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GREEN BUSINESS MODEL VS. BUSINESS MODEL INNOVATION: CONFLICT OR CONVERGENCE IN VALUE CREATION?

Abstract: *Businesses face increasing pressure to adopt innovative and sustainable practices in response to growing environmental and economic challenges. This paper examines the relationship between green business models (GBMs), which integrate environmental and social objectives into value creation, and business model innovation (BMI), which focuses on competitiveness and growth by reconfiguring value creation and capture mechanisms. The central question is whether these approaches conflict or conditionally converge. The study builds on sustainable business model archetypes and established frameworks such as the Business Model Canvas and the Business Model Navigator. Using a conceptual and comparative research design, it systematically analyzes how value is defined, how sustainability is positioned within the business model, and the depth of transformation involved. The findings indicate that while traditional innovation logic has often prioritized short-term economic performance, there is a growing change toward hybrid and sustainable business model innovation approaches that combine economic competitiveness with environmental and social value creation. Convergence emerges when sustainability is embedded within innovation processes rather than treated as an external constraint. The paper concludes by proposing a conceptual typology distinguishing innovation-focused, sustainability-focused, and integrated business models, offering guidance for firms and policymakers navigating sustainability transitions.*

Keywords: Business Model Innovation, Green Business Model, Sustainability, Innovation.

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Introduction

Businesses are increasingly pressured to adopt innovative and sustainable practices in response to growing environmental and economic challenges. In this context, sustainability has emerged not only as an ethical concern but also as a strategic factor influencing competitiveness and long-term performance.

This paper examines the relationship between green business models (GBMs), which integrate environmental and social objectives into value creation, and innovation-driven business models that focus on competitiveness and growth through changes in value chain configuration, commonly referred to as business model innovation (BMI). The central question is whether these approaches are in conflict or whether they are gradually converging into an integrated strategy for addressing contemporary business challenges.

Such transformations require a rethinking of firms' core missions and operational practices. Business model innovation provides a mechanism for enabling this change by redefining organizational purpose, reshaping value creation, and expanding the notion of value beyond purely financial outcomes. Through deliberate business model redesign, firms can embed sustainability into their operations while continuing to innovate.³

Despite the growing interest in both sustainability and innovation, the relationship between GBMs and BMI remains insufficiently clarified. This paper aims to address this gap by exploring whether and under what conditions green business models and business model innovation conflict or converge in the process of value creation.

1. LITERATURE REVIEW / THEORETICAL BACKGROUND

The study is based on key theoretical basics from sustainable business model archetypes⁴ and two established business model frameworks: the Can-

³ Bocken, N. M. P., Short, S. W., Rana, P., Evans, S.: A literature and practice review to develop sustainable business model archetypes, *Journal of Cleaner Production*, 65, 2014, p.63

⁴ Bocken, N. M. P., Short, S. W., Rana, P., & Evans, S., A literature and practice review to develop sustainable business model archetypes." *Journal of Cleaner Production*, 65, 2014, pp. 42–56,

vas Model⁵ and the Navigator Model⁶. It explores how companies that are often perceived as sustainability leaders embed environmental and social value while disrupting traditional markets.⁷ In comparison, innovation-driven firms have historically prioritized rapid growth and efficiency but are under pressure to integrate sustainability into their strategies.⁸

1.1 Business Model Innovation (BMI)

Business model innovation has been described as a fundamental change in the way a firm competes. Markides describes how BMI does not necessarily require radical technological breakthroughs, but rather focuses on rethinking the logic of value creation and capture.⁹ Tidd and Bessant emphasize that this process is about challenging the dominant assumptions of the firm and re-designing activities to create economic advantage.¹⁰ The Business Model Navigator conceptualizes BMI through four core questions: who, what, how, and why, providing a structured way to analyze value creation and capture.¹¹ In this sense, BMI offers firms flexibility to adapt to changing market conditions. In relation to the research question, BMI provides the structural logic and mechanisms for business model change, but it does not specify sustainability as a goal. This creates a conceptual limitation, as innovation remains primarily evaluated through economic performance unless additional value criteria are introduced.

⁵ Osterwalder, Alexander, Pigneur, Yves, *Business Model Generation A Handbook for Visionaries, Game Changers and Challengers*, John Wiley and sons Inc, USA, 2010

⁶ Gassmann, O, Frankenberger, K, Csik, M, *The Business Model Navigator, 55 Models That Will Revolutionize Your Business*, Pearson, India, 2015

⁷ Bocken, N. M. P., Short, S. W., Rana, P., & Evans, S., A literature and practice review to develop sustainable business model archetypes.” *Journal of Cleaner Production*, 65, 2014, pp.42-56

⁸ Evans, S., Vladimirova, D., Holgado, M., Van Fossen, K., Yang, M., Silva, E. A., & Barlow, C. Y. , *Business Model Innovation for Sustainability: Towards a Unified Perspective for Creation of Sustainable Business Models.*, 2017

⁹ Markides, C., *Disruptive innovation: in need of a better theory.* *Journal of Product Innovation Management*, 2006, 23, 19–25; (2004) *Fast Second: How Smart Companies Bypass Radical Innovation to Enter and Dominate ,New Markets*, Jossey Bass, San Francisco in Tidd, Joe, Bessant, John, *Managing Innovation, Integrating Technological, Market and Organizational Change*, 4th Edition, John Wiley and Sons Ltd, England, 2009, p. 207

¹⁰ Ibid 207

¹¹ Gassmann, O, Frankenberger, K, Csik, M, *The Business Model Navigator, 55 Models That Will Revolutionize Your Business*, Pearson, India, 2015, pp.33-40

1.2 Business Model Canvas (BMC)

One of the most widely used tools for studying BMI is the Business Model Canvas. Osterwalder and Pigneur present the BMC as a structured framework that describes how organizations create, deliver, and capture value. The model is organized around nine building blocks: customer segments, value proposition, channels, customer relationships, key resources, key activities, key partnerships, revenue streams, and cost structure.¹² Conceptually, the BMC should be understood as an analytical tool rather than a theoretical model. Its relevance for this study lies in its ability to visualize and compare different value logics, including green extensions, without prescribing sustainability outcomes.

1.3 Green Business Models (GBM)

Green business models extend the traditional logic of value creation by embedding environmental and social concerns.¹³ The sustainable business model is defined as one where sustainability concepts form the core driving force of the firm are transforming rather than supplementing the neoclassical economic logic. Such models also emphasize the creation of multiple forms of value, extending beyond financial returns.¹⁴

Green business models redefine value by placing environmental and social outcomes alongside economic returns, shifting the focus from customers alone to a wider network of stakeholders. Value creation is organized across the entire lifecycle of products and services to support long-term sustainability rather than short-term gains.¹⁵ Studies show that GBMs often remain incremental in practice, they introduce important innovations such as circular strategies that replace linear ‘take–make–dispose’ models.¹⁶

GBMs are built on the logic of BMI, but they redefine value by including environmental and social outcomes. This challenges the traditional BMI focus on efficiency and short-term financial performance. At the same time,

¹² Osterwalder, A., Pigneur, Y.: *Business model generation: A handbook for visionaries, game changers, and challengers*, John Wiley & Sons, Hoboken, 2010, pp.28-49

¹³ Stubbs, W., Cocklin, C.: Conceptualizing a “sustainability business model,” *Organization & Environment*, 21(2), 2008, p.103

¹⁴ *Ibid* p.484

¹⁵ Boons, F., Lüdeke-Freund, F.: Business models for sustainable innovation: State-of-the-art and steps towards a research agenda, *Journal of Cleaner Production*, 45, 2013, pp.12-13

¹⁶ Lindgren, P., Knoth, N. S. H., Sureshkumar, S., Friedrich, M. F., & Adomaityte, R.: Green Multi Business Models: How to measure Green Business Models and Green Business Model Innovation?, *Journal of Multi Business Model Innovation and Technology*, 9, 2021, pp.7-8,11

GBMs still rely on BMI's innovation mechanisms, revealing an unresolved tension between expanded value goals and existing innovation logics.

1.4. Sustainable Business Model Innovation (SBMI)

Sustainable business model innovation can be seen as the bridge between BMI and GBMs. SBMI refers to the conceptualization and implementation of business models that directly contribute to sustainable development. According to research, SBMI may involve the development of entirely new business models, the diversification into additional business models, the acquisition of new business models, or the transformation from one business model to another.¹⁷

A process can be noted as SBMI, or as BMI oriented toward sustainability, when it fulfills one of two conditions. First, it may directly contribute to sustainable development by generating positive impacts, or by minimizing negative ones, for the environment, society, and the long-term well-being of the organization and its stakeholders. Second, it may incorporate practices or features that strengthen sustainability within the business model's value proposition, value creation, value capture, or across its wider value network.¹⁸ This definition highlights that SBMI is both a design activity and a strategic orientation, pushing businesses to integrate sustainability into the core logic of their models.

1.5. Green Business Model Innovation (GBMI)

Green Business Model Innovation focuses specifically on combining economic value with ecological performance. It is defined as "when a business changes part(s) of its business model and thereby both captures economic value and reduces the ecological footprint in a life-cycle perspective".¹⁹ GBMI is not a separate framework but an extension of BMI that applies sustainability criteria to its redesign process.

The Business Model Canvas provides a practical framework for conceptualizing GBMI. By mapping its core components, it enables firms to identify how sustainable or environmentally oriented practices are embedded with-

¹⁷ Geissdoerfer, M., Vladimirova, D., & Evans, S.: Sustainable business model innovation: A review, *Journal of Cleaner Production*, 198, 2018, p.408

¹⁸ *Ibid* p.7

¹⁹ Bisgaard, T., Henriksen, K., & Bjerre, M.: Green business model innovation – Conceptualization, next practice and policy, *Nordic Innovation Report 2012:12*, 2012, p.20

in their value creation, delivery, and capture processes. In this way, the tool serves not only as a diagnostic instrument but also as a guide for integrating green strategies into the overall business model.²⁰

GBMI represents a narrower and more practical application of BMI, focusing on changes that deliver both economic benefits and reduced environmental impact. In contrast to broader GBM concepts, GBMI typically involves partial adjustments, such as improvements in products, processes, or partnerships, rather than a full redesign of the firm's value logic.

1.6. Green Business Model Canvas (GBMC)

In the transition from the classical Business Model Canvas (BMC) to the Green Business Model Canvas (GBMC), the crucial step is the integration of environmental sustainability values into the existing building blocks. This extension transforms sustainability into an operational feature of the model, ensuring that ecological and social responsibility are systematically incorporated into value creation, delivery, and capture. By maintaining the structure of the BMC, the GBMC offers continuity while simultaneously expanding its scope, making it especially practical for SMEs that need accessible tools for sustainable transformation.²¹

The Green Business Model Canvas translates sustainability goals into concrete business model design choices by adding green dimensions to each element of the traditional BMC. Instead of replacing the logic of BMI, it builds on it, making sustainability operational and measurable. This approach supports gradual but scalable sustainability-oriented innovation, particularly suited to firms seeking practical entry points for change.

Taken together, the six models demonstrate a clear pattern of both convergence and divergence. As reflected in the comparative table, all approaches share a common structural foundation: they treat the business model as the central mechanism for organizing value creation, delivery, and capture, and they rely on innovation as a key means of responding to changing market and societal conditions. In this respect, GBMs, SBMI, GBMI, and the GBMC do not replace BMI or the BMC, but build upon them by extending their logic to include environmental and social considerations.

²⁰ Ibid p.26

²¹ Aini, N. 2025. "Green Business Model Canvas: A Framework for Sustainable Business Practice." IOP Conference Series: Earth and Environmental Science 1441 (1): 012029, p.2-6

Table 1. Comparative Table

Dimension	BMI	BMC	GBM	SBMI	GBMI	GBMC
Primary purpose	Improve competitiveness through new value logic	Visualize how a business model works	Integrate environmental and social goals into value creation	Use innovation processes to achieve sustainability	Combine economic value with lower environmental impact	Translate sustainability goals into business model design
View of value	Mainly economic (efficiency, growth, profit)	Economic value made visible	Multiple forms of value (economic, environmental, social)	Sustainable value linked to long-term development	Economic value plus ecological performance	Economic, environmental, and social value embedded
Innovation focus	Reconfiguration of value creation and capture	Analytical support for innovation	Often incremental, sometimes systemic	Sustainability-driven innovation process	Partial or component-level innovation	Incremental and scalable sustainability-oriented innovation
Role of sustainability	Not inherent; included only if explicit	Not inherent; can accommodate	Core driver of the model	Central driver of innovation	Criterion guiding model changes	Embedded across all model elements
Level of change	Incremental or radical	Descriptive	Ideally systemic, often incremental	Model-level transformation over time	Usually partial adjustments	Extension of existing model structure
Time orientation	Short- to medium-term	Neutral	Long-term environmental and social outcomes	Long-term sustainable development	Short- to medium-term improvements	Gradual long-term transition
Relation to BMI	Reference model	Tool used within BMI	Builds on BMI but challenges its assumptions	Explicit link between BMI and sustainability	Narrow green application of BMI	Sustainability-based extension of BMI
Role in this study	Baseline for comparison	Analytical framework	Challenges traditional value logic	Conceptual bridge	Practical green innovation form	Operational tool for integration

At the same time, the comparison highlights important differences in purpose, value focus, and innovation logic. BMI and the classical BMC remain primarily oriented toward economic value, competitiveness, and efficiency, often emphasizing short- to medium-term performance. In contrast, GBMs shift the definition of value toward long-term environmental and social outcomes, creating tensions with traditional BMI assumptions. SBMI and GBMI occupy an intermediate position, translating sustainability goals into innovation processes but often operating through partial or gradual changes rather than full systemic redesign. The GBMC represents the strongest point of convergence by operationalizing sustainability within an established innovation framework, showing how green objectives can be integrated into existing business model elements without abandoning the core logic of BMI.

In conclusion, the table illustrates that the relationship between BMI and GBMs is not in direct opposition, but one of conditional convergence, where alignment depends on firms’ strategic priorities, temporal focus, and willingness to move beyond incremental change toward deeper business model transformation.

2. METHODOLOGY

This paper uses a conceptual and comparative research approach. The aim is not to test hypotheses statistically, but to clarify how different business model concepts relate to each other in the context of sustainability transitions. This approach is suitable because research on GBMs is still limited and frag-

mented, while the literature on BMI is more developed but rarely examined together with GBMs in a systematic way.

The analysis follows a step-by-step comparison. First, BMI and GBMs were selected as the two core models for comparison. They represent the two main positions in the debate: BMI, which is traditionally driven by innovation, competitiveness, and economic value, and GBMs, which place environmental and social value at the center of the business model. These two models were analyzed in detail to understand how they define value, what assumptions they make about business success, and where tensions between them may arise.

In the second step, the analysis was expanded to include four closely related models: the BMC, SBM, GBMI, and the GBMC. These models were not treated as independent theories, but as extensions or bridges that help explain how firms combine innovation and sustainability in practice. Including these models made it possible to trace different pathways between BMI and GBMs, ranging from partial and incremental changes to more integrated and sustainability-oriented business model redesigns.

To support the conceptual comparison, the study draws on multiple sources. Academic literature was reviewed to identify definitions, frameworks, and key assumptions across the models, as well as publicly available materials. In conclusion, this layered comparison allows the paper to move beyond isolated model descriptions and to systematically examine convergence and conflict between BMI and GBMs. The methodology helps clarify how sustainability can be integrated into BMI, and under what conditions this integration remains incremental or becomes transformative. This provides a clearer conceptual foundation for firms and researchers seeking to navigate sustainability transitions through business model change.

This study is explicitly theoretical and conceptual in nature. It does not rely on primary empirical data, but instead uses a structured comparative analysis to examine how different business model concepts define value, innovation logic, sustainability orientation, and level of transformation. The comparison is based on three core criteria: definition of value, role of sustainability within the business model, and depth of business model change. This approach ensures conceptual clarity and strengthens the theoretical contribution, while creating a basis for future empirical research.

3. RESULTS

The findings show that while many early-stage innovations still overlook sustainability, there is a growing movement toward hybrid business models that combine economic performance with environmental and social responsibility. These models emerge when sustainability is integrated directly into the logic of value creation, rather than treated as a secondary concern.²²

Practical frameworks play a key role in this shift. The GBMC extends the traditional BMC by adding “green” elements to all building blocks, which helps firms embed sustainability into their operations without losing structural clarity.²³ Recent systematic reviews also show that more companies are experimenting with innovation types that support circularity and system-wide transformation, moving beyond narrow efficiency improvements like reducing energy use or waste.²⁴

Despite the rise of hybrid and circular models, adoption remains uneven across industries. Many small and medium-sized enterprises continue to treat sustainability as a set of technical fixes rather than a basis for full transformation. Although green innovative practices support long-term sustainability, they are often limited to incremental technical improvements rather than systemic change. Their adoption is further constrained by limited resources, lack of expertise, and weak enabling conditions, leading many firms to rely on conventional production approaches.²⁵ Furthermore, challenges remain in measuring the social and environmental outcomes of these models, which continues to slow progress toward systemic transformation.²⁶ A key result of the comparative analysis is the identification of “conditional convergence” between BMI and GBMs, which emerges when sustainability is integrated into innovation processes rather than treated as an external constraint.

²² Evans, S., Vladimirova, D., Holgado, M., Van Fossen, K., Yang, M., Silva, E., & Barlow, C.: Business model innovation for sustainability: Towards a unified perspective for creation of sustainable business models, *Journal of Cleaner Production*, 65, 2017,3,9

²³ Aini, N.: Green business model canvas: A framework for sustainable business practice, *IOP Conference Series: Earth and Environmental Science*, 1441, 2025, p.3

²⁴ Brenner, B., & Drdla, D.: Business model innovation toward sustainability and circularity – A systematic review of innovation types, *Journal of Cleaner Production*, 2023, pp.12-14

²⁵ Mathushan, P., Pushpanathan, A.: Does green innovative practices matter? The effect of green innovation on green entrepreneurship sustainability, *Sustainability, Journal of Business Studies*, 7(1), 2020, pp.13-14

²⁶ Geissdoerfer, M., Vladimirova, D., Evans, S.: Sustainable business model innovation: A review, *Journal of Cleaner Production*, 198, 2018, pp.405-406

4. DISCUSSION

This paper examines whether GBMs and BMI represent competing approaches to value creation or whether they are increasingly converging in practice. The analysis of the six models and supporting literature suggests that the relationship between GBMs and BMI is neither purely conflicting nor fully aligned, but instead reflects a conditional convergence shaped by differences in value orientation, time horizon, and depth of business model change. BMI and GBMs are often seen as starting from different priorities. BMI has traditionally focused on competitiveness and growth through new ways of creating and capturing value. Within this perspective, value is mostly defined in financial terms, as a mechanism for efficiency and profit.²⁷

From a conceptual perspective, the main source of tension lies in how value is defined and prioritized. Traditional BMI literature frames value creation primarily in economic terms, focusing on competitiveness, efficiency, and growth through the reconfiguration of value propositions, activities, and revenue mechanisms.²⁸ In contrast, according to Boons and Lüdeke-Freund, green business models can be understood as challenging this narrow interpretation of value by setting environmental and social objectives into the core logic of the business model, rather than treating sustainability as an external constraint or an additional responsibility layered onto existing models.²⁹ This change in how value is defined can conflict with traditional BMI assumptions, especially in contexts where success is still measured mainly through short-term financial results.

However, the literature also shows that this tension does not imply incompatibility. Rather, several authors argue that sustainability can function as a driver of innovation, not a limitation. New business models oriented toward sustainability often arise when firms have to reconsider how value is created, delivered, and captured in response to environmental pressures.³⁰ Similarly,

²⁷ Massa, L., Tucci, C. L.: Business model innovation, *Journal of Cleaner Production*, 45, 2013, p.5

²⁸ Markides, C., *Disruptive innovation: in need of a better theory*. *Journal of Product Innovation Management*, 2006 and Tidd, Joe, Bessant, John, *Managing Innovation, Integrating Technological, Market and Organizational Change*, 4th Edition, John Wiley and Sons Ltd, England, 2009

²⁹ Boons, F., Lüdeke-Freund, F.: Business models for sustainable innovation: State of the art and steps towards a research agenda, *Journal of Cleaner Production*, 45, 2013, pp.6-11

³⁰ OECD: *Why new business models matter for green growth*, OECD Green Growth Papers, No. 2013-01, OECD Publishing, Paris, 2013, pp.9-14

there is increasing evidence that firms are beginning to integrate innovation capabilities with sustainability objectives as they respond to broader systemic challenges, including climate change and resource limitations.³¹ In this sense, sustainability pressures can stimulate BMI by opening new markets, improving resource efficiency, and supporting the development of new value propositions.

The existing literature on green and sustainable business models is still fragmented and underdeveloped, leaving important relationships, particularly the connection, differences, and potential convergence between GBMs and mainstream BMI,³² unexplored. While research on BMI has progressed rapidly, studies of green and sustainable business models have largely evolved in parallel, with little systematic work examining how the two streams relate. As a result, there is still no clear account of whether, and in what ways, SBMs and BMI converge or diverge in practice, which creates a knowledge gap that this paper seeks to address.³³

The convergence between innovation and sustainability becomes particularly visible in the discussion on SBMI. SBMI approaches sustainability not as a separate strategic choice, but as a guiding principle within the BMI process itself, using experimentation, iteration, and reconfiguration to achieve environmental and social objectives alongside economic ones.³⁴ SBMI does not treat innovation and sustainability as opposing goals, but integrates sustainability directly into the innovation process. It builds on established BMI mechanisms such as experimentation and gradual change, while redirecting them toward long-term environmental and social value.³⁵ Taken together, these perspectives suggest that convergence occurs when firms intentionally align innovation processes with sustainability objectives.

At the same time, the comparison highlights that convergence is uneven and often partial. GBMI, for example, tends to operate at the level of specif-

³¹ Azmat, F., Lim, W. M., Moyeen, A., Voola, R., & Gupta, G.: Convergence of business, innovation, and sustainability at the tipping point of the sustainable development goals, *Journal of Cleaner Production*, 2023, pp.2-5

³² Bocken, N. M. P., Short, S. W., Rana, P., Evans, S.: A literature and practice review to develop sustainable business model archetypes, *Journal of Cleaner Production*, 65, 2014, p.55

³³ Minatogawa, V., Franco, M., Rampasso, I., Holgado, M., Garrido, D., Pinto, H., & Quadros, R.: Towards systematic sustainable business model innovation: What can we learn from business model innovation?, *Journal of Cleaner Production*, 2022, p.2

³⁴ *Ibid*, pp.6-9

³⁵ Ferlito, R., Faraci, R.: Business model innovation for sustainability: A new framework, *Journal of Cleaner Production*, 2022, pp.8-12

ic components rather than full business model redesign. As discussed in the paper, GBMI frequently involves targeted changes, such as greener products, cleaner processes, or revised partnerships, that reduce environmental impact while preserving the underlying economic logic of the firm. This observation is consistent with empirical findings, where it is shown that many firms adopt green innovations incrementally, focusing on technical improvements rather than systemic transformation.³⁶ As a result, GBMI often represents a pragmatic compromise between sustainability ambitions and existing business constraints.

GBMs, however, are shaped by another logic. Literature shows that Sustainable business model archetypes combine economic, social, and environmental goals and show different ways sustainability can be integrated into value creation. Building on this perspective, the paper examines whether GBMs require new forms of innovation or can operate within traditional BMI. These examples show that GBMs aim to shift businesses from being only market actors to becoming active contributors to sustainability transitions.³⁷

The Green Business Model Canvas represents the most concrete point of convergence identified in this study. By extending each element of the traditional Business Model Canvas with green dimensions, the GBMC translates sustainability goals into practical design choices without abandoning the familiar structure of BMI. This approach is particularly relevant for small and medium-sized enterprises, as it relies on simple and adaptable frameworks that allow sustainability considerations to be introduced into everyday business decisions without requiring radical restructuring or high implementation costs.³⁸ The GBMC demonstrates that convergence does not require redefining the concept of the business model itself, but rather reinterpreting its components through a sustainability lens.

The main theoretical contribution of this paper lies in conceptualizing the relationship between GBMs and BMI as conditional convergence. Rather than treating sustainability and innovation as opposing logics, the analy-

³⁶ Mathushan, P., Pushpanathan, A.: Does green innovative practices matter? The effect of green innovation on green entrepreneurship sustainability, *Sustainability, Journal of Business Studies*, 7(1), 2020, 132-136

³⁷ Bocken, N. M. P., Short, S. W., Rana, P., & Evans, S.: A literature and practice review to develop sustainable business model archetypes, *Journal of Cleaner Production*, 65, 2014, pp. 42–56

³⁸ Aini, N.: Green business model canvas: A framework for sustainable business practice, *IOP Conference Series: Earth and Environmental Science*, 1441, 2025, pp.4-6

sis shows that convergence depends on how value is defined, over what time horizon performance is assessed, and whether innovation is evaluated beyond short-term financial outcomes. By positioning conditional convergence as an analytical concept, this paper contributes to ongoing debates on sustainable business models and clarifies how innovation frameworks can be expanded to support sustainability transitions.

Conclusion:

This paper examined whether Green Business Models and Business Model Innovation should be understood as competing approaches to value creation or as increasingly connected strategies. Based on a conceptual comparison of six related models, the analysis shows that their relationship is best described as one of conditional convergence rather than direct conflict. While tensions persist, especially in contexts where innovation is still judged mainly by short-term financial performance, the literature and frameworks reviewed demonstrate several ways in which sustainability and innovation can reinforce each other.

The key tension lies in how value is defined. Traditional BMI focuses mainly on economic performance, while GBMs place environmental and social outcomes at the center of the business model. Although this shift challenges short-term, profit-oriented views of success, it does not make the two approaches incompatible. Convergence emerges when innovation processes are deliberately used to support broader forms of value creation.

This convergence is most clearly illustrated through models such as SBMI, GBMI, and the GBMC. SBMI treats sustainability as a guiding principle within the innovation process itself, while GBMI reflects more incremental changes that improve environmental performance without fully redesigning the business model. The GBMC offers a practical way to integrate sustainability into everyday business model decisions by extending the familiar structure of the BMC. Together, these approaches point to the emergence of hybrid business models that combine innovation-driven competitiveness with environmental and social value creation, rather than privileging one over the other. By clarifying points of difference, overlap, and integration, this paper contributes to a clearer understanding of sustainable value creation and supports both future research and managerial decision-making.

From a practical perspective, the findings suggest that managers and policymakers should focus on business model redesign as a key leverage point for sustainability transitions. Tools such as the GBMC offer accessible entry points for integrating sustainability into strategic decision-making, particularly for SMEs. At the same time, this study is limited by its conceptual nature and does not assess empirical outcomes across industries. Future research could build on this framework through case studies or quantitative analysis to test how conditional convergence unfolds in practice.

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