelditch (1962), the researcher must comply with the following criteria in order to determine the solidity of the research design.

1. The research design should maximize the possibilities that the researcher will be able to respond to the questions thoroughly and thoughtfully.
2. The strategy should elicit the sought after information (*Informational Adequacy*).
3. The plan should allow adequate data to be collected at the least cost in terms of time, access, and cost to participants (*efficiency*).

In addition, Marshall and Rossman (1995) think that researchers should comply with the following criteria to ensure that their research strategies meet ethical considerations.

1. The proposed strategy should not violate the participants' privacy or unduly disrupt their everyday worlds.
2. It should not put research participants in danger or at risk by participating in the study.
3. The study should not violate participants' human rights in any way.

Our chosen research approach meets the above-mentioned criteria of informational adequacy, efficiency and ethics, the three criteria widely used to judge the soundness of a research strategy.

2.2 Site and sample selection

Almi is a national organization with policies and procedures that are directed from federal level offices. However, relationships with the entrepreneurs occur at a local level. Thus, to capture both the local application as well as higher level intentions of the programs, we focus on Almi Blekinge while triangulating with nationwide information obtained from the national website and the national sustainability manager of Almi.

According to Marshall and Rossman, “the ideal site is where (1) entry is possible; (2) there is a high probability that a rich mix of the processes, people, programs, interactions, and structures of interest are present; (3) the researcher is likely to be able to build trusting relations with the participants in the study; and (4) data quality and credibility of the study are reasonably assured” (Marshall and Rossman 1995, 51).

2.3 Data collection

To organize our data collection regarding Almi’s sustainable entrepreneurship approaches, the five level planning framework was used. This is a generic planning framework outlining the typical conceptual considerations in any planning endeavor into five levels of system, success, strategic guidelines, actions and tools. The five levels are briefly described below.

System

This category contains information about the internal and external environment relevant to the success of the planning entity. Such environment can be conceptualized as a system with surroundings; subsystems and their interrelations; and basic laws governing the behaviors of the system.

Success

This is a description of the desired future state of affairs (of the system) toward which the action of the planning entity is oriented. It contains both active elements and contextual elements. Active elements are those, which are actively sought by the planning entity. The contextual elements are those, which while not actively sought, cannot be sacrificed without loss to the planning entity. A man who burned his house trying to get the rats out of the house ignored a contextual element of the ends, i.e. the house.

Strategic guidelines

This is a description of the techniques used by the planning entity to identify and prioritize actions that move towards success. This can include back casting from the vision of success to the present reality to understand the gap between current reality and the *desired* future reality in order to imagine how one can move from where they are to where they would like

to be. It can also include effectiveness, efficiency and flexibility of the identified actions to ensure that those actions that lead in the right direction, provide return on investment, and are a stepping stone for further actions are prioritized and selected.

Actions

This is a description of the concrete actions selected to move towards success.

Tools

This category contains information about additional and complementary tools that further augment information about the system, success, strategic guidelines and actions. For example, a tool can confirm the effectiveness of an action. It can also help to further understand the system and success.

All development efforts make assumptions that ultimately refer to the system, success, strategic guidelines, actions and tools. The concept of a five level planning framework is a helpful analytical tool that aids the understanding of any development endeavor, in our case sustainable entrepreneurship.

Information gathered and used in each level of the five level planning framework can be considered adequate or inadequate with respect to strategic sustainable development, depending on the knowledge of the planning entity. This is where we seek to compare the perspective of Almi about sustainable entrepreneurship to our perspective based on the Framework for Strategic Sustainable Development introduced above. When scientific knowledge regarding sustainable development is integrated in the five level planning framework, the resulting planning frame is called the Framework for Strategic Sustainable Development.

In the FSSD, the system for a development focused on sustainability is the entire “Earth system”. Robèrt et al. (2010, 5-45) describe the “Earth System” as a closed system for matter and an open system for energy and where the inter-relationship and complexity of the different subsystems are recognized, thereby identifying the impacts from one subsystem to another. For a full list of the FSSD’s natural and social science laws that underpin the framework’s sustainability principles presented below, please see appendix B.

The FSSD offers 8 sustainability principles of success giving the outer borders within which a sustainable society can operate:

In a sustainable society, nature is not subject to systematically increasing ...

1. ... concentrations of substances extracted from the Earth’s crust;
 2. ... concentrations of substances produced by society;
 3. ... degradation by physical means
- and...

people are not subject to systematic barriers to

4. integrity
5. influence
6. competence
7. impartiality
8. meaning (Missimer 2013, 34).

This view allows for a broader understanding of the sustainability challenge and the plausible solutions.

Our chosen data collection methods were document review, semi-structured interviews, and direct observation of workshop activities.

2.3.1 Document review

Document content analysis entails the systematic examination of forms of communication to document patterns objectively (Marshall and Rossman 1995, 85).

Table 2.1 below, shows the documents used in order to gather information on Almi, their owners and their processes for fostering entrepreneurship. The majority of the documentation was translated, from Swedish into English, by one member of the thesis group. The researchers understanding of Almi's structure and the processes were verified by the interviewees.

Information was obtained from both printed documents and electronic material on websites. The printed documents, voluntarily given by the organizations were kept safely by the researchers for future use. A list of all the websites utilized was compiled and stored electronically on hard drives and on the internet.

Table 2.1 List of documents reviewed

Almi documents accessed via Almi website: www.almi.se
Annual Reports 2013 and 2014
Annual Sustainability Report 2013
Owner's Directives for Almi National
Company Governance Guidelines
Documents given to us by Almi Blekinge:
Owner's Manual - Created by Region Blekinge for Almi Blekinge
Brochure: <i>Is your business model long-term sustainable? (Är din affärsmodell långsiktigt hållbar?) Swerea</i>
Auto assessment tool: <i>Discover the benefits of sustainable entrepreneurship (Upptäck nyttan med hållbart företagande) Swerea</i>
Book: <i>Sustainable entrepreneurship but how? (Hållbart företagande – men hur?) Swerea</i>
Assessment tool: <i>Understand the business, Current situation analysis, Conclusions – Analysis of needs (Förståaffären, Nulägesanalys, Slutsatser) Be a difference</i>
Presentation slides: <i>People, Planet, Profit, triple bottom line explained and Value-chain (PPP koncept och helhetstänk via värdekedja) Be a difference</i>
Documents owned by other government agencies:
Owner's Directives for state owned companies– Ministry of Enterprises
National Strategy for Regional Growth – Ministry of Enterprise
Regional Strategy for Growth and Development – Region Blekinge

2.3.2 Interviewing

To capture perceptions of organizational operations, four people associated with Almi were interviewed with semi-structured interview protocol. The table below shows the officials interviewed.

A general, but standardized, interview guide reflecting the expected categories of information according to the five level planning framework was used while allowing the interviewer to ask specific questions as the situation dictated. Unlimited latitude was given to interviewees to respond to the questions as they saw fit in order for us to get the interviewee's view to the greatest extent possible.

Table 2.2 List of Officials interviewed

Name of Official	Position	Responsibilities	Organization
Magdalena Johansson	CEO AlmiHalland	Head of Sustainability issues Almi National	AlmiHalland and Almi National
Martin Åkesson	CEO AlmiBlekinge	Overall direction of AlmiBlekinge	AlmiBlekinge
Helena Holgersson	Business advisor	Sustainability at ALMI Blekinge	AlmiBlekinge
Catharina Rosenquist	Project Advisor	Coordination with AlmiBlekinge	Region Blekinge Regional development office in Blekinge

Below is an example of the sample questions asked.

SYSTEM

What they say is their current definition of system

- What aspects of the society and the natural environment do you think entrepreneurs should consider when developing their products or services and business plans?
- What is the natural and social science basis of Almi's definition of sustainable entrepreneurship?

SUCCESS

What they say is their current definition of sustainable entrepreneurship

- What is Almi's definition of sustainable entrepreneurship?
- How does Almi define a sustainable project?

STRATEGIC GUIDELINES

What they say is their current strategic guidelines

- How is business planning done at Almi?
- What best practices in business planning do you recommend to your client entrepreneurs?
- Do you have any other indicator of return on investment apart from financial return on investment?

ACTIONS

What they say is their current actions to foster sustainable entrepreneurship

- How do you promote sustainable entrepreneurship here at Almi?

TOOLS

What they say is their current tools to foster sustainable entrepreneurship

- Are there any specific tools that you use to promote sustainable entrepreneurship?
- How do you use these tools in your work to promote sustainable entrepreneurship?

All the interviews were conducted in English. Two out of the three interviews were recorded on electronic audiotape, based on the consent granted by the interviewees. Moreover, all the interviews were recorded manually on notebooks, later transcribed and put in electronic word documents stored on computer hard drives and on the internet.

For a full list of open-ended questions and the order please see appendix A.

2.3.3 Direct observation

Observation entails the systematic noting and recording of events, behaviours, and artefacts (objects) in the social setting chosen for study (Marshall and Rossman 1995, 79).

To gain a sense of what Almi's processes for fostering sustainable entrepreneurship look like in action, we observed two events for entrepreneurs organized by Almi's implementing

partners MaydayMonday through the Almi project Idéinstitutet and the event of Ung Företagsamhet.

The workshop by Idéinstitutet was held on 26th February 2015 in Ronneby and its topic was “prototyping entrepreneurial ideas and networking.”

The event by Ung företagsamhet was held on 5th March 2015 in Karlshamn and the topic was “regional competition for entrepreneurship among young people in Blekinge”.

Observations were recorded manually in notebooks, later transcribed.

2.4 Data analysis

Data analysis is a process of bringing order, structure and meaning to the mass of collected data. It is a search for general statements about relationships among categories of data; it builds grounded theory (Marshall and Rossman 1995, 111).

We used the five level planning framework and the FSSD to guide our categorization, organization and interpretation of data, i.e. data analysis. A coding sheet reflecting the expected categories of information according to the five level planning framework to guide data collection and analysis was used. Pieces of data were labeled and grouped according to their usefulness in understanding Almi’s perspective of system, success, strategic guidelines, actions, and tools for an entrepreneurial venture or project as they relate to sustainability perspectives.

Data that did not fit in neatly in the categories based on the five level planning framework, but seemed relevant in illuminating the phenomenon of interest, were put in a neutral category. This method of categorizing data was used for all data sources. Once we have organized our data such that a picture of Almi’s current activities and orientation emerged (Research question 1), we were then able to do a comparative analysis.

Our collective understanding of entrepreneurship and planning for Strategic Sustainable Development allowed us to create an ideal scenario, and then compare it to Almi’s reality such that we could identify inadequacies and potential opportunities for improvement to Almi’s processes and mechanisms for fostering sustainable entrepreneurship.

By questioning the data and reflecting on the conceptual framework (intersystem perspective), we engaged the emerging ideas and the data in significant intellectual work. We pondered on and pieced together the data of various kinds gathered through data collection to come up with conclusions.

2.5 Validity checks and research limitations

There are a few potential limitations to this study. First, the reliance on the five level planning framework for the data collection and the FSSD to guide the analysis of the data, may have biased the observation and interpretation by manipulating the researchers to see only that which resembled the perspective thereby filtering out important reality.

To counteract the bias that could have been introduced by the reliance on the FSSD to guide data collection and the analysis of it, the researchers created a neutral category of data to allow for collection and analysis of data outside these planning frameworks.

The different cultural and professional backgrounds may have biased the observation and interpretation. Diverse cultural perspectives, however, can also be viewed as strength. To counteract bias that could have originated from researcher's cultural and professional background, the following was done.

1. Letting the data speak for itself, re-checking the interpretation against the data a couple of times.
2. Looking for alternative/rival interpretation. For every interpretation, the researchers deliberately searched for an alternative or rival interpretation by encouraging a different research partner to come up with their own interpretation after which we would only pick the most plausible one based on the implication of the data.

To ensure accuracy of responses from interviews, all three researchers were present at all interviews. Thus, interviews were conducted in English. Once the study had commenced, the researchers cultivated the relationship with the participants by emphasizing that the study was not an audit but an academic exercise with the possibility to help Almi improve its sustainable entrepreneurship promotion efforts.

To reduce the possibility of misquoting, transcripts of the interviews were sent back to participants for them to check accuracy. The researchers made an effort to respect the contribution of each participant and their time, minimizing the amount of time spent with the participants and asking for documents for further and detailed information to help answer the research questions.

3 Results

This chapter of the thesis present the harvested data from document review, interviews and observations into the five level framework (system, success, strategic, actions and tools) that help to understand the mechanism that Almi uses to foster sustainable entrepreneurship. Almi is an organization that operates at many levels and has a dual ownership. This section has been separated into two different categories: Almi National, the national level parent company and Almi Blekinge, on a regional level. Thereby, the authors of this thesis hope to create clarity on what the national commitments towards sustainable entrepreneurship are and how they are operationalized at a regional level.

Before presenting information about the mechanism used by Almi to foster sustainable entrepreneurship, we present an overview of Almi as an organisation to aid general understanding.

3.1 Almi and the government industry nexus

In its inception, Almi was not a government run organization but was first initiated by business associations in the years 1940 to 1950. It was not until 1978 that government became strongly engaged in fostering entrepreneurship in the regions. It was then that the state established regional development funds, through which the County Councils received financial support for regional development. The current incarnation of Almi occurred in 1994 following a parliament decision to create a new organization in order to promote growth and renewal in Swedish industry. The former regional development funds were re-constructed into a limited liability company in a corporation with a parent company, "Almi Företags partner AB", fully owned by the state.

Since the re-construction of Almi, the County Councils own 49 % of the regional subsidiaries and Almi National owns the 51 %. The reason for this merger was to renew and improve the operations by creating a more powerful organization easier to adapt to the demands of the industry. In the 2013 Annual Report, the overreaching goal with the operations of the organization, formulated in 1994, is to foster development of competitive small and medium sized companies and stimulate entrepreneurship in order to create growth and innovation in the Swedish industry (Almi 2014).

The overall objective of Almi is to create opportunities for all viable ideas and companies to develop. They offer advice, loans and risk capital in all phases of entrepreneurship – from ideas to successful companies - including early stage ideas with growth potential as well as existing companies in a stage of growth and expansion.

Almi National handles the general operating guidelines for the Almi Corporation (national company with regional offices) communicating and facilitating the vision, operational guidelines, policies and the Owner's Directive. The Almi website, information documents for

customers and annual reporting on finance and sustainability is taken care of by the national organization of Almi.

From the Almi website, the authors have understood that the regional offices must follow the high level agenda and policies of Almi National, however they are at liberty to interpret and operationalize the Almi policies in ways that are more meaningful to their specific region. At the local level, the regional Almi officers are in direct contact with the entrepreneurs. It is through meetings and workshops with entrepreneurs that Almi has an opportunity to influence entrepreneurial activities so that they are more sustainable in orientation, as outlined in the Annual Report of 2014.

Almi has three business areas: business advising, loans and risk capital. This thesis focuses on the business area of business advising. On a national level a total of 16,000 companies established in Sweden in 2014, 7363 clients received Almi's business advisory service for creation of new businesses (Almi 2015).

Illustrated in figure 3.1 is the nexus of agencies fostering entrepreneurship in Sweden and the flow of governance from the Ministry of Enterprise down to the regional Almi offices, here represented by Almi Blekinge.

Governance structure Almi

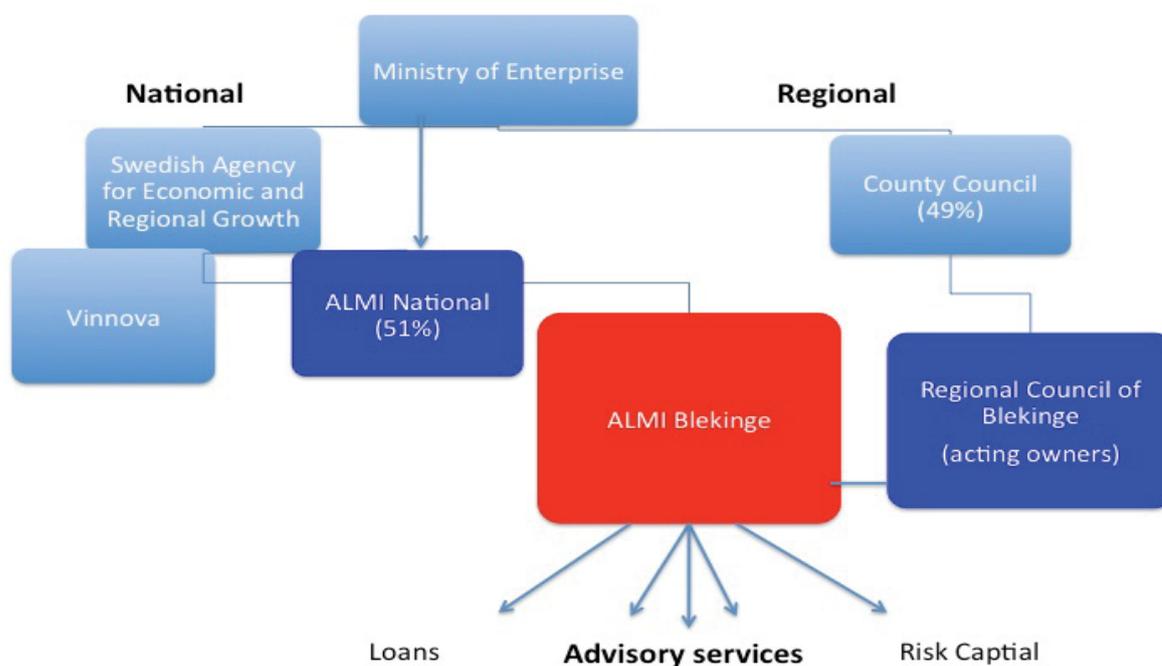


Figure 3.1 Governance structure of AlmiBlekinge

The Swedish government, through the Ministry of Enterprise, drives the development of entrepreneurship and innovation by creating policies and national strategies on regional growth and development work. The Ministry of Enterprise focuses on policy from macro-economic perspective and one of the policies is the national strategy for regional growth – 2014-2020. This strategy is communicated to the regional offices of the County Councils, with an overall mission to strengthen the co-operation at a regional level and to contribute to the development and sustainable growth of the regions (Näringsdepartementet 2014).

Swedish Agency for Economic and Regional Growth (Tillväxtverket) is a governmental authority, working to strengthen the competitive power of businesses. The main tasks are to foster sustainable business development nationally and sustainable regional growth as well as to direct EU-funds to be invested in projects for regional growth and employment. For the Swedish Agency for Economic and Regional Growth economic growth is sustainable when we satisfy our needs today – economically, environmentally and socially – while providing the opportunities for future generations to meet their own needs (Tillväxtverket 2015).

Vinnova is a Swedish government agency working under the Ministry of Enterprise and acts as the national contact agency for the EU Framework Programme for Research and Development. They are also the Swedish government's expert agency within the field of innovation policy. Vinnova claims that they promote sustainable growth by funding needs-driven research and stimulating collaborations between companies, universities, research institutes and the public sector (Vinnova 2015).

The County Council (Landstinget), is a local authority and a principal administrative subdivision in Sweden. The County Council is governed by a board of politically selected members. The main tasks of the County Council are to govern the public health care system and public transportation. The County Council of Blekinge (Region Blekinge) is the regional owner of Almi Blekinge, and the County Council has mandated Region Blekinge (described below) to govern the operational ownership of Almi Blekinge (Region Blekinge 2014).

The County Council owns 49% of Almi Blekinge. Due to this regional ownership each regional office is at liberty to choose how to implement guidelines from the Ministry and Almi National. Almi National produces general directive, the national office then works with the regional offices and their regional owner, in order to adapt the Owner's Directive to the specific conditions of each region. In the case of Almi Blekinge the regional directives are called "Owner's Manual" and are created by the Regional Council of Blekinge (Region Blekinge 2014). The Regional Council of Blekinge, is owned by the five municipalities of Blekinge and by the County Council of Blekinge. The organization is an arena for regional development and their regional strategy is created in order to facilitate this cooperation. On the website of Region Blekinge their mission is described as follows:

"Our goal is an attractive Blekinge with good infrastructure and good transport links, a vibrant culture and recreation, good conditions for work and the establishment of businesses and Blekinge which is well worth a visit. In short - a sustainable growth in Blekinge that creates more tax revenue for our members"(Region Blekinge 2014).

Together, the abovementioned agencies operate and collaborate in the region as policy makers, catalysts, project facilitators and partners to other stakeholders like private companies and organizations, business associations and universities in the field of innovations and entrepreneurship in Sweden.

In the table 3.1, the structure of Almi’s work on sustainability, where it originates from and where the guidelines are applied, is showed in the chart.

Table 3.1 Almi’s structure on their sustainability work (Almi Annual Report 2015)

	Internal – own organization “A Sustainable Almi”	External – contact customers “Sustainable Entrepreneurship”
National	Ministry of Enterprise and Almi National develop policies and guidelines towards sustainable development.	Reporting and creation of policies, common documents, workshops and tools for all the regional offices.
Regional	Regional offices interpret the national policies from a regional perspective and return learnings to national sustainability team.	Almi Regional cooperates with regional stakeholders and foster sustainable entrepreneurship through direct meeting with local entrepreneurs.

3.2 Almi’s mechanism for fostering sustainable entrepreneurship

The following section presents findings regarding Almi’s mechanism for fostering sustainable entrepreneurship in terms of the five level planning framework. This will be done for the national organization as well as the regional offices.

3.2.1 Almi - National Level

In the following section the information gathered from different sources is organized into the categories of the five level framework in order to see the whole picture of Almi National in its system, understand what success means for Almi National, identify the strategic guidelines influencing their work, what activities are being done and which tools are used.

System

By reviewing the documentation from Almi as well as the tools used by Almi in their meetings with the customer entrepreneurs, the researchers concluded that the perception of the system where Almi operates consists of several separated sub-systems.

These sub-systems are laws and regulations, owners and mandates, employees and working conditions, suppliers and their working conditions, customer needs and desires, society, wellness and climate. (Bäck, Jarebrant, Norrblom and Skog Stocks 2012). The researchers found that there is not a clear understanding of the interconnections or systems perspective in the perception of the system where Almi and its customers operate.

The Ministry of Enterprise is the owner of Almi and mandates that:

“state owned companies should work with sustainability and sustainable entrepreneurship”(Regeringen 2014, 6).

Overall, the perception of sustainability of the Ministry of Enterprise is based on the Brundtland Commission (1987), which defines sustainable development as:

“development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland Commission 1987, 39).

The Brundtland commission has also influenced the work on sustainability for all state owned companies as the below seven sustainability issues are the basis for further guidelines and strategies. The sustainability issues are:

- Environment
- Human rights
- Labour conditions
- Anti-corruption
- Business Ethics
- Equality
- Diversity

These seven issues are seen and used throughout the organization of Almi as a unifying framework for sustainability. In the tools section the researchers go further into exploring these issues and how they are described in the book *“Sustainable entrepreneurship – but how”* (Bäck et al. 2012)?

Furthermore, the Owner's Directive from the Ministry of Enterprise, further informs that all state owned companies should have a:

"well-reasoned and firmly grounded policy and strategy as well as stated strategic goals in the area of sustainable entrepreneurship" (Regeringen 2014, 6).

In the Directive, it is also stated that the goals should few, long-term, challenging, easy to measure and to communicate, as well as relevant for the business operations of the specific company and for the sustainability challenge. Furthermore, it is said that the board of each state owned company is responsible for the strategy and the strategic work on sustainable entrepreneurship and that the companies are required to work actively within their organization as well as in cooperation with other stakeholders (Regeringen 2014).

In the National Strategy for Regional Growth outlined by the Ministry of Enterprise, societal challenges are to be taken into consideration:

"demographic development, globalization, climate, environment and energy as well as the need for inclusive growth" (Näringsdepartementet 2014, 4).

According to the National Strategy, business possibilities are created in Swedish companies through the growing global demand for sustainable and resource effective products and services. Furthermore, the strategy recognizes that it is important to foster different types of innovations, specifically in SMEs, as well as to foster environment-driven business development within all industries. (Näringsdepartement 2014).

In the 2014 Owner's Directive of Almi National it is stated that Almi shall:

"contribute to sustainable growth and innovation by improving the possibilities to develop competitive businesses both on a national and on global level" (Almi 2014, 1).

From the interview with Magdalena Johansson, CEO of AlmiHalland and Head of Sustainability of Almi National, the authors found that the purpose of fostering sustainable entrepreneurship is not yet a clear purpose for the Almi officers.

"It is not our objective and it is not our mission, our objective is to create economic growth. But it needs to be sustainable" (Johansson 2015, 1).

To identify the system where an entrepreneur operates, Almi's guidelines indicates the use the value chain model in order to find important stakeholders. The value chain is a tool where companies can see the process of value creation of a product or service that include inputs, production, outputs, delivery and post service.

Stakeholders of a company usually includes: employees and their families; future employees; owners and financial market; customers and consumers; suppliers; authorities; environment; climate; local society/community and its members; the world at large and its citizens; association; the industry; insurance companies; and unions (Bäck et al. 2012).

Special focus on stakeholders is given to: customers, employees, society and owners according to the tools used by Almi in their meetings with the entrepreneurs.

Success

In order to understand what success means to Almi National, the researchers found, in the Annual Report of 2014, that Almi's approach to sustainability is based on the overall vision that Almi will create opportunities for all viable ideas and businesses to develop.

“The starting point for Almi’s work on sustainability is that long-term competitiveness and profitability is based on taking responsibility in economic, environmental and social sustainability” (Almi 2015, 10).

In the Annual Report 2014 Almi states that:

“Our ambition is to be a positive force in sustainability, and we are uniquely positioned to inspire and support entrepreneurs in sustainable development. It's important to us that sustainability issues are integrated in daily work and becomes a natural part of our work and in our dialogues with customers and partners” (Almi 2015, 10).

Anna Hallberg, the Deputy CEO of Almi National states in the Annual Report that

“In the dialogue with our customers we want to heighten the awareness about sustainability and the possibility to use it as a means of competition”(Almi 2015, 13).

The documents used by Almi to guide their customers on sustainability originate from the book titled “Sustainable Entrepreneurship - but how?” Detailed description of this and other tools is attached in appendix 4. In the book sustainable entrepreneurship is defined as:

“With sustainable entrepreneurship is meant that businesses, moreover than what the law is demanding, takes responsibility of how their decisions and operations will affect the surrounding society and their employees” (Bäck et al. 2012).

The book explains the concept of sustainable entrepreneurship more extensively and has expanded the seven sustainability issues from a unifying national framework, into in the following areas:

- Leadership – competence, responsibility and mandate
- Labor environment and health
- Labor climate and well-being
- Equality and diversity at workplace
- Labor conditions in high risk countries
- Human rights
- Limited effect on climate

- Sustainable use of resources
- Minimal emission of toxic substances
- Protection and restoration of the natural environment
- Water
- Ethical business methods
- Consumer issues
- Engagement in society
- Transparency and collaboration with stakeholders

The book also states that the positive effects of sustainable entrepreneurship, *within* an organization are:

- more content and healthier personnel
- better use of competence
- engaged employees
- better management of risk
- lower costs in long term perspective

The book also states that the positive effects of sustainable entrepreneurship, *outside* an organization are:

- more content customers
- easier to reach new customers
- stronger brand
- easier to engage and keep good colleagues
- signals for good leadership and long term perspective

It is positive that Almi helps their customers in identifying the areas of importance to sustainable entrepreneurship although it lacks a clear indication of what success is in respect of these areas. Thereby the customer is left to find out and to decide which areas to focus on and how to address these areas.

From the interview with the Head of Sustainability Almi National, Johansson claims that Almi's work on sustainability is to:

“raise the question of the importance of sustainability, especially in the areas where it's more relevant to a specific company” (Johansson 2015, 1).

Furthermore, Johansson adds that Almi officers do not need to have the bigger picture knowledge of the sustainability challenge, as:

“our advisory services do not only focus on the sustainability issues, it's a big picture, we don't say you (customer) have to do this... the services will bring up the question and after making them (the businesses) aware, we are asking what should be the next steps”(Johansson 2015, 3).

Nevertheless, Johansson acknowledges that there is a growing demand for information on sustainability.

“What happens in Sweden is that before, the environmental work was driven by legislation, now it’s the customers that require it... the customers will bust you, we don’t need to be the best but we need to know what we do not do”(Johansson 2015, 3).

Strategic guidelines

In order to identify the strategic guidelines influencing Almi’s work on sustainability, the researchers found that in the Annual Report 2014, Almi addresses how to assist in creating more and successful companies. The purpose of the strategy is to achieve highest benefits for customers and owners by offering a better and more resource effective business. This demands for a unified Almi but still flexible enough to allow for required adaptations to regional conditions. The strategy focuses on the perspectives of customers, owners, co-workers and the organization (Almi 2015).

Another strategic guideline for Almi, in order for them to attain their specific mission to reach out to affected groups, is to prioritize actions focusing on three specific target groups: young entrepreneurs, women entrepreneurs and immigrant entrepreneurs (Almi 2015).

In the meeting with customers, the Almi officers are guided strategically by the current situation analysis, in order to prioritize actions. In the analysis, the entrepreneur needs to decide which of the seven sustainability issues (environment, human rights, labour conditions, anti-corruption, business ethics, equality, and diversity) that are irrelevant, neither or, or very relevant for their business. The entrepreneur should then be able to decide which area of sustainability to focus on.

Actions

In the section of the actions the researchers have seen there is a higher commitment to both “A sustainable Almi”, the internal sustainability work and to “Sustainable Entrepreneurship” the work Almi is doing in order to foster sustainable entrepreneurship, through the regional offices’ meetings, contacts and events with and for entrepreneurs. The directive on actions comes from Almi National and is then executed by the regional offices.

These actions spring partly from the 2014 edition of the Owner’s Directive, which states that Almi shall:

“continuously procure, from private consultants, the advisory services offered by Almi in order to, and to a larger extent, be able to offer specialist knowledge in new areas and increase the possibility of choice for the clients” (Almi 2014, 2).

Furthermore, from the Annual Report 2014, the researchers have identified the actions Almi is taking in order to foster sustainable entrepreneurship, which are:

- sustainability issues are included in the dialogue with all clients
- increasing knowledge of Almi advisors
- being a role model
- regional sustainability officers providing inputs to the national working group
- contracting advisory services from private local consultants

The Annual Report 2014 states that Almi's ambition is to become a role model in terms of sustainability:

"it is very important that we show even in action that we live as we preach"(Almi 2015, 10).

The report also state that the Almi officers need to increase their knowledge on sustainability, in order to be able to integrate sustainability in their dialogue with customers. Furthermore, it is stated that to achieve the goals, Almi will have a unified framework for all Sweden, that will give autonomy for adaptations to regional conditions; and that all the activities are going to be continuously improved and developed (Almi 2015).

Concerning the working group on sustainability, the Annual Report 2014 states that all regional sustainability officers shall provide input to the national working group and its sustainability efforts as well as convey knowledge to the regional subsidiaries.

The 2014 edition of the Owner's Directive states that Almi shall

"continuously procure, from private consultants, the advisory services offered by Almi in order to, and to a larger extent, be able to offer specialist knowledge in new areas and increase the possibility of choice for the clients"(Almi 2014, 2).

Actions taken to foster sustainable entrepreneurship in 2014 include:

- Tools developed for advisors' customer dialogue
- 6 of the 16 regional offices have offered their customers seminars and training courses on sustainability, either in-house or in collaboration with external partners.
- Basic training of employees in 14 of 16 regional offices
- Sustainability manager appointed in all regional subsidiaries
- Joint working group started

The Annual Report 2014 indicates the following goals for 2015 in the work with sustainable entrepreneurship:

- 100 % of Almi's employees should be trained in sustainability in-house or together with collaborative partners.
- All regional offices will offer their customers, seminars on and further developments about sustainability.
- Almi will contribute to the exchange of ideas and sharing of best practices in sustainability among client companies.
- Identification of how active Almi's customers work with sustainability and the support they require from Almi.
- Development of the plan to best meet customer needs.
- 100 % of the regional subsidiaries will offer their customers seminars and training courses in sustainability, either in Almi's house or in collaboration with others.
- Customer service will raise the question on sustainability with 100 % of Almi's customers.
- Almi meets the customer's need for support in sustainability issues.
- Develop a plan for how Almi can create a platform for networking, exchanging ideas and sharing of best practices in sustainability
- For individual coaching, 1 of 6 meetings shall be about sustainability

From the interview with the Head of Sustainability, the researchers have seen that the following actions are consistent with the review of the documentation:

- that concrete action to foster sustainable entrepreneurship is to raise the question of sustainability and show the financial importance of it
- to refer to experts and even to offer credits to make greener processes (Johansson 2015)

The authors have also found from the interview with the Head of Sustainability that it is up to every regional office to plan how to build staff competence on sustainability. Johansson also mentions that to advance the work of the entrepreneurs on sustainability, Almi refers to the best practices, so that the entrepreneurs learn from other companies in the same industry. Furthermore, she adds that if the entrepreneur desires to get deeper knowledge on sustainability Almi connects their customers with experts on sustainability. Additionally, Almi is willing to help finance a transition to more sustainable operations (Johansson 2015, 2).

Concerning cooperation with other stakeholders, Almi is a premium partner for "Ung Företagsamhet" on a national level for the competition held each year from regional to national level (Ung Företagsamhet 2015).

Tools

The tools Almi is using in order to foster sustainable entrepreneurship include two different sets of information material:

The material created by Almi and the private consultancy firm “Be a difference”, include:

- A visual representation of sustainability as the intersection of People, Profit, Planet and with a generic value-chain
- The 3 steps tool including:
 - Understand the business - trademark, value chain, stakeholders
 - Current situation analysis – 7 sustainability issues
 - Conclusions - risks, possibilities, action plan

The visual representation of sustainability as the intersection of People, Profit, Planet shows three different sub-systems: economic sustainability (financial growth); social sustainability (human rights, working environment, leadership, diversity, equality and community involvement); and environmental sustainability (energy consumption, purchasing, waste and business travel).

The tools material created by Almi and Swerea IVF (Swedish research institute) to be used by Almi in their dialogue with the customers on sustainability consists of the following three versions:

Leaflet	<i>”Is your business model long-term sustainable?”</i>
Self-assessment tool	<i>”Discover the value with sustainable entrepreneurship”</i>
Book	<i>”Sustainable entrepreneurship – but how?”</i>

The tools on sustainable entrepreneurship are based on the seven sustainability issues as outlined by the government and has extended the issues into fifteen areas to work with from a sustainability perspective.

The tools are being used differently from region to region, in the meetings with Almi’s customers. An in depth description of the above mentioned tools can be found in appendix C.

3.2.2 Almi Blekinge

In the following section the information gathered from different channels on Almi Blekinge is organized into the categories of the five level framework in order to see the whole picture of Almi Blekinge in its regional system, understand what success means for them, identify the strategic guidelines influencing their work, what activities are being done and which tools are being used. On the systems level for the regional office of Almi, the region of Blekinge will be exposed as it is the place of the case study for this research. Based on that perspective and information that came from Almi Blekinge and the regional owners, we elaborate Almi Blekinge's mechanism for fostering sustainable entrepreneurship as follows.

System

Almi Blekinge operates in the smallest geographic region of Sweden with specific regional challenges, further shown below, in table 3.2 (Ekonomifakta 2014). Furthermore, the region has a relatively low rate of higher education, a high rate of unemployment, specifically with the younger generations, with a lower rate of entrepreneurship and the lowest rate of growth (WSP 2014, 12).

Table 3.2 Blekinge compared to national statistics (Ekonomifakta 2014).

Categories:	Blekinge region	Sweden national medium
Population	154 157 habitants	464 160 habitants
Medium age	43 yrs	41 yrs
Higher education	20 %	25 %
Employed	76 %	77 %
Unemployed	10,7 %	8,0 %
Businesses	5,8 %	6,7 %
Entrepreneurship	9,4 /1000 habitants	11,5 / 1000 habitants

Region Blekinge, in its role as representative of the County Council, plays an important role when describing the system in which Almi Blekinge operates.

From the national level it is said that, according to the National Strategy on Growth, the regional innovative platforms could, through smart specialization, internationalization and a heightened focus on companies that want to grow, contribute to a structural change that leads to a sustainable regional growth (Näringsdepartement 2014).

The Regional Strategy of Blekinge states that initiatives shall contribute to the effective use of resources and have neutral or positive impact on air, water and land, biological diversity, public health and natural environment.

The strategy has been outlined in order to stimulate a prosperous region and it states that:

”we also need to take into consideration the effects of climate change in the overall societal planning. The contribution of everybody, in order to reach the climate goals of Blekinge, is therefore essential in order to meet these challenges” (Region Blekinge 2014, 19).

Furthermore, regarding the environmental challenges we are facing globally, the strategy recognizes that:

”some questions are global and have to be managed in cooperation with actors in and outside the region”

and that:

“Blekinge Institute of Technology holds good competence and advanced international research on the topic” (Region Blekinge 2014, 19).

With the above findings, the researchers understand that the different levels of decision makers have, through these strategic documents, made a clear statement of the importance of contributing to the development of a sustainable growth.

A process called the Blekinge Innovation Model, started by Blekinge Institute of Technology, calls for Region Blekinge and other regional stakeholders to gather with the aim:

“to increase innovation capacity and competitiveness in order to achieve sustainable growth. The target group is mainly SMEs companies”(European Commission 2015).

In Blekinge, Almi has a strong and clear role to play in the innovation system, founding and facilitating co-operations that lead to short processes, which favour the businesses and the development of the region.

Regarding the sustainability challenge, Martin Åkesson, CEO of Almi Blekinge says that:

“every company is different and every company can affect the environment in different ways, they have different issues to manage. But our customers here they don’t have major problems regarding sustainability or the environment”(Åkesson 2015, 1).

Success

The researchers have found that success for Almi Blekinge relates to several regional stakeholders and the cooperation Almi has with them. The researchers found that the perspectives of success in fostering sustainable entrepreneurship, differs to some extent.

The Regional Strategy of Blekinge outlines a definition of a sustainable society, which is based on four sustainability criteria:

- that substances taken from the earths crust shall not increase in nature,
- that substances from the productions of society shall not increase in nature,
- that the physical preconditions in order to maintain the natural cycles shall not be depleted and
- that we have a fair distribution of resources in order for all persons to be able to satisfy their needs (Region Blekinge 2014, 14).

The Owners Manual states that Almi Blekinge should:

“Be part of the regional partnership, Growth Forum Blekinge, and support and implement initiatives within the regional development strategy (Region Blekinge 2014, 3).

Catharina Rosenquist, project advisor and regional coordinator at Region Blekinge with Almi Blekinge, understands that the innovations and initiatives of Almi and the region should consider the ecological aspects such as energy efficiency and minimizing pollution in order to be more sustainable. The interview also clarified that the regional development office believes that Almi should work with sustainable development, however each region is free to decide how to pursue this in their own way (Rosenquist 2015).

From the interview with the CEO of Almi Blekinge and the advisor at Almi Blekinge, success within sustainable entrepreneurship is to help companies towards profitable growth and to employ more persons in their expanding businesses. Success also concerns helping companies to become more sustainable and Almi’s goal is that their customers will see sustainability as an important tool for growth. They also believe that sustainability considerations increase the value of the brand as a possibility to be more profitable (Åkesson 2015).

Furthermore, the officers do not see themselves as experts or becoming experts in the area of sustainability. Their objective is to raise the question of sustainability and help their customers to see that it is relevant for their specific company. The officers also explained that it is very important that there is a financial return on investment for the work on sustainability. Additionally, the officers see a strong connection between business and sustainability and that Almi has the possibility to help a company to become more sustainable through giving financial support in order to make changes to have more sustainable processes (Åkesson 2015).

Strategic guidelines

Concerning the strategic guidelines for Almi Blekinge, Region Blekinge is a main influence and the overall regional strategy as it serves as guidelines for collaborations.

In the Regional Strategy, it is stated that Region Blekinge has adopted a horizontal perspective on sustainability (i.e. cutting across all activities and programs).

”The purpose of the strategy is for Blekinge to develop in a sustainable way. In order to obtain economic sustainability Blekinge needs more inhabitants and more persons in occupation. The development shall occur in a social and ecological sustainable way ”(Region Blekinge 2014, 12).

Relevant for this research is that, the Regional Strategy is recognizing the possibilities that sustainable entrepreneurship could bring through, for example, stimulate social entrepreneurship, through incubators which could enhance the quality of life in Blekinge, an expansive industry could grow out of a strong cluster of green industries, a strong climate for innovation could promote social innovation and sustainable business development efforts, commercialize research and could also stimulate participation in activities like ”Ung Företagsamhet” (i.e. Junior Achievement) (Region Blekinge 2014).

According to Åkesson, Almi Blekinge does not measure the sustainability level of their customers’ ideas or businesses. However, Almi could help customers with business loans in order for a company to make their processes more sustainable. Almi Blekinge can also help by directing an entrepreneur to the experts on sustainability, for example Swerea (Åkesson 2015). Here, the researchers see that there is a gap between the possibilities that Region Blekinge, through the Regional Strategy, has identified and what the officers at Almi are envisioning.

Action

Identifying actions taking place in the region of Almi Blekinge the researchers found that part from the individual meetings with the entrepreneurs there are also activities like projects and events where Almi is participating as partner or funder. Below the different activities will be described more in detail.

According to Åkesson, during the meetings with the entrepreneurs, Almi officers are happy to raise the question of sustainability and they try to talk about the larger perspective of sustainability like, gender, energy use, etc. In order to highlight the bigger picture, they also talk about the whole value-chain, i.e. from raw materials to working conditions (Åkesson 2015).

At Almi Blekinge, the advisors are experiencing that the question what a sustainable company is, is important for their customers and at the same time the officers think that their customers more clearly could communicate what they actually do in terms of sustainability, to the market (Åkesson 2015).

The researchers found that, regarding cooperation with regional stakeholders, Almi Blekinge is interacting with other regional organizations such as the County Council, Blekinge Institute of Technology and the municipalities through taking part in “Sustainability forum (Hållbarhets Forum), Blekinge“ (Åkesson 2015).

Almi has co-operated and/or funded some regional projects, with the five municipalities, in order to address the high unemployment in the region through for example Ungdomskraft and Almi’s own project Idéinstitutet (Åkesson 2015).

The goal of Idéinstitutet is to meet the needs of young people who want to start a business or grow their existing business (Idéinstitutet 2014). The institute offers events in Blekinge for young entrepreneurs or persons with project/business ideas to come together for exchanging ideas, in order to be supported and mentored in developing their projects. One member of our thesis group was able to observe a young entrepreneurs event on the 26th of February, in order to see how the sustainability issues were addressed or related to, during the event. The conclusion reveals that there was no direct information on sustainability nor was the issue raised as a possible way of founding environmental or social entrepreneurial initiatives.

Almi also co-funded other projects among them the yearly competition ”Ung Företagsamhet”. The Ung Företagsamhet, UF (Junior Achievement) competition is financed by the industry, the municipalities and partners in the region they operate. Almi is a regional and a national partner of UF with Region Blekinge, Svenskt Näringsliv and banks being among the regional sponsors.

Furthermore, UF receives funding through the EU regional development funds. The competition is the grand finale of the work the youngsters have been doing, assisted by the school, by the UF organization and by appointed mentors (Ung Företagsamhet 2015). At the exposition and local competition in Karlshamn, approximately 74 business ideas of young entrepreneurs were displaying and competing with their work in starting up a business.

The observation of the event is that there was no specific information during the event on sustainability. From interviewing the young entrepreneurs, it was made clear that there had not been any specific information and/or work on the development of the possible new markets that could be found in the gap between non-sustainable and sustainable entrepreneurship. The observation also showed that some of the interviewed had a high level of consciousness on the sustainability issues, personally, which they had integrated in their offer or in how they were offering their start-up idea. One of the group of youngsters interviewed during the event were ”Äppelmakarna” the overall and multiple category winners of the regional competition in Blekinge offering ”homemade apple chips that are good for the health, all natural, locally produced and very appreciated by customers” (Ung Företagsamhet 2015).

Tools

The tools used at Almi Blekinge are the same as the tools created by Almi National. The use of the tools may differ some from other regions as this is considered a regional question, as concluded from the interviews with the CEO of Almi Blekinge as well as the Advisor at Region Blekinge.

Åkesson explained in the interview that the criteria to select tools to support the work to foster sustainable entrepreneurship, is created by the regional Almi offices (Åkesson 2015).

The “Swerea” self assessment tool, the mini version in form of a leaflet, is handed out during the meeting with clients and the more in depth tool for self assessment on sustainability can be given by Almi Blekinge, if the entrepreneur demands it, which has not happened yet, according to the CEO of Almi (Åkesson 2015).

Furthermore, Åkesson continues to talk about the presentation tool from ”Be a difference” and states that the tool is used in order to highlight the bigger picture of the operations and the decisions that the customer company makes, at Almi Blekinge.

In order to facilitate the use of the tools, complementary educational workshops were held by “Be a difference” for the Almi advisors to learn more about the issues and to facilitate their work with Almi’s customers on the issue of sustainability.

All personnel in Almi Karlskrona, local office of Almi Blekinge, participated in the workshop, which raised many further questions, even on personal level of how they individually can live more sustainably, according to Helena Holgersson, advisor and sustainability officer at Almi Blekinge.

4 Discussion

This chapter discusses the findings presented above by focusing on the gap of knowledge seen in Almi's mechanism for fostering sustainable development. The findings are also discussed in terms of the gap between Almi's current policy to foster sustainable entrepreneurship and Almi's practice in fostering sustainable entrepreneurship.

The implementation of the Framework for Strategic Sustainable Development (FSSD) in Almi's mechanism for fostering sustainable entrepreneurship can further enhance Almi's impact in shaping the outcomes of entrepreneurial initiatives to achieve sustainable entrepreneurship. Their knowledge of sustainable development which we simplified using the five level planning framework above is inadequate when compared to the comprehensive sustainable development knowledge shown in the framework for strategic sustainable development.

Below we present the gap of sustainable development knowledge that exists in Almi's current orientation when compared to the FSSD. In addition, we also present the gap between their current policy to foster sustainable entrepreneurship and its implementation in practice revealing an organization that is pulled between the old values focused on economic growth and the new values focused on sustainable economic development.

4.1 There is a clear non-connectedness between policy and action.

The Swedish governmental entrepreneurship agency Almi could promote sustainable entrepreneurship that simultaneously create economic growth, while advancing environmental objectives and improving social conditions. However, the interviews reveal that there are difficulties to the successful implementation of the mandates.

The Ministry of Enterprise in its role as owner of Almi mandates that state owned companies should contribute to sustainable development. In addition the Owner's Directive from the Ministry of Enterprise state that all state owned companies should have a well-reasoned, firmly grounded policy and strategy, as well as stated strategic goals in the area of sustainable entrepreneurship. Moreover, Almi's mission is to contribute to sustainable growth. Furthermore, Almi's ambition is to be a positive force in sustainability, to inspire and support entrepreneurs in sustainable development.

Paradoxically the interviewees state that Almi's core purpose is not to promote sustainable entrepreneurship and that Almi's mission is to create growth and help people to make their businesses grow. Almi through their customers could shape the outcomes of the companies, thus their impact on society and environment.

The non-connectedness between policy and action could be due to the fact that sustainable entrepreneurship is a fairly new concept at Almi and the organization is in a transition process with regards to sustainable entrepreneurship and business advising for sustainable entrepreneurship.

During the interview, the CEO of Almi Blekinge commented that the sustainability issue has been part of Almi's internal discussions for a longer time, it is only in the past 1 or 2 years that the topic has assumed practical significance, becoming part of Almi's concrete actions."

To accelerate this process competence development on sustainable entrepreneurship is suggested. This training may include seminars and workshops as well as theoretical information in order to reach a better understanding of sustainability, the sustainability challenge, and systems thinking.

4.2 Gaps between Almi's current mechanism of fostering sustainable entrepreneurship and the FSSD

Below the main gaps between Almi's current understanding of sustainable entrepreneurship and the FSSD are conveyed and recommendations to overcome those gaps are given.

4.2.1 Systems Level – Lack of Intersystem Understanding

Almi's perception of system consists of several equally important but distinct sub-systems.

The current mechanism of Almi to foster sustainable entrepreneurship sees the system relevant to sustainability as the intersection of three equally important sub-systems: economy, society, and ecology. This is further elaborated as laws and regulations, owners and mandates, employees and working conditions, suppliers and their working conditions, customer needs and desires, society and wellness, and climate/environment. Almi's perception of system however does not express the earth and the society as a system with specific inter-related subsystems governed by specific scientific laws, to help understand humans' effects on society and nature or the sustainability challenge as well as the conditions that must be met for the social ecological system to remain in a certain desirable state. Hence the link between system and success is unclear.

In Almi's conception of the system there is a clear tension between economic growth and sustainability. Their understanding of system does not help to understand sustainability and sustainable entrepreneurship, as the sub-systems seem to be separated from each other. A more accurate representation of sustainability is with a nested perspective where the

entrepreneur's organization is inside society and society inside biosphere, thus the impacts of the organization affect society and biosphere. Here is where the FSSD's description of the earth and the society as a living system as well as the basic scientific laws behind the system's behaviours, can enhance Almi's system perspective and understand of the possibilities with sustainable entrepreneurship.

4.2.2 Success Level – No clear definition of success or how to create one

Today, Almi's vision of success is based on the traditional return on investment, like most businesses and government organizations as the system they are operating in is based and still focused primarily on economical benefits. Therefore, the split between visions of success regarding return on investment and visions of being a role model in sustainability is common in many organizations.

Almi's current mechanism to foster sustainable entrepreneurship relies on seven sustainability principles: Environment, Human Rights, Labour Rights, Anti-corruption, Business Ethics, Equality, and Diversity, which the researchers have identified as their success principles. These principles do not suffice to lead sustainable entrepreneurial initiatives because they are overlapping, not concrete and do not have an outer reference for users to be able to monitor their work.

The environmental guidelines

The environmental guidelines highlight the importance for companies of being careful about business operations' impacts and suggest reducing the use of natural resources, pollution and waste. This sustainability guideline highlights that negative impacts can happen all across the value-chain: during operations, through the production of the materials or products bought from suppliers or during the consumption of products.

Regarding the use of natural resources, Almi's current mechanism highlight that sustainable use of resources means that today's operations/organizations shall not compromise a good access to resources by the generations of today and of the future. Regarding pollution and waste the formal guideline recognizes that entrepreneurs should think about reducing energy use and CO₂ emission. Furthermore, the guidance indicates that emission can happen in the air, water or land and in the form of toxic chemicals.

Almi's formal guidance for sustainable entrepreneurship recognizes that impacts on the environment are important and that this correlation can be very complex therefore the entrepreneurs could ask help from the local municipality or the local government, the Swedish Environmental Protection Agency or specialists in the area.

The weakness of Almi's environmental guidelines is that there is no clear linkage of the principles to the basic outlines and behaviours of the ecological system. This can make it difficult for the entrepreneur to understand the basis of the guidelines. Furthermore, the

environmental guidelines given may not be sufficient in helping the entrepreneur avoid potential sustainability challenges not yet known. The FSSD clearly shows this linkage and how human activities impact the ecological system. The application of the FSSD will strategically guide entrepreneurs towards sustainable entrepreneurship. Complying with the three ecological principles will take companies and their operations in the right direction towards sustainability.

The sociological guidelines

The sociological guidelines used by Almi to guide an enterprise toward sustainability include: human rights, labour rights, equality, diversity, anti-corruption and business ethics.

Those social guidelines start with the United Nations declaration of human rights and highlight the fundamental principles and rights at work from the convention of the International Labour Organization. Factors that determine a good labor environment and health must take into consideration physical and psychological well-being, both at and off work.

Ethical business models require that the company acts honestly and fairly towards authorities, customers, suppliers, organizations and others that in different ways are impacted by or has an impact on the businesses of the company. And anti-corruption refers to not getting involved in money laundering, fraud and giving and accepting bribes.

The weaknesses of Almi's sociological principles are that they are overlapping, not enough nor concrete to guide organizations toward sociological sustainability. The application of the FSSD by complying with the five sociological principles will strategically guide entrepreneurs towards sustainable entrepreneurship, taking companies and their operations in the right direction towards sustainability.

Using the FSSD, we suggest the following definitions for sustainable entrepreneurship and sustainable economic growth.

Sustainable entrepreneurship is:

Entrepreneurial initiatives that support humans' capacities to meet their needs now and in the future and that enables the eco-system to continue indefinitely within its natural cycles. Those initiatives simultaneously create economic growth, improve social conditions, and advance environmental objectives.

Sustainable growth is:

The growth that leads towards sustainable development, the development which meets the needs of the present without compromising the ability of future generations to meet their own needs. This sustainable growth does not refer to constant economic growth.

4.2.3 Strategic Level – conflict in strategic orientation (economic growth vs sustainability)

The current mechanism of Almi for identifying and prioritizing actions towards sustainable entrepreneurship is based on forecasting on known problems in the environment and society.

The known problems regarding the environment relate to scarcity of non-renewable resources, pollution and waste management. The known problems regarding society relate to social unrest and other social difficulties due to lack of adherence to human rights, labour rights, equality, diversity, anti-corruption and business ethics. The mechanism used by Almi, in business advising is to adhere to the seven sustainability principles in the work with the entrepreneur, using a 3 step process. The first step is to understand the business model by asking questions about the brand, value chain and its various stakeholders and their expectations. The second step is to decide which sustainability issues are most relevant for the entrepreneur, given the business model, brand and stakeholders' expectations, and how far the entrepreneur has gone working with the sustainability questions. The third step is called conclusion and here entrepreneur is asked to define their risks, opportunities, and plan of action.

The weakness of relying on forecasting on known problems is that the entrepreneur risks creating new sustainability problems that are not yet known. Forecasting on known problems do not take in consideration the roots of the sustainability challenge such as contributing to the systematic increase of substance extracted from the earth's crust, systematic increase of un-natural substances, systematic increase of degradation by physical means as well as subjecting people to systematic barriers to integrity, influence, competence, impartiality and meaning.

Almi puts focus on specific social targets (young people, women and immigrants). This focus is particularly important for the creation of an inclusive society, specifically to quickly insert young professionals in the Swedish labour market; to increase gender equality; and to insert in the labour market the 20% of the population in Sweden that are immigrants (first or second generation). The work of Almi in the social aspect contributes to creating a more equal society.

4.2.4 Actions Level – passive application

Almi believes their main contribution to sustainable growth is through the meetings with customer, in order for Almi officers to raise the question of sustainability and to inspire their customers to work further with the issue. The general action would be to acquire sustainability knowledge and planning skills using Almi's sustainability manual, to seek best

practices from peers and expert organizations and then the actions would depend on the specific issues and situation of the specific company.

Almi's role is rather passive, today, which is mainly due to the rapid insertion of the sustainability perspective on their tasks, the complexity of the issue and the lack of training of the business advisors meeting the customers.

A more active role could be to help the customers find a roadmap for their business and help to advise on where to get more information and a better understanding of the issue.

Almi have plans for networking and seminars, which would be a step in the direction of being a more proactive partner for their customers.

4.2.5 Tools Level – many tools but lack of direction

The tools used by Almi to guide entrepreneurs on their sustainability work are mainly:

- The people, planet, profit visual representation of sustainability as the intersection of those three sub-systems.
- A visual representation of the value-chain
- The seven sustainability issues developed by Swerea, (explained at the success level chapter 3)
- The extend version of the seven sustainability issues, the fifteen sustainability areas developed by Swerea (explained at success level chapter 3)
- The current analysis tool (3 stages) developed by Be a difference (explained at strategic level chapter 3)
- The GRI for internal reporting

The weakness here is that none of those tools capture the socio-ecological boundaries of sustainability at a system level, therefore non do so at a success level. The recommendation is to use the FSSD to patch the main gaps in the understanding of strategic management of sustainable entrepreneurship.

To improve the mechanism that Almi uses to foster sustainable entrepreneurship we make the following recommendations:

1. Switch from “bringing up the topic of sustainability and pointing out financial gains” to a coaching dynamic where positive and negative contributions to society and

environment are assessed during the life time operation of the company, with the ultimate goal to contribute to sustainable growth and thereby creating better quality life for current and next generations.

2. Switch from using a “unifying national framework” to a “unifying planetary framework” the FSSD, which is based on natural and social science laws under which the socio-ecologic system operates, in other words the boundary conditions of social and ecological sustainability. This include:
 - System information given to entrepreneurs should clearly outline the planet with its subsystems of lithosphere, biosphere and the society together with their interrelations in terms of biochemical cycles. This should also provide information about the general scientific laws governing the flows and stocks of the system. Similar information should be given about the social system and its various sub-systems with the entrepreneur shown in intersystem relationships with the rest of society and the planet. This would then help the entrepreneur to understand the success principles.
 - The success principles should clearly be linked to the system description above and be shown to be necessary, sufficient, concrete, general and non-overlapping. We actually recommend use of the eight sustainability principles of the FSSD.
 - We recommend back-casting from sustainability principles and prioritizing by looking at right direction, flexible platform, and return on investment, to be used as the overarching strategic guidelines.
 - One general action we recommend is acquisition of FSSD based sustainability knowledge and expertise by both Almi and its client entrepreneurs.
 - For all the tools used, we recommend the implementation of the FSSD in order to patch gaps of the current tools.

5 Conclusion

The IPCC report of 2015 states that many of the environmental problems of today originate from economic activities of businesses. This view has largely been understood and accepted by the Ministry of Enterprise as well as by the local authorities in Blekinge. The researchers found that the mandates on sustainable growth and sustainable entrepreneurship for state-owned companies as well as the National Strategy for Regional Growth and the Regional Strategy for Blekinge all go hand in hand in the issue of sustainable growth and contributing to a sustainable society.

The researchers have also seen that entrepreneurship is viewed by many as the engine of sustainable development and that innovative entrepreneurial activities could bring forth a more sustainable future.

For Almi National and Almi Blekinge this is significant as both authorities are owners of Almi and have in their statements clearly indicated that there should be well-grounded policy and strategy as well as goals in the area of sustainable entrepreneurship. The researchers wish to point out the possibilities with the split ownership, having both a national and a regional perspective, as well as the possible drawbacks, which could translate into a convenient way of not taking full responsibility of directives and strategies.

Furthermore, considering the high amount of SMEs their collective impacts on the social and ecological systems is considerable. Some of the positive impacts SMEs are creation of jobs, tax revenues and source of innovation. These activities contribute in a positive way to the further development of society, as long as these externalities do not, at the same time, detriment the socio-ecological systems in which they operate and are not outweighed by the negative externalities.

SMEs usually have stricter economic limitations than larger corporations, as mentioned in the introduction. Thereby SMEs can be pushed into finding the most economic solutions for their business processes, for example buying cheapest raw materials, possibly produced under unsustainable conditions. This can translate to that the SMEs are, consciously or not, contributing to the detriment of both the social and ecological system through pollution, lowering of wages, use of child-labour, detriment of natural resources and other negative socio-ecological impacts due to unsustainable business processes.

The price for yesterday's unsustainable processes are now being paid for by us all in terms of CO₂ emissions, climate change, etc., which is why the researchers started out with the question of how to create new businesses, without creating new social and environmental challenges?

Scientists have declared that there are major gaps in knowledge and understanding of how the process of sustainable entrepreneurship will actually unfold. The researchers clearly see that there is a lack of the systems understanding with Almi National and Almi Blekinge, which is probably due to the rapid introduction of this rather new issue that has no clear boundaries,

that is complex and overarching at the same time. The researchers believe that there is a lack of common language from top level all through the system, as the term sustainability has no clear and commonly accepted definition. Both Almi National and the Ministry are basing the Owner's Directives on the triple bottom line, which is not an updated scientific understanding of the sustainability challenge. Furthermore, the triple bottom line with the People, Planet, Profit aspects can easily be translated into strategies where the main focus remains on the Profit as first and most important parameter, as seen in the statement of the Vice CEO of Almi National in the Annual Report 2014. The People aspect can be covered by targeting prioritized groups, adding the social sustainability issue as an target to be reported on and the Planet aspect can be the additional extra labeling, which gives an added value to the brand as seen in the understanding of the sustainability issues through the analysis of the tools and the actions on a regional level.

So, what is needed for entrepreneurship to contribute to sustainable growth? The researchers believe that the government on national and regional level should place a stronger imperative as regulators in the system and owners of the agencies fostering sustainable entrepreneurship.

Almi National has identified the need to further educate their staff, here the recommendation from the researchers are mainly that the education should be conducted in cooperation with a university and in the case of Blekinge, the Regional Strategy has recognized the high level of competence in the area of sustainability of Blekinge Institute of Technology. Furthermore, in the Regional Strategy cooperation is key in order to create a sustainable Blekinge. There is already a Blekinge Innovation Model and the Regional Council of Blekinge have thoughts about bringing stakeholders together and creating social innovation labs as well as clusters of green industries. Here Almi Blekinge could take a leading role in pushing sustainable entrepreneurship through workshops on the subject, in cooperation with external experts if that would be most feasible to start with. In the region, a closer cooperation with Cefur, an engine for sustainable development of businesses and society, with focus on the Cradle to Cradle concept (Cefur 2015) and other programs and organizations specialized in different areas of sustainability could advance the general knowledge of sustainable development and create a platform for exchange of competence and expertise.

The researchers of this thesis concludes that the importance of government in regulating the quality and outcomes of entrepreneurial initiatives is imperative if there is a radical change is to take place and the first step could be for the main decision makers of the institutions as well as the board members to develop their knowledge of the sustainability challenge from a update scientific perspective, including an understanding of the complexity and the nested quality of the subsystems of our planet.

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Appendix A - Interview questions

System

What aspects of the society and nature does Almi want all entrepreneurs to consider in order to be sustainable businesses?

How do enterprises contribute to the sustainability challenge?

Where does the responsibility by entrepreneurs in Society and Nature begins and ends?

Where does Almi gets its sustainability directives from?

How is Almi related to entrepreneurs and economic institutions of the government of Sweden?

Success

What does Almi mean by a "sustainable business"?

What is Almi's definition of sustainability, (where does it come from)?

What is Almi's definition of sustainable entrepreneurship-ship?

How do you assess if the client's project is sustainable or not? When giving advice and financing, on which grounds do you reject a client's project? Do you reject some client projects because they "lack of a sustainable vision"?

What is the percentage of clients becoming sustainable businesses annually?

What does success means for Almi?

What can be improved to reach success?

Strategic

How does the planning process to foster sustainable entrepreneurship at a national, regional and local level look like? (forecasting, backcasting, participation of stakeholders ...?)

What guidelines does Almi use to foster sustainable entrepreneurship?

How do you come up with actions to meet your sustainable business goals?

In which way does Almi help entrepreneurs to identify possibilities within sustainable entrepreneurship?

Does Almi support sustainable entrepreneurship specifically with focus on social return on investment apart from a focus on profit?

Actions

How does Almi support sustainable entrepreneurship?

How does Almi steer SMEs towards sustainable entrepreneurship?

What mechanisms does Almi use to make clients' projects become more sustainable?

How have entrepreneurial initiatives supported by Almi improved towards sustainability?

How do you monitor them/ follow up?

Does ALMI do any kind of Workshops/learning/teaching events regarding sustainable entrepreneurship?

What is Almi's approach to get customers?

Tools

Does Almi have any tools for monitoring, evaluating or implementing sustainable entrepreneurship?

How do these tools vary from region to region?

Is it an evolving tool?

What are the criteria to select tools to support your work on fostering sustainable entrepreneurship?

Wrapping UP

What are the obstacles that ALMI faces towards the implementation of mandates, reaching your desires, or goals?

Appendix B - Natural and Social science laws of sustainability

The systematic errors of societal design that are driving humans' unsustainable effects on the socio-ecological system are due to the following basic scientific laws governing the Earth system.

1. The laws of conservation of energy and matter: These laws state that neither matter nor energy disappear in the Earth's material flows and chemical reactions.
2. The second law of thermodynamics: All spontaneous processes irreversibly disperse energy (and as a consequence, matter) into ever more chaotic states such as fuels turning to smoke and carpets to dust. The total amount of matter, however, stays in the system. To reverse the consequences of this scientific law in a system, energy must be introduced from outside the system to fuel some process that can recollect and re-structure the dispersed matter.
3. Material value is concentration, structure, and purity. Society does not consume matter, only its concentration, structure, and purity. For instance, people "use up" the concentration and purity of plant material (by eating and then emitting less concentrated substances) as opposed to matter itself. Sustainability relies on a systematic recreation of concentration, structure, and purity that at least equalizes the consumption of value into dispersed waste.
4. Photosynthesis is the primary producer in the system: Fuelled by energy from the sun, plants and other photosynthetic organisms create concentrated, structured sugars and tissues that provide nutrients and energy to animal species on Earth. Photosynthesis is the engine that drives the biological cycles of nature and thereby maintains the resource base on which society depends.
5. Humans are a social species that require a healthy social fabric for their individual needs to be met. The key element of the social system, the very glue of its fabric, is trust between its members. If trust erodes beneath a certain level, the strength and effectiveness of the social system can be severely weakened (P.35). The social system can basically be characterized as a collection of individuals on the basis of shared values and norms arising from the requirement to meet fundamental human needs. Not adhering to the social norms can undermine the society and the associated meeting of fundamental human needs. Violating social norms can happen through creating in the society-values and norms- barriers to members' capacity to meet their fundamental needs of integrity, influence, competence, impartiality, and meaning- the very reasons for society.

Appendix C - Tools description

Tools created by Almi in collaboration with Swerea and Be-a-difference.

The tools are used by the advisors at Almi in their meetings with customers regarding sustainability and sustainable entrepreneurship. Below is a detailed description of the tools.

Swerea

The tools consists of a **90 paged book**, “**Sustainable Entrepreneurship – but how?**” which is outlined as a manual to the other material and contains short information on different buzz-words of sustainability, for example Corporate Social Responsibility, Corporate Citizenship, sustainable development and social responsibility to mention a few. The words are much the same and are summed up, according to the book, in the concept of sustainable entrepreneurship. Furthermore, the book states,

”sustainable development is usually said to be resting on three legs – economic sustainability, ecological sustainability and social sustainability” (Bäck et al. 2012, 6).

A definition of sustainable entrepreneurship is given in the book:

”With sustainable entrepreneurship means that businesses, moreover than what the law demands, takes responsibility of how their decisions and operations affect the surrounding world and their employees” (Bäck et al. 2012, 7).

It also speaks to the stakeholders that are being affected by the operations of the

business and mentions the ISO 26000 as a tool with large international diffusion. Furthermore, the introduction speaks to the positive and the negative values a company can experience when working with sustainable entrepreneurship.

The negative aspects that are mentioned in the book are:

- initially the work leads to extended workload in time
- incorrectly done it can be understood as false PR
- transparency always opens up for the risk of being criticized

The following 15 chapters of the book, speaks to the different areas connected to sustainable entrepreneurship:

Leadership – competence, responsibility and mandate, p. 11-14

Labour environment and health, p. 17-21

Labour climate and well-being, p. 23-26

Equality and diversity at workplace, p. 29-35

Labour conditions in high-risk countries, p. 37-39

Human rights, p. 41-46

Limited effect on climate, p. 49-51

Sustainable use of resources, p. 53-54

Minimal emission of toxic substances, p. 57-59

Protection and restoration of the natural environment, p. 61-62

Water, p. 65-66

Ethical business methods, p. 69-70

Consumer issues, p. 73-75

Engagement in society, p. 77-79

Transparency and collaboration with stakeholders, p. 81-83

In each chapter a short background information is given followed by questions for the company to ask themselves, for example, what does it look like at our workplace, what can be done and how to monitor. Other inquiries, covered for the majority of the areas, to be investigated are: laws and regulations, possible pitfalls, how to make a plan of action and further literature and links.

Next chapter, p. 84-88, in the book speaks to how the companies should "Tell, show and market" their efforts with sustainable entrepreneurship. Following chapter, p. 89-91 describes the ISO 26000 more extensively and how it is used as guidelines and not for certification, contrary to the ISO 9000 and ISO 14000. The last chapter, p. 92 mentions shortly the Global

Reporting Initiative and how well it aligns with the ISO 26000 as well as the different levels of ambition that a company can have in their reporting on sustainable entrepreneurship.

The **self-assessment tool "Discover the value with sustainable entrepreneurship"**, which is the extended version of the questions in the book, with assumptions connected to the questions, for example, in the area of "Limited impact on climate" an assumption is; "We strive to minimize the emissions of CO2 and other greenhouse gases such as methane, nitrous oxide, sulphur hexafluoride, FCs and HFC from our own operations". It is then assessed whether the assumptions are relevant or not, to the company, by ticking a box. Next step is to assess in a grading scale, of 4 steps, whether the assumption is correct or not and then to tick whether it is important for the company or not. Next step in the assessment is to decide if an action should be taken and whether it should be placed in the plan of action or in the plan of marketing.

The leaflet, **"Is your business model long-term sustainable?"**, which is the tool used by the advisors at Almi to start the conversation with the customers around sustainability and sustainable entrepreneurship. The leaflet contains an image of the seven sustainability issues, outlined by the government, as a filter through which the business model should pass in order to become long-term sustainable.



Fig. 4

Furthermore, the leaflet contains a short text what sustainable entrepreneurship means, mentioning the three legs of social, economic and environmental sustainability, followed by the assumptions, like in the self-assessment tool, to be assessed in the meeting with the advisor. The leaflet concludes that, should the customer want more information, the above mentioned self-assessment tool and the manual, the book, for further help in the work with sustainable entrepreneurship, can be ordered from the webpage almi.se. According to the regional office in Karlskrona the leaflet is handed out during the meeting with clients and the more in depth tool for self assessment on sustainability can be given by Almi, if the entrepreneur demands it, which has not happened yet.

These tool produced with Swerea were found to be not easy enough to use tools for the local advisors, according to Johansson, Head of Sustainability. For that reason, she collaborated with a private company to produce new tools.

”Be-a-difference”

The tools, were launched in 2014 together with training workshop for Almi employees in order to develop the knowledgebase of sustainability with the Almi officers.

These tools consists of a two-page presentation where the concept of the triple bottom line, People, Planet, Profit is described shortly with an image of three circles combining,
see image below.

People, Planet, Profit

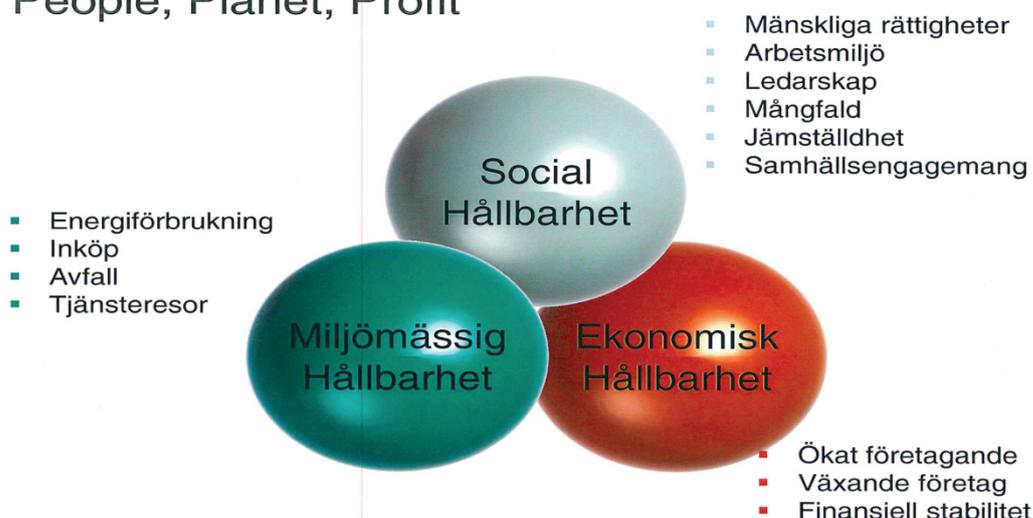


Fig. 5

”People” is represented by the social sustainability and areas mentioned are; human rights, labour environment, leadership, diversity, equality and social engagement. The ”Planet” is represented by the environmental sustainability and areas mentioned are: use of energy, procurement, waste and business travels. The ”Profit” is represented by the economic sustainability, where the areas mentioned are: growing entrepreneurship, prosperous business and financial stability.

The second side of this presentation tool describes a typical value-chain. The images show the processes that the raw material goes through, highlights the working conditions of labour in other countries and the transportations used in order for the final product to be produced and marketed.

Almi and “Be a difference” has also developed an assessment tool that the advisors use in order to deepen the discussion on sustainability in their counselling meetings with customers. By discussing with the customer which sustainability issues are affecting their particular business, you get an interesting dialogue about the opportunities and risks. Together with the customer, the Almi adviser creates a situation analysis in three steps, says Sara Wallin, CEO Almi Väst (Almi 2015).

The assessment tool used is outlined with three main areas:

- 1) Understand the business:
 - Trademark
 - Value-chain
 - Stakeholders

- 2) Current situation assessment:
 - Which of the sustainability questions/issues are most important to us?
 - How far have we gotten (with sustainability)?

- 3) Conclusions:
 - Risks
 - Possibilities
 - Action plan

The first step is to understand the business by asking questions about the brand, value chain and its various stakeholders and their expectations.

- 1) Understand the business:

The trademark

- What characterizes the trademark?
- What is unique with the trademark compared to the competition?
- How would you like your trademark to be experienced in the future?
- If the trademark were a person, how/who would that person be?

The value-chain - Understand

- Describe the *whole* value-chain
- How far down the value-chain reaches the responsibility of the company?

- Any parts that one should/could not be responsible of?
- Any parts that one want to be responsible of but where it is hard to have an impact?
- Which are the biggest sustainability risks in the value-chain?
- Which are the biggest possibilities?

The part on stakeholder communication, is outlined as a diagram in order to highlight the where to focus.

The stakeholders – Listen to

Stakeholder	How is dialogue taking place?	Important questions?	Expectations?
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Customer

Colleague

Local community

Owners

The second step is to come up with the sustainability issues that are most relevant for the customer, given the business model, brand and stakeholders' expectations, and how far they have come within each issue. The company appreciates the efforts made in each issue and puts it in relation to the relevance of the matter. That way you get a clear picture of what issues there are, that need to be prioritized and what you do not need to focus on. This is being filtered through the seven sustainability issues, as outlined by the government for all state-owned companies to comply with.

2) Current situation assessment:

Which are the sustainability questions/issues most relevant for us?

- Environment Impacts from value-chain on environment? Energy use, CO2, recycling?
- Human Rights risks of this with suppliers or sub-suppliers?
- Labour Rights content co-workers in our company and our suppliers; agreements, risks of labour-related accidents, sick-leaves?
- Anti-corruption presence in countries of high risk? conflicts of interest?
- Business ethics clear and implemented code of conduct
- Equality equal rights for women and men?
- Diversity how different are we? do we mirror the customer? are we inclusive?

How far have we gotten (with sustainability)?

- Environment No improvements Big improvements?
- Human Rights
- Labour Rights
- Anti-corruption
- Business ethics

- Equality
- Diversity

The third step of the analysis involves identifying opportunities and risks and to use these to develop a plan of action for the client on sustainability initiatives, focusing on two or three sustainability issues. To identify what the customer should not focus on is just as important as what to work more actively with. This part of the assessment tool is outlined like a chart in order to highlight the most relevant sustainability issues for the customer company.

3) Conclusions - Risks and Possibilities:

NO improvements

Improvements

Big improvements

Irrelevant

Very Relevant