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**VSA AND SDL CONTRIBUTION TO STRATEGIC THINKING IN EMERGING
ECONOMIES**

<Viable Systems Approach>

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Purpose – Aim of the paper is to reflect upon strategic marketing in emerging economies. It tries to answer the research question: what new business models are enabled by the vSA and the SDL perspectives?

Design/Methodology/Approach – The paper is developed by integrating the contribution of well established perspectives: the vSA (Viable Systems Approach) and the S-D logic (Service-Dominant logic) within the wider domain of SS (Service Science) and applied to an inclusive businesses.

Findings – The integration of the perspectives allows us to recognize socio-economic trends towards the establishment of business models that seem to be consistent with the principles of inclusive capitalism. We claim that, by shifting between a reductionist and a holistic view and between a static and a dynamic view, the perspectives can be integrated revealing an interesting contribute to the understanding of the observed phenomenon. Specifically, they offer a contribution by highlighting how the economic and the social dimensions are intertwined. They also evidence how the management thinking perspective, that dominated the last decades, should shift towards a more holistic/inclusive vision.

Research limitations/implications – The paper represents an attempt to address an inclusive capitalism perspective in the context of marketing by building on the service logic and systems approach basic principles. Nevertheless, the conceptual model developed in the paper should be further supported by empirical research carried out in the economic context of emerging economies.

Originality/value – The paper offers a contribution to the research on inclusive capitalism by linking it to well grounded conceptual approaches to business (vSA, SD logic, SS) that recover a harmonic relationship between economy and society.

Key words: Inclusive business, Viable Systems Approach, Service Dominant logic, Service Science, Emerging Economies/Markets.

Paper type – Conceptual paper

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1. INTRODUCTION

Emerging economies¹ (EE) are increasingly relevant as it is estimated that by 2035 the gross domestic product of EE will permanently surpass that of all advanced markets (Sheth 2011, p. 166-7). In addition, EE are interesting as they house two thirds of the world's population (Prahalad and Hart 2002). As a result, Multinationals Corporations (MNC) are beginning to acknowledge EE relevance, due to their untapped market potential. Philanthropic mission driven organizations are also present in these markets due to their economic and social deficiencies. However, policies and actions directed at reducing global poverty have not been effective (Karnani 2011) leading to new joint (public/private/ONGs) of addressing the needs of the EE.

Strategy and marketing academic debates also eco this paradigm. Two perspectives of how to view EE existed: as new markets to enter through traditional marketing approaches (Karnani 2011); as handicapped countries that need foreign help to alleviate poverty through charity. Since Prahalad and Hart's (2002) seminal article, *The Fortune at the Bottom of the Pyramid*, a third view has emerged. This view sees EE development through win-win logic, where inclusive business/capitalism is possible. Nonetheless, literature referring to inclusive business is still undeveloped and success cases are few. Thus the question remains: *is traditional strategic thinking and business models suitable for EE? Has strategic and marketing literature updated its views and generalizations to EE environmental contexts?* Viable Systems Approach and Service-Dominant logic are adopted to answer these questions.

The Viable Systems Approach (vSA) is an approach that studies the link between parts in a whole system by incorporating both a reductionist and holistic view of a given social or business phenomenon. Applied to EE, contexts are central in viable systems thinking and these invite rethinking whether an inclusive business approach to emerging economies requires an adaptation of the specific scheme of business (a change in/of the specific scheme) or a rethinking of the general scheme of business (a change in/of the general scheme).

Service-Dominant logic (SDL) is a theoretical proposal which was originally focused on marketing but is being generalized to the functioning of markets, to general management and all its sub-disciplines, as well as to economics and society in general. Furthermore, this logic understands that the fundamental exchange upon which the traditional exchange of goods and money is based is actually the exchange of service for service. Applied to EE, service is as "interaction between entities in a reticular system to improve value co-creation outcomes under win-win logic inside interrelated processes" (Granovetter, 1985).

Nonetheless, strategic studies about business models in EE are lacking and vSA and SDL literature has not been adopted in this scenario. Following Burgess and Steenkamp (2006) recommendation, it is paramount for the future of marketing science and practice to conduct

¹ The term *Emerging Economies* (EE) will be adopted and used as encompassing emerging markets, developing markets/economies/countries, BRICs.

more research in EE. Consequently the research question of this contribute emerges: *What new business models are enabled by the vSA and the SDL perspectives?*

Sheth and Pels (2013, forthcoming) have suggested four market strategies and associated business models fitting the social-politic-economic realities of the emerging economies: *Market Adaptation, Mission Focus, Disruptive Innovation* and *Inclusive Development*. Specifically, the paper expands Sheth and Pels' Inclusive Development strategy, by building on the vSA (Golinelli, 2000, 2010; Barile 2000, 2009; Barile, Pels, Polese, Saviano, 2012) and the SDL (Vargo and Lusch 2004, 2006; Pels, Brodie, Polese, 2012). By doing so, this paper contributes to further expanding EE literature by encouraging strategic thinking.

The paper is organized as follows. First, a review of the Emerging Economies characteristics is presented. Next, the vSA and the SDL perspectives are introduced. Third, how these approaches can help strategic thinking in EE is discussed. Finally, limitations, future research and managerial implications are highlighted.

2. EMERGING ECONOMIES CHARACTERISTICS

This section reviews the market environment literature to suggest an overall framework to portray the EM-LIS (Emerging Markets - Low Income Sectors). Marketing is “context dependent” (Sheth and Sisodia 1999, p.72), thus translating strategies and practices from developed markets into emerging markets (EM) is not always possible. Particularly when adopting market-based approaches to address the LIS, since macro environmental conditions are often dysfunctional and consumption habits differ from those in advanced markets (Sheth 2011). Additionally, EM include countries as diverse as Peru, India, China, and Ghana, just to mention a few. These countries not only show heterogeneity in different aspects of the market constitution but also we observe that the four billion people that constitute the LIS are not a “monolith” (Prahalad 2010, p.6). As Portocarrero and Delgado (2010) highlight, LIS living in remote regions in the Andean Plateau differ from those in the thick Amazonian rainforest or those living in densely populated neighborhoods located around urban areas. Thus, understanding the EM environmental characteristics is relevant because it allows scholars to assess the “generalizability of marketing theories and the extent to which they are bounded by the institutional context of HIC²” (Burgess and Steenkamp 2006, p. 341).

2.1 A Classification Scheme

The discussion of the environment-organization relationship is not restricted to the field of marketing. Moreover, organizational theorists and strategic management scholars have had a leading role in documenting the importance of the environment. The 60's highlighted the importance of the environment (Dill, 1958; Thompson 1967), the 70's looked at the determinants of the environment (Duncan 1972; Pfeffer and Salancik 1978) and the 80's tried to answer the question of whether an external objective environment existed (Bourgeois 1980; Weick and Daft 1983; Smircich and Stubbart 1985; Mintzberg 1987).

Duncan (1972) defined the environment as “the totality of physical and social factors that are taken directly into consideration in the decision-making behavior of individuals in the organization” (p.314). He distinguished between internal and external environment; the *internal*

² High income countries (HIC)

environment consists of “those relevant physical and social factors within the boundaries of the organization or specific decision unit that are taken directly into consideration in the decision-making behavior of individuals in that system”, whilst the *external environment* is “the relevant physical and social factors outside the boundaries of the organization or specific decision units that are taken directly into consideration” (p.314). The external environment has been decomposed in two layers that have distinct influence on policy-makers: the task environment and the general environment (Dill 1958).

This classification of the dimensions of the external environment has been adopted in the marketing literature. Thorelli (1995), building on organizational ecology theory, describes the environment as a continuum that starts with the *extra-environment* identified as those areas of the total environment that are negligible or have zero relevance to the organization, the *macro-environment* that includes such factors as the general social, economic, political and technological climate in which the organization finds itself operating in, the *task environment* seen as that part of the total setting within which the organization is transacting and competing, the *auto-setting* sees the broader organization of which the unit under study is a semi-autonomous part and, finally, the proper *organization*. The paper focuses on the task and general³ environment. Their differences and categorization are discussed next.

The ‘task environment’ (Thompson 1967) is the part of the total setting with which the organization is transacting and in which it is competing, specifically: *consumers* (end-users), *suppliers* (material, labor, capital, equipment and workspace), *competitors* (markets and resources) and *distributors*.

The ‘general environment’ (Hatch and Cunliffe 2006) is divided into different sectors: *social sector* (class structure, demographics, mobility patterns, life styles, social movements, amongst others), *cultural sector* (history, traditions, normative expectations for behavior, beliefs and values), *legal sector* (legal practices, laws, etc.), *political sector* (distribution and concentration of power, nature of political system), *economic sector* (labor, financial and good/services markets, private vs. public, fiscal policies, consumption habits, banking system, etc.), *technology sector* (knowledge and information, scientific developments and applications, etc.), and *physical sector* (natural resources, effects of nature).

When this categorization is applied to EM-LIS, the *physical infrastructure* aspects need to be added. Whilst the physical variable (Hatch and Cunliffe 2006) refers exclusively to natural influences, the physical infrastructure variable refers to the roads, logistics, transportation, electricity, running water, etc (Gradl et al. 2008; Sheth 2011). Additionally, in order to hold a clear dialogue with the EM literature, the terms used by EM authors to describe general environment are adopted:

- Culture system (rather than culture), defined as the “culturally supported beliefs, attitudes, habits, norms and behaviors” (Burgess and Steenkamp 2006, p. 341). Cultural value priorities underlie most aspects of everyday life and relate to generalized beliefs people hold about themselves, their social and physical environment, and the spiritual world (Bond et al. 2004).

- Socio-political governance (rather than political), defined as the sociopolitical characteristics that appear due to the influence of diverse socio-political institutions (Sheth 2011).

³ The term general environment is used to be synonymous with macro environment (Thorelli 1995) or external environment (Kotler and Armstrong 2006).

- Socio-economic system (rather than economic), defined as “macro-economic and demographic characteristics, levels of within country diversity and dynamics caused by rapid social, political, and economic change.” (Burgess and Steenkamp 2006, p. 341).
- Regulatory system (rather than legal), defined as “the capacity to establish formal rules, inspect society member’s conformity to them, and if necessary, imposes sanctions. It includes the presence and efficacy of regulatory intuitions and the associated legal system that exist to ensure stability, order and continuity of societies.” (Burgess and Steenkamp 2006, p. 342).
- Physical infrastructure (rather than physical as natural), defined as the infrastructural characteristics that provide communication, transportation, data transfer and provision of utilities (Gradl et al. 2008).

2.2 EE Characteristics

The World Trade Organization, the United Nations and the World Bank classify countries based on diverse criteria (human development index, gross national income *per capita*, etc.). Country classifications under these diverse criteria have a high degree of overlapping (Burgess and Steenkamp 2006); however these institutions do not provide in-depth descriptions of EM characteristics. Furthermore, the literature review shows that complete characterizations are missing (Burgess and Steenkamp 2006; Gradl et al. 2008; Márquez et al. 2010; Sheth 2011) and that it is necessary to transcend the prevailing beliefs and stereotypes surrounding the emerging markets (Sheth 2011).

This section reviews the descriptions and characterizations suggested by Frankel and Rose (1995); Barros and Lee (2000); Olson (2000); London and Hart (2004); Prahalad (2004) Burgess and Steenkamp (2006); Beck et al. (2006); Yunus (2007); Hammond et al. (2007); Hart (2008); Kandachar and Halme (2008); UNDP (2008), Gradl et al. (2008); Bruni Celli et al. (2010); Márquez et al. (2010); Portocarrero and Delgado (2010); Reficco and Berger (2010); Prahalad (2010); Gomez Samper et al. (2010); Karnani (2011); and Sheth (2011). “The goal of summarization is to take stock of digesting, recapping, and reducing what is known to a manageable set of key takeaways. [...] Papers with the goal of summarization are commonly labeled review papers or critical syntheses” (MacInnis 2011, p. 144).

Before presenting the EM-LIS characteristics it is necessary to make some clarifications. First, aspects listed are relevant characteristics that need to be taken in consideration when carrying out market based approaches in emerging markets yet it is necessary to clarify there is a huge variance between countries. Second, the criterion adopted to classify each characteristic has been to follow most habitual categorization of a given aspect. Third, many of these aspects are interrelated; this point is further discussed in the next section. Fourth, a distinction has been made between primary and secondary characteristics; this distinction will be further discussed in the next section. The listing only includes primary characteristics. Finally, as any criterion, it always implies a certain degree of arbitrariness; our focus is to provide a simple but thorough listing. Table 1 presents a visual synthesis of the task and general environment categorization.

Table 1: Emerging Markets and LIS characteristics

MANAGERIAL IMPLICATIONS - EE and LIS characteristics		
Macro-environment	Regulative system	<ol style="list-style-type: none"> 1. Legislation is missing or not enforced (Olson 2000) 2. Moderate scores for shareholder rights, creditor rights, judicial system efficiency, enforcement of laws, risk of appropriation or contract repudiation, and accounting standards (Burgess and Steenkamp 2006) 3. Moderate levels of corruption (Burgess and Steenkamp 2006) 4. Heavy red tape for all kind of business related procedures (Gradl et al. 2008)
	Socioeconomic system	<ol style="list-style-type: none"> 1. Demographic: <ol style="list-style-type: none"> a) Constrained incomes, large family size, low formal education b) Youth of EM populations (Burgess and Steenkamp 2006) 2. Diversity, extreme socioeconomic variation within EM populations (Burgess and Steenkamp 2006) 3. High unemployment (Burgess and Steenkamp 2006) 4. High levels of informality (Márquez et al. 2010) 5. Crowdedness, everyday violence (Márquez et al, 2010) 6. Basic needs unfulfilled (Kandachar and Halme 2008) 7. Gender inequality (Kandachar and Halme 2008) 8. Malnutrition. (Karnani 2011) 9. Different types of poverty (Bruni Celli et al. 2010)
	Sociopolitical governance	<ol style="list-style-type: none"> 1. Socio-political institutions have enormous influence (Sheth 2011) 2. Markets governed by institutions and less by competition (Sheth 2011) 3. Numerous government-owned and –operated enterprises (...) with monopoly powers. (Sheth 2011) 4. Dynamics, rapid socio-political change (Burgess and Steenkamp 2006) 5. Political barriers (, Reficco and Berger, 2010)
	Infrastructure	<ol style="list-style-type: none"> 1. Inadequate infrastructure (physical roads, logistics, storage, market transaction enablers, basic banking functions) (Sheth 2011) 2. Lack of electricity, running water, and physical space. (Sheth 2011) 3. Instability of basic infrastructure services (Sheth 2011). 4. Lack or inadequate educational and health services (Karnani 2011).
	Technology	<ol style="list-style-type: none"> 1. Lack of communication, information, and transaction technologies (Sheth 2011)
	Cultural system	<ol style="list-style-type: none"> 1. Cultural embeddedness and hierarchy (Burgess and Steenkamp 2006) 2. Maintenance of the status quo and discourage behaviors that disrupt in-group solidarity (Burgess and Steenkamp 2006) 3. Cultural hierarchy (Burgess and Steenkamp 2006) 4. Autocratic decision making (Burgess and Steenkamp 2006)

Task environment	Consumers	Market heterogeneity <ul style="list-style-type: none"> 1. Large variance: markets are local, fragmented, low scale, and mostly served by owner managed small enterprises. (Sheth 2011) 2. Large skewness (Sheth 2011) 3. Geographic diversity (Portocarrero and Delgado, 2010) 4. Urban LIS different from Rural LIS: (Márquez et al. 2010) 5. Geographically disperse (Karnani 2011)
		Knowledge and skills <ul style="list-style-type: none"> 1. Low product knowledge (Burgess and Steenkamp 2006) 2. Illiteracy (Barros and Lee 2008) 3. Low technical skills (Gomez Samper et al. 2010) 4. School dropout and low child enrollment (Karnani 2011)
		Income <ul style="list-style-type: none"> 1. Low income (Márquez et al 2010; Karnani 2011) 2. No consistent income (Prahalad 2010) 3. Lack of access to financial products and services. No commercial insurance (Beck et al. 2006)
		Household/transportation <ul style="list-style-type: none"> 1. Lack of storing space (Sheth 2011). 2. Preferences for small package sizes, frequent shopping and patronage of retail outlets near mass transit hubs (Burgess and Steenkamp 2006) 1) Informal settlements (Márquez et al 2010) /No formal title for their dwelling (Kandachar and Halme 2008)
	Suppliers	<ul style="list-style-type: none"> 1. Chronic shortage of resources in production, exchange and consumption (Sheth 2011) 2. Diseconomies of scale. (Sheth 2011) 3. Lack of managerial capabilities by local community groups (Bruni Celli, González, Lozano, 2010)
Distribution	<ul style="list-style-type: none"> 1. Traditional participation on trade (Márquez et al 2010) 2. Distribution networks, especially in rural areas, do not exist or are very inefficient (Karnani 2011) 	
Competitors	<ul style="list-style-type: none"> 1. Household as a consumption and production unit (availability of labor at home: women and children) (Sheth 2011) 2. Unorganized competition. (Sheth 2011) 3. Consumption for unbranded products and services (Sheth 2011) 4. Many branded products and services are not available in rural markets (Sheth 2011) 5. Prevalence of used products as direct competitors. (Sheth 2011) 6. Prevalence of barter exchange or reciprocal offerings. (Sheth 2011) 	

3. THE VIABLE SYSTEMS APPROACH (vSA) PERSPECTIVE

Reflecting upon a relevant issue like that of inclusive capitalism as an approach to business in emerging economies is certainly a great challenge for vSA researchers (Golinelli, 2000, 2010; Barile, 2000, 2009; Various Authors, 2011; Barile, Pels, Polese, Saviano, 2012).

The vSA research stream was borne within a context of uncertainty as regard the correct approach to business. In particular, a sense of discontent emerged with the wide use of models, techniques and tools aimed at finding the best solution believing that there is always a ‘one best way’ for solving problems. The pathway of specialized knowledge, focused on the micro level of observation of phenomena according to the dominant reductionist approach, shows to be of no use when dealing with complexity (Barile, 2009; Barile, Saviano, 2010; Badinelli at al., 2012).

A profound gap emerged manifesting the limits of the dominant schemes and the need for recovering a unitary view of business and social phenomena. It was a need for recovering more general schemes capable of offering a view of the whole interaction dynamics that emerge from highly interconnected phenomena. The reality of a globalised world where decision makers are disoriented by the continuous change of the links between the parts and the whole (Saviano and Di Nauta, 2011). The habit of facing complexity trying to reduce it through the analysis of the perceived parts of observed phenomena has evidenced its interpretative capacity failure (Capra, 2002; Golinelli, 2010).

In such a context, some Italian scholars recognized the need to go back to the universal principles of systems thinking in search of a unitary way of observing phenomena that could make apparent relevant interactions characterizing them. This choice has led to the development of the Viable Systems Approach (vSA), which has shown to be useful in identifying key properties that explain the functioning of any systemic entity, being it an individual or an organization (Barile, 2000; Golinelli, 2000).

3.1 *The vSA fundamental premises*

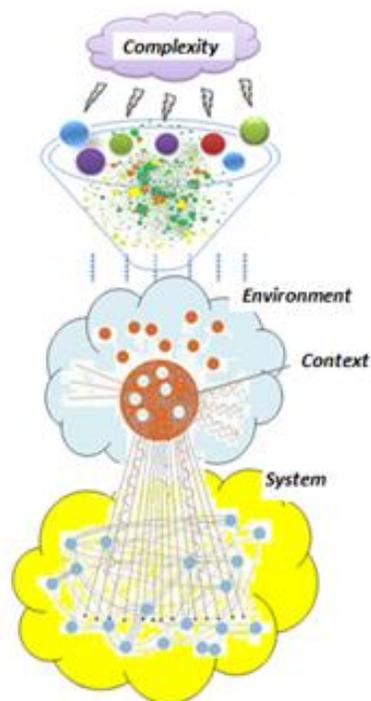
By shifting focus first from the parts to the relations and then to the interaction, the systems approach (von Bertalanffy, 1968; Capra, 2002) represents a third way between the reductionist and the holistic one (Golinelli, 2010). However, the systems approach does not propose itself as an alternative to reductionism on the one hand, and to holism on the other, but as a way to reconcile them within a general framework to study social and business phenomena by selecting the right approach depending on the finality and the perspective of investigation. Accordingly, any phenomenon can be observed at different levels of focalization (Barile and Saviano, 2011) – the *parts*, the *relations*, the *interactions*, the *whole*– but it is fundamental to consider that the view focused on the parts and relations offers a *structural* representation that results from a static observation, useful to understand how the phenomenon is made. Conversely, to understand how the phenomenon functions, a *systems* approach is needed that is focused on interaction: the way the parts interact internally and with the external context defines the system that emerges from the structure when a goal is pursued. The pursued goal is relevant in that *different systems can emerge from the same structure* as well as *the same system can emerge from different structures* depending on the finality and the perspective of observation (Barile, 2008).

Thus, any phenomenon can be observed in particular from a dual perspective, as affirmed by the vSA *structure-system* paradigm (Barile and Saviano, 2008, 2011). The structural representation describes objective features of the phenomenon’s elementary parts and relations as they appear to the observer. The systems interpretation of the same phenomenon implies a

shift of focus on the finality and on the subsequent way the parts interact playing a specific role in the system independently by their own structural functions. This interpretation inevitably suffers from the subjective view of the observer that is involved in the process. As a consequence, although parts and relations have objective features qualifying their *capabilities* and *functions*, the shift from a structural to a systems view leads to shift focus from potential capabilities and functions to effective *competences* and *roles*.

These remarks seem relevant. They suggest that what emerges from the observation of an environment (like a market or an economy), which is what appears visible to an observer from the whole complexity of reality, does not only depend on what is structurally present *in* it, but mainly on what the observer (usually the decision maker) is capable to extract *from* it. As illustrated in Fig. 1, this subjective emerging view can creatively produce very different outcomes (systems).

Fig. 1 – System emerging from complexity



Source: Barile, 2011, www.asvsa.org. See also Barile, Saviano, Polese, Di Nauta, 2012. Reprinted with permission of ASVSA – Associazione per la ricerca sui Sistemi Vitali.

Another fundamental aspect of a viable systems view refers to the concept of context. As any system is *viable* if it is able to survive in its context achieving its goals, according to *vSA*, it is not possible to understand its functioning without interpreting the specific context in which it lives and acts. *Context* is hence a central concept in *viable systems thinking*. As postulated by the five *vSA* basic propositions (Barile, 2008), a system works and achieves its goals by establishing relationships with other viable entities, through which it gains access rights to the resources necessary to its functioning. The possibility for each of the interacting systems to achieve their own goals according to a win-win logic, depends on the existence of conditions of *consonance* among the parts at structural level, i.e. a relational compatibility expressed by a commonality or

complementarity (or at least a non conflict) of values, interests, schemes, etc. that makes it possible to co-create value by developing synergies with respect to the participation to a common system. The outcome of interaction between consonant entities is *resonance*, i.e. an outcome where the whole is greater than the sum of the parts. From interaction between consonant parts relevant synergies can emerge.

This very brief excursus on the vSA basic principles helps first of all to clarify in which sense viable systems thinking is labeled as an approach instead of a theory: all the concepts used within the vSA methodology are selected from well consolidated existing theories. The vSA does not add any new concept to the existing ones, but puts all them together within a unitary framework where each of them has a particular sense and is related to the others, offering a key to a unitary and in some way 'new' understanding of observed phenomena dynamics. In other words, by adopting the vSA lens, it is possible to develop new insights through existing interpretative tools by combining and recombining observed elements and dynamics from different perspectives. In this sense, vSA is inclined to multidisciplinary and aims at building a *corpus* of general knowledge common to the diverse disciplines, as also auspicated by Service Science researchers (Spohrer, Maglio, Bailey, 2007). Nevertheless, it should not be expected the vSA to be a set of specific models, techniques and tools; rather, it may well represent a set of general schemes derived from systems thinking theory. The advantage of adopting this approach is in capturing essential but invariant traits of observed phenomena that help to see beyond the objectivity of the structures (resources, actors, relations, etc.) envisaging very different potential scenarios by leveraging on the knowledge capabilities of the observer (Barile, Saviano, Polese, Di Nauta, 2012).

Thus, several scenarios can emerge from the same context in the same way several contexts can emerge from the same environment. This process defines a recursive scheme whose key rule of shifting from one level to another is that of the 'emergence of the system from the structure). Hence, according to vSA, several scenarios can emerge from current structures of emerging economies whose dynamics will find conditions of feasibility and viability only if consonance is established among the interacting parts.

When parts interact, they develop a spiral dynamic in which any element that is only viewed by the observer (that is the decision maker) can be involved in the process participating in it and configuring an emerging network with multiple and changing nodes. Think at the Gummeson many-to-many relationship model (Gummeson, 2008) but in a dynamic way. In such a process, the possibility of relations to last over time depends on the capability of the parts to create conditions of consonance over a wider than dyadic relational context that is a 'context' consonance.

Adopting this context consonance logic, vSA suggests that, widening the view from current structures over the whole supra-systems context, decision makers can see other entities with which they can establish relationship other than conventional envisaging new opportunities. The possibility to involve these entities in the system's process depends, as underlined, on the existence of consonance that allow to see a shared survival logic where interests and needs are harmonically composed or at least not conflictive. The problem is that attention to these needs is generally given by decision makers on the basis of an evaluation of relevance that depends on the criticality of the resource the entity possesses and on the power of influence it is able to exert on the system in action (Golinelli, 2010). Considering the large numbers of people living in emerging markets and the shift in the world's political and economic power towards the BRICs,

managers, (and other contextual actors) that adopt a global perspective, are starting to acknowledge the vital role these countries have.

Thus, an approach to emerging economies that would be inclusive is the one that builds upon participation and integration (Saviano and Iorio, 2010), without privileging one's perspective on the others.

Having illustrated *vSA* basic premises useful to reflect upon a possible approach to emerging economies, now we need to clarify how Service-Dominant logic (SDL), together with the *vSA* framework, can contribute to strategic thinking in emerging markets (Pels, 2011). Therefore, in next section we will summarize the key concepts of SDL focusing in particular on the notion of value co-creation that appears to us to be intrinsically 'inclusive'. In fact, the shift in perspective, which is required to develop an inclusive approach to emerging economies, has been implicitly captured by the Service-Dominant logic research stream. Indeed, our idea of 'inclusion' appears to be intrinsic to the SDL. Accordingly, the whole SDL framework and the relative 10 Fundamental Premises, integrated within the *vSA* framework, can help to build an approach to emerging economies that could really lead to making profits while alleviating poverty.

4. THE SERVICE-DOMINANT LOGIC (SDL) PERSPECTIVE

S-D logic is a theoretical proposal which was originally focused on marketing but is being generalized to the functioning of markets, to general management and all its sub-disciplines, as well as to economics and society in general. It highlights a paradigm shift away from the goods-dominant (G-D) logic which lingers in mainstream management thinking since the advent of the industrial era. S-D logic is founded on the co-creation of value, service and resource integration, based on interaction and networked relationships (Vargo and Lusch, 2006; 2008). The traditional goods-dominant logic, which was based on clear distinctions between producers and consumers, and between goods and services, has been described as the "logic of the past" (Drucker, 1993). In contrast to this outmoded approach, the contemporary service economy is based on networked relationships, continuing interactions, and value co-creation (Grönroos, 2008; Rust, 2004). For marketing, Vargo and Lusch suggest a new perspective by introducing the dominance of service over products and goods, thus adapting to today's competitive context of a service economy (Levitt, 1981; Normann, 1997; Rust, 2004).

4.1 The Service Dominant logic fundamental premises

S-D logic is based on ten foundational premises (FPs). According to these, service should be understood as an application of skills through activities, processes and performances designed to produce benefits for suppliers and customers and for all third parties that are directly or indirectly involved in a network of relationships (Vargo and Lusch, 2008). According to Vargo and Lusch goods are no longer the only transaction objects, but they appear as an appliance for services provision. Service is seen as the real protagonists of interactions and transactions". Further, service no longer represents a part of an asset or the intangible side of goods; service is the fundamental basis of exchange in the interactions among economic, social, and system entities; it "is the service to be really exchanged" (Vargo and Lusch, 2006). Then exchange of money and goods has long been recognized as the essential interaction between socio-economic actors. However, according to S-D logic, the fundamental exchange upon which the traditional exchange of goods and money is based is actually the exchange of service for service. This

involves direct contact between the actors who undertake mutual adaptation to maximize the service exchange that covertly underlies the overt exchange of goods and money.

Since service systems are inherently networks, the value of solutions produced by such systems is always generated through interaction (Spohrer, Anderson, Pass, Ager, 2008; Spohrer, Barile, Polese, 2010). A firm's ability to communicate effectively with its customers and obtain advantages from them is ultimately based upon a succession of iterative interactions. The actors in service ecosystems are 'conditioned' (or positively influenced) by a variety of technological, economic, political, and social influences that determine that relationships that develop among them. All business processes are thus relational service activities—characterized by dialogue, ongoing interactions, and continuous updating.

According to S-D logic, customers and providers both become resource integrators in the value-generation process. Within the multi-faceted processes of value creation, providers and customers use their knowledge and skills to integrate a range of resources—including market-facing resources (available for outright purchase or for lease), private resources (with privileged access only), and public resources (with shared access).

4.2 The concept of service

From an S-D logic perspective, a service can be regarded as the provision of assistance and expertise through a provider–client interaction to create and capture value in business, education, government, and personal endeavors (Katzan, 2008). In terms of resources, services can also be understood as a series of activities in which resources of various types (employees, physical resources, goods, systems of service providers) are used in interaction with the customer to find a solution to a problem or need (Grönroos, 2006). From this perspective, a service system is not simply the sum of its parts; rather, the interactions form a higher-order construct. As Polese et al. (2009) observed, service can thus be understood as an “interaction between entities in a reticular system to improve value co-creation outcomes under a win–win logic inside interrelated processes” (embeddedness, Granovetter, 1985).

Under S-D logic, integrated and relational service provision systems must be reinforced by relationships between organizations. Actors in service ecosystems are conditioned (or positively influenced) by many system elements (like technological, economical, political and social influences); all business processes are therefore characterized by dialogue, continuous interactions, and updating. All business can then be understood as conducting relational service activities. In Service Research, in general, relationships among active participants in service systems (Alter, 2008; Barile and Polese, 2010; Mele and Polese, 2011) are fundamental to sustainable development; hence, all interacting systems should rely on their own environments to provide services.

In the specific vision of systems and related internal and external relationships, network theories also make a significant contribution, clarifying how visible and invisible interactions, common purposes, and resource-sharing can reinforce system performance and development opportunities.

4.3 Co-creation is central to S-D logic

The expression 'co-creation of value' has emerged prominently in the context of 'Service-Dominant logic' (S-D Logic) (Vargo and Lusch, 2004; 2006; Lusch, et al., 2007).

An holistic approach to value co-creation has also been applied within supply chains and value chain management systems (Flint and Mentzer 2006) and referring to every single

organization, within cross-functional processes and organizations.

The co-creation paradigm thus represents an evolution of business strategy (and the relevance of management) in which the co-creation process has achieved priority as a means of fostering competitive behavior (Payne, Storbacka, Frow, 2008).

The intriguing suggestions, in fact, are connected to the system's ability to look for, and foster, dynamic satisfactory evolutions absolutely in line with value co-creation processes introduced by S-D logic, that basically refer to a process in which all the actors need to be satisfied in diffuse win-win interactions.

In S-D logic, the conventional supply chain is replaced by service value networks (Allee, 2000). Firms have only the opportunity to make value proposition, because value is not merely engendered inside a production process and reflected in the market sale price (value-in-exchange), but follows is the outcome of a co-creation process (Vargo and Lusch 2008). Value is then perceived and co-produced by customers, not drawing it directly from the product itself, but by its use, transformation and consumption (value-in-use) (Vargo and Lusch, 2006). Service then becomes the mutual benefits and the mutual satisfaction of co-creation processes (Lusch et al., 2007).

4.4 From “market to” to “market with”

Despite an obvious connection to network theory, when S-D logic was initially presented it did not give explicit references to networks and relations (Achrol and Kotler, 2006; Grönroos, 2006; Gummesson, 2008). As Vargo and Lusch (2006, p. 285) have later pointed out, “it is not so much that S-D ignores interaction and networks as it deals with them somewhat implicitly”. In their expanded set of foundational premises (FPs), FP9 initially stated that “Organizations exist to integrate and transform micro-specialized competences into complex services that are demanded in the marketplace”. The new FP9 states that “all social and economic actors are resource integrators”, adding that the context of value creation is networks of networks (Vargo and Lusch, 2008; Payne et al., 2008; and Michel et al., 2008).

In S-D logic, resources are specialized competences and customers needs, all considered active and operant for ‘knowledge’ improvement and then for business processes (Vargo and Lusch, 2008).

In S-D logic, integrated and relational service-providing systems must be supported by the relationships between providers and customers as fundamental actors of a market but surrounded by contributing network of other actors. Business processes are characterized by dialogue and continued interaction and in this sense all business consists of ‘relational service activities’.

According to a relational view (Gummesson, 1993), the result-oriented approach emerging by choice or necessity to reticular systems - network, suggests that all participants involved in a value creation process are considered as dynamic resources, operant and active, and the contributions from different and interrelated actors are able to foster a more rapid and long-lasting complementary both individually and collectively (Vargo and Lusch, 2004). From this point of view changes in relationship with the market, no longer just seen as something to be managed or receiving feedback upstream and downstream of the transactions, but considered as a real co-producer in sustaining the process of value creation. According to S-D logic the evolution in the relationship with the end-user market, first intended as an exclusive target to which extend its range, now it becomes an element that can help the products improvement of any company before and after they are marketed, finally conceived as a strategic element-operating

indispensable and essential in the process of value creation inherent in the realization of each offer.

The type of skills required to make available the assets identified then are mainly of two types: collaborative capability, namely the ability of the organizations to work with other parts in a productive and mutually satisfactory; absorptive capability, the ability organizations to absorb and learn new knowledge, skills and information from the surrounding environment, including its collaborative partners (Lusch, et al., 2007). The paradigm therefore covers only the concept of enterprise services (FP5), not meaning that companies that offer services simply are preferable to those that produce goods, but also pointing out that producers of goods ultimately selling a service, or rather what which serves to satisfy it.

5. HOW VSA AND SDL CONTRIBUTE TO STRATEGIC THINKING IN EMERGING ECONOMIES

What emerges from the two perspectives proposed in this paper is a different view of inclusiveness that can be useful for supporting strategic reasoning when considering to enter or, better, to begin *to market with* emerging markets.

This different view is based upon general principles of systems thinking systematized within the *vSA* methodology to be of reference both for individuals and organizations. *SDL*, being inspired by a value co-creation logic where value emerges dynamically from context, is consistent with the *vSA* principles and represents a concrete model of action to *market with emerging economies*.

The general scheme of *inclusive development strategy* we are discussing, is based upon key aspects highlighted by *vSA* structure-system distinction, the decision maker should consider when making the decision of entering emerging economies:

- the *contextualization* that implies a deep knowledge of the context emerging from the specific geographical area under analysis and an adaptation of the business model to its characterizations;
- the *extraction of the context from the environment* that implies a subjective process of observation from which several scenarios can emerge;
- the *dynamic emergence of various potential systems from the same existing structures* that implies the potentiality of envisaging new opportunities where constraints appear in conventional business interpretative schemes.

Focusing on the business model, the inclusive approach we refer to as an inclusive development strategy, can significantly benefit from the integrated *vSA-SDL* conceptual frameworks focusing in particular on:

- participation and involvement of actors in network organizational configurations;
- resources integration and value co-creation as key strategies to 'market with' EE.

By building on these aspects, we hereafter illustrate the *vSA* and *SDL* contribution to strategic thinking in emerging economies highlighting critical aspects that emerge from the perspective adopted.

5.1 vSA as a basis for strategic thinking in emerging economies

In systems management, strategic thinking is centered on the definition of potential systems' trajectories targeted to the achievement of planned or desired outcomes. Hence systems thinking is essentially a *strategic* thinking capable to support the definition of new business models in EM enabled by the vSA and the SDL perspectives, and in particular by the structure-system paradigm.

First, with regard to the concept of 'business model', the vSA distinction between *general* and *specific* schemes (schemes of synthesis) suggests that behind any specific scheme there are always one or more general schemes from which the former is derived. More precisely, a specific scheme (or scheme of synthesis) derives from a general scheme by a process of contextualization through which general systems principles and properties assume characterization and features peculiar to the observed context.

Thus, it appears possible to distinguish between what qualifies a business model as a general scheme and what are its specifications with reference to a particular context as schemes of synthesis.

In these terms, our key research question becomes *whether an inclusive business approach to emerging economies requires an adaptation of the specific scheme of business (a change in/of the specific scheme) or a rethinking of the general scheme of business (a change in/of the general scheme)*. In the first case, we envisage a system's adaptability that shows the system's *elasticity* or an *adaptive flexibility*; in the second one, an *innovative flexibility* that shows the system's dynamic capabilities in devising new business models appropriate for specific contexts (Barile and Saviano, forthcoming).

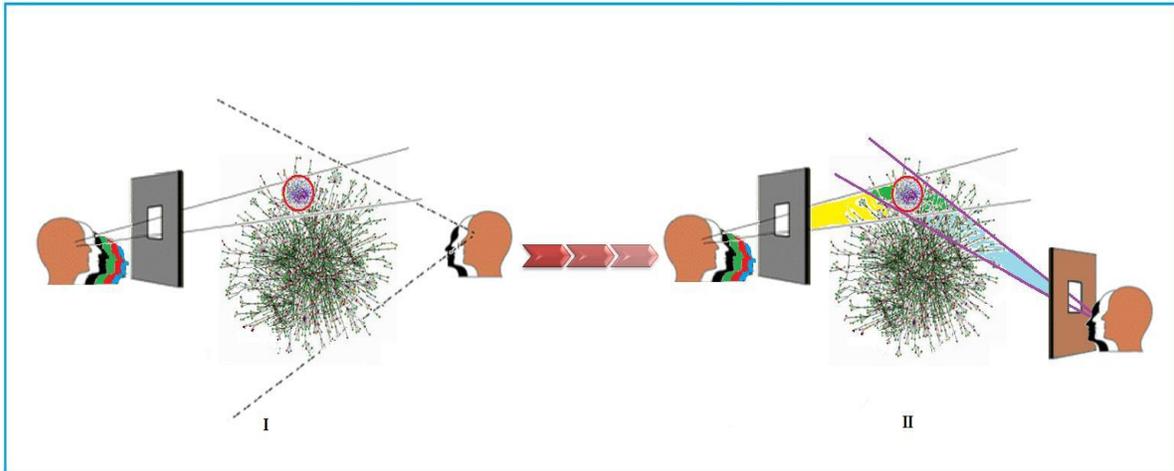
With this respect, it is easy to infer that, as any market context differs, any specific scheme of business differs as well. However, this observation does not clarify whether EM can be approached by just adapting the specific scheme to the context or whether, instead, they require *new* business models. In the case new business models are required, decision maker may experience a typical situation of complexity if his/her current schemes appear inadequate to face the new problematic context.

In such a situation, decision makers are required to make an effort trying to address change. In this respect, the vSA basic assumptions lead to envisage the possibility that decision makers, by leveraging on their knowledge capabilities, see beyond the conventional structural representation of emerging economies imaging new scenarios where the same resources and actors play different roles giving rise to unexplored systems and a possible new business model. This possibility, thus, requires the decision maker capability to change and widen perspective in search of new, potentially shared, scenarios (Fig. 2).

In the search of new scenarios, decision makers are guided by consonance, which acts as a force capable of involving whatever they see in the system's vortex progressively widening the network.

Through this process the objective environment observed by the decision maker becomes a subjectively defined context. The structure-system paradigm, as a general scheme, helps to understand such a process of extraction of the context form environment. Although the terms we generally use to refer to what is 'external' to the system –or better to its structure (Barile and Saviano, 2011)– are both 'environment' and 'context', vSA distinguishes between the two not only considering the second as a subset of the first, but mainly underlining that this subset is the outcome of a process that is subjectively made by the observer.

Figure 2 - Decision makers' perspective shift and new emerging scenarios



Source: Barile, 2012, www.asvsa.org. See also Golinelli, Barile, Saviano, Polese, 2012. Reprinted with permission of ASVSA – Associazione per la ricerca sui Sistemi Vitali.

Thus, in dealing with emerging economies, decision makers (managers, policy makers, civil society organizations, NGOs, etc.) begin to figure out new potential roles and new actors to involve in the system's dynamics, reconfiguring the business model both structurally and systemically. Conventional models give the place to unexplored solutions and new systems emerge in which 'consonant' actors are progressively involved.

In this way, the auspicated 'new' business model 'simply' emerges from existing structures thanks to the decision makers capabilities to 'see' the potential system going beyond the current conventional schemes and to 'live' it being consonant with its dynamics, like being involved in the flow of a river. In this sense, they are the decision makers that can redefine meanings developing new systems through the reconfiguration of current structures.

These potentialities, then, require the decision makers capabilities of questioning conventional and dominant schemes, opening the view to the unexplored and welcoming uncertainty as a source of new opportunities.

In such a view, all the characteristics that objectively describe and qualify a specific environment, according to conventional schemes, are just *structural* features whose relevance can vary when changing perspective, assuming different meanings and relevance. Of course, these characteristics are remain relevant information when approaching any new market or economy, but it should be kept in mind that their meanings and relevance cannot be generalized. As a consequence, there is no 'one best way' to enter an emerging market but only the most suitable one which fits the specific contextual conditions and requirements that characterize the market space to be entered. Entering strategy in emerging economies should carefully consider these aspects.

5.2 Network configurations as organizational solutions for an inclusive development strategy

In order to underpin new possible scenarios, organizations should adopt network schemes and appropriately shift focus from the structural (and reductionist) to the systems (and holistic) level of observation of the markets to be entered.

Thank to its intrinsic modularity, the network helps to appropriately move focus between the reductionist and the holistic levels, opening the view to new opportunities enabling the structure reconfiguration, as previously illustrated. At the holistic level, focus is set on the overall network

or system, while at the reductionist level focus is on the parts, both as operant and as operant resources. The shift from the reductionist to the holistic view can be accomplished by first focusing on the relations (from the dyadic to the whole network) and then on the way actors interact, acknowledging that this second shift requires a change from a static to a dynamic perspective of observation. It is precisely in this perspective change that the opportunities to see new scenarios powerfully emerge. When remaining anchored to a structural, objective view, dominant schemes are more likely to prevail impeding to see the ‘new’.

At the holistic level, in particular, the boundaries between the public, for-profit, and non-for-profit sectors vanish (Prahalad 2004; Phills, Dieglmeier, Miller, 2008). Their roles in the system can be redefined assuming nodal positions or playing direct roles in the value chain (Reficco and Vernis 2010). Nodal actors may be business partners but also CSOs, social entrepreneurs, grass-roots organizations, etc.

At the relational level, shifting from the whole network to relationships, the necessity to go beyond ‘one-shot’ exchanges (Reficco and Vernis 2010) that are typical of a conventional market logic is highlighted. The B2B (Håkansson 1982; Morgan and Hunt 1994), relationship marketing (e.g., Sheth and Parvatiyar 2000), service (Grönroos 1991; Gummesson 2002; Gummesson and Polese, 2009), interaction and network approaches (e.g., Håkansson and Snehota 1999), and the Service-Dominant logic (Vargo and Lusch 2004; Lusch and Vargo 2006) literature, together with the vSA insights (Barile, Pels, Polese, Saviano, 2012; Golinelli, Barile, Saviano, Polese, 2012) converge towards the necessity of overcoming the traditional transactional logic to adopt what we call a *service-based systems approach* (Barile, Montella, Saviano, 2012). An approach where aspects of trust, co-creation (co-dependency, co-evolution and co-learning), governance interdependence, and mutual commitment on each other’s long-term growth (Simanis and Hart 2008; Reficco and Vernis 2010) are relevant.

Sheth and Pels (forthcoming), illustrate two examples. An Argentine natural gas distributions success case (Paladino and Blas 2007, Márquez et al., 2010) exemplifies the two levels present in the Development strategies. Lack of access to basic public services, such as natural gas to heat one’s home and cook, is a problem both for the LIS as for the providing organization, leading to recurrent failures. At the *holistic* level, the problems faced were numerous: financial difficulties, heavy red tape, external and internal pipeline construction issues, high levels of informality in the target users, amongst others. Gas Natural BAN, Fundación Pro Vivienda Social (a CSO), El Colmenar (a CSO), the World Bank, FONCAP (a government loan fund), and the local administration got together to address these problems. Furthermore, Organized Community, a work space that gathers local organizations, groups, and institutions aimed at strengthening the organization between neighbors, was created to coordinate the efforts of the local community. At the *reductionist* level, trust between the CSOs and local communities allowed facilitating the dialogue with Gas Natural BAN, the World Bank and the FONCAP; while co-creation and co-learning lead to a novel resolution: the local LIS residents were willing to pay for the construction and it was decided to channel the funds for construction through a fiduciary fund. Moreover, once the natural gas program was running the community talked to the other actors and suggested initiating other programs involving both other infrastructure (running water) as well as more personal needs such as microfinance or in-home improvements (e.g. toilets).

Another, more renowned case is Grameen (Yunus 2007, 2010). Grameen Foundation, Danone, Grameen Bank, Cures2Children (a CSO), Veolia Water, are some of the actors that participate in different social businesses. All these businesses built upon what we shall label “the

Grameen viable system”. For example, the “telephone women” take loans from the Grameen and feed their children on the Danone yogurt.

The Development strategy highlights that when a system achieves viability (i.e., all actors have been harmoniously integrated by establishing conditions of consonance), infinite objectives can be pursued. This idea has also been associated to the economist concept of ‘economies of scope’ (Reficco and Vernis 2010). This paper adopts the term *scaling-in* to help visualize this rationale and in opposition to *scaling-out* (pursued by the innovation strategy). In scaling-in, success is achieved by allowing diverse activities (commercial, social,...) to develop through the ecosystem. This concept is not new to management. For example, in developed economies, when supermarkets managed to achieve system viability, they were able to develop into hypermarkets and offer non-food related products and services. Similarly, in the virtual market when Amazon.com achieved system viability it was able to move beyond selling books. More recently, Ipod (on achieving system viability) was able to offer a board set of value propositions besides the initial offer of mobile music.

Development strategies provide more value to more actors! They do so by integrating diverse actors, activities or resources to co-create a better service. However, this strategy also presents limitations. These are discussed next.

5.3 Value co-creation to market with Emerging Economies

The S-DL co-creation paradigm represents a key point in defining the business strategy in EE. It is, in fact, fundamental the decision makers’ ability to look for and foster dynamic evolutions in which all the actors are likely to be satisfied in a diffuse win-win interaction, on the basis of a view of ‘service’ aimed at mutually satisfactory co-creation processes.

The co-creation approach is a fundamental requirement to effectively integrate local operand and operant resources in a contextual manner. This is a core aspect in an approach targeted to market ‘with’ emerging economies’ people and organizations.

Through the appropriate combining of resources within the network, value is co-produced and co-created by the various actors involved in the process, so going beyond the dyadic transactional level of the market exchange (Barile and Saviano, forthcoming). To organize a successful network, in particular, it is fundamental the capability of decision makers to effectively combine local knowledge resources, on the basis of a consonance evaluation (Barile, 2009), so that local actors be able to relate and interact with the other network resources by leveraging on their collaborative and absorptive capabilities. The next sections will discuss the managerial implications as well as the future research avenues that this paper opens.

6. MANAGERIAL IMPLICATIONS

Several implications emerge from the proposed reflections that suggest managers to question their basic way of thinking if they aim at adopting an inclusive development strategy in emerging economies.

The first assumption to question is related to the common concept of ‘outside’, as defined by drawing not only physical boundaries between the internal and the external of organizations. Drawing boundaries, organizations reduce the opportunities to ‘see’ the new both internally and externally to the system, trapping its dynamics into predefined pathways. Moreover, such a process risks to be of no use in a context of fast and continuous change. Boundaries have

relevance only structurally: when a system emerges from the structure, boundaries vanish and the system involves in its dynamics all that it even only sees (Barile, Saviano, Polese, Di Nauta, 2012).

From this perspective, a relevant aspect can emerge that can help to clarify the *vSA* interpretative contribution to the debate on the inclusive business approach to emerging economies: we may affirm that *inclusiveness* is a general feature of systems functioning. More precisely, as underlined, when a system acts in a context, its dynamics involve everything is simply seen by the decision maker/observer. Clearly, the outcomes of such processes are not predictable and can evolve both positively (e.g. alleviating poverty) and negatively (e.g. speculation). This development, however, does not depend on the business model itself, but on the *values* guiding decision makers in its definition and adoption.

This consideration represents a key step in our reflection because it suggests managers to change perspective and level of observation by shifting focus from the ‘technical’ business knowledge, made up of mainly information and also schemes, according to a traditional marketing approach, to an ethical perspective that should guide the specific decision on if and how to enter emerging markets as well as a more general decision on how to do business. This shift is, indeed, from a pure *economic* line of reasoning (market profit logic) to a wider *social* view. Only such an extended view can capture the inner sense of an *inclusive* approach to emerging economies.

In this respect, we believe that a general change is in action, stimulated by a long pathway of evolution that has characterized the last decades and appears to lead to what Watzlavick, Weakland and Fisch would call a ‘type 2’ change (1974). It is a paradigm change that requires a re-thinking of the approach to business and that started with the affirmation the *stakeholder theory* (Freeman, 1984), by widening the view of business decision makers to other entities who manifest legitimate interests and expectations as regard the organization functioning in a context from an economic, but also social and environmental perspective . This significant change has led to the wider perspective of *Corporate Social Responsibility* (Carroll, 1991).

With the CSR framework, a relevant step has been signed in the evolution of the theoretical and practical view of organizations, although probably more theoretically than practically. Several contributions have specifically discussed the emerging economies issue from different theoretical perspective (Wright, Filatotchev, Hoskisson, Peng, 2005): institutional theory, transaction cost theory, resource-based theory, and agency theory. As institutional theory focuses on the influential role of the political, social, and economic systems in the organizations’ context (North, 1990) it is a relevant reference in the theoretical debate on emerging economies. However, new recent trends maintain that a more radical change is required that goes beyond the CSR approach involving the systems’ values. We refer to the Porter and Kramer (2006, 2011) *shared value* view that focuses on the need for creating such a value by connecting societal and economic progress.

From a *vSA* perspective, such a view is *intrinsic* in a systems thinking approach. As illustrated, according to *vSA*, any viable entity acts as an open system whose survival in the context depends on the decision maker’s capabilities of creating conditions of consonance with the various actors involved in the systems dynamics on the basis of a win-win logic (Barile, Pels, Polese, Saviano, 2012; Barile and Saviano, 2012). This win-win logic is a very effective common expression to say that actors should create conditions of *context* consonance to implement a value co-creation system where synergies are exploited to the benefit of all actors. In such a perspective, value results being shared as long as it is *co-created*.

These considerations lead, then, to recognize the potential paradigm change that may lay behind the noted trends: a change that makes the social view of the firm stably *included* in the business model. A social view that, as mentioned, goes beyond the concept of corporate social responsibility.

It is in this sense that we maintain that a paradigm change is in act, but it is not much a matter of being responsible to others for the organization's behavior, which would mean to *ex post* respond to others according to a logic of *accountability*; it is an *ex ante* involvement of others (their expectations and needs) into the business choices and decisions. It is a *shared* approach.

7. FUTURE RESEARCH

As the reader would probably agree, several challenges are to be addressed by research in order to deepen knowledge on emerging economies and on the business model to adopt for making the approach more 'inclusive'.

The research question posed in our paper gives rise to many others, as a view open to different perspectives is enabled by *vSA* and *SDL*.

One problem is related to the multiplicity of objectives that characterizes the discussed approach. Multiple and generally in conflict, as they tend to draw on a pool of limited resources and a set of impossible trade-offs, often leading to unsuccessful business initiatives.

Moreover, each context in emerging economies represents an almost unique case. This peculiarity does not allow the business model be reproduced in a different setting (Márquez, Reficco, Berger, 2010). So, the *replicability* of a business model that has proven to be functional in one context remains a central problem and the research question in *vSA* terms becomes: *does it exist a general scheme for a business model that can successfully be applied in different contexts?*

What we can envisage, by changing perspective as suggested by *vSA*, is the possibility that the required change in the business model we have discussed in the paper, may go far beyond the context of emerging economies to represent a more general need of economies, be them developed, emerging, or in transition, to go beyond current dominant schemes devising more appropriate logics of action different from the conventional ones. This aspect makes also apparent that discussion may also go beyond the economic and social perspectives to include the environmental perspective directing towards a wider view of sustainability as a requirement of any business model.

Therefore, it appears that the conceptual effort made trying to devise an appropriate model to enter emerging economies, opens the view to a more general reasoning about the existence of a business model –to be intended not as a scheme of synthesis but as a general scheme–, that can successfully be adopted in any market context.

What also appears, indeed, is that several lessons can be learnt from doing business and research in emerging economies.

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