



Foundations of Management & Entrepreneurship Courses and Cases

Third Edition

Matthias Wenzel (Ed.)

Foundations of Management & Entrepreneurship: Courses and Cases

Why study management and entrepreneurship? This updated collection—aimed at management scholars, students, and practitioners—illustrates the relevance of different parts of the B.Sc. program on International Business Administration & Entrepreneurship at the Leuphana University of Lüneburg. To do so, Leuphana students juxtapose more or less well-known cases with modules included in the study program.

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Courses and Cases**

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OS INSIGHTS

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Matthias Wenzel

Why Study International Business Administration and Entrepreneurship?

Matthias Wenzel

This collection aims to provide management scholars, students, and practitioners with a vivid understanding of why to study International Business Administration and Entrepreneurship (IBAE), a B.Sc. study program at the Leuphana University of Lüneburg, Germany. Specifically, IBAE students draw on self-selected cases to illustrate the relevance of different modules included in the study program.

In the broadest sense, IBAE belongs to the category of “business administration” programs. As such, the question of why to study a business administration program like IBAE may seem irrelevant to ask. Business administration programs are popular around the world, including in Germany (Wenzel, 2022). Hence, students seem to have enough reasons to find their way into business administration programs such as IBAE. Among others, such—vastly interrelated—reasons may possibly include:

- Job expectations: Hopes for decent job opportunities after graduation, e.g., at the management level in corporations or in consulting firms
- Salary expectations: Hopes for a financial compensation for one’s work
- Seemingly “rational” choice: The appeal of business administration as a “reasonable” option compared to other study programs
- No expectations: Limited understanding of one’s own preferences; “study business administration if you don’t know what to study!”
- Path of least resistance: Reduced needs for legitimizing one’s study choice vis-à-vis friends and family

These list items may partly resonate with at least some students of business administration. It is not on me to judge their reasoning. Given the inextricability of finding a study program amongst an overflowing academic offer, making such choices is difficult enough anyway. It would be unfair to judge such difficult choices from the sidelines.

Nevertheless, this list is interesting, as it does not provide any content-related reasons. Does business administration have any interesting content to offer that is worth learning about?

In *The Triumph of Emptiness*, Mats Alvesson (2013) argued that management is loaded with rhetoric that hides the mundaneness of this area. Similarly, Tourish (2020) posited that management is reigned by a “triumph of nonsense” in that management jargon creates an illusion of “importance” where there’s none. As Schwenker, Albers, Ballwieser, Raffael, and Weisenberger (2020) commented:

“[I]t is possible with some success and without much controversy to write about the ‘emptiness’ of business administration [...]; even beyond the polemic, the prejudice that business administration is hardly more than commonsense plus a few mathematical formulas persists.” (p. 7)

Instead of surrendering, Schwenker et al. (2020) articulated a plea for business administration based on 16 theses and called for innovation in management education. Among others, they called for the inclusion of contemporary business topics such as sustainability and the digital transformation, exploring forms of teaching that extend beyond head-on lecturing, and focusing attention on methodological skills so as to reinvigorate rigor in business administration.

A view on IBAE’s study regulations (see Figure 1) reveals that the School of Management & Technology at Leuphana has already implemented the innovations that Schwenker et al. (2020) vehemently called for: a “methods pillar”, as well as the visible inclusion of contemporary business topics in the curriculum. Furthermore, many of the IBAE courses build on innovative forms of teaching. For example, Qualitative Research Methods includes video units produced by experts in the field, which constitute the foundation for hands-on tutorials. But IBAE goes further. Specifically:

Study International Business Administration and Entrepreneurship – a future-oriented programme with a sustainable and global perspective. [...] In your future career as a manager or entrepreneur or as future master student, you will immensely benefit from our Bachelor programme International Business Administration & Entrepreneurship (IBAE). With its unique combination of the foundations of business administration as well as entrepreneurship, sustainability, and the digital transformation, IBAE helps you develop the managerial and entrepreneurial skills needed in today’s business environments. (Leuphana, 2026)

6.	Bachelor Thesis			Advanced Perspectives on Management & Entrepreneurship		
5.	Management and Entrepreneurship in the Digital Age	Current Issues in Accounting and Finance	Sustainable Management & Entrepreneurship			
4.	Quantitative Research Methods	Finance	Marketing in Times of Digitalization and Sustainability			
3.	Qualitative Research Methods	Management Accounting	Management: Theory and Practice			
2.	Statistics for Business and Economics	Financial Accounting	Perspectives on Entrepreneurship			
1.	Mathematics & Statistics		Foundations of Management & Entrepreneurship			
Methods		Business Administration	Profile Modules		Minor	Leuphana Semester/ Complementary Studies

Figure 1. The Curriculum of the B.Sc. International Business Administration & Entrepreneurship

Source: Own illustration, based on the program's study regulations

In other words, IBAE delivers important content-related reasons for being selected by students. In the following, I summarize some of them (see also Leuphana, 2026).

A Unique Profile for Change-makers

Organizations and society are facing large-scale challenges, such as climate change, inequality, and work insecurities produced through artificial intelligence (see George, Howard-Grenville, Joshi, & Tihanyi, 2016). At least in part, organizations are part of the problem, and so is (conventional) management education. As Ghoshal (2005) argued, the tools and theories taught in (conventional) business administration programs carry problematic assumptions and ideologies that reproduce some of the large-scale challenges of our time.

At the same time, organizations can and, in fact, have to be part of the solution. In order to achieve the scale needed to tackle these challenges, such attempts have to be organized, rather than trusting in the success of lonesome heroes that fight against systemic distortions. Therefore, one may argue that “good management” of organizations and, by implication, “good” business administration programs that form skills in “good management practice” (Ghoshal, 2005) are now more needed than ever.

Therefore, “good management” has to be skilled in the basic functions of business administration, whilst being attentive to main, if not the most important contemporary issues and topics in business

and society (e.g., Wenzel, Krämer, Koch, & Reckwitz, 2020): entrepreneurship, sustainability and responsibility, and the digital transformation. Therefore, these issues and topics are not ignored or sidelined, but put front and center in the curriculum. This, we believe, makes sure that IBAE students form the dispositions needed to manage organizations as “change-makers” in the face of 21st-century challenges.

Your Studies Your Way

IBAE is part of the “Leuphana model”. Inspired by the liberal arts, this model unites a major, minor, and complementary studies into the “Leuphana Bachelor” (see Figure 1 for a schematic overview). Students of the Leuphana Bachelor choose a major—such as IBAE—and combine it with a minor—such as Digital Business, Economics, Engineering, Philosophy, Popular Music Studies, or Sustainability Science—that extends or deepens their insights gained in the major. The Complementary Studies contribute to out-of-the-box thinking by bringing together students from all disciplinary areas, and by reflecting and working on topics that cut across these areas.

Compared to many other business administration programs, the Leuphana model is a unique strength for IBAE. In addition to inherent interdisciplinarity, it allows students to tailor “their” study program to their needs, interests, and preferences. For example, students with an interest in engineering management (*Wirtschaftsingenieurwesen*) may combine IBAE with the minor in Engineering. Those who would like to extend their understanding of sustainability management may combine IBAE with Sustainability Science. If students aim to deepen their understanding of managing artificial intelligency, they can combine IBAE with the minor in Artificial Intelligence. And so on. Hence, the operating system of the Leuphana Bachelor facilitates an optimal preparation for the desired directions to be taken after graduation.

A Study Program by Leading Experts

According to the Times Higher Education (2026) ranking, Leuphana is among the top 500 among all universities worldwide, and no. 102 among young universities worldwide. Given its rather short history even for a “young university”, these results are remarkable.

The same holds for the area of business administration in particular. In the worldwide Shanghai Ranking (2026), Leuphana is a top-400 university in the areas of business administration and

management—with leading places in Lower Saxony and Germany. In fact, according to the SCImago Institutions Ranking (2026), Leuphana is a top-10 university in Germany in the area of business, management, and accounting. Perhaps even more remarkably, according to data processed by Ryazanova, McNamara, and Aguinis (2017), Leuphana belongs to the ten percent most productive research institutions worldwide in business and management.

More can be said about Leuphana's expertise in the profile areas of IBAE. In the Hochschul-Entrepreneurship Monitoring 2022, Leuphana is number one on “entrepreneurship education” in Lower Saxony (Asghari, Vetter, & Stascheit, 2022). According to the Gründungsradar 2022, Leuphana is number three in terms of entrepreneurship support among the mid-sized universities in Germany (Fritzsche, Kessler, & Schröder, 2022). Furthermore, as one of the few reporting members of PRIME – Principles of Responsible Management Education (2024) – among German universities, Leuphana is committed to implementing and sustaining responsible management in IBAE's curriculum.

These results testify that IBAE is offered by leading experts in the field. Students who look out for top-notch content are right at IBAE.

On the Collection

In a way, this collection is a manifestation of innovative ways forward in management education. In IBAE's introductory course, the new cohort of IBAE students was not confronted with head-on lecturing, but worked in small groups, using videos and cases to reflect on the relevance management and entrepreneurship in contemporary times. The students, then, drew on these insights to illustrate the relevance of some of the modules included in IBAE based on a self-selected case. As a result, the collection offers readers a vivid, illustrative account of why it is interesting, useful, and important to study IBAE based on a great variety of cases.

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The Attitude of Entrepreneurship Behind Erewhon's Success

Juga Sali

Introduction

In recent years, the boundaries between grocery retail, café culture, and lifestyle branding have become increasingly blurred, giving rise to new forms of consumption that go far beyond the mere purchase of food. One prominent example of this trend is Erewhon, an ultra luxury grocery and café restaurant chain based in Los Angeles, USA. Frequently described as one of the most expensive grocery establishments in the United States, Erewhon markets itself as a provider of exceptionally healthy, organic, and sustainable products. Yet its pricing appears disproportionate even when compared to other retailers that offer similar quality and sourcing standards. The pricing at Erewhon is therefore strikingly high, for example, a 24-pack of Erewhon's canned spring water can cost around 80 dollars, and a single organic, vegan, gluten-free loaf of bread is priced at about 30 dollars (Huddleston, 2025), underlining how far its offer departs from everyday grocery norms. This raises the question of who exactly Erewhon's consumers are, given that the average person cannot tolerate such price levels. Who are the real consumers of Erewhon, and how has the company managed years of commercial success despite widespread criticism of its pricing?

Entrepreneurship and Consumer Dynamics in Experimental Luxury Markets: Opportunity, Risks and Ethics

What is particularly striking is that, as already mentioned, Erewhon enjoys considerable success, and its regular customers are likely to be very wealthy individuals. While it is true that different grocery stores cater to different income groups there are supermarkets frequented by billionaires and others by people with more modest incomes one might still question the necessity of such pronounced hierarchisation within the grocery sector.

Is it necessary to introduce such a high degree of exclusivity and indirect social segregation in a context where the core product is food and beverages? Although Erewhon's food may meet virtually every possible sustainability and health requirement, the underlying concept of food being accessible primarily to affluent consumers raises ethical concerns. The idea that certain types of "healthy" and "sustainable" food are effectively reserved for wealthy individuals does not appear

ethically unproblematic. The central motivation for this analysis is therefore to understand how Erewhon has built this empire, how it has cultivated such a strong brand reputation, and how it has positioned itself so successfully in the market. In other words, the focus here is on the entrepreneurship aspect: how has this business model emerged and persisted?

Recent business reports suggest that Erewhon generates annual revenues in the mid-nine-figure range from only around ten to eleven stores in the Los Angeles area, with exceptionally high revenue and profit per square metre compared to typical supermarkets, and even higher than some iconic technology retailers. Its stores are located almost exclusively in affluent neighbourhoods and have been described as a “Disneyland for foodies” and a “cult-favourite wellness location” (Barkho, 2022), which underscores the extent to which the brand functions as a status symbol as well as a grocery retailer.

The founders of Erewhon identified a specific niche: health-oriented, high-spending consumers, including affluent influencers and celebrities, or more broadly, wealthy individuals with these characteristics, in Los Angeles. These people are not a marginal minority, in a country characterised by high levels of consumerism such as the United States, and in a city like Los Angeles, which is often regarded as the capital of celebrities and Hollywood, this segment represents a substantial and attractive market. The founders pursued a deliberate strategy: rather than competing directly with mass-market retailers, they combined organic food, café culture, and lifestyle branding into a single concept. In doing so, they identified a distinct opportunity and targeted a narrow, high-value consumer segment.

Opportunity-identification research suggests that such niche concepts often emerge when experienced entrepreneurs combine prior market knowledge, social networks in a particular milieu, and heightened alertness to unserved needs, which appears to be the case in Erewhon’s evolution from a small natural-foods business into a luxury wellness brand (Ardichvili et al., 2003; Ucbasaran et al., 2009).

As already noted, the consumer base of Erewhon is somewhat ambiguous. In this sense, Erewhon resembles a luxury brand more than a conventional supermarket. The store environment, celebrity-collaborated smoothies and carefully curated product displays create what luxury marketing scholars call an experiential offering, where consumers purchase fantasies, feelings, and social distinction in addition to the underlying product (Atwal & Williams, 2017). Grocery

shopping at Erewhon thus becomes a form of lifestyle performance, in which being seen in the store or sharing its products online carries symbolic value that far exceeds the functional utility of the food itself. The store engages in numerous collaborations with celebrities, for example by allowing a celebrity to create their own signature smoothie. This strategy has broadened Erewhon's consumer base beyond simply wealthy individuals who are trying to eat healthy, it now also includes younger consumers and teenagers who are devoted fans of specific celebrities. A significant portion of Erewhon's customers are therefore less interested in the health benefits of the food per se and more focused on the aesthetic and lifestyle associated with the brand.

Erewhon presents itself as more than a grocery store, but as a community dedicated to health, ethics, and positive change. On its website, the company states: 'At Erewhon, we're driven to enhance the health of our community by providing organic, ethically-sourced foods that support our bodies and our planet. We find purpose in sustaining a community centered in caring, curiosity, and positive change. We're more than a grocery store. We're a community' (Erewhon, n.d.). This self-presentation positions Erewhon as a socially responsible, community-oriented enterprise. However, the reality of its pricing and exclusivity raises questions about who this 'community' actually includes and whether the company's practices align with its stated values. From the perspective of strategic entrepreneurship, Erewhon's success can be understood as the result of combining opportunity-seeking and advantage-seeking behaviours. The company's founders identified a lucrative niche opportunity in the luxury-wellness grocery space, targeting affluent, health-conscious consumers who were willing to pay a premium for organic, sustainable, and visually appealing food (Ireland, Hitt, & Sirmon, 2003; Shane & Venkataraman, 2000). At the same time, Erewhon developed a distinctive brand and experiential offering characterised by Instagram-ready aesthetics, celebrity collaborations, and high-margin prepared food that competitors find difficult to imitate. This integration of entrepreneurial and strategic management perspectives enabled Erewhon to create wealth and sustain its market position, illustrating how strategic entrepreneurship can drive long-term commercial success even in highly criticised and controversial business models (Ireland, Hitt, & Sirmon, 2003).

From a psychological perspective, Erewhon's founders can be understood as entrepreneurs who combine an opportunity-oriented mindset with strong intrinsic motivation and a high tolerance for risk, drawing on prior industry experience and specific cognitive frameworks to imagine and create a new market space (Østergaard, Santos, & Costa, 2018; Ardichvili, Cardozo, & Ray, 2003;

Ucbasaran, Westhead, & Wright, 2009). At the same time, research on luxury and experiential marketing shows that contemporary luxury brands no longer sell products alone but holistic experiences that communicate status, identity, and belonging (Atwal & Williams, 2017). Erewhon's positioning as a "luxury wellness" destination that offers Instagram-ready interiors, celebrity smoothies, and a sense of "see and be seen" community therefore fits into a broader pattern where consumption becomes a way for affluent consumers to signal lifestyle and distinction rather than simply meet basic needs (Kirkland, 2014).

Conclusion

Erewhon's commercial success can therefore be understood as the outcome of a distinct entrepreneurial attitude. By identifying a specific high-spending niche, integrating opportunityseeking with advantage-seeking behaviours (Ireland et al., 2003), and redefining grocery retail as a luxury wellness experience, the company has built a profitable and defensible market position.

Despite ethical tensions and public criticism, Erewhon demonstrates that entrepreneurship is not solely about technological disruption. It is also about recognising shifts in consumer culture and reshaping perceptions of value. The company's mastery of its craft sourcing genuinely high-quality, organic food that delivers on health promises creates a powerful halo effect that elevates the entire brand experience. Strategic philanthropy initiatives, such as community food programs and sustainability partnerships, further enhance this reputation, softening price criticisms and reinforcing Erewhon's image as a values-driven enterprise. In a sector as ordinary as food retail, entrepreneurial thinking can create entirely new forms of consumption where price becomes secondary to identity, experience, and symbolic meaning.

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Entrepreneurship in the Christmas Beverage Market: The Craft Circus Case

Lennart Brunstein

Introduction

“The entrepreneur always searches for change, responds to it, and exploits it as an opportunity.” (Peter Drucker). What Drucker describes is neither a coincidence nor a mere outcome, but an active and ongoing process of discovery and evaluation.

The essay examines the startup Craft Circus GmbH, which is still developing, yet has already achieved notable success. Using this case, the paper explores key principles and fundamentals of entrepreneurship and reflects on their relevance for the bachelor’s degree program “International Business and Entrepreneurship” at Leuphana University.

This paper first outlines the theoretical foundations of entrepreneurship, then introduces the selected case, and finally applies the theoretical concepts to the case to assess the module’s relevance.

Entrepreneurship

The following section is based on the video lecture Entrepreneurship: Introduction by Gielnik (2022) and the psychological process model developed by Frese and Gielnik (2014).

Entrepreneurship is not limited to founding a company. The skills can also be applied to turning ideas into action in business, society, or projects. Accordingly, the module focuses primarily on theoretical understanding as opposed to direct practical implementation, while the theory covers four different perspectives:

Financially and economically, the focus is on the availability of financial resources. This includes profit incentives, government subsidies, and investment opportunities that encourage individuals to pursue entrepreneurial ideas. But it also addresses the financial risks that must be considered.

The strategic and management perspective examines how projects or ventures can be successfully positioned for the long term. It focuses on creating competitive advantage and differentiation, as well as on strategic choices that may lead to profitability and sustainable outcomes.

The institutional perspective, in turn, examines the boundaries within which entrepreneurial activity occurs. Laws, regulations, and societal norms clarify what is permitted, restricted, or mandatory, and may also create opportunities through regulatory systems such as tax advantages.

Despite considering these structural perspectives, the module places particular emphasis on the individual entrepreneur. Venture outcomes are not explained by structures alone, but through human action and decision-making, which is the core concern of the psychological perspective. From this perspective, projects only develop when individuals actively pursue them over time. External conditions, such as laws or market structures, may indirectly influence outcomes, but success ultimately results from individual behavior. In addition, personal characteristics shape motivation and perception, which guide concrete actions and commitment, sustained effort, and confidence support persistence and constructive responses to feedback. Ideas usually emerge from existing knowledge rather than random inspiration, and education and experience influence opportunity recognition and decision-making. Additionally, relevant knowledge may stem from everyday experiences.

Once implementation begins, the focus shifts to concrete measures, including identifying opportunities and gathering information, setting goals, building networks, accessing resources, and conducting practical experimentation. By concentrating on controllable aspects, entrepreneurs can act despite uncertainties and develop opportunities within a broader context.

Craft Circus GmbH

Lukas Porschen and Sebastian Fischer founded the startup Craft Circus GmbH (formerly Weissbrand Distilling Company) in 2014 in Hamburg and have been based in Kreuzberg, Berlin, since 2018. Craft Circus GmbH operates as the umbrella company for four beverage brands, each with its own product and unique selling point. “Boozy Donuts” represents a liqueur line inspired by donut flavors, “Glitter Spritz” is an aperitif drink with a glitter effect available in both alcoholic and non-alcoholic versions, “Flaschenpost Gin” is a premium gin series characterized by storytelling and label design, and “BIRDS” is a spirits and gin brand emphasizing social and sustainability-oriented values (Craft Circus, n.d.).

The company sells its products year-round through its online shop and, increasingly, through German retail partners such as Rewe, Edeka, and specialized liquor stores in 14 countries. It also

collaborates with gastronomy and cafés, frequently relying on digitally coordinated sales processes when working with retailers and distribution partners (Flaschenpost, n.d.).

Over the past three years, Craft Circus has established a recurring presence at German Christmas markets. After initially participating with a limited number of stands, the company expanded its presence to 68 stands across Germany in 2025, where they present bestsellers and market-adapted goods. Christmas market stalls represent an additional sales and distribution channel used by the company (Bahr, 2025). This distribution channel is examined from an entrepreneurial perspective in the following section.

Entrepreneurial Perspectives at Craft Circus Christmas Markets

Discovery

The company views Christmas markets as distinct sales environments where almost all target groups come together. The special atmosphere and consumer behavior, particularly the search for exclusive, experience-based gifts not available in conventional retail settings, were identified as a potential market opportunity. Craft Circus products are well-suited to this context, as they combine experience, communication, and presentation concepts. Overall, the opportunity did not arise by chance but through targeted market observation and the interpretation of customer needs (Bahr, 2026). This assessment is further supported by consumer data showing that approximately 20% of German consumers plan to give beverages as Christmas gifts (Deloitte, 2024).

Recognition

Craft Circus continuously monitors the market and iteratively develops its Christmas market concept year after year, reflecting a practice-based learning process driven by repeated action and feedback. Expanding expertise and providing new employees with a systematic overview are further factors in identifying opportunities. For this reason, event and project manager Alexander Bahr was hired during the preparation phase for the 2024 markets, followed by additional employees under his management to create a better structure and overview (Bahr, 2026).

Evaluation

The market entry proceeded in pilot phases, initially with 15 venues in 2023, followed by further tests at public festivals and markets. From a financial and economic perspective, these test stands offered a lower-risk approach amid uncertainty, particularly regarding revenue, staffing costs, and location-specific demand. This led to targeted product adjustments, particularly the launch of the special XMAS Gin Edition. In line with broader market developments, 18 percent of consumers plan to give high-proof spirits as gifts, highlighting strong seasonal demand (Deloitte, 2024). In addition, the stand concept was optimized in 2025 through a Christmas-specific design based on customer feedback (Bahr, 2026). It can therefore be said that continuous development is essential.

Exploitation

From a strategic and management perspective, the expansion from pilot stands to around 68 markets represent a deliberate scaling strategy. This required a flexible organizational structure, short-term employment, standardized preparation processes, and additional permanent coordination roles. The implementation of this scaling strategy relies on the short-term recruitment and targeted training of temporary staff, enabling consistent execution across multiple locations within a limited time frame. Feedback also led to the introduction of a non-alcoholic beverage, Glitter Spritz (Bahr, 2026), showing broader developments in the German beverage market, where alcohol-free products are gaining greater relevance (Meininger Verlag, 2025).

Psychological Perspective

All previous markets have been reviewed to better prepare for subsequent implementations, based on sales analyses and feedback. Motivation, willingness to learn, and responsibility are reflected in the continuous optimization of the concept. As on-site operations rely heavily on temporary staff, execution is largely based on trust supported by experience-based routines and preparation, enabling decentralized decision-making at individual market locations (Bahr, 2026). From an institutional perspective, each Christmas market is subject to different regulations depending on the organizer, municipality, and federal state. These frameworks are not perceived as obstacles but as learning opportunities. With experience from over 130 Christmas markets, Craft Circus is better positioned to assess locations and improve preparation for future seasons.

In line with the psychological process model by Frese and Gielnik, motivation and trust function as key drivers of sustained entrepreneurial action. Craft Circus demonstrates that entrepreneurship is a process rather than a one-time idea, evolving through interlocking perspectives.

Importance for IBAE Students

The introduction to Entrepreneurship provides a structured theoretical foundation that goes beyond simply starting a business, explaining how opportunities emerge from perception, knowledge, and action. It enables the systematic analysis of decisions from various perspectives (economic, strategic, institutional, psychological). It highlights that success is not only the result of structures, but primarily of individual actions and decision-making processes.

The goal is to implement theoretical concepts in real-life cases reflectively, rather than viewing entrepreneurship solely from a practical, intuitive perspective. In this context, the framework is particularly relevant for case studies, project work, and entrepreneurial evaluation within IBAE studies and beyond.

Applied to the case of Craft Circus GmbH, these perspectives help to understand that the company's development and growth were not accidental, but the result of continuous opportunity discovery, evaluation, and exploitation. The case illustrates how entrepreneurial decisions emerge through learning and action under uncertainty, rather than through planning alone.

In summary, the concepts taught in the module offer a stable analytical foundation but require flexible application in practice. Growing start-ups such as Craft Circus demonstrate that entrepreneurial success is a learning- and action-driven process. For IBAE students, this module supports critical assessment of entrepreneurial processes by encouraging analytical thinking rather than relying solely on intuition, while still allowing room for experimentation.

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Adventure District Bisingen: Entrepreneurship in a Local Family Business

Ninelle Oster

Introduction: Understanding Entrepreneurship

This essay is partly based on personal interviews with the managing directors of Adventure District in 2026. These conversations provided additional insights into the company's strategic decisions, development process and entrepreneurial challenges. Beyond the Adventure District, the company also manages the Abenteuer Labyrinth and the Verrückte Haus in Bisingen. This strategic expansion further broadens the target audience and strengthens the overall presence. This essay will be focused on the entrepreneurial features of the Adventure District.

In today's complex and fast-changing business world, entrepreneurship is much more than just starting a new company. In the International Business Administration and Entrepreneurship (IBAE) module, we learned that entrepreneurship is a broad and multi-dimensional process (Shane & Venkataraman, 2000). This process includes recognizing opportunities, developing innovative ideas, taking risks, creating value, using and organizing resources efficiently and also planning long-term growth strategies (Lumpkin & Dess, 1996). Entrepreneurship is both, a mindset and a set of skills (Sarasvathy, 2001). Those skills can be used in start-ups, but also in already existing big or small companies.

Entrepreneurs look for new trends in society or for problems in the market to develop business models that respond to these changes and create value not only for themselves, but also for customers, employees and society. Entrepreneurship also includes responsibility and because of this, companies must think about their impact on the environment, the local community and their employees. That's why entrepreneurship is closely connected to ethical leadership, sustainability and long-term strategic thinking.

The Adventure District in Bisingen is a leisure and entertainment centre founded in 2022 and a very good example to analyze the named aspects of entrepreneurship. The company combines different activities, such as 3D blacklight minigolf, trick art, lasertag, interactive movement games

and more under one roof. By looking at this company through the perspective of entrepreneurship theory, we can see how theoretical concepts work in a real and competitive regional market.

Market Environment and Opportunity Recognition

One of the most important concepts in entrepreneurship is recognizing opportunities (Shane & Venkataraman, 2000), which often arise because of changes in customer behavior, political regulations, demographics, social trends, technology or sudden changes such as the corona pandemic. To be successful, entrepreneurs have to recognize these changes early and react to them or even turn them into successful business ideas.

The Adventure District in Bispingen is located in the Lüneburger Heath, Lower Saxony, in Germany, a region that is already known for tourism. It is close to large cities such as Hamburg, Hannover and Lüneburg and due to the nearby A7 easy to reach for many visitors. In recent years, customer expectations have changed and traditional offers are often not enough anymore. People do not only want to visit places, they want to experience something special with their family and friends. This development is often called the “experience economy”, which means that customers are willing to spend money on activities to create memories and offer emotional experiences (Pine & Gilmore, 1999).

The Adventure District uses this trend by offering a combined and diversified entertainment concept. Instead of focusing on one single attraction, it integrates several leisure activities in one location, creating a place for people of all ages. This strategy shows that the company understands the consumer preferences and knows how to use the differences in the interests of the generations to their own advantage, but also to the advantage of visitors.

In addition, the geographic location of the Adventure District brings both advantages and challenges. Being located in a tourist region means that many potential customers are already present, but it also means strong competition. The Adventure District is surrounded by a wide range of leisure facilities, such as Battlekart or a trampoline hall, from which you have to stand out from and offer something unique in order to survive on the market. The Adventure District achieves this through offering various activities which are otherwise not available in one place, in one hall, to create a place where people can go with their families to enjoy the activities they do prefer and to create an experience that motivates visitors to stay longer and return again.

The Value Proposition and Customer-Centric Strategy

To be successful in a market marked by many competitors, a strong value proposition is central and explains why customers should choose one company instead of another. It clearly communicates the benefits that the company offers its customers and the specific needs that can be fulfilled.

The value proposition of the Adventure District is based on diversity, shared experiences, offers a “one-stop” leisure environment where different activities can be combined easily and people can spend their whole day there and visit again on another one. Apart from that, there are other possible customers, for example corporate clients who can book their Christmas or summer parties, celebrating in a location with activities for each employee to improve cooperation and motivation.

This approach shows strong customer orientation and instead of concentrating on only one target group, the company addresses many different people at the same time. This diversification increases financial stability because the business is not dependent on only one type of customer. From an entrepreneurial perspective, this is a smart strategy (Lumpkin & Dess, 1996). While diversification reduces dependency, it may also increase complexity and fixed costs. Managing multiple attractions requires higher coordination efforts and continuous investment. Therefore, diversification must be carefully balanced against efficiency considerations.

Furthermore, the integration of gastronomy and event services strengthens the entire value chain, because customers do not only participate in activities but also spend money on food and drinks. This increases the average revenue per visitor and improves the overall customer experience.

However, although a company has a broad base, exceptional situations such as the corona pandemic can lead to major problems, in the case of the Adventure District, a complete closure for many months.

Innovation and Business Model Development

One of the key elements of Entrepreneurship is innovation, but innovation does not always mean inventing a completely new technology (Sarasvathy, 2001). Innovation also means combining existing ideas in new ways, transferring concepts from one industry to another and continuously developing further.

The Adventure District is a strong example of business model innovation. On the one hand it combines entertainment, events, gastronomy and family experiences into one brand concept. On the other hand the company is also constantly striving to develop and adapt to the wishes of its customers. This takes place on a larger scale, such as the purchase of a laser tag system, but also on a smaller scale, such as the selection of sweets, depending on the sales volume. These different components support each other, for example may visitors who come for one activity decide to try another one or to stay for a meal, which creates natural cross-selling opportunities. The company does not rely only on its original idea but continues to learn and adapt (Sarasvathy, 2001). This reflects the entrepreneurial focus on learning processes, experimentation and constant development.

Risk-Taking and Resource Management

Entrepreneurship always involves uncertainty and sometimes a higher, sometimes a lower risk, and this is not always rewarded (Sarasvathy, 2001). Building and operating a large leisure centre like the Adventure District requires high investments in infrastructure, technology, marketing and above all personnel costs. Fixed costs are significant and demand can change from one day to another because of seasonal effects or unexpected crisis (Kuckertz et al., 2020). The Adventure District reduces risk by diversifying its offers and customer groups, but a certain risk will always remain. Another thing that is often forgotten or underestimated is that as a managing director you have to be able to react at any time. Especially in a smaller company, you don't always have someone who can fully represent you and take on the tasks of a managing director. This can mean that you can never fully switch off even when you are on vacation or have to react quickly when staff are absent due to illness.

Sustainability and Responsible Entrepreneurship

In modern entrepreneurship, sustainability plays an increasingly important role, combining economic success with environmental and social responsibility.

For the Adventure District, sustainability includes environmentally friendly energy use through photovoltaic systems on the roof. In addition, social responsibility involves fair working conditions, something the Adventure District attaches great importance to, because a good and satisfied team of employees is essential. For example, employees have the opportunity to say when

they want to take time off without having to take vacation and can swap working days with other employees independently, allowing for a more flexible working life. In addition, the managers themselves attach great importance to friendly cooperation within the entire team (Interview with managing directors, 2026). Economic sustainability means focusing on long-term stability instead of short-term profit maximization and this also includes maintaining a strong team of employees.

Conclusion: Entrepreneurship Beyond Large Corporations

The Adventure District in Bisingen shows that entrepreneurship is not limited to large corporations. Entrepreneurship is a broader mindset that can be applied in many industries, including leisure and tourism.

Through recognizing opportunities, developing an innovative business model, focusing on customer needs, taking calculated risks, integrating sustainability, and planning strategic growth, the Adventure District reflects the main principles of the Entrepreneurship module. This case demonstrates how theoretical knowledge can be applied in a real business environment.

Entrepreneurship is about actively shaping the future instead of only reacting to changes. The Adventure District shows how a regional company can use trends, create value for different stakeholders, and stay competitive in a dynamic market. By connecting theory with practice, this example highlights why entrepreneurial thinking is an essential competence for future managers and business leaders.

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From Market Failure to Social Impact: Examination of Too Good To Go based on the IBAE Curriculum

Nick Schlichting

Introduction

The global food system is characterised by a profound paradox: while many parts of the world are starving, 87.6 million tonnes of food are wasted in Europe annually, worth around \$132 billion. Founded in 2015 in Denmark, Too Good To Go (further TGTG) has set itself the mission to address this inefficiency through a B2C marketplace that redistributes food surpluses. Therefore, TGTG serves as an example for a “Changemaker” company by transforming market failures into sustainable value (SgROI et al., 2024). The purpose-driven brand focuses on core challenges of the 21st century that are key parts of the IBAE curriculum like sustainability, entrepreneurship, responsible management and digital transformation. This essay examines TGTG’s business model as an example of sustainable entrepreneurship and furthermore, illustrates how important the core modules included in the IBAE curriculum at Leuphana College are for understanding and shaping modern organisations.

Perspectives on Entrepreneurship

When going through the curriculum, one of the first modules that stands out is: “Perspectives on Entrepreneurship”, which provides an essential foundation to understand the concept and development of TGTG. The module shows how new ventures arise when entrepreneurs identify unmet needs or inefficiencies. Furthermore, it looks at the entrepreneurial process from a broader societal angle, and it prepares the students to address large-scale challenges such as the systematic failure of food waste coexisting with global hunger. The founders of TGTG recognised the failure that edible food was excluded from the consumption loop for commercial reasons. To solve this failure, TGTG developed a sustainable platform-based solution to prevent the discard of food surplus. Through an application, TGTG connects approximately 175,000 active partners like bakeries, restaurants and grocery shops with over 100 million users, establishing a new social and economic relationship. The company functions as an agent of change, involving several actors in

a social innovation concept. This achieved scalability of TGTG initiates systematic changes in the handling of food surpluses (Podgórnjak-Krzykacz & Przywojska, 2025).

Financial Accounting

Beyond its entrepreneurial origins, the company also illustrates key concepts of financial accounting. Creating a market-based solution for food redistribution leads not only food suppliers to combat commercial reasons, but surplus food also becomes a valuable product. Thereby, TGTG generates income through membership fees from partners and receives a share of the sales boxes. As a study about the economic value of redistributed food surplus in Italy reveals: A significant share of the partners' revenue (Perugia: 16%; Viterbo: 19%) comes from food that would otherwise have been discarded. Customers benefit even more, saving nearly twice the amount that partner businesses earn (Yu et al., 2025). Additional benefits in terms of educational effects become apparent by using the app: first, customers become more aware of the food value and transfer the way they handle food at home and second, TGTG encourages businesses to adapt to sustainable practices (Fragapane & Mortara, 2022). In summary, the concept of the "Magic Box" is fundamental for the retailers as they cannot say with certainty what kind of food and the amount of food that will be left over at the end of the day. This maintaining flexibility enables retailers to manage varying daily surpluses and marks the coherent concept of TGTG. "The app turns what was previously a disposal cost for retailers into a revenue stream", which shows how relevant sustainability and economic viability are in today's business environment. As part of the core challenges, the company must manage the revenue streams and to ensure profitability while sticking to its social mission and transparency (Sgroi et al., 2024). Aspects in the "Financial Accounting" module, e.g. fundamentals of financial reporting, importance of profitability and cash flows and evaluation of business models are therefore important.

Sustainable Management & Responsible Entrepreneurship

Compared to "Financial Accounting", the module "Sustainable Management & Responsible Entrepreneurship" focuses on long-term thinking and ethical decision-making which is highly relevant as TGTG demonstrates. By requalifying food surplus and closing the food loop, TGTG is an example of the Circular Economy shifting from traditional linear business models ("take, make, dispose"). "The so called 'win-win-win' situation" for people, profit and planet TGTG follows,

views that in context of the IBAE curriculum entrepreneurship is not just profit-seeking, but rather a process of finding opportunities to create a social value (Lewandowski, 2023). The app's concept follows a clear principle, beneficial for partners and users. Consumer can buy a “magic box” during the day where they can get almost every meal the partner brand offers in daily sales. Therefore, the price for the contents of the box corresponds to a discount of approximately 50 percent up to one-third. By saving one “magic box” at the end of a business day, consumers not only receive discounted food but also contribute to a quantifiable environmental impact: One box avoids approx. 2.7 kg of CO₂ emissions, 819 litres of water usage, and 2.8m² of land occupation. TGTG therefore provides a direct contribution to UN Sustainable Development Goals (SDGs), reducing emissions through food waste and saving resources (Podgórnjak-Krzykacz & Przywojska, 2025).

Management & Entrepreneurship in the Digital Age

Not only have climate change and sustainability become more important in the past decade, but digitalisation is also one of the most important transformations in today's world. Therefore, a digital platform strategy is indispensable for addressing market inefficiencies by reducing information asymmetries between food businesses and consumers (Sgroi et al., 2024). Expansion of technology is also part of TGTG's development, including AI-supported modules for inventory management, expiry date tracking, and smart discounting (Podgórnjak-Krzykacz & Przywojska, 2025). Building on this development, the transaction costs are reduced. (Sgroi et. Al, 2024). The module “Management and Entrepreneurship in the Digital Age” is therefore important to understand how digital platforms can influence consumers behaviour, as you can relate to TGTG.

Marketing in Times of Digitalisation and Sustainability

In relation to digitalisation, TGTG must carefully manage its communication to maintain its mission integrity in terms of marketing. Purpose-driven brands often face scepticism regarding their professional contributions. As TGTG brands itself as a “Social Impact Company”, the company reinforces this statement and its reliability to large partners by using professional business discourse and data-driven KPIs (like “meals saved”) (Kjeldsen & Schmeltz, 2024). In addition, TGTG builds a movement rather than a traditional customer base using social media communities and gamified engagement like ‘waste warriors’. Although TGTG is a purpose-driven brand and embodies ethical values there are also customers motivated by the discounts who take

advantages of reduced food prices. This illustrates the relevance of the module “Marketing in Times of Digitalisation and Sustainability”. It stands out that sustainability has both a moral and economic value and it is made clear how meaningful it is to follow a coherent marketing strategy (Fragapane & Mortara, 2022). As balancing user motivation remains as one of the core challenges, visible in TGTG’s operations are also aspects like stakeholder-management, decision-making and organisational design, which are part of the “Management Theory & Practice” module. While partners are seeking revenue and reduced disposal costs, users expect high quality and affordable food. This balance requires careful coordination between restaurants, retailers, consumers and policymakers. A key factor for TGTG’s successful business is therefore transparency and communication to build trust and to be regarded as a company with extra value for society (Kjeldsen & Schmeltz, 2024).

Qualitative & Quantitative Research Methods

When it comes to revealing users’ motivation and behaviour, the IBAE modules “Qualitative & Quantitative Methods” are essential for systematic understanding. These methods help the founders to identify patterns and improve strategic decisions as TGTG demonstrates using empirical research to support their evidence-based management (Yu et al., 2025). In addition, qualitative research methods are relevant when dealing with phenomena that are complex, dynamic or not well understood yet, as they allow researchers to explore how contemporary business challenges are interpreted in practice. In contrast, quantitative research methods are important as they play a crucial role in uncovering statistical relationships and linking numerical patterns to their practical implications.

Conclusion

The relevance of the IBAE curriculum becomes clear when looking at TGTG. The company examines what future managers must understand and what solving 21st- century challenges requires: interdisciplinary knowledge, sustainable orientation and entrepreneurial thinking. The IBAE program aims to develop those competencies, necessary to get a holistic understanding of TGTG. Furthermore, the students will understand the interplay between business, society and technology through the selected modules. Another important point is that the modules are not only separated from each other, but many connections can be made between them across module

boundaries. In summary, TGTG is a good example as it not only masters today's challenges but also solves a systematic failure. The brand can be set as an inspiration for future concepts to not only focus on profit-seeking but to be purpose-driven and sustainable, as well as creating a social value.

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GEOMAR – How Their Management and Entrepreneurship Pursue a Sustainable Development

Lara Teupen

Introduction to GEOMAR

GEOMAR is a foundation under public law that is part of the Helmholtz Association (HGF), Germany's largest research organisation (*About Us - GEOMAR*, n.d.; *About Us - HGF*, n.d.). The GEOMAR Centre of Ocean Research is located in Kiel and investigates in various research divisions of marine research such as ocean circulation and climate dynamics, marine biogeochemistry, marine ecology and the dynamics of the ocean floor. Alongside 'ocean and climate' and 'marine ecosystems and biogeochemical cycles', 'ocean threats and benefits' is one of their main areas of research (*About Us - GEOMAR*, n.d.). Within their research, their aim is to transfer knowledge and technology to contribute to the protection of the ocean by finding sustainable solutions to the pressing societal problems. In order to achieve this goal, they do not only research fundamental conditions in the ocean, but also promote innovations, diversity and creativity which are major components of sustainable management and entrepreneurship (*The GEOMAR Vision and Mission*, n.d.).

What is sustainable management and entrepreneurship?

Firstly, sustainable management balances economics, environmental and social goals by thinking long-term and future orientated. The aim is not only to maximize economic growth, but also to positively contribute to the environment and ensure a more stable future for the current and following generations. It considers global challenges such as climate change and looks at the responsibility in management by integrating ethics, stakeholder interests and ecological limits (*What Is Sustainability Management and Why Is It Important*, 2022).

Secondly, sustainable entrepreneurship extends this by identifying, developing and growing new sustainable ideas. It's not only about exploiting opportunities and turning them into profitable innovations but making sure that the inventions face some of the global challenges and are sustainable in environmental and societal aspects (Schaltegger, 2013).

Together, they focus on the transformation of organisations to better optimise sustainability principles as well as inventing and growing new sustainable ideas. They face current societal and environmental challenges such as reducing waste, promoting renewable energy or improving social well-being.

For this reason, the module is important to the IBAE major, because it helps students extend their knowledge, perspectives and form a deep understanding on the complexities involved in managing and entrepreneuring organisations towards a more sustainable future in times of global challenges (*Gazette_2025_27_2025-02-20.Pdf#page=4*, n.d.).

GEOMAR's philosophy and guiding principles

GEOMAR considers itself part of a constantly changing and evolving research institution. It pursues administrative and structural principles for sustainable operation and focuses on goals and priorities in order to work in a solution-oriented approach. (*Flyer_leitbild_verwaltung_web*, n.d.)

In addition, GEOMAR complies with the HGF's Sustainability Policy. This policy requires its centres to conduct resource-oriented and responsible research and to develop sustainability strategies and a sustainability management system based on these strategies. (*HGF_LeitlinienNH_Final*, n.d.)

Both the policies and their own vision constantly remind them to develop sustainable solutions to severe social and environmental problems.

GEOMAR's road to shaping a better future

Sustainable Management Programme

The GEOMAR Centre in Kiel has implemented guidelines by drawing up a milestone plan, which serves as a guide for both the company as well as the sustainability committee (*Sustainability Management*, n.d.). This includes stakeholder analysis, materiality analysis, climate management, sustainability strategy and a sustainability programme (*Sustainability Committee*, n.d.). These steps are important and a common strategy not only to know who is affected by their actions, but to set a focus on what is important to the organisation. The focus can then align with their goals, priorities and principles and convert them into a working plan of concrete action.

Another point is the sustainability reporting that has been implemented. It creates transparency along the entire value chain. It also records the greenhouse gas balance and updates it annually to show how their emissions are developing (*Nachhaltigkeitsberichterstattung*, n.d.). Thereby, they tie themselves to staying truthful to their goal, to get as emission-free as they can get within their possibilities. If their emissions went up or if they stopped uploading the sustainability report, it would harm their reputation as they will lose the trust they are currently building. The trust is based on the transparency of the reports, that are solid evidence to prove that they are serious in improving sustainability rather than greenwashing such as many companies nowadays do (*How to Avoid Greenwashing*, n.d.).

Additionally, the organisation also took part in the LeNA programme. ‘LeNa – sustainable research’ is a joint project from 2013 to 2016 which is funded by the federal ministry of education and research. It presents a guide to sustainability management in any research organisations that are not in a university context. Their sub-goals were to develop and to identify fields of action for research specific sustainability management with the main focus on finding processes on how to integrate sustainability in research organisations (*LeNa*, n.d.).

Entrepreneurship

To align the sustainable management, GEOMAR is also working on finding new ways to act sustainable by focusing on entrepreneurship. Innovating new technology and research methods is one of their ways to implement new strategies to get closer to their main goal, to act more sustainable. One of their technological inventions is the AUV POSEIDON which is an autonomous underwater vehicle. It became an important tool to explore the deep-sea after the former GEOMAR research vessel AUV ABYSS was decommissioned after 40 years in 2019. The cooperation of various working groups led to a highly efficient vehicle. As a result, it can cover many kilometres and map large areas visually and acoustically. Furthermore, it is not only energy efficient, but because of their modular design they save on materials in the long term, as individual segments can be replaced with minimal effort. Both allow for a more sustainable use of resources (*AUV POSEIDON*, n.d.).

Another project of the GEOMAR centre is the deep-sea observatory “Modular Multidisciplinary Seafloor Observatory” (MoLab). Previous research was highly inefficient and could only be carried out sporadically and for limited periods of time. With the new observation system developed in 2010, it is possible to measure several factors, such as physical, chemical, geological, or biological parameters, synchronously over a large area over a period of several months (*IFM-GEOMAR Baut Ein Neuartiges Tiefsee-Observatorium*, n.d.).

The development of new sensors for remote observation in coastal and marine waters also contributes to innovations in GEOMAR research. Some of these sensors are also used to monitor CO₂ leaks during carbon capture and storage (*Project Details*, n.d.). This data is in turn used to promote projects such as Carbon Storage in the Seafloor (CCS). CCS technology captures CO₂ emissions from large-scale technologies such as power stations through chemical stone reactions and supports the researchers in their 1.5-degree goal (*Carbon Storage in the Seafloor*, n.d.; *The 1.5 Degree Goal*, n.d.). This is still difficult to achieve, but it does not prevent researchers from continuing to work towards their aim.

Their research is generally very environmentally focused and deals primarily with our impact on the environment. Another example is the Mining Impacts project, which closely examines the extraction of raw materials and its impact (*MiningImpact*, n.d.).

But research and technology are not the only things that make GEOMAR special in terms of sustainability. They are also in the process of making their data publicly available in large databases so that research in solutions to environmental factors can be conducted worldwide and internationally (*Data and Samples*, n.d.; *DSM Data Portal*, n.d.; *Research Data*, n.d.; *sustainMare Data Portal*, n.d.).

Besides that, GEOMAR also promotes individual funding (*Structure*, n.d.; *The GEOMAR Vision and Mission*, n.d.). This not only ensures cooperative research, but also enables and highlights creative innovations by individuals, which can then be implemented in larger teams. These include, for example, the Helmholtz Investigator Groups, Emmy Noether Programme and ERC Grants in various forms (*Structure*, n.d.).

Conclusion and outlook

There are many ways to get involved in sustainability. But it is precisely this diversity that GEOMAR represents. They engage in sustainable management in various forms and find new innovations to advance research. These are key aspects in finding solutions that can solve the challenges of today's world. GEOMAR's goal of achieving a safe and sustainable future is visible and recognisable in each of its projects. This is ultimately crucial for organisations and provides a good example of sustainable management and entrepreneurship, demonstrating why the topic is an important module of the IBAE major.

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Private Ownership as a Strategic Asset: The Case of Chanel and Long-Term Brand Management

Hanna Garbe

Introduction

In today's world, the fashion industry is mostly dominated by gigantic, publicly traded corporations. But amid this market, there is one brand that stands out as a unique phenomenon. Chanel is a fashion brand that is seen as an ideal for a timeless, modern and highly profitable corporate culture (Nagasawa and Sugimoto, 2009). The company's financial performance reinforces this status: In 2023, Chanel achieved revenues of \$19.7 billion, an increase of 16% (Financial Results for 2023).

It is nearly impossible to imagine the high-fashion industry without the "Petite Robe Noire", the Chanel No. 5 or the Classic Flap Bag. The catchphrase of the founder Gabrielle "Coco" Chanel "Fashion fades, style remains." still defines the brand-DNA (Arnold, 2012). A core specialty of the company is its ownership structure; since 1924, it has been in partnership with the Wertheimer family, now in its third generation running the company as an independent, unlisted corporation (Nagasawa, 2011). The relevance of this case to management theory stems from the constant tension between endless creativity and strict economic control (Arnold 2012). Therefore, this paper will explore how private ownership is not only a legal status, but a fundamental strategic asset that protects Chanel from the short-term pressures of the capital markets.

From Orphanage to Global Empire: A Chronicle of Revolution

The story of Coco Chanel is marked by social change and big new ideas (Nagasawa, 2011). Born in 1883 into extreme poverty, the strict rules and simple lifestyle of the orphanage had an enormous effect on the way she would later choose to live. This early exposure to ascetic structures laid the foundation for her cultural knowledge, which she used to completely redefine the female body shape (Cattani, Colucci & Ferriani, 2023).

In the early 1910s, with money from Etienne Balsan and later Arthur "Boy" Capel, she opened her first hat shop on Rue Cambon in Paris (Cattani, Colucci & Ferriani, 2023). Next, she opened shops in the popular seaside towns of Deauville (1913) and Biarritz (1915). With the famous "little black

dress" (1926), she created an "emotional product" that made people feel strongly and was seen a symbol of modernity (Sugimoto & Nagasawa, 2014, 2017).

After a time away and the temporary closure of the fashion house during World War II, she made a return in 1954 (Nagasawa, 2011). During this period, other milestones were created, such as the 2.55 handbag (1955) and the iconic tweed suit (Sugimoto & Nagasawa, 2017). After her death in 1971, the Wertheimer family took full control and ushered in a new era in 1983 with the recruitment of Karl Lagerfeld who skillfully changed the way Chanel is designed by bringing together ideas from the past and using them to create the brand's future (Sugimoto & Nagasawa, 2017).

Today, this empire is supported by a global workforce that grew from 19,675 employees at the end of 2016 to over 38,400 people by the end of 2024 (Financial Results for 2017 and 2024). This expansion is matched by a retail distribution network that now includes over 600 boutiques worldwide (Financial Results for 2023).

Management as Knowledge for Success: The Transformation from Expertise into Results

This historical development clearly shows that great design alone is not enough. While it is still often seen as a pure conglomerate of techniques, management can also act as the decisive “knowledge for success” that goes beyond plain expertise. It is management knowledge that enables expertise to be transformed into concrete performance and results for the customer (Arnold, 2012).

Management acts as the controlling body that makes strengths productive and weaknesses irrelevant (Arnold, 2012). In the case of Chanel, this means that the brand itself is understood as a strategic management resource that is defended against any form of dilution through “savoir-faire” and consistent codes (Long, 2025). Effective management here is making sure that the company's values are kept the same over time, while also making the most of the different resources available to create the best possible experience for customers. (Arnold, 2012).

The Sovereignty of Privacy: Independence as a Strategic Shield

The legal form as privately held company enables Chanel to follow a decision logic that differs radically from that of their publicly traded competitors. While publicly traded companies often suffer from massive shareholder interferences that complicate a long-term vision due to short-term pressure for returns, private ownership enables a special relationship of authority that can protect the normative status of the brand (Dorfman, 2010; Nagasawa, 2011). Chanel therefore acts in time frames from five to seven years, as the management does not have to take quarterly figures into consideration to render anonymous shareholder content (Long, 2025). This independence allows management to make strategic decisions that may appear unprofitable in the short term but secure the long-term stability.

A striking example is the year 2024: despite a 30% decrease in operating profit to \$4,479 million due to market conditions, Chanel increased its capital expenditure to a record \$1,755 million: A 43% increase compared to the previous year (Financial Results for 2024). This autonomy guarantees control over the whole value chain and price integrity (Long, 2025).

At Chanel, private ownership stands for a whole different understanding of success: It is not about short-term profit maximization, but about ensuring a minimum profit that is high enough to guarantee long-term financial independence and the ability to invest from own resources (Arnold, 2012; Nagasawa, 2011). This financial autonomy guarantees the maintenance of control about the whole value chain, price integrity, and selective distribution channels (Long, 2025; Nagasawa, 2011).

The Architecture of Icons: Design Management as Identity Protection

The management uses the freedom created by the private structure for a highly specialized icon-strategy. Products like the 2.55-handbag or the Chanel suit are designed to retain their identity even without a visible logo, as the fabric and their textile details aim to speak for themselves. (Sugimoto & Nagasawa, 2017). Effective management requires perfect alignment across all sections, from haute couture to the digital customer experience. Any inconsistency in pricing or communication would immediately weaken the brand equity accumulated for over more than a century (Long, 2025).

The company practices a strict discipline, which Karl Lagerfeld once described as changing nothing and yet changing everything. He tried to preserve the “soul” of the brand by accepting Coco Chanel's original philosophy as an irreplaceable guideline, while constantly modernizing the aesthetics (Baudot, 2003; Nagasawa, 2011). Today, to deepen the client experience, Chanel invests in exclusive physical locations, such as the Watches and Fine Jewelry Flagship on Fifth Avenue in New York and the world's first Maison de Beauté in Paris, both opened in 2024 (Financial Results for 2024).

Challenges and Resilience: The Downside of Autonomy

Despite its obvious strengths, the private structure also comes with certain risks that must be addressed within the framework of strategic management. A central problem is the so-called “key person risk” which refers to the heavy dependence on individual creative geniuses such as Coco Chanel or Karl Lagerfeld (Long, 2025). Additionally, the absence of external control by the capital market requires an extraordinarily high self-discipline on the part of the management in order to avoid complacency (Nagasawa, 2011).

Chanel is addressing these challenges by building robust networks, such as acquiring specialized craft businesses, to secure technological expertise in the long term (Long, 2025; Nagasawa & Sugimoto, 2009). During the current market phase (2024–2025), in which the luxury goods industry is facing a global downturn, the long-term orientation is once again proving to be an advantage. While competitors may resort to promotional campaigns that damage their brand image, Chanel is focusing on selective growth, digital transformation, and “phygital” (physical-digital) experiences that preserve exclusivity (Long, 2025). The goal remains to cultivate the brand myth through scarcity and quality rather than mass sales.

Conclusion: Management as the Art of Responsibility

The case of Chanel illustrates that long-term success is not a coincidence, but rather the result of management practiced as a form of humanities that focuses on people and the assumption of responsibility. The private ownership structure functions as much more than solely a historical relic; it is the tool that makes it possible to understand management in its purest form as service to a cause.

For prospective managers, Chanel teaches that strategic consistency, building symbolic capital, and focusing on customer value are highly effective means of fighting transience. It proves that those who master the principles of effective management and create a structure that protects long-term thinking can create an organization that defies fashion and endures as an eternal style. Success can be learned if one is willing to adopt the right combination of expertise and management knowledge from the best.

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Superhero Turnaround: How Peter Cuneo Saved Marvel from Bankruptcy

Merle Götz

Introduction

The fight for survival in the market is the norm for companies in a free market economy (Albach, 1979). Even today the global number of companies going into bankruptcy is rising every year. In 2026 the Global Insolvency Index is predicted to rise by 3 percent again (Anna Boata et al., 2025). If a company is fighting for survival, one thing they need is good Turnaround-Management. A need for a turnaround of a company occurs if either the important goals of the decision makers in the company are in danger or uncontrollable and unexpected processes with an unknown outcome take place and decisions to react need to happen fast (Winnenbrock, 2020). Turnaround-Management is the process of shifting a company out of this kind of state towards a long-term position of profitability and includes a rough and a deep analysis of the company and an operative, a financial and a strategic reconstruction (Winnenbrock, 2020). Next to the general abilities of management and building a new business model, one of the most important skills to turn an insolvent company around is to deeply understand the financial structure of it and to be able to make decisions about investments, financial risks and business valuation. In the module “Finance” of the IBAE major at the Leuphana University learning about dealing with finance is part of the curriculum. Including, for example, financial decision making.

A famous example of successful Turnaround-Management is the turn of the Entertainment Company Marvel, which managed to go from filing for bankruptcy in December 1996 to acquisition by Disney for 4 billion US-Dollars in 2009.

Marvel Entertainment, LLC

On August 31 in the year 1939 the Marvel comic universe began, with Carl Burgos publishing his story of the “Human Torch” in MARVEL COMICS (1939) #1 (Webber, 2024). Marvel was founded by Martin Goodman that year under the name Timely Comics (DeForest, 2025). In the 1940’s the still famous Captain America had his first appearance in the Marvel universe (Webber, 2024) and by 1951 Goodman formed his own distribution company, turning it into Atlas

Magazines (DeForest, 2025). Today, Stan Lee is widely known for his Marvel stories. He contributed to Marvel Comics initially in the 1960's with the first FANTASTIC FOUR comic (Webber, 2024). From then on Marvel was the main company's brand and was therefore changed to Marvel Comics (DeForest, 2025). During the 1980's and the 1990's the ownership of Marvel changed multiple times and finally became publicly held in 1991 (DeForest, 2025). In 1993 the company reported an income of 415 million dollars throughout the year, but collectors of comics wildly overestimated their later value and with the realization of this, the comic market bubble burst and the sales of Marvel Comics dropped by 70 percent (Teampay, 2019). Marvel Comics had to file for bankruptcy in December 1996 (Teampay, 2019).

The Path Back to Profitability

In 1999 the executives of Marvel Comics decided to take on an expert to turn the company's financials around: Peter Cuneo (Teampay, 2019). Cuneo is known as one of the best turnaround CEOs of America, accomplishing his first successful turnaround in the early 1980's at Clairol's Personal Care Division. Since then, he has completed seven turnarounds including Black & Decker, Remington (PETER CUNEO, n.d.). Marvel Comics took him on as CEO and CFO, on the one hand to save money from salaries, on the other hand it allowed Cuneo to "stay close to the numbers and follow the details of our progress during that critical early stage" (Cuneo, as cited in Teampay, 2019) as he argues in an interview with Forbes.

The idea behind the plan

Entering Marvel Comics Cuneo had never worked in this industry before (Kingston & Oates, 2025). Peter Cuneo states that being new to a company can be essential to be able to bring in new ideas and a different view on the business model (Kingston & Oates, 2025). His initial idea with Marvel Comics was to completely abandon the way the industry normally works (Kingston & Oates, 2025). Shifting a company to a new working culture and business plan is already a demanding task. Coming from outside a business, gaining trust and understanding of one's ideas is hard work, especially if you are willing to take high risks. Cuneo's plan was to start Marvel Studios, their own film studio (Kingston & Oates, 2025). Producing their own films would allow Marvel Comics to keep a higher percentage of the film's revenues and moreover, allow them to choose a release date that would increase the sales of toys and other merchandise (Hanna, 2005).

Measures and Risks

To be able to follow this idea Marvel Comics first had to become financially stable. Cuneo knew that the heart of a business is the numbers, the financials, so as CEO he introduced a strict financial plan (Teampay, 2019). He managed to lower warehouse and merchandising costs as well as the selling and general and administrative costs (Teampay, 2019). He kept employees motivated and faithful by focusing on cashflow instead of profitability (Teampay, 2019). Additionally, Cuneo scaled back the number of employees, whilst making sure not to make cuts regarding talent (Teampay, 2019). If a business needs to save money, it often cuts its number of employees first. On the one hand that is the most effective way to save money, on the other hand a lot of people will lose their job. But one could argue that if the company goes broke that would eventually happen anyway and with cutting costs through dismissals one can save some jobs and eventually offer new ones.

To ensure a stable income to invest into the filming industry, Cuneo started to increase the licensing activities of Marvel Comics (Teampay, 2019). Through this, Marvel Comics gained popularity again and a low-cost revenue for itself (Teampay, 2019).

Such strategic investment and outsourcing of costs need a high understanding of cashflow and financials of the company, therefore learning about Finance is deeply important to students wanting to work in the business sector later. But taking the right risks cannot always be taught and demands a good instinct for financial investment, which needs a lot of practice. The “Finance” module might be able to teach the basics, but actual practice might not be able to be provided in the way universities are structured.

In the case of Marvel Comics, Cuneo proved this sense for risks by starting Marvel Studios. Cuneo wanted to stop spreading production as it still cost the business time and work, for example to approve the cast, but they only received a small amount of the profit the successful movies made (Kingston & Oates, 2025). Cuneo thought they could produce less expensive, keep the full profit and even make better movies, as no one understood their characters the way they did (Kingston & Oates, 2025). Producing movies is expensive, so Cuneo decided to take a high risk and loan 525 million US-Dollars from an investment firm by putting up the ten biggest characters they had as collateral (Teampay, 2019). If the moviemaking would not work out, Marvel would lose its most valuable properties, likely meaning the end of the company.

Outcome

You could consider the first outcome of Marvel Studios a risk itself. In 2008 Marvel released its first solo movie “Iron man”, which was produced costing 140 million US-Dollars and starred Robert Downey Junior (Teampay, 2019). Neither the comic character Iron Man nor Downey’s reputation were very good, but expectations were exceeded when the movie went on to make a profit of more than 585 million US-Dollars (Teampay, 2019). The acquisition by Disney was announced just one year later and finished by December 2009 (Teampay, 2019). Iron Man got a sequel and a threequel and with “The Avengers” in 2012 it became clear that Marvel had become a huge success.

Today, we can see that Marvel is starting to struggle again. Since “Endgame” in 2019 the new movies lose popularity and we might need a new structure of the company again, soon.

Conclusion

To conclude, one can say that financial knowledge is valuable to students studying business related topics. Financial skills, experience and a sense for risk taking is what saved Marvel from bankruptcy and helped the company to popularity, profitability and becoming one of the biggest film franchises of the world. Engaging with the “Finance” module during the major IBAE therefore helps to build students this knowledge, but one might criticize that practical experience is not taught in universities and it could be a great addition to the curriculum to integrate exchange with such experts as Peter Cuneo to learn from their experiences.

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When Success Becomes a Risk: The Jochen Schweizer Voucher Crisis

San-Diego Pohl

Introduction

Jochen Schweizer offers access to almost 9,000 experience-based activities worldwide, including skydiving, bungee jumping, or driving a super sports car on the Nürburgring (Jochen Schweizer, n.d.). Before the invention of experience vouchers, customers had to search for different providers and commit to a specific date and activity. By implementing flexible vouchers valid up to three years, the Jochen Schweizer Mydays Group revolutionized how experiences are booked and vouchers are redeemed. This business model not only increases customer flexibility but also improves the company's scalability. This Jochen Schweizer case illustrates how financial planning knowledge can enable rapid growth and expose firms to structural liquidity and regulatory risks.

Company Background

Jochen Schweizer began his career in the 1980s as an extreme sports athlete and stuntman in the movie industry, where he did alpine kayaking, skydiving, and skiing on a professional level. In addition, he broke various world records in sports and later founded a Kayak Sports production company, which is the foundation for today's experience firm. During the early 1990s, the movie production firm restructured into the Jochen Schweizer Group, expanding into Germany's first operating bungee jumping facilities and adventure experiences such as skydiving (Jochen-Schweizer-person, n.d.). After the new Jochen Schweizer firm expanded its business model crucially, the company faced a financial crisis in 2003, in which a customer died during a bungee jump (Sigler, 2003). This accident resulted in the closing of bungee jump activities, dismissals of roughly 60 employees, and near insolvency (Maier, 2017). In a 2012 interview, Schweizer described the bungee accident as the greatest turning point in his life and business but also mentioned that his company was only kept solvent through the liquidation of his personal assets, illustrating the financial impact the accident had on the firm (Schönmann-Finck, 2012). As a result, the company launched its first online platform to offer experience vouchers to avoid insolvency and increase liquidity. The new business model increased its revenue from €180,000 to €3.8 million within one year (Moritz, 2015).

Working Capital and Financial Perspective of the Voucher Model

The financial relevance of the voucher model becomes clear when examining the role of customer prepayments for experiences as a form of working capital management. Prepayments generate an inflow of cash to the firm before the service is delivered, which stabilizes liquidity, improves short term cash flow, and reduces the dependence on external financing. Research on efficient working capital management has shown that companies that invest in working capital can increase their profitability, but need a structured and monitored process, which means that only a good strategy gives a firm the opportunity to increase its revenue over the long term (Deari et al., 2024).

Additionally, Aktas et al. (2015) argue that firms need a balanced level of working capital management because insufficient liquidity increases financial risk, whereas too much liquidity may reduce a firm's profitability. When short term assets are managed effectively, this can create opportunities to invest in new projects or pursue acquisitions. For the Jochen Schweizer Group, customer prepayments allow the firm to expand into broader service categories or asset investments.

Accounting and Liquidity Risks

Although the voucher model led to rapid growth and demonstrated the firm's scalability, it developed into financial difficulties, highlighting the limits of simple growth strategies. Firstly, an uncertain redemption timing of the vouchers can create an inequality between inflowing and outflowing cash. This would have led to complications in working capital management and financial forecasting, especially when many vouchers were redeemed at the same time, which could have created liquidity risks if prepayments were already utilized elsewhere (Maier, 2017). From the accounting perspective, vouchers are recorded as deferred revenue, meaning that cash inflows are recognized as liabilities until the service is delivered. Research from Prakash & Sinha (2012), with the title "Deferred Revenues and the Matching of Revenues and Expenses," shows that it affects reported earnings and profit margins in the short term. Although cash has been received, the corresponding revenue cannot be recognized until the service is delivered. As a result, financial statements could show lower current profit margins despite positive cash flows, while liabilities increase on the balance sheet.

However, one challenge of the voucher model is that the Jochen Schweizer Group cannot predict when customers redeem their vouchers. According to a financial report from 2015, the firm had €9.5 million available for possible cash out options, whereas unredeemed vouchers had a value of €107 million (Maier, 2017). These vouchers were already paid by the clients and had not been redeemed, so they were recorded as liabilities on the balance sheet rather than as profit. Customers were not allowed to redeem their voucher instantly and were offered another date further in the future. This led customers to be more negatively positioned and to no longer trust the company Jochen Schweizer (Maier, 2017). This scenario illustrates the importance of a structured business model that focuses on the short- and long term effects of deferred revenues. As a result, in 2017, the company Jochen Schweizer GmbH was sold for €108 million to the German media group ProSiebenSat.1 Group. The tech group ProSiebenSat.1 merged Jochen Schweizer with the voucher firm Mydays and changed the company's name to Jochen Schweizer Mydays Holding GmbH. The fusion created Germany's largest provider of experience gifts, giving them a large share of the market (Räth, 2017).

Regulatory Risks and Compliance Difficulties

In early 2023, an internal compliance review revealed that Jochen Schweizer GmbH issued some vouchers without BaFin permission. BaFin, the German federal financial supervisory authority, considered vouchers with higher value to be electronic money, which would have required a financial license. As a result, ProSiebenSat.1 became responsible for the violations and was sued to pay €3.9 million. Furthermore, the group adjusted its business model in response to BaFin regulations, ensuring that no further licenses were required (Gürtler, 2024; Handelsblatt, 2024).

Connection to Financial Management

Connecting this perspective to the finance module, the case illustrates the risks and importance of clear, structured investment decisions and capital budgeting. The Jochen Schweizer voucher case is a good opportunity to identify financial challenges and state resolutions in financial management. First, Jochen Schweizer's cash flow planning failed in the long-term period, highlighting the need to cover topics such as working capital theory and capital budgeting. Another aspect is evaluating and financing business opportunities, which includes a market analysis to determine its size and understand the buyer's perspective. The case demonstrates the importance

of market monitoring and adapting to market transformation as quickly as possible, as shown by the invention of experience-based vouchers, created out of necessity to increase the firm's profitability and avoid insolvency. From a capital structure perspective, Jochen Schweizer's model avoided debt financing and used customer prepayments to finance its operations. On the one hand, it seemed like a smart move because the business grew quickly without being dependent on external financing. On the other hand, hidden liabilities on the balance sheet created the risk that too many vouchers were unredeemed, and cash reserves were limited. Compared to the finance module, companies must take advantage of a balanced debt and equity, without the risk of insolvency. Only when ProSiebenSat.1 took over, the company had to restructure the business model of Jochen Schweizer to avoid further difficulties with clients or legal regulations.

Conclusion

Although Jochen Schweizer has built a strong brand and positioned the company innovatively in the market, the near insolvency demonstrates that entrepreneurial success does not automatically imply financial stability. The case highlights how liquidity management and regulations can pose risks to businesses, especially in prepayment-based business models.

To conclude, the Jochen Schweizer case illustrates both the potential and the limits of a customer-based prepayment model. It allowed the company to grow quickly but also created major difficulties. The case connects to various topics from the finance and financial accounting modules at Leuphana University of Lüneburg, as important areas such as financial management, capital theory, and entrepreneurial finance are necessary for a good understanding of business. Overall, the firm is not only an example of innovation but also an almost failed business model that gained a turning point again through well-planned compliance and financial perspectives.

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Volkswagen AG and the Dieselgate as a Reference for Financial Accounting

Ethem Dikenli

Introduction

In 2015, Volkswagen's stock lost nearly 33% of its value in two trading days (Bachmann et al., 2017). The cause of the loss was not a major market crash like in 2008; The emission values were systematically manipulated by the company itself. Financial Accounting provides us with evidence in this case study, and it shows the dimension of financial consequences that Volkswagen had to face. In general, Financial Accounting is a core component of Business Administration, since it provides essential information regarding the financial situation of a company, is standardized, and tracks all transactions. Warren Buffett, arguably the most successful investor in the 20th century, underlines the importance of financial accounting and once said that, "Look at the balance sheets over an eight-or 10-year period," and understand what the figures are saying, and what they don't say, and what they can't say, and what the management would like them to say that the auditors wouldn't like them to say" (Beard, 2026, para. 4). This chapter evaluates the module Financial Accounting by using the example of Volkswagen and discusses the importance and critical points of the module in the Business Administration bachelor's program.

The Story of Volkswagen

Volkswagen was first established during the Nazi regime to provide cars for the folk. (Edelmann, 2019). However, after 1945, the popular Beetle came onto market, which was one of the biggest factors for the economic miracle in Germany (Schmitz, 2006). In the 1960s, Volkswagen took over Audi, and the global expansion of Volkswagen continued, especially with Seat, Skoda, and the high luxury segment of cars with Porsche, Bugatti, Lamborghini, and Bentley (Sabhadiya, 2025). Today, Volkswagen AG is a German multinational automotive manufacturer located in Wolfsburg, Germany. However, it currently faces challenges with the diesel scandal and the strategic change to electromobility.

The definition of Financial Accounting

With Financial Accounting, all operations within a company are systematically captured. It monitors the flow of funds and payments in terms of amount and value. Financial Accounting has three major instruments, balance sheets that reflect the assets of a company; the income statement, which measures profitability over a certain period of time; and the cash flow statement, which tracks the transactions of funds (Rolando et al., 2025). The case study of Volkswagen illustrates that financial accounting is vital for the evaluation of a company's financial health, since balance sheets reveal the true financial situation of a company.

Critical Reflection of Financial Accounting

Despite the importance of financial accounting, it still has structural problems, too. Firstly, it only reflects the past quarter of the company; regarding the future, there are no clear predictions. That reduces the power of financial accounting since the future is more relevant regarding the development of a company. Secondly, Financial accounting doesn't include sustainable aspects, especially in times of sustainability; it is crucial to respect sustainable aspects, as many companies don't take any responsibility for environmental development. Furthermore, financial accounting never guarantees ethical behavior; it just reflects all financial transactions, but it will never systematically combat or prevent misbehavior in the economy. The Dieselgate in 2015 underlines the problems of financial accounting, where Volkswagen systematically manipulated the emission values from 2009 to 2015. Finally, non-financial aspects are completely excluded from financial accounting; it only illustrates monetary circumstances. Qualitative values like employee satisfaction, innovation, ethical aspects, work-life balance, and salary aren't considered, which ignores ethical and humanitarian values.

The relevance of Financial Accounting and why it should be taught

Financial Accounting is a key element for business administration programs; it tracks and captures all financial transactions of a company and makes the current monetary situation of a company transparent. Tracking financial transactions is standardized through the International Financial Reporting Standards (IFRS) in Europe and Generally Accepted Accounting Principles (GAAP) in America, which makes the understanding of Financial Accounting internationally recognizable (Rolando et al., 2025). In addition to that, every listed company on the stock exchange must publish

balance sheets, which underlines the importance of financial accounting, as the government and banks evaluate the creditworthiness and the general financial situation of companies. It is also highly relevant for external and internal stakeholders, as financial accounting publishes essential key financial indicators, for instance, profitability, cash flow, and debt ratio for stakeholders. Therefore, the ability to read, understand, and critically analyze financial statements is an essential skill. Moreover, financial data are important for big banks, since they give stock recommendations based on balance sheets, actively buy and sell stocks too, and lend companies credits based on financial reports, as they evaluate the financial health of a company. As an example, Volkswagen AG could not have demonstrated any creditworthiness without financial accounting.

How does the module of Financial Accounting relate to Volkswagen?

There was a diesel boom in Germany, since diesel was considered as more sustainable and efficient. The number of new registrations from diesel cars rose from 14.6% to 47.8% in just 19 years (Runkel et al., 2016, p. 5). Volkswagen was under pressure to catch up with the supply of new and improved diesel cars. To be competitive, Volkswagen began to manipulate laboratory tests with a software that was developed into the new diesel engine, which could detect whether it was an emission test or a regular road use (*Volkswagen AG, 2015c*). For this reason, the test reports were positive, but actually the engine was much less sustainable (*Volkswagen AG, 2015c*). But in 2014, a research team in West Virginia investigated the emissions of VW diesel Vehicles following the suspicions of other automotive firms (Bachmann et al., 2017). The investigation showed that the emissions are much higher than the declared test values. Eventually, VW had to admit that they had implemented a software in the vehicle from 2009 to 2015 that recognized when a vehicle was going under emission testing and automatically adjusted the emission values to legal values. In total, approximately 11 million cars were affected worldwide (Volkswagen AG, 2015a). *For* this reason, the VW Chief Executive Officer, Martin Winterkorn resigned three days later, and the scandal resulted in total costs of nearly 16.2 billion euros (Bachmann et al., 2017).

Financial Accounting illustrates the dimension of the scandal, and it shows transparency in a company. Many internal and external stakeholders knew after the release about the precarious financial situation of Volkswagen and the severe consequences of the scandal. *The* loss of over 16.2 billion euros was recognizable due to the tracking of all transactions (Zhou, 2016).

Consequently, a lot of stakeholders sold their stocks, which had an immense impact on the stock of Volkswagen; the stock lost nearly 33% of its value in two trading days.

Conclusion

Financial accounting is a crucial instrument for business studies, as it relies on three major instruments, balance sheets, the income statement, and the cash flow statement. These provide essential information regarding the financial state. The case of Volkswagen demonstrates the fact that financial health and consequences are transparent for external stakeholders, banks and society through the publication of financial statements. Generally, the release of financial statements provides more trust and shows the ability of creditworthiness. On the other hand, ethical and sustainable aspects are excluded, such as, for instance, employee satisfaction or work circumstances. Furthermore, it demonstrates that financial accounting cannot prevent economic misbehavior. In general, is financial accounting backward-looking and it excludes ethical, sustainable aspects. Still, for future managers and investors financial accounting will be highly relevant, as it shows essential data regarding the financial standing of a company. The Volkswagen scandal and Warren Buffett's advice prove the importance of understanding and critically analyzing financial figures and statements, as they reveal essential financial information regarding the monetary state of a company. Consequently, the module of financial accounting should still be considered as a highly important part of the bachelor's program of International Business Administration & Entrepreneurship at the Leuphana University at Lüneburg.

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Value Co-creation and Audience Product Pipeline, Marketing in the Digital Age

Amelie Schröder

Introduction

Digital marketing is something that most people are surrounded by daily. This creates a great need for development in digital marketing strategies. That is why digital marketing is a module in the studies of International Business Administration and entrepreneurship. The question is whether it is needed. This is discussed using the case of Lockcard. Lockcard, a German startup founded in 2019 by Aaron Rau and Jonas Weber, produces and sells slim cardholder wallets. They exemplify a departure from traditional marketing strategies by using a unique social media strategy to grow their startup.

With the daily use of social media platforms, the marketing industry has found new ways of advertising. The priority shifted from one-sided transmission of advertising to dialogue with the customer (Rossmann, 2011, pp.14-15). Based on the changed media usage behavior, there is a new logic behind marketing. Social media is not only an advertising channel, but also follows an interactive logic (Rossmann, 2011, p. 14).

Value co-creation

Small startups often have small budgets for marketing and development. It's the same for Lockcard. While minimizing high advertisement costs and utilizing organic marketing, as well as 3D printing technology in production, they bypassed market entry barriers. By using storytelling about the ups and downs of building a startup, they show authenticity. By posting regularly, they enhance their brand visibility because the algorithms of social media platforms reward consistency. The next step is to react to comments and engage with the community (Basnet, 2025, pp.30-31). Lockcard does that in almost every video. This makes the customer feel part of a community. Then, with the information provided about engagement rates, demographic information and reach, the company can learn what matters within their marketing campaign. This enables the brand to create perfectly tailored content to enhance brand trust and growth (Basnet, 2025, p.31).

Lockcard uses digital marketing as a platform to gain customer feedback to further develop the product, and by doing that, they gain an advantage compared to competitors. Therefore, the customer is the decisive advantage in competition in the digital age (Steinhardt, 2020, p.81).

Furthermore, Lockcard uses Value Co-Creation (VCC). They strategically shift from selling to customers to building and developing with customers. VCC is a process where products are developed together with customers. Product development is now an integrative process where companies not only use feedback but also combine resources. The company brings technical expertise and infrastructure, while the customer shares their individual knowledge, creativity, and needs on a product (Steinhardt, 2020, p.88). By doing so, marketing transforms from a one-way road to a dialogue. Social media provides the perfect platform for this dialogue. Because it provides discourse in real time. This phenomenon is also called an audience product pipeline. The concept describes a business model where digital interactions become a free commodity that is used to produce physical goods. This way, the barriers between marketing and production disappear (Rösch, 2025). Lockcard understood that early and focused on that for their business and marketing model.

When they publish a video, they often ask in the caption, “Who's up for MagSafe?” (Lockcard-official, 2024) or “What other modules would you like to have?” (Lockcard-official, 2023). By doing that, they actively include the potential customer and gain ideas and feedback. Comments become a resource. YouTube and every other social media platform use algorithms to predict user behavior and maximize view time. Those algorithms use every metric available to categorize a video, and those questions play into the algorithms of social media platforms. More comments mean a higher score in the algorithm and, therefore, more views (Basnet, 2025, p.9).

Because Lockcard is working in the B2C (Business to Customer) sector, it is important to build an emotional bond with the company. To make that bond happen, the most effective way is to use an emotional trigger (Steinhardt, 2020, p.106). While rational selling arguments like the price, material, and longevity are solid arguments, the feeling of belonging to a community, being able to actively participate in the development process, as well as the enthusiasm for technological processes in, for example, 3D printing, are often more important selling arguments (Steinhardt, 2020, p. 106). Lockcard uses information entertainment as a marketing strategy. People are

watching the videos for entertainment reasons. (Steinhardt, 2020, p.113). They are interested in the advantage of the week or how a new problem is fixed, not necessarily in the wallet itself.

Furthermore, the implementation of user ideas, collected in comments, creates the feeling of shared ownership. Because the idea is given by the customer, the product is connected to the feeling of being the creator. The community is a research and development department that is completely outsourced. This way, customers build an emotional relationship with the brand. This creates stronger loyalty (Inderhees, 2025).

Social media and YouTube open new possibilities for marketing strategies. One of them is the lower market entry barrier. It is not very expensive to start a new YouTube Channel. The only costs businesses have to face are those for digital infrastructure, such as cameras or microphones. Furthermore, everything that must be learned about content creation is out on the internet. The only thing it takes to start advertising, such as Lockcard, is time, consistency (Fuchs, 2021, p.274), and a brief understanding of the algorithms of social media platforms (Fuchs, 2021, p.305).

Disadvantages

The downside to this kind of advertisement is that it is often one face that represents the company. In Lockcard's case, this was David Rau. He built the company channel. Later, he left the company. His last video was uploaded in October 2023, underneath many commenters demanded David Rau's return (garadon2077, n.d.) and stated that they would not continue watching the videos (dasehrenmann, n.d.). This shows that the marketing strategy is very dependent on one person. This strategy is dependent on algorithms as well. Algorithms are very opaque. Only a few know exactly what metrics are used to make suggestions to the user (Fuchs, 2021, p.305).

Another downside is that if a company listens too much to the comments, it is not given that the opportunities in the comments are the opportunities of the silent group, consisting of people who like the product but don't like commenting or interacting with the videos. The second group, which is the minority, prefers more innovation. Following only the louder group, it would be logical to develop and produce increasingly new products in short time spans. Lockcard did this when starting a five-month challenge, releasing a new product every month (Lockcard-official, 2023). That short time leads to less time for product testing and, in the worst-case scenario, to products with defects or to products no one wants.

In addition to the previous points, this strategy is very dependent on the social media platforms' algorithms. This comes with the risk of losing reach by an algorithm update or other sudden changes, for example, community guidelines. The company is dependent on many factors given by the platform that it cannot influence.

Conclusion

The marketing strategy of Lockcard shows that the digital world opens new ways of marketing. It also shows that marketing is no longer just marketing; it is also a tool for management and development. But like every strategy, this way of marketing also has weaknesses. The main issue Lockcard created was that they only focused on one “brand face”. Some mistakes could have been prevented if the founders had taken the digital marketing module. Also, the company could maximize the outcome of the strategies used and the theoretical framework if it had a deeper understanding of how these work. At the same time, most of the subjects in the class are available online for free. That enables everyone to gain a deeper understanding of the topic and the content taught.

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The Importance of Marketing in Times of Digitalisation and Sustainability: Insights from the Case of Aesop

Mia Thiele

In today's business environment, marketing must constantly adapt to digitalisation and the growing importance of sustainability. The market is more transparent than ever, empowering consumers and increasing their expectations, which has made marketing more complex and strategically driven than in the past. Brands now require a deeper understanding of marketing strategy, consumer behaviour and the proper use of marketing instruments under these conditions. This essay argues the importance of the module "Marketing in Times of Digitalisation and Sustainability", which provides students with crucial marketing skills for the contemporary market, using the brand Aesop as a demonstrative example.

Marketing Strategy in Times of Digitalisation and Sustainability

"Marketing strategy refers to a long-term plan formulated by a business to achieve specific organizational objectives. The plan details how the business will reach its target market, and the exact process it will follow to turn potential customers into actual consumers of the company's products and services" (Corporate Finance Institute, 2020).

Because of the growing transparency through digitalisation, a successful marketing strategy becomes more difficult to execute. Consumers now have the possibility to easily find information about brands and compare them, maybe even judge them publicly, which reduces firms' control over their brand narratives. Brands need to develop long-term strategies and must avoid any mistakes, as these could cause reputational damage. They need to become credible for consumers to trust a brand and the promises it makes for its products. Customers' expectations are increasing and become more demanding for brands to match. Especially when it comes to the growing sustainability movement, which has gained increasing importance in recent years. Brands need to develop approaches to maintain the quality of their products while simultaneously making them sustainable. Greenwashing and false promises have made consumers more sceptical. To maintain credibility, a focus on consistency in their products is necessary.

Looking at Aesop, a skincare brand founded in 1987 in Melbourne (Lippitz, 2021), one can see that they respond to contemporary marketing challenges by selective strategic positioning. Aesop does not aim for maximum reach but rather a clearly defined audience aligned with its values. Their products have a minimalistic design, matching their brand identity and appealing to a specific, value-oriented audience. Aesop has a low advertising intensity, reducing promotional pressure (Ani, 2024). Instead, they focus on visual aesthetic storytelling via Instagram and their website. Word-of-mouth marketing by loyal customers and selected influencers on social media may contribute to perceived credibility by consumers and partially reduces the need for direct promotional efforts (Li, 2023). Aesop focuses on the environment and ethics, limiting flexibility but at the same time increasing credibility. They use sustainability as a strategic positioning tool rather than a marketing slogan. This becomes apparent through openly accessible information about their sustainability practices, including the use of recycled packaging materials, donations to environmental initiatives and its performance in sustainability frameworks like Net Zero commitments and B Corp certification scores (Sustainability Report 2020).

Aesop shows that strategic marketing planning is fundamental for brands to be successful in complex contemporary markets. They focus on a restrained communication style emphasising on transparency and long-term values, counteracting growing challenges through digitalisation and sustainability. This highlights the importance of teaching students marketing strategy, giving them crucial skills to be capable in the future.

Marketing Mix as a strategic instrument

“When creating a marketing strategy, an organization must conduct market research to understand the target market and know its competitors, incorporating the 4Ps of marketing: Product, Price, Place and Promotion” (Corporate Finance Institute, 2020)

Aesop markets its products as high-end skincare, body-care and haircare as well as fragrances. Their products are made from plant-based, laboratory-made ingredients, having a proven record of safety and efficiency (Aesop, n.d.). Strategically, this means that the products attract individuals who value sustainable, high-quality products — an increasingly significant and growing market segment.

Aesop's prices are elevated, underlining their quality and exclusivity. The brand can be positioned within the category of accessible luxury, as its prices exceed those of mass-market drugstore brands while remaining below the highest tier of traditional luxury houses. Customers often justify the premium through perceived high-quality ingredients and refined, multisensory product experiences. Aesop avoids constant discounting, which makes consumers wait to buy the product instead of purchasing when they really need it, highlighting their exclusivity once more (Ani, 2024). For status- and experience-oriented consumers, higher prices may reinforce perceptions of luxury and superior value.

The stores of the Australian brand are inspired by the local culture and architecture, attempting to create a comfortable, homely atmosphere. Aesop works with local architects and designers helping them convey those feelings (Branding Records, 2025). Their stores' design is minimalistic, matching their product design and underlining their brand identity. In an increasingly digital marketplace, consumers often seek multisensory in-store experiences that cannot be replicated online. Such environments can enhance emotional engagement and support experiential consumption patterns typical of premium segments.

Aesop prioritises the customer experience, making their purchase memorable for customers, differentiating them from traditional skincare brands. The Australian brand's identity is minimalistic and elegant, making it recognisable in the competitive skincare market. Through blog posts and informing consultations in stores, Aesop educates its customers, contributing to established trust. They are transparent about ingredients, empowering their consumers and attempting to create a sense of loyalty and community (Robson, 2025). Different social media channels provide made-to-measure content, enhancing the feeling of an emotional connection to the brand within customers (Barnett, n.d.). Aesop's promotion strategy can be described as an aesthetically coded pull communication strategy within the premium segment. The brand uses restrained campaigns, focusing on a highly consistent visual aesthetic. Word-of-mouth marketing by their loyal customers is one of their main marketing strategies. Consumers frequently rely on peer recommendations and self-directed information, making Aesop's strategies align with consumer motivations in digitally informed markets.

The brand Aesop illustrates that an effective implementation of the marketing mix is essential for attracting customers and building a meaningful brand-consumer relationship. The brands

coordinated integration of product design, pricing strategy, distribution and promotional activities demonstrates how strategic consistency can create a strong differentiation in a highly competitive market environment. This example highlights the importance for students to develop a solid understanding of marketing mix to be prepared for increasingly saturated and competitive industries.

Critical discussion of Marketing aims and means & Conclusion

While Aesop demonstrates strategic consistency, it also raises critical questions towards the aims and means of contemporary marketing.

By making sustainability a part of the brand's image, Aesop may enhance perceived credibility regarding consumers. At the same time the Australian brand risks appearing as if they are embracing sustainability not out of genuine beliefs towards its importance but rather as a differentiating factor from other skincare brands. Furthermore, Aesop's positioning as an exclusive, high-end brand could contribute to social segmentation, creating a distinction from groups of people who cannot afford this level of luxury.

These challenges demonstrate why marketing today is complex and must be managed in a very careful, strategic manner. The case of Aesop shows why the module "Marketing in times of Digitalisation and Sustainability", teaching students a structured understanding of marketing strategy, consumer behaviour and marketing mix, is essential for navigating contemporary markets responsibly and efficiently.

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Black Friday: The Blurred Boundary between Persuasion and Manipulation in Modern Marketing

India Jacobs

Each year, Black Friday transforms ordinary shopping patterns into record-breaking consumer activity, with average daily spending rising by more than 121% compared to normal sales periods (Ometria, 2025). Consequently, Black Friday seems to be an exceptional example of good marketing, especially regarding a statistic that has shown an increase in shopping already before Black Friday, due to pre-discounts. The fundamental principles being used have their basis in behavioral concepts. In today's society, those behavioral insights have become mandatory for successful marketing, especially in times of e-commerce. The digital world is overflowed with overstimulation, which makes it harder for companies to still attract the same attention of potential consumers because the attention span is decreasing and good ads are often overlooked. Thus, I am going to examine the following thesis:

To what extent is Black Friday deliberately designed to exploit systematic errors in human thinking, such as cognitive biases, in order to influence consumer perception and decision-making? This raises the question of whether such practices are legitimate persuasion or cross into manipulative exploitation.

The central claim of this analysis is that Black Friday is a carefully constructed architect of behavioral concepts to increase consumption and exploit individuals. As Bruhn et al. (2023) explains, "Since the change from a seller's market to a buyer's market, consumer behavior research and marketing have been closely intertwined. Therefore, findings from consumer behavior research form a central basis for successful decisions in marketing management." This proves that marketing has indeed become more dependent on psychological concepts. A critical examination reveals how those cognitive biases of individuals are used to influence their decision-making, shifting it from purely rational to emotional. Companies don't just offer products, they design a choice environment with one purpose, to increase sales. Black Friday makes a perfect case study to examine whether the persuasion is acceptable or should be ethically questioned. Therefore, I am going to examine some of the cognitive biases used to make Black Friday a successful sales day for companies, to prove this thesis.

In psychological terms, cognitive bias refers to systematic patterns of deviation from rational judgment, where individuals rely on mental shortcuts that shape subjective perceptions rather than objective reality (Oxford Review DEI Dictionary, 2024).

The evaluation of the extent of cognitive biases for advertisement will be elaborated in the examination of its underlying marketing principles and their psychological counterparts.

One of the key mechanisms at play in persuasive marketing is social proof, where consumers follow the behavior of others, a principle that Cialdini identifies as central to persuasion (W. P. Carey School of Business, 2007). In general, social proof theory states that individuals seek the behavior of others, revealing the bandwagon effect. Black Friday utilizes social proof theory by creating the illusion that many people participate in it. For instance, positive online reviews and high star ratings have revealed a significant influence on consumer trust and purchase decisions, acting as social proof that signals product credibility and reduces uncertainty in buying situations (Dr. S. Kiruthika, 2025). On the other hand, social proof in marketing is also conveyed through influencer endorsements, where consumers are influenced not by large anonymous crowds but by trusted or admired individuals whose approval signals product credibility (De Veirman et al., 2017). Therefore, it becomes evident that marketing is deliberately designed to exploit cognitive biases.

Another crucial part of cognitive biases is the scarcity principle, which influences the consumer into thinking that something has more value through different strategies. Black Friday emphasizes certain items as limited to the individual, with “only three more left” and the advice to hurry up before losing the chance to buy it. Cialdini explains that “loss is the ultimate form of scarcity,” because “when people are reminded of what they stand to lose, they are more motivated to act” (W. P. Carey School of Business, 2007, para. 32). This results in individuals being more likely to take action, illustrating the effectiveness of psychology in marketing. However, a significant level of scarcity is also reached through labeling items as limited or special, leading consumers to fall for mental shortcuts, creating a higher value and urgency to buy. This underscores the significance of understanding the underlying principles to avoid such persuasion.

In addition to the scarcity principle, another cognitive bias that is utilized for profit maximization is the anchoring bias. In marketing communication, anchors are frequently presented as advertised prices or numerical reference points, which significantly influence consumer’s willingness to pay

and shape their perception of value, particularly when they lack prior knowledge about the product (Bunčić et al., 2020). One common marketing application of the anchoring bias in advertisement is the use of crossed-out “original prices” beside sale prices, which sets a reference point in consumer’s minds and makes the discounted price seem like a significantly better deal. This leads consumer’s to consider prices they would normally categorize as too expensive but that are presented as a good deal. This further emphasizes the complexity of cognitive biases and their adaptation in marketing with carefulness to receive the right reactions.

The final mechanism that influences decision-making is the framing principle, referring to the phenomenon of changing the outcome through paraphrasing communications as a loss or a gain. Tversky and Kahneman (1981) argue that “psychological principles that govern the perception of decision problems and the evaluation of probabilities and outcomes produce predictable shifts of preference when the same problem is framed in different ways” (Bunčić et al., 2020, p. 107). Not only framing as a gain can influence behavior beneficially, but also framing as a loss. For instance, “Save 200 \$ today!” or “Don’t miss out on 200 \$ savings!” promote both loss and gain to change the perception of the consumer into taking these options into account. Ultimately, this highlights that framing is a part of cognitive biases that can be used as persuasion in decision-making.

This ultimately contributes to a deeper understanding of cognitive biases, ending in the examination of whether it is persuasion or manipulation. While the strategic use of cognitive biases may be defended as a legitimate form of persuasion within competitive market’s, the deliberate activation of predictable decision errors raises concerns regarding consumer autonomy and free will. On one hand, cognitive biases are used in more than one field, in politics, public health, and judicial contexts, making it hard to differentiate between common practices of persuasion and special manipulation to increase sales. On the other hand, human imperfections are exploited to change the behavior of individuals for the benefit of other parties. In this context, the focus should shift from restriction to responsibility, emphasizing transparency as a safeguard against cognitive manipulation. This proves that it is indeed important to further explore the field of business psychology in order to maintain ethical responsibility.

Overall, this demonstrates that Black Friday is deliberately designed as a choice environment that exploits cognitive biases and effectively shapes the perception of prices and companies. The analysis of the extent of this influence, particularly regarding the distinction between persuasion

and manipulation, raises the question of whether such practices should be ethically questioned. The findings have shown how different cognitive biases function and how they can be utilized during Black Friday. For instance, social proof appears through ratings or influencer promotions, while the scarcity principle illustrates how perceived values can change depending on limited availability. Anchoring and framing bias operate through the presentation of information, such as displaying a crossed-out original price alongside a discounted one. Taking all arguments into account, this analysis reveals the significant extent of persuasive marketing practices, with a slight tendency toward manipulation. In this sense, marketing for Black Friday illustrates how modern persuasion increasingly approaches the threshold of manipulation.

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Balancing Precision and Usability: The Managerial Challenge of Nutritional Transparency Platforms – The Case of “PlateCheck”

Maxine von der Linde

Introduction

Digital technologies promise to enhance everyday life, particularly regarding nutrition, by providing data-driven solutions that facilitate healthier decision-making through the quantification of food. However, there is a lack of nutritional transparency surrounding prepared meals consumed outside the home (e.g. restaurants), particularly about specific dietary requirements. (Habersang – Digital Age Slides)

PlateCheck is an emerging digital platform that aims to bridge this gap by providing detailed nutritional information dishes in restaurants, helping users to select the suitable restaurant and meal without having to guess on level of protein, fibre or sugar. However, achieving precision in nutritional data poses a challenge, as it increases both technical and cognitive complexity. The platform must therefore strike a balance between technological accuracy, usability, economic feasibility and the responsible communication of nutritional information.

This essay will examine whether the effectiveness of nutrition transparency platforms depends more on their ability to integrate technological capabilities with managerial and ethical considerations than on the granularity of the data they provide. Through an interdisciplinary lens, the analysis of PlateCheck highlights the importance of managerial judgement in digital entrepreneurship over mere technological optimisation.

Case description: PlateCheck as an early-stage digital venture

PlateCheck is a new digital platform (app) that aims to improve nutritional transparency for restaurant meals. By encouraging restaurants and chefs to voluntarily disclose structured nutritional information about their dishes, customer can check the nutritional values of the dish beforehand. Unlike personal diet-tracking apps or packaged product databases, this platform focuses on restaurant meals. Participating establishments can share standardised nutritional data, including calorie, carbohydrate, sugar, fibre and protein content. This information is presented in a format that helps customers to make informed dietary choices. Users benefit from being able to

evaluate whether restaurants meet their dietary requirements and compare menu items based on nutritional criteria, this is especially important for people with diabetes.

Despite its benefits, PlateCheck does not currently offer financial incentives to participating restaurants, meaning they must allocate extra time and effort to preparing and coordinating the data. Therefore, they must be encouraged to share this information, potentially through reputational enhancement or by attracting health-conscious customers.

As a start-up with limited resources and an evolving data infrastructure, PlateCheck relies on the voluntary cooperation of restaurants, while working to improve the standardisation of translating dish compositions into comparable nutritional profiles. The initiative acts as a digital intermediary in a two-sided market, adding value for customers by increasing transparency, but requiring active engagement and data contribution from restaurants. The following sections will delve into the interplay between user expectations, restaurant incentives, data accuracy, financial viability, and the managerial challenges involved.

Theoretical framing: An interdisciplinary management perspective

The PlateCheck case can be best understood through an interdisciplinary approach, particularly within the IBAE framework. It represents a convergence of technological advancement, economic coordination, managerial decision-making, entrepreneurial opportunity recognition and responsibility in digital spheres, not merely technological advancement. In the restaurant market, an economic perspective highlights a significant information asymmetry, whereby restaurants possess extensive nutritional data which is frequently unavailable to customers. The absence of standardised, comparable data hinders customers, especially those seeking informed dietary choices.

PlateCheck seeks to address this issue by enhancing nutritional transparency through structured data disclosure. However, effective management is also essential for facilitating collective action and coordinating performance across organisations, as the challenges extend beyond economic factors. (Reihlen– Management Intro Slides)

In the context of PlateCheck, managerial action is required not only within the start-up itself, but also to coordinate the relationship between the platform and participating restaurants. Decisions

regarding data standardisation, transparency levels and communication strategies must balance the interests of multiple stakeholders.

Furthermore, the digital context introduces an additional layer of complexity. As discussed in the introduction to Management & Entrepreneurship in the Digital Age, contemporary business models are increasingly reliant on data as a core resource and on platform-based coordination mechanisms. (Habersang– Digital Age Slides) PlateCheck can therefore be understood as a digital intermediary that connects restaurants and customers via organised data. Rather than generating value through production, PlateCheck generates value through coordination and data organisation.

The case raises questions of responsibility and sustainable management, emphasises that managerial decisions extend beyond short-term efficiency to encompass broader societal implications. (Weisenfeld– Sustainable & Responsible Management) In a context where nutritional information can influence consumer behavior and health-related choices, transparency and communication practices have ethical implications.

Taking together, these perspectives demonstrate that PlateCheck cannot simply be viewed as a technical solution for data aggregation. Rather, it represents a multidimensional managerial challenge requiring the integration of economic reasoning, organisational coordination, digital platform logic and responsibility considerations. This interdisciplinary approach provides the basis for the subsequent analysis of the tension between achieving data precision and ensuring practicability.

The tension between data precision and practicability

Data precision as a source of value

At first glance, improving the precision of the data appears to strengthen PlateCheck's value proposition. The more accurately nutritional information is categorised, the more reliable and personalised user decisions can be. Detailed data enables filtering options, targeted comparisons and aligning meals with specific dietary. In competitive digital environments, therefore, precision can function as a differentiating factor.

From a managerial perspective, expanding data depth may seem like a logical strategic step. More granular information can enhance credibility and potentially strengthen user trust. Furthermore, precise data can establish the platform's reputation as a reliable source of nutritional transparency. However, this assumption is based on the idea that more information automatically leads to better decision-making and a higher perceived value. (Habersang – Digital Age Slides)

Cognitive and Practical Constraints

In practice, the everyday decisions made in restaurants are influenced by cognitive and situational constraints. Dining is often a social and time-sensitive activity. Customers may consult an app at a table with others and have limited time and attention to process complex information. If they are presented with extensive nutritional breakdowns including multiple macronutrients, micronutrients, portion adjustments and technical calculations, the decision-making process may become more challenging.

For instance, someone following a low-carbohydrate diet might initially search for restaurants offering suitable options. However, if each dish is accompanied by a highly detailed nutritional matrix without clear prioritisation or filtering mechanisms, the effort required to interpret the data may outweigh its perceived benefit. In such cases, the app risks increasing cognitive load rather than reducing uncertainty.

Furthermore, nutritional information in restaurant settings is inherently approximate. Variations in portion sizes, ingredient substitutions and preparation methods introduce an element of uncertainty. Therefore, presenting highly granular figures may create a perception of exactness that exceeds the practical reliability of the underlying data. (Reihlen– *Management Intro Slides*)

The managerial trade-off

These constraints reveal a structural trade-off. Increasing data precision can enhance differentiation, credibility and perceived transparency. However, higher levels of detail also increase the effort required for coordination, the complexity of data processing, and the cognitive demands on users.

For restaurants, for example, calculating precise nutritional values for each variation of a dish may require standardising recipes, controlling portions, and performing additional administrative tasks.

If such efforts do not result in visible customer demand or a competitive advantage, the incentive to maintain high levels of data granularity may decrease. Expanding data depth may improve the platform's technical sophistication, but it will also raise operational costs and increase reliance on restaurant cooperation.

Therefore, the challenge lies not in choosing between transparency and simplicity, but in determining the appropriate level of precision that remains usable and economically sustainable. The managerial challenge lies in the meaningful structuring of data, not its quantity. This aligns with the management accounting perspective that effective decision-making depends not on maximal data availability, but on appropriately aggregated and context-relevant information. (Lueg – Management Accounting)

Integrative managerial judgment

Addressing this trade-off requires integrative managerial judgement. Decisions about which nutritional indicators to display, how to prioritise them and how to design filtering mechanisms require economic reasoning, organisational coordination and consideration of the digital interface simultaneously. The platform must strike a balance between user expectations, restaurant incentives, and practical feasibility.

In this sense, PlateChecks development demonstrates that digital entrepreneurship is not primarily a question of technical capability, but of deliberate prioritisation. Value is created not by accumulating ever more data points, but by reducing complexity in a structured way that supports actionable decision-making. Maintaining this balance is a key entrepreneurial responsibility in digitally mediated environments. (Reihlen– *Management Intro Slides*)

Conclusion

This essay explored whether the success of a nutrition transparency platform such as PlateCheck hinges on either increasing data precision or the managerial capacity to balance competing demands. The analysis showed that, while greater data granularity enhances differentiation and perceived credibility, it also introduces cognitive, operational and coordination-related complexity. In a restaurant context, where decisions are often time-sensitive and socially

embedded, excessive or poorly structured information can hinder rather than help practical usability.

This case study demonstrates that value creation in digital environments does not stem from accumulating ever more data points, but from presenting them in a structured and context-sensitive manner. Restaurants face incentive constraints; users face cognitive limits and the platform itself faces resource limitations. These interconnected factors demonstrate that digital entrepreneurship requires integrative managerial judgement across economic, organisational, and technological dimensions.

The boundary between “more is better” and “more is too much” is delicate and context dependent. Successfully navigating this boundary is not a technical problem with a fixed solution, but rather an ongoing strategic task that defines responsible management in complex digital markets.

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Shein: A Case Study of Efficient Management in Times of Digitalization – Simultaneously Demonstrating the Necessity of Sustainable Management

Riccarda Keis

Introduction

Management has long been defined as “the art of getting things done through people”, a concept famously articulated by Mary Parker Follett (Rheilen, n.d.). While this definition remains influential as a management foundation, modern efficient businesses operate in an environment fundamentally reshaped by digital transformation. Nowadays, management is no longer solely about coordinating humans, it increasingly involves managing the coworking of managers and technologies. At the same time, the revolutionized management efficiency through digitalization presents a paradox. On one hand, it offers opportunities to transform processes sustainably and efficiently, however, it simultaneously enables the large-scale execution and mass replication of those very processes. Considering the pressing global challenges, sustainability is no longer an optional but a fundamental principle within the modern economy.

The case of Shein, one of the worldwide largest fast fashion companies (Chen, 2023), perfectly presents the effective use of digitally transformed management as a success factor, while highlighting a business model that fundamentally misaligns with the principles of sustainability. In the following, I’m going to illustrate the need for sustainable management in times of digitalization and thereby the necessity of the module “Sustainable Management & Entrepreneurship” within the International Business Administration & Entrepreneurship (IBAE) study program by examining the company Shein.

Shein’s Transformation into a Global Fast Fashion Leader

Shein is worldwide known as a fast fashion company, founded in 2008 by the CEO Yangtian Xu, based in Nanjing (Shen, 2022). Initially, Shein started as a drop shipping business, which used a niche market of low-price wedding dresses for their success, buying their entire merchandise in Guangzhou wholesale markets. With a rebranding in 2014, the company acquired a Chinese

retailer, so-called Romwe, which therefore transformed Shein into a retailer itself (Liu, 2022; Shen, 2022).

Throughout the years, the company added a variety of products. Nowadays, Shein is more than an all-inclusive fast fashion clothing, beauty and home catalogue site for women, men and kids. The company managed to develop an interactive website and app-system with featured channel pages such as “Exclusive”, “Trends” and “Explore” and ongoing features which constantly encourage customers to participate through reviews, competitions and reward systems (Francesca & Vittoria, n.d.; Shen, 2022). Somehow Shein turned into a kind of social network for fashion, addressing young woman, the Gen-Z generation, and also price-driven people in general who are known for their changeable tastes and can be attracted by adapting low prices and plenty of product options, which is exactly what Shein does (Chen, 2023).

The Company itself identifies as one of the most popular cross-border e-commerce platform and due to their global presence of more than 40 offices globally, nearly 10.000 employees, over 7.200 contract manufacturers and more than 5.300 empowered brands, artist and designers, which are all together capable to ship to more than 150 countries – they really are (*About Us | SHEIN USA*, n. d.; *About Us - SHEIN Group*, 2025; Shen, 2022).

Data-driven management: The key driver of Shein’s success

Shein’s Management strategy is based on a combination of interrelated approaches, including data analytics, an digitally empowered agile supply chain management (*About Us | SHEIN USA*, n.d.), a perfectly constructed marketing management reaching the digitally driven Gen-Z generation through a precise adapted functional system of the four Ps (Product, Price, Place and Promotion) in marketing, just to name a few (Chen, 2023; Liu, 2022). All strategies adapted to the digital era jointly had a huge impact on the company’s rapid growth.

At the centre of the company’s success, Shein itself points out their on-demand business model (*About Us - SHEIN Group*, 2025), which exemplifies the consumer-to-manufacturer (C2M) business model (Shen, 2022). This approach restructured traditional fashion value chains fundamentally. Instead of producing large volumes in advance based on trend forecasts, Shein takes advantage of large databases of the global social media fashion network and analysis of consumer behaviour to identify or create a trend explosion (Chen, 2023). New products are

launched in small initial batches of 100 to 200 items, customer feedback gets evaluated in real time, which enables reaction to increased demand with agility and speed (*About Us - SHEIN Group*, 2025). By directly linking consumer demand to manufacturing decisions, this model enables Shein to reduce inventory risks, shorten time-to-market, and offer an immense variety of region-specific products daily at significantly lower prices. The company is seen as “retail in real time”(Chen, 2023), where moving from trend identification to production takes less than three days (Liu, 2022).

It is evident that the driving force behind this model is the application of data-driven management. In both cases, creating ideas and producing items, the company takes advantage of investigating large databases. By developing an optimized website and app tailored to the consumption patterns of Gen Z (Shen, 2022), keeping them engaged, they’re enhancing the effectiveness of its data-driven management.

Clearly, Shein figured out perfectly how to successfully align its management with the dynamics of the digital era to develop an exponentially growing business model (Chen, 2023), where the customers themselves become unconscious contributors of the firm’s management. However, it remains questionable whether mass production can be sustainably implementable.

Structural Unsustainability in Fast Fashion

Fast Fashion is a business model that aims to democratize couture by rapidly translating luxury fashion trends into low-priced products for the mass market. Therefore, it copies high-fashion designs, which are then mass-produced at minimal cost and made available within short time frames. Consequently, it relies on large-scale production, low labor costs, and short product lifecycles. As a result, fast fashion is structurally linked to excessive resource consumption, waste generation, and problematic working conditions, making it fundamentally incompatible with sustainable principles (Francesca & Vittoria, n.d.; Liu, 2022).

Shein, as one of the largest fast fashion companies, exemplifies this issue. At first glance, the company’s highly agile data-driven supply chain may appear sustainable, as it claims to reduce overproduction by aligning supply more closely with demand. However, despite this assumption, Shein’s overall fast fashion business model remains far from sustainable. Although Shein publicly adheres to corporate social responsibility values and dedicates sections of its website to

environmental and social concerns, these efforts appear largely superficial when contrasted with its operational practices (Francesca & Vittoria, n.d.).

Taking a closer look, due to a lack of transparency within its supply chain, it is already impossible to verify the company's claim regarding environmentally friendly production processes or the use of sustainable materials, which already casts doubts. In 2021 alone, Shein launched approximately 800,000 new products, averaging more than 50,000 items per month. Even though they claim to be able to minimize waste with their C2M system, simultaneously with such a mass offering, they are encouraging the throw-away culture created by short-term trendy cycles in fashion, which clearly produces textile waste. Furthermore, their low-priced items indicate that they are made of synthetic materials, clothing made of these materials will not last, which further increases waste. Additionally, reports indicate severe labor law violations, with workers reportedly working up to 75 hours per week under a piece-rate payment system. Concerns regarding repeated design theft further intensify ethical criticisms of the company's practices (Comparison: Liu, 2022).

Even these few selected examples reinforce the conclusion that a fast fashion business model such as Shein is inherently unsustainable, despite the company's efforts to project an outward image of sustainability.

Conclusion – Necessity of the Module

The presented case of Shein illustrates perfectly why the module “Sustainable Management & Entrepreneurship” (SM&E) is a crucial component of the IBAE study program. As explored in our IBAE Introduction throughout the past weeks, this module focuses on extending the students' knowledge about management in times of digitalization to how businesses can transform their management practises to better integrate sustainability principles, while also enabling future entrepreneurs to develop sustainable business ideas. It is about learning and using the benefits of digitalization in a sustainable way, aiming to broaden students' perspectives beyond short-term efficiency, fostering a long-term horizon, and gaining a deeper understanding of the sustainability challenges.

Shein exemplifies how taking advantage of digitalization can optimize a business's efficiency, while it simultaneously reveals the severe social and environmental consequences that arise when sustainability is not embedded as a core objective. SM&E precisely addresses these challenges by

equipping students with the knowledge and tools to rethink existing models such as fast fashion, while still including the advantages of the digitalized era.

In a business landscape shaped by digital transformation and global responsibility, educating future managers and entrepreneurs on sustainable management is not optional but essential. Leuphana University realizes this education, among other things, with this module in their IBAE program, preparing the next generation to address the critical challenges of the 21st century and to shape business practices that contribute to a more sustainable global economy – and this is now of greater importance than ever!

As the IBAE program is designed to educate change makers, this module is indispensable.

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From “AI Tool” to “AI Companion”

Henrik Steenkamp

What changed

Digital transformation is no longer only about digitizing workflows; it increasingly reshapes how people coordinate, seek support, and build trust at work. As generative AI becomes embedded in daily work—drafting messages, summarizing meetings, recommending decisions, and offering coaching-like support—it changes which needs employees meet through colleagues versus through systems. The broader plausibility for this direction is that generative AI exposure is widespread and often implies task transformation/augmentation rather than full automation (Gmyrek et al., 2023).

Why it matters

This shift matters because many societies already report high levels of loneliness and social disconnection, prompting public-health-level responses. The U.S. Surgeon General’s advisory frames social connection as a protective factor for health and civic functioning and warns that loneliness and isolation carry significant individual and societal costs (Office of the Surgeon General, 2023).

Mechanism

AI and algorithmic systems increasingly mediate coordination and evaluation in organizations, which can shift interaction toward system-mediated channels; depending on work design, this may reduce or alter informal human interaction in the workplace (Kellogg et al., 2020). Words and sentences are also increasingly transformed from sender to receiver through AI-mediated channels, with possible (often unconscious) loss of nuance and shared meaning. Fewer human interactions and bonding moments can reduce opportunities to build trust and threaten psychological safety; in low psychological safety environments, this can increase avoidance and reduce collaborative learning and speaking up (Edmondson, 1999). In parallel, a practical operational risk is over-reliance: teams may delegate tasks to GenAI and fail to verify outputs consistently.

If organizations do not design for human contact and psychological safety, this can weaken trust, increase avoidance, and reduce the willingness to challenge outputs—whether those outputs come from colleagues or from AI systems (Edmondson, 1999). This change puts a lot of transformation responsibility on entrepreneurs and managers of tomorrow. That is why platform and ecosystem thinking is more important than ever.

To underline the importance: belonging is not a “nice-to-have,” but a basic human motive that strongly shapes functioning in social settings like work (Baumeister & Leary, 1995). If employees withdraw from interpersonal risk, teams learn less from mistakes and speak up less, which is exactly what psychological safety is designed to prevent (Edmondson, 1999).

Why human interaction is needed

Belonging is a fundamental human motive that influences wellbeing and functioning across life domains, including the workplace (Baumeister & Leary, 1995). Even though social isolation and loneliness are not the same, both can have severe impacts on human health and societal functioning, which is why they are treated as a major societal concern (Office of the Surgeon General, 2023). Against that background, the risk in the next 20 years is not only how much AI will change tasks, but how it may change everyday interaction patterns at work (Gmyrek et al., 2023).

Why AI can become a work companion

Anthropomorphism increases under specific motivations, including social connection needs (Epley et al., 2007). In other words, when affiliation needs are salient, people are more likely to interpret non-human agents in humanlike terms (Epley et al., 2007). In the work environment, this becomes relevant because when psychological safety is low, employees may avoid interpersonal risk; in those moments, AI-based interaction can become a lower-risk alternative to human interaction (Edmondson, 1999).

In recent years, it has become clearer that users can treat social chatbots as sources of companionship and even friendship-like relationships (Brandtzaeg et al., 2022).

Organizational risk

A common concern is how stable the job market will remain as AI transforms tasks, roles, and skill requirements over time. One relevant point is that generative AI exposure is widespread and often implies task transformation/augmentation, not only replacement (Gmyrek et al., 2023). This also makes it plausible that AI will be deeply embedded in workflows over the coming decades, which increases the importance of the relationship and culture effects discussed above.

On the other hand, algorithms have reshaped control, evaluation, and autonomy at work already over the last decades (Kellogg et al., 2020). As AI becomes embedded in coordination and evaluation, algorithmic control can intensify, reshaping autonomy and making feedback processes feel less transparent (Kellogg et al., 2020). In such contexts, psychological safety can become harder to maintain, and employees may be less willing to speak up, challenge decisions, or engage in interpersonal risk-taking (Edmondson, 1999).

Solution

AI is not bad and should not be banned. It can also support inclusion and reduce barriers for some employees (e.g., language support, confidence scaffolding, accessibility, immediate help). However, these benefits do not remove the need for social design; they make governance and boundary-setting more important. From a workplace mental health perspective, the solution cannot be reduced to individual self-regulation; it requires organizational interventions and manager training (World Health Organization, 2022).

The key word is emotional distance. I define emotional distance as the ability to benefit from AI's competence gains without outsourcing self-worth, decision ownership, or social needs—so that autonomy and relatedness are protected rather than replaced (Ryan & Deci, 2000). Nevertheless, outsourcing relatedness toward AI is not a solution either (Baumeister & Leary, 1995; Ryan & Deci, 2000). Emotional distance addresses the substitution risk identified above by allowing employees to use AI for competence gains while preserving human channels for validation, conflict resolution, and belonging (Baumeister & Leary, 1995; Ryan & Deci, 2000).

Psychological safety is especially important in the workplace because it supports speaking up, willingness to learn, and interpersonal risk-taking (Edmondson, 1999). This becomes more critical

as AI outputs can be wrong or misleading and teams must challenge and verify outputs across many tasks and decisions (Edmondson, 1999).

Implementation

Organizations should define clear “no-AI zones” for interactions that are emotionally loaded, ethically ambiguous, or high-stakes—such as performance feedback, conflict mediation, disciplinary actions, layoffs, and sensitive wellbeing conversations. The point is not that WHO explicitly prescribes “no-AI zones,” but that protecting mental health at work requires organizational interventions and manager practices that reduce psychosocial risks rather than shifting the burden to individuals (World Health Organization, 2022).

Instead of placing the burden on employees to self-regulate AI use, companies should treat sustainable AI adoption as an organizational mental health and safety issue by implementing manager training, supportive policies, and workplace-level interventions that reduce psychosocial risks and strengthen protective factors (World Health Organization, 2022).

Entrepreneurship Idea

In my view, the strongest entrepreneurial opportunity is not “AI training” in a narrow, tool-focused sense, but capability-building that combines technical AI use with organizational design and psychosocial risk prevention—so employees gain competence while the workplace protects autonomy, relatedness, and mental health through systematic interventions and manager support (Ryan & Deci, 2000; World Health Organization, 2022).

Scaling the solution: from services to a scalable ecosystem

I frame the business model as evolving from a classic service pipeline (workshops, audits, coaching) toward a platform logic: a scalable ecosystem in which certified facilitators, standardized modules, and complementary tools can be coordinated and improved through network effects. I also imagine a continuous feedback loop that secures quality and adapts as workplaces change.

Reinvention problem: value for society and ethics

I position the startup as an answer to the broader “reinventing management” challenge in the digital age: AI adoption should not be optimized for efficiency alone but designed for responsible value creation that considers societal outcomes (e.g., social cohesion and wellbeing at work) and ethical governance of technology.

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Disruption or Adaptation? Generative AI and the Future of Adobe's Business Model

Sophie Glaser

Introduction

Since 2022, generative artificial intelligence (AI) has visibly reshaped the software sector. Models that generate new text, images, or video from training data reduce time and knowledge costs and accelerate innovation cycles (Feuerriegel et al., 2024). Because outputs can be produced within seconds via short prompts, individual features become more substitutable. At the same time, competition shifts from stand-alone tools toward integrated workflows, data access, and governance arrangements that make results reliable and scalable (Iansiti & Lakhani, 2020).

In 2026, this uncertainty also became apparent in capital markets. Reuters (2026) links sharp declines in software stocks to concerns that generative AI could erode established revenue models. Adobe is a useful case because Creative Cloud is widely used for producing and editing digital content and is directly exposed to generative AI. Financial reporting has also questioned whether AI features can be translated into incremental revenue quickly enough (Reuters, 2025b). Against this backdrop, this case study examines whether generative AI threatens the subscription-based model of Creative Cloud and how Adobe responds. The guiding question is whether AI substitutes core Creative Cloud services or instead expands value creation. From a management in the digital age perspective, the case highlights how firms integrate new digital technologies into existing value creation while strengthening trust, governance, and platform structures as competitive levers (Iansiti & Lakhani, 2020).

The business model of Adobe

Adobe develops software for the creation, editing, and publication of digital content and reports operations in Digital Media and Digital Experience (Adobe, 2026a). Creative Cloud sits within Digital Media, while Digital Experience covers solutions for marketing, analytics, and customer experience management (Adobe, 2026a). Creative Cloud is a subscription suite of cloud-enabled applications and services for producing, editing, and publishing digital content. Typical users

include designers, photographers, video editors, and marketing teams, as well as freelancers, agencies, and students.

Creative Cloud is predominantly subscription-based. Users pay monthly or annually and receive continuous updates, cloud storage, and collaboration features. Subscriptions provide predictable recurring revenue but require a continuing justification of value, as perceived benefits must remain higher than customers' willingness to cancel. For fiscal year 2025, ended November 28, 2025, Adobe reports Digital Media revenue of USD 17.65 billion, up from USD 15.86 billion in the prior year (Adobe, 2026a). Adobe also reports Total AI Influenced ARR, which, according to the company, reflects recurring revenue from offers where AI features measurably contribute to usage (Adobe, 2025b). This indicates that AI is treated as part of Adobe's future revenue logic.

Risks from generative AI

A central risk is the substitution of specific tasks. Image generators and AI-supported video tools can deliver drafts, variations, or simple retouches quickly, lowering entry barriers for users who previously did not rely on professional creative software. In lower-priced segments, customers may choose simpler AI tools if results are sufficient and a full suite appears too costly. This matters for Adobe because early-stage users often grow into professional workflows, stabilizing the subscription base over time.

Generative AI also changes what professional creative work looks like. When first drafts and routine edits become cheaper, value shifts toward choosing among options, enforcing quality standards, and keeping outputs consistent with brand guidelines. Research on generative AI in creative industries suggests that these productivity gains can coincide with uncertainty about roles and quality expectations (Amankwah-Amoah et al., 2024). For Adobe, the commercial implication is that willingness to pay depends not only on feature breadth, but also on whether Creative Cloud remains the preferred environment for producing deliverable-quality work under time and brand constraints.

A further risk is commoditization and functional unbundling. If users increasingly compare isolated capabilities such as image generation or background removal, subscriptions can be perceived as overly broad. This intensifies price pressure and encourages switching to single-purpose tools, especially for use cases that do not require advanced workflows. For a suite built on

recurring revenue, a shift from workflow value to feature value challenges both pricing and retention.

Opportunities and strategic responses

Despite these risks, several factors limit the likelihood of an immediate collapse of subscriptions. Professional creative work rarely ends with a single AI output. Value typically derives from precise editing, consistent design across projects, and collaboration with version control and approvals. These needs are more likely to be met through integrated workflows than through isolated single-purpose tools, making switching costly.

AI can also increase the value of Creative Cloud if integrated as a complementary layer within existing workflows. Research on AI-driven business model innovation argues that AI can enable new value propositions through automation and altered usage logics (Jorzik et al., 2024). Adobe follows this approach with Firefly, a family of generative models embedded in Creative Cloud applications that can generate variations or extend content (Adobe, 2025c). The strategic intent is to raise productivity within professional workflows so that the subscription becomes more valuable rather than redundant.

Trust is another protective factor. Adobe notes in its Firefly legal FAQs that enterprise customers may, under certain conditions, obtain indemnification against specific copyright claims related to Firefly outputs, subject to defined exclusions (Adobe, 2024). This makes governance part of the product value, not only a compliance requirement. Adobe also ties many generative functions to a credit system. Many subscriptions include a monthly allowance of Generative Credits consumed by AI requests, with additional credits depending on the product offer (Adobe, 2026b). This supports cost recovery for compute-intensive use while preserving subscription logic.

Adobe is also positioning Firefly as a model hub. Reuters (2025a) reports that Adobe intends to integrate external models from providers such as OpenAI and Google into Firefly via the existing credit-based system. Adobe thus positions itself as a coordinator that bundles model choice, billing, and workflow integration. From a platform perspective, this can strengthen network effects because experimentation and production occur within the same ecosystem (Parker et al., 2016). At the same time, differentiation based on model performance alone becomes harder, increasing comparative pressure.

Finally, Adobe is expanding distribution through new interfaces. It announced that functions from Photoshop, Adobe Express, and Acrobat will be available for ChatGPT, enabling tasks via natural language and then transferring results into professional workflows (Adobe, 2025a). This reflects a broader shift in customer touchpoints toward conversational systems and reinforces the strategic importance of controlling standards, governance, and workflow integration (Iansiti & Lakhani, 2020).

Conclusion

For Adobe, generative AI is both risk and opportunity. Risks arise from task-level substitution and from the possibility that customers evaluate and purchase AI capabilities feature by feature rather than as an integrated suite. At the same time, professional requirements and workflow integration can stabilize the subscription model if Adobe provides AI as an embedded productivity and governance factor. Adobe's response points to adaptation rather than displacement. AI is embedded in core products, usage is metered via credits, Firefly is positioned as a platform layer, and distribution expands through new interfaces.

From a management in the digital age perspective, the case illustrates that competitive advantage increasingly depends on workflow control, trust and governance, and the ability to translate AI usage into recurring revenue without eroding perceived value (Iansiti & Lakhani, 2020). However, the long-term impact will depend on how generative AI capabilities, regulation, and user expectations evolve and on whether Adobe can monetize AI usage without weakening perceived subscription value.

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From Fridges to Platforms: How Management in the Digital Age Tackles the Climate Crisis

Carolin Thrän

The digitalisation of economic activities has significantly changed how value is created and consumed. As a result, new business models have emerged, that differ in important elements from traditional organisational structures, particularly in their reliance on platform-based structures and data-driven processes. These developments have reshaped managerial and organisational processes, demanding new skills and ways of thinking from managers in order to succeed.

This paper examines the digital platform Olio as a case study to illustrate how key concepts from the module *Management and Entrepreneurship in the Digital Age* are relevant in practice. It highlights the practical relevance of these concepts for management in the digital age and discusses their implications for contemporary leadership. Ultimately, the paper argues that the module is an essential component of the Leuphana curriculum for preparing students to lead effectively in a highly digitalised environment.

The theoretical concepts applied in this paper are based on teaching materials and content provided within the module *Foundations of Management and Entrepreneurship* at Leuphana University.

The Advantages Olio Brings to Neighbourhoods

A clear example of how digitalisation can be used to create positive social and environmental effects is Olio. First launched in 2015 (Olio, n.d.-a), Olio is a digital platform that enables neighbours to share surplus food and non-food items that are no longer needed (Olio, n.d.-c). The main aim of the app is to reduce waste while encouraging local, community-based exchange (Olio, n.d.-b).

The idea for Olio originated when one of its later founders, Tessa Clarke, was in the process of moving house. While most of her belongings were already packed up, she was left with a full refrigerator and realised that much of the food would likely go to waste. Convinced that someone in her neighbourhood could make use of it, she approached nearby residents to offer the groceries. Together with her co-founder Saasha Celestial-One, this experience later led to the development of Olio as a practical digital solution designed around everyday user needs (Olio, n.d.-b).

The app offers several ways for users to participate, including the exchange of surplus food and household items for little to no money within local neighbourhoods. In addition, users can lend or borrow items from others or create “wanted” posts when searching for something specific. Through these functions, Olio supports peer-to-peer sharing while strengthening connections within local communities. (Olio, n.d.-c)

According to the company, Olio currently has approximately 9 million users worldwide, who have enabled 62 million neighbour pickups, 137 million shared meals, and 16 million shared household items since its launch in 2015. Notably, these activities have helped save approximately 43 billion litres of water and 306,000 tonnes of CO₂ emissions, contributing to Olio’s position as a carbon-negative company (Olio, n.d.-b).

Key Characteristics of Business Models in the Digital Age: The Case of Olio

With an understanding of the central concepts from the module *Management and Entrepreneurship in the Digital Age*, it is possible to analyse how Olio exemplifies these principles. The key concepts discussed in the following section are based on materials provided to Leuphana students within the course *Foundations of Management and Entrepreneurship*.

Compared to traditional businesses, those established in the Digital Age stand out through four central elements that each require special expertise. Conventional enterprises are primarily so-called pipeline businesses, which create offerings and deliver them to a market, while retaining control of the entire supply chain, including planning, manufacturing and logistics. In contrast, modern businesses often adopt a platform structure, creating value by enabling direct exchange between producers and consumers without owning the underlying resources. Additionally, the value of platform businesses typically increases as the number of users grows, a phenomenon commonly described as network effects. This makes it essential for managers to clearly communicate and actively engage with users, ensuring that they adopt their intended role within the platform ecosystem, either as suppliers or consumers.

Both characteristics can be observed at Olio, as it does not own the items being exchanged but instead connects residents within a community. With regard to user numbers, Olio had approximately 7 million users in May 2023 (Olio (app), 2026), which increased to 9 million users by January 2026 (Olio, n.d.-a). While Olio is a private enterprise (UK Companies House, n.d.) and

figures on revenue or net worth are unavailable, the increasing level of user engagement suggests that the ecological impact of the platform has likely grown accordingly.

The second key element is the changing role of data. Historically, data has mainly served as a source of information used internally to optimise processes or products and was closely guarded due to its strategic value to firms. Modern companies, however, increasingly treat data as a raw material for generating new revenue streams. Prominent examples include Google and Meta, which use data to predict and influence customer behaviour through targeted advertising and personalised services. This requires a high level of data literacy from managers, including the ability to oversee, structure and interpret large volumes of data. These dynamics also apply to Olio, which leverages the data shared by users to generate revenue through advertisements and subscription-based features offering additional functionality in the app (Olio, n.d.-d).

Thirdly, corporations of the Digital Age are distinguished by a shift from managerial control to algorithmic control. In conventional businesses, strong management hierarchies prevail, with supervisors making decisions regarding tasks, productivity and outcomes based on their expertise and social skills. In many modern companies, managerial structures are increasingly being replaced or supplemented by algorithmic systems, with significant implications for operational processes. A strong focus on worker performance is maintained through constant monitoring, rating and rewarding. This makes it necessary for managers to make data-driven decisions while maintaining the trust of employees and users in algorithmically supported decision-making processes.

The Olio app includes personalised search and filtering features that, in effect, function similarly to algorithmic matching, guiding users to relevant local listings (Olio, n.d.-c). This digital coordination enables efficient peer-to-peer exchanges without traditional managerial oversight.

Lastly, a broader economic shift can be observed over recent years, moving away from linear approaches focused on maximising short-term profits towards a circular economy. Emerging business approaches increasingly promote sustainable consumption patterns while leveraging digital technologies to enable circularity. In doing so, they aim to maintain the value of resources for as long as possible. Concepts such as cradle-to-cradle and the 9R framework have challenged corporations' traditionally wasteful practices by encouraging more responsible production and consumption.

The 9R framework critically engages with conventional consumption patterns by urging consumers to refuse, rethink and reduce the use of certain products before making a purchase. If consumption is unavoidable, the model introduces further strategies to extend a product's lifespan. The first loop focuses on frequent reuse, followed by repairing, refurbishing, remanufacturing or repurposing the item in the second loop. Only when these options are no longer viable should recycling be considered, with final disposal as a last resort. In this context, managers are required to estimate consumer behaviour in advance to assess the potential impacts of consumption patterns on waste generation and emissions. Minimising these impacts requires conscious choices in sourcing or even cross-sector collaboration to gain access to waste-minimising technologies.

Olio's approach is representative of this shift towards circular business models. The company explicitly addresses what it describes as a "culture of overconsumption" that has resulted in a "monumental waste problem" (Olio, n.d.-b). Furthermore, it emphasises individual responsibility by highlighting that "65% of greenhouse gas emissions are caused by household consumption" (Olio, n.d.-b). At the same time, Olio acknowledges that waste reduction may appear overwhelming for individuals and notes that people may "feel helpless" when faced with the scale of the issue (Olio, n.d.-b). By enabling users to share and pass on items they no longer need, Olio directly addresses the first loop of the 9R framework, aiming to establish continuous reuse and thereby reduce unnecessary consumption.

Managerial Implications and Relevance for Digital-Age Leadership

As the case of Olio demonstrates, patterns of economic value production have changed significantly over recent decades. These developments demand a new generation of managers who are equipped to operate within reshaped power structures while adapting to new technologies and decision-making processes. The increasing digitalisation of economic activity has shifted both value creation and consumption into digital environments, calling for new forms of leadership in relation to both customers and personnel.

Managing digital platforms and ecosystems, including apps such as Olio, requires the ability to orchestrate interactions between different user groups and to actively mobilise users towards a shared purpose. At the same time, operating within altered organisational settings characterised by hybrid teams and remote work requires new approaches to maintain motivation and organisational culture in digital environments, as well as evaluating performance without physical presence.

Furthermore, data has become an integral component of decision-making at all organisational levels. This development requires managers to deal with potential data overload, develop a high level of data literacy, and maintain trust among employees and users in partly or fully automated decision-making processes.

Conventional management courses often do not cover the competences required to successfully navigate digitalised businesses, as they mainly focus on conventional pipeline models. In order to equip future managers with the skills needed, the module *Management and Entrepreneurship in the Digital Age* represents a substantial and necessary component of the Leuphana curriculum in preparing students for leadership in digitally mediated business environments.

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From Fossil Fuels to Future Fuels: Sustainability-Driven Strategy at Neste

Anna Wabnitz

Introduction

As global economies face increasing pressure to decarbonize while maintaining energy security and economic competitiveness, firms in fossil-based industries are confronted with an existential challenge: adapt or decline. The shift toward sustainable energy systems is not only a technological shift but, more importantly, a strategic and organizational transformation that requires new competencies in management, entrepreneurship, and responsible leadership. Among the companies going through this complex transition, Neste represents one of the most remarkable and yet comparatively unseen and under-discussed cases of corporate reinvention.

By analyzing Neste's transformation, this chapter aims to explore and demonstrate how the competencies taught within the IBAE curriculum – strategic change, responsible management, entrepreneurship, and digital capability – interact in practice. The case illustrates that contemporary management is no longer limited to optimizing existing structures but increasingly involves the entrepreneurial reinvention of business models under conditions of uncertainty, regulatory pressure, and societal expectation.

Transformation Process

Neste was established in 1948 to secure Finland's fuel supply. The company's business model was built around importing oil and refining it into transportation fuels. Like many European energy incumbents, Neste benefited for decades from stable demand for fossil fuels and strong state backing. In the early 2000s, structural changes began to challenge this model, including increasing climate awareness, the tightening environmental regulation within the European Union, and rising volatility in global oil markets, which exposed the long-term vulnerability of fossil-based business models. Neste decided to initiate a strategic pivot toward renewable fuels gradually. In 2007, the company launched its first renewable diesel refinery, marking the beginning of a large-scale technological and strategic shift. Unlike first-generation biofuels, Neste invested heavily in developing advanced renewable diesel produced from waste and residue raw materials, called

"NEXBTL". This technological innovation allowed the company to differentiate itself from competitors. Throughout the 2010s, Neste significantly reallocated capital expenditures from fossil refining toward renewable production capacity. After that, the company positioned itself as a global supplier of renewable diesel and increasingly Sustainable Aviation Fuel (SAF). By the early 2020s, renewable products had become the company's main profit driver, fundamentally reversing its former dependency. This transformation was not a sudden rebranding exercise but a long-term restructuring process that included divesting fossil-heavy assets, investing in research and development, and reshaping organizational capabilities. From a strategic management perspective, this shift can be understood through the lens of dynamic capabilities (*Teece, D., 2007*). Dynamic capabilities refer to a firm's ability to sense opportunities and threats, seize new market opportunities, and reconfigure internal resources accordingly. Neste demonstrated this capability by recognizing early regulatory and societal trends toward decarbonization, investing in refining technology, and gradually transforming its asset base. The transformation required not only technological expertise but also leadership commitment and organizational learning.

Strategic Management and Business Model Innovation

Neste's transformation illustrates a fundamental business model innovation rather than simple product diversification. According to *Osterwalder and Pigneur (2010)*, a business model defines how a firm creates, delivers, and captures value. In Neste's case, each of these components changed. First, the company's value proposition shifted from supplying conventional fossil fuels to offering low-carbon alternatives that enable customers, e.g., airlines, logistics companies, and governments, to reduce emissions. Second, its key resources evolved from crude oil supply chains to waste- and residue-based feedstock networks, requiring new supplier relationships and certification systems. Third, its revenue logic became increasingly tied to environmental regulation and carbon pricing mechanisms, embedding sustainability directly into financial performance. However, the case also raises critical questions. Public policy, subsidies, and emission standards heavily influence renewable fuel markets. This creates strategic dependency on regulatory stability. If political priorities shift, profitability may be affected. Therefore, while sustainability can create a competitive advantage, it also introduces new forms of uncertainty.

Sustainable and Responsible Management

Sustainability is not merely a marketing tool in Neste's strategy but has become central to corporate governance and reporting. The company publishes detailed sustainability reports outlining emission reductions, feedstock sourcing, and supply chain transparency. This reflects a broader shift toward integrated reporting and ESG (Environmental, Social, Governance) accountability. *Eccles, Ioannou, and Serafeim (2014)* show that firms with strong sustainability integration often outperform competitors in the long term due to improved risk management and stakeholder trust. Neste's integration of climate targets into executive incentives and strategic planning indicates that sustainability is embedded in its control systems rather than treated as an external communication tool.

Nevertheless, the company has faced criticism regarding the use of palm oil-based feedstocks in earlier stages of its renewable production. Environmental NGOs have questioned whether certain sourcing practices truly align with biodiversity protection. This highlights an important tension: sustainability transformation is complex and often involves trade-offs. Responsible management, therefore, requires continuous stakeholder dialogue and transparent adaptation.

Digitalization and Innovation Capabilities

Modern renewable fuel production is highly data-intensive. Feedstock traceability, lifecycle emission calculation, and refinery optimization rely on digital systems and analytics. Digitalization thus plays an enabling role in Neste's transformation. Digital monitoring improves production efficiency and helps ensure compliance with sustainability certification standards. For example, traceability systems allow verification of waste-based raw materials, which is crucial for regulatory approval and customer trust. In this sense, digital competencies are not separate from sustainability strategy but directly support it. For students in the IBAE program, this illustrates how management in the digital age intersects with environmental innovation. Analytical skills, data literacy, and technological awareness are necessary to manage complex transformation processes.

Relevance for the IBAE Curriculum

The Neste case reflects multiple core modules of the IBAE curriculum. First, from a strategic management perspective, the transformation demonstrates how firms adapt to changing macro-

environments through long-term planning and resource reconfiguration. Second, it highlights sustainable and responsible management by embedding environmental objectives into governance and reporting systems. Third, it illustrates corporate entrepreneurship through risk-taking and innovation within an established firm. Fourth, it underscores the importance of digital competencies in enabling traceability, efficiency, and scalability. The seminar's guiding question - what it means to be a manager or entrepreneur in today's complex business environment - finds a concrete answer in this case. Managers must navigate regulatory uncertainty, technological change, societal expectations and global competition simultaneously. Neste's development demonstrates that modern management is increasingly about orchestrating transformation rather than optimizing stability. Moreover, the case supports the idea that sustainability is not an incidental topic but a central strategic dimension of business education. Understanding how environmental regulation shapes markets, how innovation can create shared value, and how governance structures influence long-term performance is essential for future business leaders.

Critical Reflection

While Neste is often presented as a sustainability pioneer, the long-term viability of its model depends on several external factors. Renewable fuel markets are closely tied to carbon pricing mechanisms and policy incentives. A decline in political support for climate regulation could reduce demand. Furthermore, scaling renewable feedstocks sustainably remains challenging, particularly given global land-use constraints. Therefore, Neste's transformation should not be romanticized. It represents a strategic bet on a low-carbon future. Its success thus far suggests that sustainability and profitability are not mutually exclusive. Still, the case also reminds us that strategic transformation is an ongoing process rather than a completed achievement.

Conclusion

Neste's evolution from a traditional oil refiner to a global leader in renewable fuels represents a profound case of strategic reinvention. The company's transformation required dynamic capabilities, corporate entrepreneurship, sustainable governance, and digital innovation. Rather than gradually fading in a declining fossil-fuel market, Neste proactively redefined its identity and market position. For IBAE students, the case illustrates that management in the 21st century involves navigating structural transitions and societal expectations. It shows that sustainability can

become a core driver of strategic renewal and that entrepreneurial thinking is essential even within established organizations. Ultimately, Neste demonstrates that responsible leadership, innovation, and strategic foresight are not separate competencies but interconnected dimensions of modern business practice.

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Ørsted as a Role Model for Sustainable and Strategic Transformation

Vincent Kratz

Introduction

As global energy systems face increasing strains from climate change, rising energy demand and geopolitical instability, the transition towards renewable energy has become one of the key defining challenges of the 21st century. Facing these obstacles, Ørsted, formerly known as DONG Energy, underwent one of the most radical transformations in recent corporate history: from a fossil-fuel utility on the brink of financial crisis in 2008 to the world's leading developer of offshore wind parks in the late 2010s. Today, the company is frequently cited as a global role model for strategic transformation, corporate responsibility and sustainable leadership.

This transformation provides an ideal case for exploring the competencies taught in the IBAE major. Ørsted's shift required not only strategic management decisions but also entrepreneurship, innovation, a redefinition of organizational identity and the integration of sustainability as a guiding strategic principle. At the same time, digital transformation became central to operating and scaling new renewable infrastructures. This raises the question of how Ørsted's reinvention illustrates the relevance of modern management, sustainability and entrepreneurship competencies taught in the IBAE curriculum. Analyzing the company's development demonstrates how contemporary business education enables a deeper understanding of complex organizational change in a rapidly evolving global environment.

Ørsted's Transformation Story

Founded in 1973 during the Danish oil crisis, the state-owned company DONG was established to reduce Denmark's dependency on Middle Eastern oil and to begin extracting fossil fuels from the North Sea (Ørsted 2025). While the company had already explored the potential of wind energy in the 1990s, its strategic focus remained firmly on fossil sources. After a period of liberalization, several mergers and the renaming of DONG to DONG Energy in 2006, the shift towards renewable energy began in 2008 (Ørsted 2025).

In 2008, growing public resistance against new coal-based energy projects in Germany contributed to a gradual reinterpretation of DONG's business model (NDR 2021). The oil price crisis in 2012

further accelerated this shift, causing a revenue loss of around 40% within a year and severely affecting the company's financial structure. Under its new CEO Henrik Poulsen, DONG Energy sold its oil and gas business, downsized the organization and - supported by a capital injection of 1.8 billion euros from Danish pension funds and the investment bank Goldman Sachs - shifted its focus entirely to offshore wind farms (Handelsblatt 2020).

By 2017, all oil and gas assets had been sold, and DONG Energy was renamed Ørsted, honoring the Danish scientist Hans Christian Ørsted, whose early 19th century discovery of electromagnetism aligns with the company's vision of producing green energy through modern generators (Ørsted 2025 White Paper, p. 8). Shortly afterwards, Ørsted expanded its global portfolio, investing in offshore wind projects in Taiwan, strengthening its operations in the United States (US) and exploring diversification into green hydrogen and energy storage (Ørsted 2025 White Paper, p. 9). Although political uncertainty under the Trump administration temporarily halted the development of a new offshore wind project in 2025, the plan was reinstated following a court ruling, allowing the project to move forward (Handelsblatt 2025).

Today, Ørsted is regularly listed in the Corporate Knights Global 100 index of the world's most sustainable companies (Corporate Knights 2024). The company aims to make its energy production fully carbon-neutral and has committed to requiring its suppliers to follow the same path by the end of 2025 (Ørsted 2025).

Relevance for the IBAE Curriculum

Strategic Change and Responsible Management

Ørsted's understanding of management is closely intertwined with sustainable and responsible approaches. The company's strategic transformation, initiated through a complete redesign of its business model, enabled a new level of transparent and accountable corporate governance (Ørsted 2025). Ørsted's management structure comprises the Board of Directors and the Group Executive Team, each with a distinct role in ensuring responsible leadership within the organization.

To support Ørsted's green vision, the Board of Directors is elected by shareholders and brings together the expertise needed to guide the company's sustainability-oriented strategy. The Board is deliberately diversified in terms of gender, nationality, age and educational background,

reflecting Ørsted's commitment to broad representation and responsible governance (Ørsted 2025). The Group Executive Team, composed of the Chief Officers of each business area, is responsible for day-to-day management and the practical implementation of strategic objectives (Ørsted 2025).

Furthermore, Ørsted's sustainable transformation is driven by its commitment to protecting natural environments, reducing the use of emission-intensive resources, safeguarding human rights across the supply chain and supporting local communities in its operating areas. The company's main sustainability goals include decarbonization, enhancing biodiversity, supporting communities and integrating these ambitions into its overall governance approach (Ørsted 2025).

Thus, Ørsted's transformation directly reflects management competencies taught in the major. For students, it demonstrates how strategic management concepts such as long-term planning, social compatibility and stakeholder alignment apply in real organizational contexts. The case also illustrates how sustainability becomes a central management principle rather than a side activity, underlining the importance of responsible governance, transparency and stakeholder inclusion.

Corporate Entre- and Intrapreneurship

Even though Ørsted's history began over 50 years ago, the company's strategic mindset can be interpreted as very startup-driven. Its transformation was fueled by innovation and willingness to take significant risks in a volatile and, at the time, extremely expensive market. While offshore wind became one of the cheapest forms of renewable energy in 2019 at 56 €/MWh, prices seven years earlier were around 66% higher at 167 €/MWh (Ørsted 2025 White Paper, p. 7). Despite these high costs and uncertainties, Ørsted decided to pursue its ambition of becoming climate neutral. The company already had experience with offshore wind projects, as DONG constructed the world's first offshore wind farm in 1991 (Ørsted 2025 White Paper, p. 4), but it had never implemented renewable energy infrastructure at such large commercial scale.

Political and economic pressure thus forced the company to confront the unsustainability of its fossil-based business model and take the entrepreneurial risk of fully reinventing itself as a renewable-energy provider. Importantly, reaching the initial goal of building large-scale offshore wind capacity did not end the company's entrepreneurial momentum. Instead, Ørsted continued to expand its portfolio with international opportunities beyond its existing capabilities, including

onshore wind, solar power, energy storage (Ørsted 2025) and, more recently, green hydrogen projects in Denmark and the US (IPCEI 2025; Ørsted 2025).

This willingness to innovate under conditions of ambiguity illustrates Ørsted's corporate entrepreneurship in practice. Rather than treating the renewable-energy transition as a fixed end point, the company continues to experiment, iterate and expand its portfolio, demonstrating that entrepreneurial thinking can be embedded in the strategy of a large, established firm. Ørsted shows that entrepreneurship is not exclusive to startups but can emerge within large organizations when leaders enable experimentation, tolerate uncertainty and pursue opportunities aligned with long-term sustainability goals. For IBAE students, the company illustrates how theoretical concepts of innovation, opportunity recognition and entrepreneurial leadership can shape the strategic direction of a global enterprise.

Digital Business & Data

Digitalization has become a core element of Ørsted's transformation, as modern renewable-energy systems rely on real-time data, automation and advanced digital infrastructure. Operating offshore wind farms requires far more sophisticated IT capabilities than traditional coal or gas plants, including remote monitoring and automated inspections to minimize the need for on-site visits in harsh environments. Reliable weather analytics and continuous turbine data are essential for forecasting energy output, while new digital tools support areas such as smart warehousing, maintenance tracking and portfolio management (Ørsted 2025). In addition, Ørsted has partnered with the AI company Halfspace to develop a generative AI model capable of predicting failures across different types of power plants (Halfspace 2025; Ørsted 2025).

For IBAE students, Ørsted's digital transformation highlights how essential data literacy and digital management competencies have become in modern organizations. Analytical skills, algorithmic decision-making and the ability to work with digital tools are no longer limited to the tech sector but are crucial in sustainability-driven industries as well. Ørsted therefore provides a concrete example of how digital capabilities enhance strategic planning, operational efficiency and global coordination, all key competencies taught in the IBAE curriculum.

Conclusion

Ørsted's development demonstrates how strategic transformation, sustainability and entrepreneurship can be successfully combined to reshape an entire business model. The company's shift from fossil fuels to renewable energy required not only strong leadership and responsible governance but also an entrepreneurial mindset that embraced uncertainty, pursued long-term opportunities and enabled continuous innovation. Simultaneously Ørsted's reliance on digital tools, data-driven operations and advanced analytics shows how essential digital competencies have become for managing modern energy systems.

For IBAE students, Ørsted represents not only a comprehensive example of how key competencies taught in the major interact in real organizational contexts but even showcases that strategic management, sustainable responsibility, corporate entrepreneurship and digital literacy are not separate domains but mutually reinforcing elements of contemporary business practice. Ørsted's transformation hereby illustrates how future leaders can navigate complex global challenges by combining analytical thinking, innovation and responsible decision-making.

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Ecosia as Prime Example for Sustainable Management

Elina Herrmann

Regarding the world of business and economics, the stereotype of hustle culture and working for the greatest possible profit without accounting for connected backlash is widely spread. In times of global transformation in spheres like politics, society, science, and the environment, a change in handling business and economic matters seems reasonable. Especially when business practices produce backlash, change is beneficial. A rather large part that suffers under the stereotypical economy is the environment. It is being taken advantage of, no matter the cost and the future relevance or long-term effects. In order to change this habit, a change in the new business generation is necessary. This can be achieved by reviewing and rethinking the current standards in the economy and business education. Such rethinking has already started to happen in today's world of business and economics, leading to prime examples that try to create businesses, corporations, organizations, or startups with a new perspective.

Hence, the module of “Sustainable Management and Entrepreneurship” within the IBAE curriculum comes into play. The module entails the idea to spread awareness and create accessibility around sustainable matters in business practices (Leuphana Universität Lüneburg, 2026). Sustainable Management focuses on firms' administration and application of strategies that aim to better and balance sustainability on all three spheres, social, environmental, and economic (Silvius, 2012). Under the term Sustainable Entrepreneurship, “the identification, development, and exploitation of entrepreneurial capabilities that provide a competitive advantage by generating environmental benefits within the communities where businesses operate” (Akbari et al. 2026, p. 165) can be understood. All this requires a change in the corporate world, where the way of doing things is rethought. Thus, the module presents opportunities to not only transform businesses towards a more social and environmentally friendly approach but also to start, form, and shape businesses from the start with a sustainable advance.

Considering this change in the corporate world, something like a revolution, or rather revolutionary thinking, is needed. Yet, such a revolution does not come without hurdles, since it is hard to change a working system. Thus, a broader understanding of the complex issues and specific challenges is needed. A prime example of such an alteration is the sustainable search engine “Ecosia”. The 2009

founded by Christian Kroll “Ecosia GmbH” (Ecosia GmbH, 2025b) is known to be CO₂-neutral, unlike most known and broadly spread search giants like “Google”, “Bing”, and “Yahoo” (Kohring, 2022). Thus, “Ecosia” is a relevant example of revolutionary change in the industry.

This places “Ecosia” into direct competition with those search engine giants. So, to prevail, a well-thought-out concept is needed. Firstly, “Ecosia” gains profit by users clicking on advertisements referenced when reviewing the search result (Ecosia GmbH, 2025a). This concept is nothing new or groundbreaking, yet when considering the working mechanisms of search engines. What is innovative is the cooperation between “Ecosia” and the Microsoft Partner. This cooperation works by “Ecosia” gaining access to the advertisements through the Microsoft Partner. The partner secures profit by showcasing companies’ advertisements to users (Ecosia GmbH, 2025a). Part of this showcasing is done by “Ecosia”. Hence, a small share of the mentioned profit is forwarded to “Ecosia” for displaying the advertisement links (Ecosia GmbH, 2025a). This profit can later on be used to make changes in the environment. Now, regarding on the one hand, Google, the current market leader, functions by using thousands of servers which need lots of electricity to operate (Schmidt et al., 2012) and answer the search requests. The broadness and capacity led to great financial success for the Google company (Schmidt et al., 2012) and yet disregarded sustainability. On the other hand, by utilizing 100 % of its profit, “Ecosia” works CO₂-neutral, if even CO₂-negative, and supports the environment (Ecosia GmbH, 2025b). This support takes form in planting trees around the world to even out CO₂ emissions and generating eco-power through strong solar panels to power the search requests of the search engine (Ecosia GmbH, 2025b). This comparison visualizes the rather different goals in the business models of those search engines. The aim is either configured to gain maximal profit and neglect sustainability or create a sustainable alternative as a non-profit enterprise (Schmidt et al., 2012).

Reconsidering “Ecosia” from a general marketing stance, its USP strategy (unique selling proposition) can be identified. The idea is the idea to convince customers based on being a trustworthy product that is singlehandedly different than others on the market (Großklaus, 2015). In this case, promoted is being the sustainable, ecological, environmentally friendly alternative for other common search engines (Schmidt et al., 2012). Hence, the name, which directly references the idea of the ecologically focused search engine that holds reverence towards sustainability. This appeals to a special user group. Users who claim sustainability to be of great relevance are the target group aimed for by “Ecosia” (Schmidt et al., 2012). The argument of being a “non-profit

internet search engine” (Schmidt et al., 2012) is of great importance for “Ecosia” and its marketing aspects as well. To successfully convey the target group of this argument, “Ecosia” focuses on consumer trust. Such trust is built by unyielding facts and openness. This transparency strategy is implemented by publishing monthly easy-accessible financial overviews on income and spending distribution. Further, “Ecosia” claims to care about users’ data privacy. The data privacy is achieved by making sure that the advertisement-clicking-behavior is not backtracked to any user profiles (Ecosia GmbH, 2025a). This leads to non-personal displays of advertisements, which is a way to verify more privacy for the consumer (Ecosia GmbH, 2025a). Thus, more trust is created by establishing an internet surfing environment that feels safer to the consumer.

Subsequently, “Ecosia” has multiple overlaps with concepts of the module “Sustainable Management and Entrepreneurship”. The sustainable management idea of utilizing certain strategies that aim to better and balance sustainability is essential to “Ecosia”. For instance, using 100% percent of its profit for bettering the planet with planting trees and producing eco-power (Ecosia GmbH, 2025b). Further, the general marketing concept of USP can be viewed as a potential strategy for bettering sustainability issue. With the uniqueness of “Ecosia” as a search engine doing something good for the environment by planting trees instead of harming the environment by high CO₂ emissions like common search engines (Schmidt et al., 2012), “Ecosia” is successfully applying the USP strategy for the better. Lastly, in regard to sustainable entrepreneurship, “Ecosia” has certainly captured the essence of such. By identifying given entrepreneurial capabilities in the form of bricolage. Bricolage can be understood as the taking advantage of the means at hand and recombining them to solve issues and gain opportunities (Desa, 2012). This is exactly what “Ecosia” is doing, by still gaining profit like the other search engines, by users viewing online advertisements, hence using the means at hand and turning the profit into an opportunity for a more sustainable alternative search engine.

Lastly, it needs to be addressed that there are still challenges to overcome in terms of sustainable change, even in the case of “Ecosia”. The size of market share upheld by “Ecosia” is rather small in comparison to other competitors such as Google (Schmidt et al., 2012). In addition, Ecosia does not operate as a fully independent search engine but relies on cooperation with Microsoft partners, which limits the perceived accuracy of its search results (Schmidt et al., 2012). Together, these factors restrict widespread adoption of the platform and hinder its ability to fully realize its environmental and market potential.

In conclusion, the idea of implementing more sustainable ideas into the world of business and economics is proven to be successful by examples such as “Ecosia”. This case illustrates how matters of “Sustainable Management and Entrepreneurship” proficiently alter the corporate world by rethinking existing strategies and implementing new concepts. By changing the business model from detrimental and profit-maximizing to sustainable and non-profit, “Ecosia” created a completely new approach for search engines towards sustainability, even if technological difficulties and performance accuracy need to be adapted. Yet overall, Ecosia shows that combining innovative thinking, transparency, and purpose-driven marketing can contribute to a transformation toward more responsible and sustainable business practices.

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Sustainability and Profitability: A Contradiction? Patagonia as a Positive Example of Sustainable and Responsible Management in the Fashion Industry

Lena Heiken

Introduction

Within a consumption-oriented society, business models like fast fashion often seem to be the long-term winners on the global market. Here, the profit-oriented global corporations aim to meet the expectations of their shareholders and compete for the highest profit. However, in times of clearly observable climate change, it has never seemed more urgent to rethink management – to transform the economy from a profit-oriented construct into a global network of institutions and visionaries benefiting not only the companies and their owners but also societies and the environment. Taking a look at the global market, such value-guided companies seem to be rather absent. Despite the necessity of maintaining the balance between profitability and sustainability, this is not an often practiced business philosophy in big companies, which raises the question of whether both are contradictory or can be complementary goals.

A widely known case targeting this issue is the U.S.-American clothing brand “Patagonia”. Patagonia is known for its atypical business practices with a strong focus on climate and society. Their new and unique approach, with the earth as the company’s only shareholder, challenges the conservative idea of the stock market and dividend payout while paying out every profit that is left to non-profit projects fighting the climate crisis (Chouinard, 2022).

However, it is often assumed that economic success must come at the expense of ethical considerations. Being part of a new generation of leaders challenging this traditional assumption should be a key corporate strategy in the context of business education. With Patagonia as a rare representative of purpose-driven leadership, this essay aims to answer the question “To what extent does Patagonia demonstrate that sustainability and responsible management can be compatible with economic success?”

To address this question, the module “Sustainable and Responsible Management” from the curriculum for the B.Sc. “International Business Administration and Entrepreneurship” will be

applied to the case of the brand Patagonia. Through analyzing its strategic decisions, values, and business model, it will be critically assessed whether Patagonia can be seen as an economically viable and promising model for accountable corporate performance in the 21st century.

Introducing the Case of Patagonia

Patagonia originated in the selling of climbing gear in the late 1950s when founder Y. Chouinard started crafting his own climbing material due to the lack of high-quality alternatives in California. During the years, the small family business developed into a worldwide clothing brand focusing on outdoor articles.

Simultaneously, with rising attention to the climate crisis, the company started early to support environmental projects and implemented the focus on sustainability and responsibility in the company's culture. Patagonia started using only organic cotton and recycling in the 80s, has hosted environmental campaigns since then, and started a used clothing and repair program in 2012. Additionally, according to their website, they donate 1% of their sales to small Non-Governmental-Organisations or working groups. (Patagonia, n.d.)

Since 2022, legally, 98% of the company belongs to the Holdfast Collective and 2% to the Purpose Trust. The Holdfast Collective is a non-profit organization that receives money directly from Patagonia left over after reinvesting in the company. It has no voting rights regarding the company but can politically and financially support organizations, projects, communities, and others “to fight the environmental crisis, protect nature and biodiversity, and support thriving communities as quickly as possible.” (Chouinard, 2022, “some questions and answers”). The remaining 2% belong to the Patagonia Purpose Trust, which has all of the voting rights and is responsible for maintaining the ethical and purposeful orientation of Patagonia. (Chouinard, 2022)

Concepts and Practice: Business Theories Applied to the Case of Patagonia

Before the case of Patagonia can be analyzed further, a few classical management concepts need to be outlined briefly. On the one hand, there is the Friedman Doctrine developed by M. Friedman, which represents a theoretical starting point. Mainly, it describes the theory that the primary interest of a company is to maximize profit and create value for its shareholders. Considering a company operating in the sense of this shareholder approach, there is primarily no obligation to

address social issues. (Friedman, 1970) Simply addressing the interests of shareholders as a guideline for corporate action, however, often leads to criticism for neglecting broader social responsibility.

In contrast to Friedman, R. E. Freeman draws a different view on the possibilities of capitalism that stresses the interconnected relationship between a business and its stakeholders. According to Freeman, a company should create value for its customers, employees, investors, suppliers, communities, and others who have a stake in the business. So companies that follow this approach not only create value for their shareholders in the form of dividend payments but also place value on creating added value for all stakeholders. (Freeman, 2010)

Here, Patagonia can be seen as an example of creating value for its surroundings and its stakeholders through declaring ecological and social responsibility as their core strategic value. By investing all surplus profit in environmental projects through the Holdfast Collective, Patagonia does not follow but extends the stakeholder concept. Through the conversion of the environment as a stakeholder into a shareholder, one could say that the clothing brand found a way to implement the Friedman Doctrine into the stakeholder approach by Freeman. By 2022 at the latest, Patagonia made it possible that purpose-driven management can be seen as a synonym for the necessity of growth and profit by equalizing the main stakeholders and shareholders and with that erasing the contradiction of possible conflicting interests. The long history of Patagonia as a value-oriented business demonstrates that economic success and engagement can reinforce each other.

In addition to the management strategy described by Freeman, Porter and Kramer argue how corresponding policies and operating practices within the “Creating Shared Value” (CSV) concept can provide a competitive advantage as a purpose-driven orientation within the general market (Schulz, 2017).

In the case of Patagonia, the concept attracts people with the same focus on sustainability. Shared values create an identification with the brand, which can lead to long-term customer loyalty and with that benefit the company financially in the long term. (Roszkowska-Menkes, 2023) Moreover, employees are given a feeling of value-based unity and an additional higher goal to keep the company successful. Both factors represent an enhancement in competition on the market and simultaneously benefit the company’s mission on a financial and ethical level.

Limitations of the Model and Critical Discussion

With outdoor wear being a niche in the clothing industry, it has to be noted that Patagonia is a rather exceptional case. The company can sell its products for higher prices and therefore has the possibility to shape the supply chains with a focus on sustainability and ethical responsibility, which may not be possible for businesses in the low-cost segments. This raises the question of whether Patagonia's sustainability focus and special business model can be generalized or whether it represents a niche strategy.

Focusing on quality, reuse, and longevity, Patagonia represents an exception compared to the fast fashion industry. Trying to apply the idea on a larger scale in other market segments and lowering the price can cause the loss of the main principles behind this business strategy. At a large scale, utilizing this model could be difficult to replicate.

Final Classification of Patagonia Between Sustainability and Economic Success

Like already argued, Patagonia does prove that purpose-driven leadership and profitability can be compatible. The answer lying at the base of this article can therefore be answered positively. Over decades, Patagonia has transformed into an economically and identifiably strong brand, from selling climbing gear to a worldwide-operating corporation. Patagonia's long-term strategy, which is entirely focused on sustainability, appears to be paying off. Over the past decades, the U.S.-American-based company has shifted into a lifestyle brand that is able to maintain its high-level pricing and support environmental and social engagement.

However, the dependency on those specific conditions that Patagonia is operating within has to be highlighted. The case discussed here cannot be transferred universally to other businesses but still remains an important example of how the future of management can be shaped by growth and purpose. Patagonia shows how managerial experiments can transform the company's motto "We're in business to save our home planet" (Patagonia, n.d.) from a phrase into an economic and ecological success story.

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Patagonia as a Case Study in Sustainable Business, Corporate Governance & Strategic Management

Charlotte Schur

Introduction

Patagonia is a world-known manufacturer of outdoor clothing, yet this was not what it originally produced. Instead, it began with the founder, Yvon Chouinard, forging climbing pitons himself and then selling them to friends and acquaintances. From this Chouinard Equipment emerged in 1965 together with Tom Frost. By 1970 the company had developed into the largest supplier of climbing equipment in the United States of America.

In 1972 the first guiding principle was established: “Avoid harm.” In order to protect the rock, they no longer produced classic climbing pitons. Even at that time, the environment was already a focus for the entrepreneurs. The founding of Patagonia followed in 1973. They not only develop innovative outdoor clothing, but also set signals. Since 1985 they have donated 1% percent of their revenue annually to environmental causes and simultaneously launched the initiative “1% for the Planet” thereby inspiring even more companies to follow their example.

Many further entrepreneurial achievements followed with regard to development, environmental protection, and employee leadership (Patagonia, n.d.). It becomes clear that Patagonia already thinks innovatively in the field of management. In 2021 Patagonia generated a global revenue of over 1 billion USD (Causeartist, n.d.). In 2022 Yvon Chouinard made the statement “Earth is now our only Shareholder.”. With this Patagonia’s new concept was presented. From then on all profits of Patagonia that are not reinvested will flow as dividends into environmental protection. In doing so Yvon Chouinard ensured that as many resources from Patagonia as possible flow into environmental protection. It protects the company from outside owners who could exert influence on the company that might prevent it from pursuing its environmental goals. The result is that Patagonia was taken over 100% by a trustee organisation and thus became, more or less a non-profit company with the goal of saving the Earth (Trelstad et al., 2023). Patagonia thereby shows that radical sustainability, unconventional corporate governance and value-based management are not in contradiction to economic success.

Corporate Governance and Ownership Structure

Social enterprise forms are corporate models in which profit objectives are combined with binding social and ecological purposes. The problem in this context is that, in classic for-profit structures, shareholder primacy often dominates. Many hybrid models suffer from the fact that purpose promises are difficult to enforce and management discretion remains large. This creates what is known as “mission drift.” In contrast steward ownership separates economic incentives from decision-making power. Control lies with the “stewards”, which can be a trust or a foundation that is not primarily oriented toward profit maximisation. The objective is to secure self-governance and to make profits usable for mission-oriented purposes and to do so with direct stakeholder influence beyond classic shareholders (Lu, 2024).

Patagonia is a prime example of this management concept. It remained operationally a for-profit company, yet changed its ownership structure that it could use its profits for mission-oriented purposes, without anyone being able to prevent it from doing so. Patagonia publicly positions this as a radical purpose commitment (Lu, 2024). Patagonia use’s here skilful management capabilities in order to carry out the change as far as possible without major changes for the company.

However this path is also associated with several risks. For example, it could be difficult to explain mission goals, since they require interpretation and thereby can complicate decision-making processes. Furthermore, without a classic owner, it is difficult to establish market discipline, as external pressure from hostile takeovers and investors no longer exists. In addition, problems may arise if the trustees are not appropriately appointed. Legal risks should also be considered, since there is not yet sufficient case law on social enterprises and steward ownership. This could lead to challenges to corporate rights. Patagonia also faces criticism regarding tax avoidance, as it is unclear whether the donations are taxed by the state or privately distributed for specific purposes. Nevertheless Ray Lu of the Columbia Law Journal assesses steward ownership as “stronger” than social enterprise systems because it creates strong and robust stakeholder-governance and at the same time remains compatible with further lines of innovation. Steward ownership addresses a central weakness of many social enterprise systems, even though various risks must be managed (Lu, 2024). Yet the conflict between dividend and reinvestment can be viewed critically. In the long term, this results in a governance trade-off in which either more can be donated or through more reinvestment, a stronger company can be created (Gautier et al., 2022)

Contrary to the argument that companies would function worse without a “human owner” and “market discipline”, foundation-owned companies perform financially similarly to or in some cases better than investor-led firms. Research, including from Denmark, shows more stable growth, lower vulnerability during crises, higher investments in research and development and a longer lifespan (Gautier et al., 2022). In listed companies philanthropy is often secondary and can conflict with profit maximisation. The shareholder foundation model solves this conflict pragmatically. If the owner is a philanthropic foundation, a higher dividend leads to a higher capacity to donate. For founders who want to secure their values and mission in the long term, the alternatives to this model are rather weak. A sale or possible mismanagement can lead to the loss of corporate values and mission.

In the case of Patagonia, governance questions are central and not the principle itself. It must engage with questions of how to balance corporate, philanthropic and family interests in such a way that no group dominates permanently, how to allocate the foundation’s dividend and reinvestments in the company and how to unite the integration of philanthropy and corporate purposes (Gautier et al., 2022).

Strategic and Sustainable Management

For Patagonia founder Yvon Chouinard it has been important from the outset that environmental impact always takes precedence over short-term maximal profit. Patagonia therefore builds a value-oriented corporate structure early on and positions itself explicitly as a “Company for the Environment.” From the beginning, it relies on consistent management. They aim to use transparency as a competitive advantage and go unusually far in supply chain and impact transparency (Dossa et al., 2019).

They actively promote consumption reduction with the motto “Repair, Reuse, Resale, Recycle.” As one example, in 2011 they used Black Friday and advertised under the slogan “Don’t buy this Jacket.” The goal is to use Black Friday as a maximal counter-movement toward healthy consumption. It is intended to encourage customers to buy less and to reflect on purchases. The paradox is that the anti-consumption campaign led to a revenue increase of 30% (Dossa et al., 2019). This once again demonstrates that Patagonia’s management and marketing are unique and different, yet still work.

In 2025 Juin et al. developed a “Framework for Assessing Corporate Engagement with Sustainability”, which was intended to examine how truly “sustainable” impact-driven business models are. For this purpose an analytical model was developed that evaluates Patagonia, Ikea, and Unilever across four dimensions: sustainability, ecosystem, impact and innovation. The results were categorised as company-centred (anchored), primary benefit for the environment (steered) and equal benefit for the company and society (embodied). It emerged that Patagonia is 64% embodied and only 12% anchored. Unilever and Ikea have their shares distributed much more across the three categories. This shows that sustainability integration is a trade-off management between long-term sustainability objectives and short-term business imperatives. Especially large, volume-driven companies exhibit structural limits in this regard (Juin et al., 2025).

These strategies pay off, since Patagonia is the market leader in the 12 billion USD outdoor apparel industry according to NPD, despite the fact that it donates the largest part of its profits for specific purposes. Moreover, Patagonia is described by Matt Powell, sport industry advisor for the NPD Group, as “One of the fastest-growing Brands.” Even if the race with competitors, such as the large and well-known brand The North Face, is close, Patagonia is the market leader (Overfelt, 2020). This shows that a clever management and marketing strategy can make a company top tier without profit maximisation being in the foreground. It brings a perspective from which one can learn a very much as an International Business and Entrepreneurship student.

Conclusion

Patagonia is a company that, through unique and above all consistent management and marketing, has taken a different direction and has thereby proven that economic success and value orientation do not exclude each other. It has succeeded in running the company economically through a takeover by trusts and foundations, while also following its convictions and protecting the environment in the process.

Within the International Business and Entrepreneurship curriculum at Leuphana University, different modules address aspects that would fit this example. Above all, Patagonia is characterised by a great deal of capability in the areas of management and marketing. It shows that these capabilities are essential in order to lead a company at the top of its industry. In addition, it shows that values make a major contribution to success in today’s economy. Finally, Patagonia also conveys values that are of central importance at Leuphana University.

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From Sausage Tradition to Plant-Based Pioneer: Rethinking Sustainable and Responsible Management through the Case of Rügenwalder Mühle

Kira Rechtenbach

Climate change is no longer an abstract concept; it increasingly shapes everyday life. Alongside the pressing crisis, population growth is pushing humanity toward planetary boundaries, while world hunger, food shortages, and rising greenhouse gas emissions already have significant impacts. The meat industry is one of the largest contributors to these developments. As societies reconsider dietary habits, companies face growing pressure to rethink traditional business models.

A particularly intriguing success story presents the family-owned company Rügenwalder Mühle, historically known for its meat products. However, within the past decade, it has transformed into Germany's leading provider of plant-based meat alternatives with 79% brand recognition among meat substitute consumers (Ruderer, 2024).

This transformation raises the question whether Rügenwalder Mühle represents a genuine example of Sustainable and Responsible Management, or whether its strategic shift is primarily a response to the “veggie boom.”

Understanding Sustainable and Responsible Management

Management is traditionally understood as the planning, organizing, and controlling of organizational resources in order to achieve defined goals (Kaehler & Grundei, 2025). However, in light of the pressing challenges society faces, this understanding must be reconsidered. As a result, Sustainable and Responsible Management challenges this rather dogmatic approach by asking how things are done, for what purpose, and with what consequences.

A central debate within this domain concerns the tension between shareholder and stakeholder perspectives. On the one hand, Milton Friedman famously argued that the primary responsibility of business is to increase profits. On the other hand, the opposing stakeholder theory emphasizes the reciprocal relationships between organizations and a broader set of actors, including employees, customers, communities, and the environment. Sustainable management, therefore,

focuses on integrating environmental, social, and economic goals into core business processes in order to achieve long-term growth alongside positive societal and environmental impact.

Historical Development of Rügenwalder Mühle

Rügenwalder Mühle was founded in 1834 and originally built its reputation on traditional meat products, especially its well-known “Rügenwalder Teewurst”. With strong brand recognition through its mill logo, Rügenwalder Mühle made a brand out of sausages, establishing itself as one of the largest meat producers in Germany. The company’s identity was deeply rooted in meat production, to the extent that vegetarian consumers could once have been seen as the very opposite of its target market.

However, the company’s strategic direction began to change significantly in 2014, when management decided to introduce its first plant-based meat alternative. Former CEO Godo Röben recognized the growing consumer interest in meatless products and pushed the transition. In an interview, Röben identified three main incentives: animal welfare, climate change, and nutritional concerns, related to excessive meat consumption (Sauer, 2017). For a traditional sausage manufacturer, entering the niche market of plant-based products was a bold and somewhat risky move. It fundamentally challenged the company’s historical identity and required innovation and transformation in production, product development, and marketing.

In spite of disapproval and skepticism from both competitors and within the company, they continuously expanded their vegetarian and vegan product line. This strategic positioning helped move plant-based products from a niche market, mainly driven by smaller start-ups, into the mainstream. Instead of targeting only strict vegans, the company focuses on so-called “flexitarians”, who are defined as consumers who still eat meat occasionally but are increasingly open to alternatives. Following their initial success, large competing corporations followed suit.

By 2021, for the first time, Rügenwalder Mühle generated more revenue from meat alternatives than from its traditional meat products. Today, it is considered the market leader in Germany’s meat substitute segment, holding a significant market share of 41% (Gerhus, 2026). Moreover, the majority of its product portfolio now consists of vegan alternatives.

Transformation as a Response to Grand Challenges

The transformation of Rügenwalder Mühle, as well as the broader market for ready-to-eat meatless products, must be analyzed within the wider societal context in which it took place. The meat industry is increasingly criticized for its environmental and ethical implications. First and foremost, it is one of the prime contributors to greenhouse gas emissions, as well as extensive land and water use. Second, ethical concerns arise with regard to animal welfare. Third, polarizing media scandals have exposed disease outbreaks, inadequate health standards, and the presence of antibiotic-resistant bacteria in meat, all of which pose serious risks to consumers.

In this context, Rügenwalder Mühle's transformation can be interpreted as a response to one of today's major "grand challenges": the need to reduce the environmental footprint of food production. According to life-cycle assessments, the company's vegan cold cuts reduce CO₂ emissions by up to 90%, while also cutting water consumption and land use by roughly 90–95% compared to conventional meat products (Ruderer, 2024).

As a testament to their conviction, the company even removed its top-selling product ("Schinken Spicker") in 2024 to make room for alternatives. Consequently, only a vegan version of the ham cold cut is now available, which won the German Sustainability Award 2025. Together, these measurable impacts and strategic decisions indicate that sustainability is not merely symbolic but deeply embedded in the company's product strategy.

Between Responsibility and Market Logic: Tensions and Limits

While Rügenwalder Mühle's transformation can be interpreted as a proactive response to the grand challenges we face, it would be overly simplistic to view it as purely altruistic. Several indicators suggest a motivation to move beyond traditional shareholder logic, including the company's transparent communication of sustainability practices and comprehensive reports (Rügenwalder Mühle, 2020). Moreover, efforts such as sourcing soy regionally indicate that societal and environmental responsibility are genuine priorities.

The company transparently communicates its promise: "Sustainability without effort – uncomplicated enjoyment that is better for the climate and health" (Ruderer, 2024). In this regard, they intentionally don't position themselves as an eco-brand, instead they target flexitarians through convenient alternatives. By doing so, Rügenwalder Mühle has arguably contributed to

shifting dietary trends in Germany, as it was among the first to commit to a strong focus on plant-based alternatives. In this sense, they actively participated in reshaping consumption patterns by making plant-based products more accessible and appealing to mainstream, meat-eating consumers, thereby contributing to a reduction in meat consumption.

At the same time, the transformation coincided with the rapid expansion of the plant-based market. The so-called “veggie boom” created significant economic opportunities, and early positioning allowed Rügenwalder Mühle to secure a leading market share in Germany’s meat substitute segment.

However, the main criticism concerns the relatively high prices of plant-based alternatives. Vegan alternatives are sometimes up to 50% more expensive than their meat-based counterparts, which appears difficult to justify given the low cost of ingredients (Ruderer, 2024). While the company attributes this to innovation and production technologies, such price differences may discourage consumers from choosing plant-based options.

Moreover, although the company temporarily discontinued certain meat products to signal commitment, some of these were later reintroduced in response to consumer demand. At the same time, the plant-based market is no longer experiencing the rapid growth of the early “veggie boom”. The recent acquisition of a majority stake by Pfeifer & Langen (Tagesschau, 2024) further embeds the company within a broader, growth-oriented corporate structure. This strategic move toward international expansion may also be interpreted as a response to increasing economic pressures. Hence, these developments indicate that profitability remains a central consideration.

Despite its widely acknowledged transformation, Rügenwalder Mühle continues to produce and sell meat products alongside its plant-based portfolio. While this can be understood as a pragmatic response to consumer demand, it questions the credibility of its sustainability narrative and appears to contradict the long-term goal of reducing environmental impact. Although vegan alternatives contain strikingly less fat and salt than their meat counterparts, they remain highly processed and loaded with additives. In connection with the company’s decision not to adopt the Nutri-Score labeling system, this raises concerns about transparency and whether it can be considered genuinely socially responsible.

Implications for Sustainable and Responsible Management

The transformation of Rügenwalder Mühle illustrates that Sustainable and Responsible Management must address interconnected challenges and navigate tensions between profit and purpose, as well as short-term market logic and long-term responsibility. Seen through this lens, the case shows how companies can integrate sustainability into their core strategy while shaping mainstream consumer behaviour. For students of International Business and Entrepreneurship, this highlights that success can no longer be defined purely by growth and profit. Instead, it requires a broader, more reflective understanding of business as a force that shapes markets, societies, and environmental outcomes, alongside the ability to consciously navigate these tensions rather than ignore them.

Conclusion

To conclude, Rügenwalder Mühle's transformation from a traditional sausage manufacturer to the leading plant-based brand represents more than a shift in product lines. Through its early and innovative focus on plant-based products, the company has reshaped its trajectory, demonstrating that strategic decisions made at the right time can generate both economic success and sustainable impact. It reflects how companies must reassess their role in a world defined by grand challenges and planetary limits. The case serves as a compelling example of how restructuring and the willingness to let go of long-standing traditions can contribute to a more responsible and sustainable business model. At the same time, sustainability remains an ongoing process, requiring businesses to continuously redefine how success is measured.

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Bitter Truth, Sweet Justice: How Tonys Chocolonely tackles Child Labour through Sustainable and Responsible Management

Lani Franz

Over 1.56 million Children are involved in child labour in Ghana and Côte d'Ivoire. Together, these two West African countries produce more than 60% of the world's cocoa, grown across over 2.5 million Farms. Human trafficking, modern slavery, forced labour and even child labour remain part of everyday life for millions of people within global supply chains.

This situation persists despite international agreements, industry protocols, and the widespread visibility of fair-trade and ethical certification labels. It is precisely this contradiction that drove a group of Dutch journalists to investigate the cocoa supply chain. This investigation unexpectedly led to the creation of a chocolate brand born out of protest rather than profit.

This case study is a primary example of how sustainable and responsible management does not hinder brand growth or financial performance but instead can even fuel success and spike revenues. So, to what extent can impact, protest and responsibility work as a marketing strategy? And how much of the bitter truth behind the chocolate industry is truly unwrapped?

Sustainable and Responsible Management: The Backbone of Ethical Chocolate

Ethically produced chocolate should be the industry norm. Yet many leading chocolate brands still fail to produce child labour free chocolate bars. Tony's Chocolonelys Mission-first strategy exemplifies sustainable and responsible management by prioritizing the eradication of child labour over pure profit maximization. Additionally, Tony's addresses the root causes of exploitation and publicly reports both progress and setbacks, including annual "Fair Reports" detailing every child labour case found. By prioritizing cocoa farmers, workers, and consumers through full supply chain traceability and the Open Chain Initiative, the brand follows a stakeholder-oriented model in which social responsibility is embedded in core operations rather than treated as an add-on (Freeman, 1984).

These unfair working conditions is what prompted U.S. Congressman Eliot Engel and Senator Tom Harkin to establish the Harkin-Engel Protocol, also known as the Cocoa Initiative, in September 2001. The protocol introduced a six-step key action plan aimed at prohibiting and

eliminating the worst forms of child labour as defined by the International Labor Organization's Convention 182. It was signed by the eight largest chocolate companies, two US Senators, one US congressman, the Ambassador to the Ivory Coast, and a few NGO and industry alliance representatives. While the protocol and fairtrade initiatives were intended to address exploitation in the cocoa sector, later investigations revealed that many industry commitments were never truly implemented, with ethical certification labels increasingly used to disguise rather than resolve persistent labour abuses.

The Bitter roots of Cocoa: Child Labour and Slavery in West Africa

A British documentary reported, in September 2001, that thousands of children were purchased and shipped as slaves to cocoa farmers in Ghana and Côte d'Ivoire. The children, some as young as six were forced to work 80–100 hours a week without pay. This abuse exploited the traditional West African system, whereby wealthier families took care of a poor relations child, promising to train and educate them in return for work. However, traffickers broke their promises, shipping the children over long distances often from Benin, Mali and Togo to Gabon, Nigeria, Ghana and Côte d'Ivoire. There, they were forced to work in harsh conditions, frequently resulting to injuries and abuse at the hands of their employers. The root cause of this problem is that Côte d'Ivoire, accounting for 43% of the world's cocoa production, is undoubtedly the leading cocoa producer. Despite the scale of exploitation, prosecutions were rare and traffickers and even more so employers, were seldom held accountable.

From Journalist to Activist to Entrepreneur

After the main chocolate brands voluntarily signed the Harkin-Engel Protocol in 2001, three Dutch Journalists, Teun van de Keuken, Maurice Dekkers and Roland Duong, went on a mission to investigate its effects. Their work began through a television programme called the Consumers Investigation Agency (CIA), which involved provocative prank calls to companies and supermarkets to expose the gap between food marketing claims and reality in the food industry.

It was a tiny article hidden in the pages of a newspaper about children being sold as slaves in Mali that made them stumble across the much larger issue of exploitation in the cocoa industry. The journalists contacted *Nestlé* asking for a guarantee that the bars produced were free from child labour. However, they were unable to provide any proof, openly acknowledging the exploitation

while expressing frustration at the question. Thus, Teun van de Keuken tried to get himself arrested for “financing child labour”, as it is against EU regulations to purchase a product of crime if you are aware of it but proceed to do so intentionally.

To speak directly with the victims, the journalists travelled to Burkina Faso, a key transit country for children trafficked to coca plantations. There they discovered that the children were not only forced to work, but were also beaten, starved and in some cases killed.

The 2005 premiere of the film “Charlie and the Chocolate Factory” reignited the issue. As the chocolate bar promoting the film was produced by Nestlé, Teun once again approached the company, urging them to ensure that the bar representing the film was produced without the use of child labour. After repeated refusals and numerous failed attempts to persuade major brands, the journalists faced a dead end. With limited time and growing agency, they decided to take matters into their own hands and produce their own bar, which led to the unexpected and difficult birth of Tony’s Chocolonelys.

How Tony’s Brand Design and Marketing drive Ethical Change in a saturated Market

The chocolate industry is highly saturated, raising the question of how a brand like Tony’s manages to stand out. Rather than concealing its message, Tony’s places it directly and visibly on its chocolate wrappers. The brand uses solid, bright colours and a custom font to capture consumers’ attention. Later, Tony’s introduced an uneven chocolate mould, creating chunky, uneven pieces to symbolize the inequality and unfair value distribution in the cocoa industry. Some of these uneven shapes represent West African countries from which Tony’s sources its cocoa beans.

Additionally, the custom hand-cut lettering adds a personal touch. Even the brand name, Tonys Chocolonely’s, reflects the solo fight against exploitation, the founders tried to conquer. Every minimal detail is deliberately chosen and unapologetically displayed on the wrapper to deliver the crucial message.

Tony’s digital presence further reinforces transparency and education. Its website dedicates significant real estate to educate their costumers about their sourcing principals, a detailed company timeline and annual impact reports. To attract even more audiences, Tonys maintains a strong Instagram and TikTok presence, combining trendy food content with educational posts.

Recently, during the premiere of the new Willy Wonka, Tonys distributed chocolate bars, posters, and a short pre-film clip exposing abuses in the chocolate industry.

How Brands can embrace Ethical and Responsible Practices

Beyond its own brand, Tonys Chocolonelys established the Open Chain Initiative, enabling other companies to source cocoa ethically through its supply chain model. The Initiative has already partnered with major brands such as Ben and Jerry's and Kahlúa, and Tonys has publicly stated that it ultimately hopes that the Open Chain will become more important than its own chocolate brand.

This model offers a practical entry point for other companies beginning their ethical transformation. Tony's approach demonstrates that eliminating child labour requires addressing poverty at farm level, primarily by ensuring living incomes for farmers, rather than relying solely on audits or certifications. Tony's 100% bean-to-bar model illustrates how radical transparency can be embedded into core business operations, rather than treated as a marketing add-on.

Brands seeking to follow this path should integrate ethical objectives into sourcing, pricing, and supplier relationships, instead of isolating sustainability to the CSR department. Tony's Mission lock further ensures that ethical commitments endure beyond leadership changes and growth pressure.

Conclusion

Tonys Chocolonelys is an outstanding example of how a brand can thrive in an already saturated market by applying the core principles of sustainable and responsible management. The mission-focused company demonstrates that ethical chocolate can not only compete but achieve remarkable commercial success generating over \$200 million in revenue in 2024 be extremely successful. Ultimately, Tony's Chocolonelys proves that placing stakeholders at the centre of business strategy can drive both ethical legitimacy and long-term economic value. Through its activist marketing and radical transparency, the brand educates costumers about systemic abuse while empowering them to actively participate in change.

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Between Competitive Advantage and Ethical Accountability: Sustainability Marketing in the Case of H&M

Emine Jaeger

Introduction

Within markets that are becoming increasingly saturated, marketing decisions tend to go far beyond short-term sales objectives. These decisions shape the long term competitive positioning of firms. Strategic marketing includes decisions that have a significant impact on an organization's long-term performance. Based on this, companies determine the markets in which they want to compete and how certain competitive advantages are established (Tomczak et al. 2018, pp. 8-10).

In times of globalization, intensified competition, and resource shortages, sustainability has evolved from a peripheral communication tool to a relevant dimension of strategic considerations.

Concurrently, marketing increasingly operates within a normative framework. Contemporary scholarship emphasizes that marketing activities influence corporate legitimacy and stakeholder trust, and thereby carrying ethical responsibility (Kamila & Jasrotia, 2023). In this context, greenwashing, defined as the communication of environmental claims without sufficient substantive backing, illustrates the rising tension between strategic positioning on the one side and ethical accountability on the other side (Umweltbundesamt, n.d.). Increasingly rapid information flows through social media and global networks intensify this tension, by leveraging the risk for companies in case of inconsistent communication and behavior.

The case of the fast-fashion company H&M, which includes its „Conscious Choice“ clothing-line, the „Looop“ recycling initiative, and harsh allegations of misleading sustainability communication, provides a salient example of this strategic-ethical interplay. This chapter examines the extent to which the H&M sustainability case reveals the strategic and ethical tensions inherent in marketing in times of digitalization and sustainability.

Marketing Strategy in the Context of Sustainability

Strategic marketing incorporates decisions that influence a company's long-term competitive position and determine how resources are allocated across markets and business activities

(Tomczak et al. 2018, pp. 8-10). In contradiction to operational marketing, which emphasizes short-term instruments such as pricing or promotion, strategic marketing addresses fundamental questions. Which markets should our company compete in or which competitive advantages could we use in our favor?

Tomczak et al. (2018) emphasize that strategic marketing emerged as a response to structural changes in market conditions, including globalization, market saturation, technological acceleration, and increasing resource scarcity. These developments necessitate that companies adopt a long-term orientation and incorporate broader environmental and societal factors into corporate planning. Given these conditions, sustainability can no longer be regarded as an isolated initiative but rather as a factor embedded in decisions concerning market selection, value propositions, and competitive differentiation.

From a strategic perspective, sustainability is able to function as a source of competitive differentiation in two principal ways: either by offering superior value perceived by customers, such as enhanced brand credibility or responsible sourcing, or by redefining cost structures through efficiency gains and circular processes (Tomczak et al. 2018). However, the strategic prioritization of sustainability can introduce a challenge concerning the alignment between the communicated commitments and the operational realities. Consequently, strategic marketing necessitates congruence among long-term positioning, resource allocation, and organizational capabilities.

H&M's sustainability initiatives could be interpreted as an attempt to incorporate environmental responsibility within its long-term strategic positioning. The introduction of the in-store recycling system „Looop“ exemplifies an investment in circular production processes, which aligns sustainability with operational innovation rather than purely symbolic communication (Brun, 2020). From a strategic marketing perspective, such initiatives may strengthen competitive advantage by enhancing perceived brand responsibility and differentiating the company in saturated apparel markets.

In addition, H&M integrates sustainability into digitally mediated brand narratives. The collaboration with Animal Crossing in 2021 and the designation of the actress and influencer Maisie Williams as Global Sustainability Ambassador illustrate how environmental commitments are translated into interactive, youth-oriented campaigns that aim to connect digital engagement with sustainability messaging (Barnett, n.d.). Strategically, this approach reflects an effort to align

sustainability with evolving consumer media habits and to reinforce brand relevance in digital ecosystems.

However, strategic positioning becomes fragile when sustainability communication appears to exceed measurable operational progress. Criticism concerning H&M's „Conscious Choice“ labeling and related greenwashing allegations suggest that sustainability-driven differentiation may generate reputational exposure if transparency and verification are insufficient (Adegeest, 2022). Similarly, public scrutiny of the company's sustainability scorecards, reportedly caused subsequent questions about data reliability. This underlines the importance of realistic claims and communication in digitally transparent markets (Stern, 2022). Beyond individual campaigns, broader critiques emphasize the general ethical and structural tension between fast-fashion growth logics and long-term ecological responsibility (Jakob, 2019).

All together, the H&M case demonstrates that sustainability can function as a strategic asset, yet only under conditions of coherent integration between market positioning, operational capabilities, and credible measurement systems.

Critical discussion of marketing aims and means

Marketing, as a corporate function aims to establish relevant competitive advantages and long-term profitability. However, contemporary research highlights that marketing activities simultaneously shape corporate legitimacy and stakeholder trust, thereby, as already mentioned, carrying ethical responsibility beyond economic performance (Kamila & Jasrotia, 2023). When sustainability becomes part of global brand positioning, marketing decisions acquire normative implications that extend beyond strategic differentiation.

Sustainability can function as a powerful marketing asset, enhancing perceived brand responsibility, appealing to environmentally conscious consumers, and contributing to competitive positioning. However, this strategic potential is oftentimes accompanied by heightened expectations regarding transparency and accountability. Greenwashing, defined as the communication of environmental responsibility without sufficient substantive backing (Umweltbundesamt, n.d.), illustrates the tension between promotional ambition and ethical credibility.

The H&M case exemplifies this structural tension rather than representing an isolated controversy. Recent initiatives such as the recycling project called „Looop“ appear to signal attempts to integrate circular practices into brand identity (Brun, 2020). However, the public scrutiny surrounding sustainability labeling and scorecards demonstrates how digital environments can amplify perceived inconsistencies (Stern 2022; Adegeest, 2022).

Consequently, the strategic-ethical tension does not emerge exclusively from deceptive claims but much more from the extensive challenge of aligning competitive growth objectives with credible environmental commitments in digitally transparent markets.

Implications for Marketing Education

The strategic-ethical dynamics illustrated by the H&M case emphasize the necessity of integrating both long-term strategic thinking and critical reflection into early marketing education. As already mentioned in the beginning strategic marketing decisions determine market selection, competitive positioning, and resource allocation (Tomczak et al., 2018, pp. 8-10). Therefore, future marketers must understand how sustainability affects not only brand communication but also corporate structure and performance.

Marketing education must address the normative dimension of marketing practice. As research on marketing responsibility has emphasized, corporate communication plays a crucial role in shaping stakeholder trust and legitimacy (Kamila & Jasrotia, 2023). Consequently, students must try to develop the ability to apply strategic planning concepts, critically interpret sustainability performance indicators and assess stakeholder trust implications to evaluate the strategic coherence and ethical defensibility of sustainability positioning.

In addition, the H&M case demonstrates that digitalization intensifies this requirement. The evolution of sustainability claims has evolved from a domain primarily focused on consumer perceptions to a more multifaceted landscape, encompassing perspectives from activists, media outlets and regulatory actors. Consequently, marketing professionals must possess the competencies to manage reputational risks, ensure data transparency, and critically evaluate the alignment between communicated ambition and operational reality.

In this context, the subtopics „Marketing Strategy“ and „Critical Discussion of Marketing Aims and Means“ from the module “Marketing in Times of Digitalization and Sustainability” provide

complementary competencies. The former enables structured long-term positioning, while the latter fosters ethical reflexivity within competitive decision-making.

Conclusion

Overall, the H&M sustainability case demonstrates that contemporary marketing operates within a structural tension between strategic differentiation and ethical accountability. When it is integrated coherently into long term positioning and operational processes, sustainability can serve as a source of competitive advantage. However, in digitally mediated markets characterized by high transparency and rapid public scrutiny, misalignment between communicated claims and measurable practices may transform strategic ambition into reputational exposure.

By integrating strategic marketing theory with critical reflection on marketing aims and means, this chapter demonstrates that sustainability positioning cannot be reduced to promotional rhetoric. Instead, what we require is alignment across communication, measurement systems, and business model design. Therefore, the H&M case not only reveals the challenges faced by fast-fashion companies but also illustrates the necessity of integrating strategic coherence and ethical awareness into contemporary marketing practice.

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Sustainable and Responsible Management with an Explanatory Case: The Startup Desoltik

Bailing Lin

In the context of startup booms in 2025 (Zajonz, D. 2025), startups collectively struggle with organizational management issues in the first few years of founding. Capital is tight, entering a market with new ideas will be challenging. One possible way of structuring the internal part of a startup is with sustainable and responsible management. Referring to the videos provided in our IBAE module, its concept is based on the idea of viewing different market fields through the lens of sustainability and responsibility. Sustainability is concerned with the environmentally conscious use of scarce resources and can be measured by reaching the goals of the SDG. By sustainable and responsible management, a way of making business decisions is defined with consideration of environmental impact and harm.

Reducing ecological footprints have placed higher importance nowadays. Even profitability and efficiency can be measured by the degree of sustainable and responsible standards in the company (Desoltik, 2025).

Responsibility on the other hand requires constant improvement and change, but with consideration of ethical, environmental and economic aspects. Allowing future generations to be able to work with the same resources and have the same chances (Faber-Wiener, G. 2013).

Companies trying to become more independent from overseas suppliers, the trend of sustainable production and demand in the global economic situation has led to the establishment of Desoltik.

Desoltik is a very young IT company based in Karlsruhe, that was founded in 2023. It uses AI software to calculate the more effective and profitable way of handling technical faults, with the ideology of recycling parts of a circuit board if needed. The AI software is able to undertake PCB inspections for companies, with that Desoltik can enable a cost comparison between reuse/recycle, repair and replacing, allowing companies to choose their most fitted economically driven decision while expanding the life of electronic products (Startbase, n.d.). In 2020 they were almost three million tons of electronic devices brought into Germany's market, and only about one million were brought back to recycle (Ressource Deutschland, n.d.). Meaning most of the unused nonfunctional

electronics are circulating around or simply thrown away. Overall, raising the question of whether recycling has a higher net benefit than a new acquisition.

Its characteristics make it an instructive case for showing how sustainable and responsible management can shape the way a company works and operates. With that said the output of my findings resulted in the research question:

Is the use of artificial intelligence in Desoltik's business model ethically and environmentally justifiable within a sustainable management framework?

To make the “justifiable” approach clearer we can use measurable metrics like avoided e-waste, percentage of recycled boards and the ethical aspect of AI transparency and energy use for the AI software.

Desoltik's product line promotes a sustainable and environmentally friendly outcome, reducing the overall potential waste by electronic products. However it utilizes AI software to achieve its goal, that remains highly controversial in the ethical and environmental aspect, especially with the rise of investments into AI.

AI powered software requires huge data centers to be able to function. To regulate the temperature, the data centers use water in pipes to cool down the machines which are running on the clock and emit continuous heat. The water used often comes from places that are already scarce in their own water supply, taking that away from populations depending on it (United Nations Environment Programme, 2024).

Especially with the integration of AI into different market fields, like manufacturing and healthcare, more energy is necessary to keep the computers in the data center running, which currently stays cost intensive. Energy in the form of electricity is not transparently documented enough and could still be sourced by nuclear power plants or burning fossil fuels, which produce greenhouse gases and accelerate the greenhouse effect (United Nations Environment Programme, 2024).

The computers in the data centers contain rare earth minerals that are often mined in an environmentally harming way, producing excessive amounts of waste which can be harmful for humans and wildlife (de Jong, J. 2025). The extraction of rare resources is both environmentally and ethically challenging, since it not only exploits its soil, but workers dependent on mining.

Utilizing AI as the core business model can exclude having laborers in certain sectors, harming the market balance that already leads to unemployment in economic viewpoint (Short, L. 2025).

In Industry 4.0 it is often discussed that a certain automation helps efficiency and create a new market demanding new labor force, that would disprove of the critic above (Finio, M. & Downie, A. 2024)

Despite this some may argue that the use of AI in Desoltik's case is used to counteract problems discussed.

At this current stage of AI's evolution, a future without the use of AI seems inconceivable using that advanced technology to minimize the damage made to the environment by elongating the usage of circuit boards, in fact does a positive contribution to the issue of global waste accumulation.

If parts of the circuit board can be reused and recycled Desoltik is a driver of the cost reduction a company desires.

Detecting technical issues and addressing them becomes more accessible and efficient for large and even smaller companies, it operates like compensation for smaller companies to be able to compete on the market, due to the monetary saving alternative.

Now the question of Desoltik being "justifiable" with the use of AI is depending on its transparency in their use and the software's accuracy arise. False predictions of the software can lead to an unnecessary replacement and/or unsafe use of electronics, which can result in a loss of time and capital.

Based on these findings the concept of reuse and recycling can even incentivize the idea of a more sustainable production model. In the long run waste can be reduced and a more conscious handling of resources might be visible over the years.

The scarcity of silver and rare earth minerals increases with every new technology on the market, costs of the circuit board will continue to rise, and low-cost options become more attractive. Helping to lower resource extraction

Desoltik's business idea contributes to SDG 12 (sustainable development goal). Core aspects of SDG 12 are the sustainable and efficient use of natural resources, the possible reduction of waste,

a better recycling rate and the safe disposal of hazardous waste (*Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung [BMZ], 2025*).

The topic of AI being controversial is acknowledged but, in this case, Desoltik's software concludes more advantages than disadvantages by actively working for a sustainable future and solution.

Regarding Desoltik and its marketing for the responsible use of AI, Desoltik's case is viewed as justifiable, if improvements in transparency of energy source and its explicit use of AI purpose is published.

With that rapid increase in AI and computer use it's inevitable in foreseeable future until a similar business is in need.

Desoltik as a pioneer in its field can be used as an example for future business models.

Additionally, subjectivity in this topic must be considered, since different definitions and degrees of ethically and environmentally friendly business models can occur, opinions vary in this topic. Overall, it shows that the use of AI with the right agenda in mind can support sustainable and responsible objectives.

Therefore, the key aspect of Desoltik's use of AI is less focused on the use of AI and more into the transparency and source of energy used.

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When a Cake Becomes a Cause: Managing Trust and Responsibility in the Pandorogate Case

Marlene Menck

Introduction: The Pandorogate Case

When buying a cake feels like donating to a children's hospital but the donation does not depend on your purchase. This describes the so-called "Pandorogate" scandal involving the Italian influencer and entrepreneur Chiara Ferragni and confectionery manufacturer Balocco. Chiara Ferragni started her fashion blog "The Blonde Salad" in 2009 and has since built up a community of almost 28 million followers on Instagram as well as a business empire that includes the Chiara Ferragni fashion brand (Di Licoso, 2025).

Balocco is an Italian family business founded in 1927 that specializes in the production of baked goods and confectionery such as biscuits, pandoro, panettone and other traditional Italian pastries. Balocco is based in northwestern Italy, in Fossano, and reports a turnover of €257 million and exports to 80 countries worldwide (Balocco S.p.A., n.d.).

In 2022 Balocco launched a special edition of its traditional Christmas cake in collaboration with Chiara Ferragni. The product was marketed under the name "Pandoro Pink Christmas" and promoted as supporting a donation to the Regina Margherita Children's Hospital in Turin. However, in December 2023, the Italian Competition Authority (AGCM) sanctioned Balocco S.p.A. and two companies managing Chiara Ferragni's brand (Fenice S.r.l. and TBS Crew S.r.l.) for engaging in an unfair commercial practice. According to the Authority, the campaign created the impression through press release, product labelling and social media communication that purchasing the product would contribute to a charitable donation intended to finance medical equipment for children suffering from serious illnesses. The donation of €50,000 had in fact been made months before Balocco's campaign and was not linked to sales volumes. The AGCM (2023) determined that these practices "limited consumers' freedom of choice" by exploiting their sensitivity toward charitable causes, thereby violating "the duty of professional diligence under Article 20 of the Consumer Code". Fines exceeding €1 million were imposed on Ferragni's companies and €420,000 on Balocco (Autorità Garante della Concorrenza e del Mercato [AGCM], 2023).

Beyond regulatory sanctions this case raises a broader managerial question: What does the Pandorogate-Case reveal about the relevance of sustainable and responsible management in morally framed marketing?

Sustainable and Responsible Management as Analytical Lens

As introduced in the module Sustainable and Responsible Management (SRM) within the International Business Administration and Entrepreneurship (IBAE) degree programme at Leuphana University in Lüneburg, management is examined not only in terms of performance and profit but from a perspective that integrates sustainability and responsibility. It critically questions how and for what purpose managerial decisions are made. The module addresses societal challenges such as greenwashing, hiding information, precarious working conditions or pretending to comply. Sustainability and responsibility are considered as key conditions for societies to survive and develop. Furthermore, responsibility is presented as a dynamic relationship between existing conditions and the need for action. Managers are therefore understood not only as economic decision-makers but as actors who shape organizational structures and societal outcomes.

Cause-Related Marketing and Moral Framing

By applying SRM to the Pandorogate case, the campaign can be understood as a strategic example of cause-related marketing (CRM). Varadarajan and Menon (1988) define cause-related marketing as a marketing process in which a firm commits to contributing a specified amount to a designated cause when customers engage in revenue-producing transactions. In principle, such strategies can enhance the image, justify price premiums and strengthen emotional customer attachment.

In the Pandorogate case, however, the core issue was not the lack of a donation but the communicative framing that implied a direct link between purchase and donation. Also, the significantly higher retail price of the branded product at over €9 per item, which is about two and a half times the price of a classic Balocco pandoro, strengthened consumers' belief that part of the purchase price would fund the charitable initiative (Autorità Garante della Concorrenza e del Mercato, 2023). Through this CRM campaign the Christmas cake changed from a purely economic product to a morally meaningful purchase, as buying it was framed as an act of helping sick children. But although a €50,000 donation was made, the expectations raised among the consumers

did not match reality. This gap between what the brand claims and what it actually delivers shows the risk of what can be called purpose-washing (Rihhadata Aisy & Rahimah, 2025). The social cause of supporting sick children was instrumentalised to promote sales, while the actual social impact was already established and was not scaled by customer support. This shows that CRM can be both an opportunity and a risk. Purpose claims can create additional value and a good reputation but at the same time they increase vulnerability and raise high expectations that the company must live up to. Rihhadata Aisy and Rahimah (2025) state that “[...] authentic communication and ethical consistency are essential for maintaining trust in brand activism” (p. 35).

Stakeholder Trust as a Strategic Asset

This leads us to the point that if the mentioned expectations are not met, there will be a break in trust. According to Mayer, Davis and Schoorman (1995), trust means being willing to rely on someone and accept vulnerability because you expect them to act in your interest even if you cannot control what they do. This is based on three factors: ability (competence to deliver), benevolence (good intentions), and integrity (alignment between words and actions according to acceptable principles).

In the case of the Balocco-Ferragni cooperation, there was a strong foundation of trust. Balocco, as a traditional family business, enjoyed high credibility, and Chiara Ferragni, as an influencer, had established strong relationships with her community. Therefore, by combining brand trust and influencer trust with a charity story, the campaign was able to build this trust on all three dimensions. When the scandal came to light, it was primarily the integrity dimension that was questioned. The consequences were not only reputational but relational and economic: Ferragni reportedly lost around 200,000 followers and several major brand partnerships, including Coca-Cola (Giuffrida, 2026). At the same time, revenues of her companies fell by more than 90% (Di Licoso, 2025), underscoring that the effects extend beyond public perception and lead to a noticeable economic decline. Trust thus functions as an intangible but economically valuable asset. It can strengthen brand image, justify higher prices and deepen customer loyalty. Yet the case shows that it is fragile.

Managerial Responsibility Beyond Legal Compliance

That is the reason why management bears a high level of responsibility when it uses trust and this goes beyond legal compliance. Linking the case to the module, SRM asks not only whether actions comply with formal rules but whether organizational structures anticipate societal expectations and integrate responsibility proactively. Even if the donation in the Pandorogate case was factually real, responsible management would have critically assessed how consumers would reasonably interpret the message, would have clearly communicated that the donation was fixed and would have ensured complete transparency. The case illustrates that responsibility is not abstract, it can and must be organized.

Implications for Sustainable and Responsible Management

The question of how to organize this responsibility is one of the questions that SRM deals with and therefore the relevance of the module in the IBAE curriculum becomes evident in this context. Managers today operate not only in an economic environment but also in a complex societal context. This means that consumers expect transparency, brands work with moral messages and trust becomes part of business strategy. The case clearly demonstrates that charity claims create moral expectations, and if these expectations are not managed responsibly, trust is destroyed. Managing that risk is a core managerial capability that is important to learn.

The module SRM is relevant because it teaches us to be mindful, both from the consumer's perspective and in particular from the manager's perspective. As a consumer you learn to pay attention to cause-related marketing, to question purpose-driven claims and to recognize purpose-washing. As a manager you learn to consider stakeholders, to understand trust as capital, to identify ethical risks at an early stage and to integrate sustainability and responsibility into core management processes.

Conclusion: When a Cake Becomes a Cause

To close the Pandorogate case: In January 2026, Chiara Ferragni was acquitted and personally donated €1 million to the Regina Margherita Hospital. She described the situation as a “miscommunication” and emphasized the importance of admitting mistakes (Di Licosa, 2025). This gesture can be interpreted as an attempt to restore trust. However, restoring trust after

reputational damage is much more difficult than building it in the first place. The case thus shows that responsible management is not only about avoiding mistakes, but also about responding transparently and constructively when expectations are disappointed.

Ultimately, when buying a cake feels like donating to a children's hospital, managers must ensure that this feeling is grounded in transparent and responsible practice.

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The Skill Paradox in Times of Artificial Intelligence: On the Importance of Restoring Reflection in Management Education

Matthias Wenzel

This collection on “courses and cases” of International Business Administration & Entrepreneurship is the last one being published. It provides a vivid illustration of why it is relevant to study management and entrepreneurship, in particular the B.Sc. program on “International Business Administration and Entrepreneurship” (IBAE). Yet, in times of artificial intelligence, one might question whether such a collection is still timely and sensible. Generative artificial intelligence is now broadly accessible, and its use becomes increasingly embedded in day-to-day student, work, and private lives. What value does a reflective task such as identifying a case as an illustration for the relevance of an IBAE module still have if it can be delegated to generative artificial intelligence? This question has deeper implications than the discontinuation of the collection at hand. It challenges whether it is still relevant to acquire the skills formed through management education.

Management education revolves around three types of skills, and the chapters included in this collection draw attention to these. First, “technical skills” involve the mastery and application of tools and techniques to solve problems in management and entrepreneurship. Such skills relate to an instrumental reading of management and entrepreneurship: “do X to achieve Y”. For example, knowledge covered in more conventional business administration modules such as accounting and finance is more technical in nature in that it features tools and techniques for getting things done in rather reliable and predictable ways (e.g., bookkeeping). Equally so, methods courses form the skill-based infrastructure for a systematic way of analyzing and solving problems.

Second, moving beyond predictability and reliability in the face of contemporary turbulence of business and society, “conceptual skills” are one’s ability to understand and enact problems at hand against the background of theoretical management and entrepreneurship concepts. Whereas technical skills are aimed at a fixed set of (management and entrepreneurship) problems to be solved, conceptual skills do not predefine problems at hand. Instead, they are open to ever-new challenges that arise in business and society. For example, the profile modules of IBAE that revolve around management and entrepreneurship tend to put great emphasis on conceptual skills.

In times of artificial intelligence, one may wonder whether these types of skills still need to be formed: Is generative artificial intelligence “better” at performing technical tasks, or will it be better at that soon? Is it, or will it be, better at handling concepts of management and entrepreneurship to understand and solve newly arising problems?

Given that the future is unknowable (Wenzel, Krämer, Koch, & Reckwitz, 2020), there are no complete answers to these questions. However, as can already be observed today, the use of generative artificial intelligence becomes ever-more pervasive, and this change has implications for how work gets done in contemporary organizations. What, however, persists is that we, as students, professors, managers, employees, or entrepreneurs, are held accountable for what we do: When we use generative artificial intelligence, what we present or enact as a solution to a problem in organizations, startups, universities, etc. is attached to us, not an algorithm. Therefore, we will continue to be held accountable for errors, plagiarisms, etc. even when these have been produced by generative artificial intelligence.

The providers of generative artificial intelligence warn themselves that the outputs generated by their algorithms might be biased, distorted, or simply untrue. Whether one believes that this might be technically resolved in the future or not (see van den Broek and Levina, 2026, on the promises of artificial intelligence as an ‘ideal’ that will never be fully accomplished), the residual of generative artificial intelligence’s irreliability combined with personal accountability creates a paradox: *To use generative artificial intelligence in a reliable way, one has to be able to judge, evaluate, and, if necessary, adjust its outputs; and to do so, one has to know how to solve the task that generative artificial intelligence is prompted to perform based on one’s technical and conceptual skills.*

Therefore, the belief that technical and conceptual skills will become less relevant in times of artificial intelligence does not hold. Evidently, work processes are changing and will further evolve. However, *to work intelligibly with generative artificial intelligence preconditions the technical and conceptual skills that one might attempt to substitute by its use.*

Yet, for profound judgments and evaluations, a third type of skills must be acquired: reflection. “Reflection” is the ability to engage in deep-level considerations of a subject matter. It allows skill carriers to surface—and, by implication: question and criticize—hidden patterns in streams of activity. For example, the way an organization is managed on a day-to-day basis may

systematically reproduce a neoliberal ideology, one that is not directly visible as such and can, therefore, be accessed only through reflection. Despite written codes and guidelines promoting gender parity, the hiring procedures of an organization may display hidden gender inequalities, ones that can only be understood through a reflective engagement with the patterns of day-to-day hiring practices. Or without deep-level reflection, users of generative artificial intelligence do not realize that generated outputs reproduce political distortions and gender biases in the data used to train those algorithms.

Without reflection, carriers of technical and conceptual skills are at risk of (mis)understanding and enacting unfamiliar and unexpected problems against the background of the ever-same views and assumptions based on which prior problems have been engaged with through the eyes of known theoretical concepts. Reflection, in turn, is an action that reflects back on itself. In doing so, it is at the same time a self-formative act of self-reflection that also leads skill holders to question their own views and assumptions (Habermas, 1972). Hence, reflection enables carriers of technical conceptual skills to approach unfamiliar and unexpected problems with fresh eyes. As such, it is foundational for conceptual skills to do justice to the turbulent and uncertain nature of contemporary business and society. Likewise, reflection is foundational for technical skills. Without it, carriers of technical skills are unable to draw connections between problems and tools at hand to generate solutions. Therefore, given its importance, the formation of reflection is a running theme and central maxim in IBAE. All courses and seminars practice reflection in one way or another.

In the context of university education, reflection may be self-evident to some, but it isn't. As Habermas (1962, 2022) argued and recently renewed, reflection is a deep-seated skill practiced by human beings in modern societies, but it has been increasingly suppressed by the instrumental means-ends logic of bureaucratic parts of business and society (strategy, politics, etc.), as well as the growth of consumer and media culture that fosters unquestioned and echochambered lifestyles (e.g., through social media that polarize opinion formation by displaying like-minded content instead of promoting reflection through diverse content).

In part, management education may be complicit in this dynamic. As Vaara and Fäy (2012) argued, management education reproduces problematic (e.g., neoliberal) beliefs, values, and practices by teaching management tools and concepts without much reflection. Central to such management

education, according to Vaara and Fäy, is to train students in the “management jargon” needed to gain access to the well-paid upper-management levels of organizations. Questioning the tools and concepts behind such jargon is, then, a secondary objective at best. Yet, as Vaara and Fäy highlighted, the lack of reflection in many programs of management education cannot be attributed to instructors alone. As they argued, instructors respond to an instrumental expectation raised by students to deliver a degree, e.g., to land a decent job after graduation. This brings us back to the beginning of this book: Why to study IBAE? Just for instrumental reasons, such as landing a decent job? Or are there deeper reasons?

The loss of reflection as a skill is arguably exacerbated in the age of artificial intelligence. If any task—whatever small or large—is instantly encountered with the use of generative artificial intelligence, the reflective muscle weakens; and this may happen very quickly. As an analogy, one may consider the scene in the movie *El abrazo de la serpiente*, where a European researcher studying indigenous peoples in the Amazon was keen on not leaving behind his compass, but failed to do so. In this scene, the researcher commented that, by using this compass, those peoples would quickly lose their ability to navigate in the woods based on natural means at hand.

How, then, can reflective capacities be formed or restored? Given the pervasive availability and use of generative artificial intelligence, forming reflection as a skill might be most challenging. Technical and conceptual skills might be acquired by acting and learning “as if” generative artificial intelligence did not exist. For reflection, this is much harder because once actors unlearn how to approach the proverbial blank sheet of paper, the impulse to use generative artificial intelligence to fill this sheet with “something” before even beginning to work and then stopping further reflections rather quickly is striking (Retkovsky, Hafermalz, & Huysman, 2026).

Due to the central role of reflection, it seems important to restore it in management education. Yet, given that the partial loss of reflection in management education is part of a broader dynamic that cannot be ascribed to instructors alone, it seems insufficient to render reflection a maxim in IBAE’s courses and seminars: At the same time, students’ participation in restoring reflection seems necessary and warranted. In contrast to technical skills that follow predictable and reliable patterns, reflection defies such patterns that can be “transmitted” from teacher to student in rather conventional ways. Instead, reflection has to emerge “from within” those who aim to acquire this skill by “doing” it (Habermas, 1972). That IBAE students—as elaborated in the beginning of this

book—tend to “know” why they come to Leuphana to study this program beyond merely instrumental, content-empty reasons is a solid starting point for restoring reflection. Active participation in the courses and seminars is an additional one. Without it, it is impossible to practice reflection.

Given that the grand challenges of our time exhort us to question and break with past patterns, and to unleash the creativity needed to generate new ones, restoring reflection itself seems to be one of the grand challenges of our time to be tackled. IBAE aims to make a contribution in this regard by forming students as reflective practitioners who are able to challenge, question, and transform the status quo in business and society. Be part of this journey!

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