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## **SUSTAINABLE BUSINESS DEVELOPMENT PROCESS: THE CASE OF THE FOOD AND BEVERAGE INDUSTRY**

The number of SMEs is growing rapidly, because owning one's own business became a trend in the 21<sup>st</sup> century. Entrepreneurs seek freedom, money and sustainable development, however the U.S. Small Business Administration indicated that more than 95% of SMEs bankrupt in the first 5 years [24]. Consumers started to be more aware of health issues and the obesity problem in the world, therefore government interference is inevitable. The recently implemented health taxes in several EU countries largely affected the competitive environment of the food and beverage industry. Therefore, the goal of this paper is to develop a sustainable business development process oriented to the food and beverage industry. The methodology in this study consisted of business strategy development based on a food and beverage industry's case study; the results were elaborated by referring to the Canvas Business Model concept and the Four Factors to Success concept. The Canvas Business model is oriented to all industries and does not consider the health and natural product trend. The authors' created methodology includes legislative issues and elements of business support in the business development process. The developed business model methodology identifies the importance of legislative issues, use of ingredients, the brand's image and distribution strategies based on early adopters. Moreover, a business support system is included in the strategy, which is not considered by other research on the topic. These findings can also be used in the fast-moving consumer goods industry for achieving a sustainable competitive advantage. Health, obesity and consumer's rights is now a concern for the world. Business development models that consider the trend of health would be beneficial in lowering the obesity rate in the world.

**Keywords:** business development, competitiveness, food industry, beverage industry, SMEs, health.

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## 1. INTRODUCTION

The 21<sup>st</sup> century's beginning was considered to be the age of information, however today we see a shift in technology, people's beliefs and activities. Other world famous economists call today the age of entrepreneurship. The entrepreneurship age has appeared for several reasons. The first reason is that communication speed has reached new heights. The basic economic cycle model consists of 4 parts: expenditure, profit, credit, and efficiency. The discovery of the internet, mobile phones has led to the economic cycle's acceleration. The speed of information and money flow has affected this part dramatically. In addition, the well-known research "Nature of the firm" described enterprises in the industrial age [3]. Coase stated that large multinational companies will rise because of productivity and the economies of scale effect. However, today when the cost of communication has dramatically decreased, large enterprises are starting to disappear. Today it is more common to see franchises that share responsibility and money with regular people.

The other reason is the effect of baby boomers. Baby boomers are people who were born in the years 1946-1964, the biggest concern for them is health care and pension plans. Today the world is seeing the plan of the industrial age failing and new concepts are being offered to people to ensure their pensions. Therefore, younger people see the consequences for their parents and have a desire to work for themselves and not for a large company. The idea of finding a company and working for it for life was good in the industrial age. However, today it is not uncommon to find people who have changed their professions ten times already.

Another economist, Paul Zan Pizler, predicts where the economy is going and distinguishes three main industries: wellness, internet and direct distribution. The internet's advantage was already listed before, mainly it provides information and speed of money transfer. Direct distribution has a different term in today's economy, it is called e-commerce or intellectual distribution. This concept describes how people can distribute information and build an international business by using multi-level marketing schemes.

Lastly, the wellness sector is receiving a lot of attention, because people's beliefs and needs have changed in the recent decade. Many entrepreneurs see potential in the wellness industry for several reasons. The wellness industry's customer segment has grown exponentially, because many people desire to be healthy and sporty. In addition, the government is amplifying the obesity problem that appeared because of the fast food industry. A study regarding the obesity in the world, affirms that an unhealthy diet is the leading risk of death and disability globally. One of the strategy's proposed interventions is to ensure that healthy foods/beverages are more accessible to purchasers and unhealthy ones less accessible via fiscal policy, namely taxation and subsidies. The study recommends to use food taxes and subsidies between 10 and 15% for maximum success [19]. Moreover, the development of entrepreneurship and direct distribution has led to a rapid growth of

SMEs [15]. Entrepreneurs seek freedom, money and sustainable development, however more than 95% of them bankrupt in the first 5 years [22]. The fast moving consumer goods (FMCG) industry is one of the fastest growing industries and today it is receiving a lot of attention from the government and consumers. Consumers are seeking healthy food and have started reading labels. The government has started to act more on a global scale and is developing health taxes. Due to these facts, the competitive environment has changed dramatically in the food and beverage industry. Therefore, the goal of this paper is to develop a sustainable business development process oriented to the food and beverage industry. The methodology in this study consisted of business strategy development based on a food and beverage industry's case study; the results were amplified by referring to secondary material analysis, the Canvas Business model concept and the Four Factors to Success concept.

The authors' developed sustainable development process considers the health trend and legislative issues that are now being implemented in the market. Moreover, the implementation of a business support system can achieve sustainable competitiveness in the long run. By using the authors' methodology in the development process of the food and beverage industry, a sustainable competitive advantage can be achieved. The objectives of the study are to:

- Analyse the health tax's impact on the food and beverage industry's competitiveness environment.
- Determine the business model development process structure and singularities that are a concern for the food and beverage industry.
- Conduct a food and beverage industry's case study by considering the impact of the emerging health taxes.

## **2. HEALTH TAX IMPACT ON COMPETITIVE ENVIRONMENT**

The competitive environment is changing drastically because people tend to read labels and engage in sport activities more often. Many people are seeing on their parents' example that working long hours and not investing in their health has consequences reaching into old age. The World Health Organization's global statistics on health also identify more money spending in the health sector. The life expectancy rate at age 60 has increased on average by 2 years in the whole world. This also led to an increase in expenditures related to health protection – between 2000 and 2012, globally people spent on average 116% more money on health [27]. Therefore, the health sector's market size is growing rapidly.

Moreover, the expenditures according to income class have also changed; new marketing strategies can be based on larger customer segments.

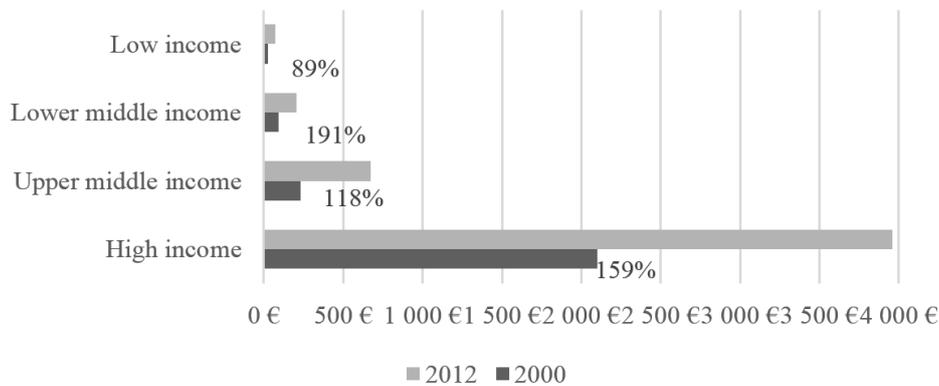


Fig. 1. World expenditures on the health sector according to income class, comparison of the 2000-2012 period [27]

Figure 1 indicates expenditures per income class; as it can be seen every income type tends to spend more money in the health sector with the middle class expenditures growing the most, this is an important fact to consider when developing marketing strategies. Beverage products are usually positioned as premium class, however the newly developing health product segment could also be offered to the middle class.

Eurobarometer's report indicates an increase in activity in non-professional sports. Eurobarometer conducted a survey in 2013 that indicates 48% of people do some form of physical activity at least once a week, while 30% never have any kind of physical activity [6]. Therefore, the consumers' trend towards health has affected expenditures on health, supplements, sports and the food and beverage industry. Today, more and more people try to stay healthier, watch what they eat and try to perform sports regularly. The consumers' trend for health led to a larger supplements' market size. The vitamin and supplement industry is expected to reach an estimated retail value of \$211 billion in 2015, with a potential cumulative average growth rate (CAGR) of 3.0% in the period of 2015-2020. When compared to other fast moving consumer goods (FMCG) industries, consumer health continues to perform very well [9]. It can clearly be seen that there is a growing consumer demand for health and fitness, but does this trend also have an impact on the food and beverage industry? A conducted KPMG report indicated that the health trend is also effecting the food and beverage industry's growth – "while pursuing alternative sales channels and distribution strategies is expected to give revenue a boost, 'healthier' products and those addressing dietary needs will also boost revenue growth" [14]. The health trend is influencing the food and beverage industry's growth. Another important issue is government interference. Today's government has started to act more on a global scale, therefore understanding that the legislative environment of the food and beverage industry is essential. Mainly the

European Union legislation will be covered in this study. Legislation concerning the food and beverage industry started forming about forty years ago, when sugar and artificial sweeteners began to be used in the food and beverage industry. Since then, the European Union had formed many regulations related to the food and beverage industry. The main beverage and food industry's legislations are:

- Regulation (EU) No 1130/2011 – approved food additives;
- Regulation (EC) No 1170/2009 – vitamins and minerals;
- Regulation (EC) No 1924/2006 – nutrition and health claims;
- Regulation (EC) No 1334/2008 – flavouring;
- Regulation (EU) No 1169/2011 – information to consumers;
- Directive 2008/100/EC – labelling.

The creation of new food and beverage products is a specific area which requires specialist interference and formula development methods. The government is concerned of the fast food industry that has increased the obesity rate of the world, therefore the regulations are just a small part that affects the beverage and food industry. Another problem is that there is no online ingredient database that shows which ingredients are legal and to what norms. This problem appears due to technology development, new medical research is being conducted daily that discovers new ingredients or analyses well-known ingredients' functions. The European Union is also regulating the functionality of the ingredient area. This is also related to other legislative issues that describe how consumers should be informed. Regulation (EC) No 1924/2006 Nutrition and health claims made on foods:

- Regulation (EU) No 1169/2011 – The provision of food information to consumers
- Directive 2005/29/EC – Unfair Commercial Practices Directive
- Directive 2006/114/EC – Misleading and comparative advertising
- Commission Regulation (EU) No 330/2010 – Exemption for vertical supply and distribution agreements

Marketing strategies are necessary for the food and beverage industry, because products can compete with each other. Because of the European Union legislation, it is illegal for enterprises to market the benefits of the products if they are not medically approved. The European Food Safety Authority (EFSA) is the agency of the European Union (EU) that provides independent scientific advice and communicates on existing and emerging risks associated with the food and beverage chain. EFSA is also responsible for official confirmation of ingredients. The marketing concept depends on the country, but mainly without official health claims it is illegal to market the benefits of the drink. The health claims are scientific validations of an ingredient's specific function. Without a scientific claim it is illegal to market the product for its benefits, you can only market what is inside the product and let people make the presumptions themselves. Alternative sponsors and ambassadors may promote the benefits of the product, but it is still important how they conduct the marketing strategy so that it would not be against the law.

The main issue regarding the beverage market is related with consumers' tendency for health and the government concern for obesity. These trends have led to

more restrictions in Europe and other countries around the world. The food climate research network analysed how the world is adapting to these consumer changes. They indicated that the government is beginning to operate more on a larger scale than focusing on individuals. Health taxes are one part of government interference. They brought new legislation concerning the beverage and food market, which includes higher taxes for the unhealthy usage of ingredients. One of them is a sugar tax that increased the tax payment if the product has artificial sweeteners or added sugar. “A French tax of 7 cents on all drinks with added sugar or artificial sweeteners led to a 3.3% fall in supermarket sales” [8]. The implementation of these taxes has caused discussion, because it is affecting market size, prices and demand. In addition, some people may tend to buy cheaper products that have a lower price, but are not healthy. This situation was analysed by the European Competitiveness and Sustainable Industrial Policy Consortium (ECSIP). The study found that food taxes achieve a reduction in the consumption of the taxed products and in some cases product reformulation aimed at reducing the sugar, salt and fat levels of the product. Another key finding was that product substitution takes place, both through an increase in the consumption of taxed products from cheaper brands and non-taxed or less-taxed product substitutes [5]. EFSA has also identified and developed rapidly to aid the market in providing healthier consumer goods. Currently the government is implementing various legislations to achieve better health. The unhealthy products may be affected by even more legislation in the future. Therefore, it is essential to consider the health trend and legislative issues in the business development process in individual regions [11].

### **3. BUSINESS DEVELOPMENT STRATEGIES FOR ENTREPRENEURS**

Before analysing the business model, it is important to overview what exactly are entrepreneurs and what kind of impact they can have on the economy. Researchers describe differently the entrepreneurship concept, but mainly it can be concluded that entrepreneurs make a large impact on the economy by finding new opportunities and leading innovation [4]. Business expert Peter Drucker described an entrepreneur as someone who actually searches for change, responds to it and exploits change as an opportunity. The trend for owning your own business has lead the European Union to interfere and promote the growth. The European Commission’s publication of the ‘Small Business Act for Europe’ [7] amplifies the SMEs growth and impact on the country’s development. Later they developed a concrete plan in 2013 – ‘Entrepreneurship 2020 Action Plan’ [1]. The European Union promotes entrepreneurs and funds the training, innovation and universities to promote the entrepreneurship concept and the abilities required of young people.

Through this strategy they seek to expand the economy even more. The changing education system and growth of the technology and innovation industries has also made a large impact on the development of the entrepreneurship concept. The internet had changed the speed of information travel, therefore social media helps new ventures develop faster and the consequence of this is a growing economy. The growth of the economy can be seen, however unemployment rates have risen in recent years. This is related more with structural unemployment as a result of a shift of people's skills, and indicates that the education system does not teach the correct skills for today's economy. This is the reason why the European Union promotes the entrepreneurship concept. A statistical analysis was included to further elaborate on this problem. "Based on 57 recent studies of high quality that contain 87 relevant separate analyses, we conclude that entrepreneurs have a very important – but specific – function in the economy. They engender relatively much more employment creation, productivity growth and produce and commercialize high quality innovations. They are more satisfied than employees. More importantly, recent studies show that entrepreneurial firms produce important spill overs that affect regional employment growth rates of all companies in the region in the long run [17]. Therefore, new growth and sustainability of SMEs is essential to economic growth [13, 10].

The next paragraph describes a popular business development methodology. The Business Model Canvas is a strategic management and lean start-up template for developing new or documenting existing business models. It was originally founded by Alexander Osterwalder in 2008. The business model canvas describes essential parts that are necessary for business development. The right side of the template describes the product, while the left side of the template describes the business content (see Fig. 2).

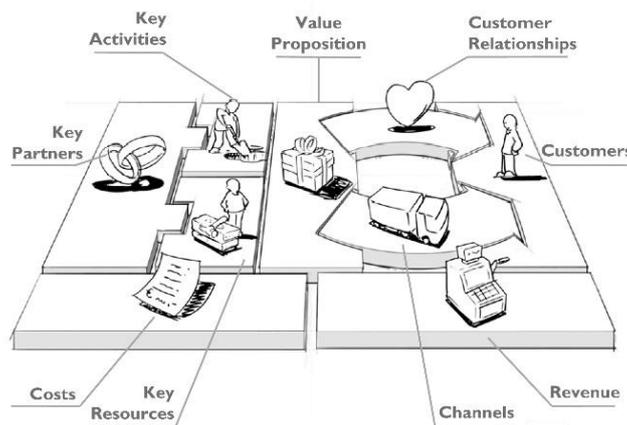


Fig. 2. Business Model Canvas illustration [21]

The model firstly describes the value proposition, because it is one of the most crucial parts of business development. It is important to understand what kind of benefits you offer to the consumer and what he can expect from you. Otherwise, if you promote benefits and raise the expectations of the consumer, but do not fulfil them, long-term sustainable competitive advantage cannot be possible. The right part includes the product description and distribution process, while the left part describes the business model concept. Firstly, it is important to determine the target customer segment. The segment depends on the positioning and on the enterprise and value that you offer to them. After determining the customers, it is important to determine how you will build relationships with them. This part mainly consists of the marketing process that describes what kind of activities you should apply in order to build long lasting relationships. Sridevi conducted research on the practice of celebrity endorsements. He wanted to validate the statement that in the past decade celebrity advertisement had been the most prevalent and useful form of advertisement. He conducted a questionnaire with a sample size of 500 consumers. The results of the study proved that celebrity advertisements have a positive effect on the consumers of FMCG [23]. The distribution channels are also closely related with the customer segment; it is important to choose a channel that will be convenient for the customer. Depending on the value proposition, certain revenue streams can be gathered. It is important to determine exactly from which services or products you will get constant cash flow. The main reason why SMEs bankrupt is that they cannot maintain a constant cash flow and when their income drops for a certain period, they lose all the savings for daily operating costs. The reason is that they spend too much money or they try too much to use the diversification strategy. The left side of the canvas describes the business. The first thing is to determine the key activities that you need to perform in order to provide value for the customers. For this reason, you will need to refer to the key partners segment and key resources.

The resource part describes what kind of ingredient or service you offer your customer, while the partners part describes with whose help you can have the resources or maintain the key activities. This whole part leads up to the cost part. This model is certainly a great tool for new and existing business model development, however the fast moving consumer goods industry has its own singularities that were described in the previous chapter. Therefore, more detail should be added to this model. Research has been conducted on the FMCG market, it amplifies the inability to work on the international market. Michael Porter's five forces analysis offers an overview of business strategy and includes: existing and potential new rival companies, substitutes for the product, buyers, suppliers, and customers. However, this concept is more applicable as an overview of market potential and not for developing business models. Nevertheless, it can be used to adapt the business model to different markets [20].

Wennstrom created another concept that would be useful for business development strategy. In his book, he describes the four factors to success. He wrote that

the food and beverage industry needs to consider 4 main aspects to develop a good product [25]:

- Need the product. It is important to determine when, who and why your product will be used, otherwise the marketing budget may exceed the sales and failure to launch the new product to the market may await.
- Accept the ingredients? It is important to understand that the product may have new ingredients that may look beneficial for the consumer, however the legislation of the market may cause problems. This is closely related with health claims, and requires scientific proof if you want to promote the benefits of the product.
- Understand the benefits. The ingredients may be effective, however it is important to understand if the consumers understand their benefits and if not how to educate them properly.
- Trust the brand. All these facts have to be evaluated by considering the current brand image status. Some brands may be well known in the market already, however new brands may need specific strategies for success. On the other hand, a bad reputation of the brand may cause even more problems while launching a new product on the market.

However, this research mainly analyses the product part and the promotion aspect, however a deeper adaptation to business process development is needed. The Canvas Business Model analyses the business process, however it does not consider the health trends or the legislative issues. In addition, neither of these methods considers the business support system that is essential for international and long-term success. In the next section, a case study of the food and beverage industry will be conducted to illustrate the new development strategy.

#### **4. FOOD AND BEVERAGE INDUSTRY'S CASE**

The food and beverage industry has been chosen as a case study for several reasons. Firstly, because it is related with the health trend that is widespread today. Consumers have a desire for health and need new products to fulfil their needs. The current market place is filled with cheaper, artificial products that do not fulfil that need. The food industry is shifting from junk food to whole food, therefore old companies will need to change their products and new companies will need to consider the health taxes and legislation issues. Moreover, in the beverage industry a new category is forming: the functional beverage industry. These beverages can provide additional benefits to the consumer and usually are made from natural ingredients and promote health. The product development and positioning strategy has also shifted quite a lot, e.g. raw materials from natural sources are starting to be used. Customers demand more variety and flavours. Because of this, the manufac-

turing process has also shifted from artificial preservatives to natural preservation methods like pasteurization, cold aseptic filling [2].

A conducted report also amplifies the growing trend: “health and wellness awareness is a trend which has significantly impacted the food and beverage industry in recent years. Not only does the increased focus on health and wellness cause consumers to make replacement choices but it also creates new purchasing occasions through preventative/functional products and meal replacements”, also they projected the growth of the non-alcoholic beverages industry from \$160 billion in 2008 to \$190 billion by 2020, driven by growth in smaller, emerging “better-for-you” brands [12]. Lastly, a lot of food and beverage companies have made a significant impact to the economy. The BBC has published a documentary movie about “the food that makes millions”, they reveal that this industry made billions out

of a cheap commodity by using marketing strategies. The food and beverage industry involves cheap commodities, however they are being reused every day, therefore sales are not limited geographically, the customer rebuys the product every day, and therefore a constant cash flow can be guaranteed. For example, the Nestle company expanded its manufacturing land in Switzerland by investing 300 million, that led to more job positions and more production [18]. Therefore, the business development process can significantly increase competitive advantage and lead to a growing world economy.

Figure 3 presents a business model adapted to the food and beverage industry. The first step is to describe the business concept. Firstly, for long-term success it is essential to identify key principles that the business will promote. When a company works for the principles that people desire, they tend to attract more and more customers.

| SUPPORT SYSTEM                                                 | ACTIVITIES                          | BUSINESS CONCEPT       | DISTRIBUTION CHANNELS                                     |                                                    |
|----------------------------------------------------------------|-------------------------------------|------------------------|-----------------------------------------------------------|----------------------------------------------------|
| R&D<br>Training<br>Education                                   | Operating<br>Support<br>Development | Principals             | Internet<br>Retail      Wholesale<br>International market |                                                    |
| PARTNER NETWORK                                                | RESOURCES                           | Benefits<br><br>Vision | CUSTOMERS                                                 | RELATIONSHIPS                                      |
| Suppliers<br>Manufacturers<br>Service providers<br>Credibility | Funding<br><br>Raw material         |                        | Early adopters<br>Niche market<br>Mass segment            | Brand image<br>Habit forming<br>Legislation issues |
| COST STRUCTURE                                                 |                                     | CASH FLOW              |                                                           |                                                    |
| Expansion                                                      | Support                             | Operating              | Investments                                               | Related industries<br>Main product line            |

Fig. 3. Food and beverage industry's business development canvas  
(own elaboration based on [21, 25, 16])

Secondly, it is important to determine what kind of benefits the business will offer to the economy. A business needs products or services, in the food and beverage's case today it must be health, natural resources, variety and additional benefits. A concrete example of this concept is the US brand "Muscle Milk", which started being distributed about 8 years ago, however it has only just appeared in Europe. The "Muscle Milk" drink promotes rehydration, muscle recovery that does not use preservatives or artificial colouring. Lastly, it is important to have a vision, a long-term goal of what you want to accomplish, otherwise it will be hard to stay on track. Depending on the benefits that you offer, you need to understand and segment your customers. In the beginning, it is essential to determine the early adopters, who will be the innovative ones when you start the distribution of your product. Later it can grow to a niche market. For example, Muscle Milk's main customers are premium class, professional sportsmen. The demand for healthy drinks grows, however not for everyone as some have a limited budget to buy healthy products. Therefore, when the innovation and technology reaches a more cost effective manufacturing level, the demand will grow even more. When that happens, it is important to have a plan and strategy ready to quickly push the products to all consumers.

Putting the product on the shelf will not be enough, therefore relationship building is essential. When promoting the product one must keep in mind two issues. First is the reputation of the brand, is it considered credible in the eyes of the consumer? Moreover, it is important to overview the legislative issues in different markets, e.g. in Europe it is illegal to market a product without health claims, you can only let the consumer make the assumption themselves. You cannot recommend certain doses without scientific proof. In addition, a new unique benefit should be provided for competitive advantage. Then the distribution strategy needs to be made. The wholesale and distribution channels should be overviewed. This part depends on the product type, you may choose someone who is selling to small convenience stores, retail stores or distributing beverages or foods to offices. Secondary retail stores should also be reviewed, tactical places to sell your product should be chosen depending on the early adopters. In the future internet distribution is forecasted to grow, therefore implementation of this distribution channel inside the strategy is essential. Lastly, it is important to select the channels based on the customers' daily routines. People tend to change habits rarely, therefore products which don't require them to change their daily routes would have a higher demand. When the products are selected and the main strategies are planned, it is important to plan the human resources and main activities of the enterprise. You need to plan how you will manufacture and distribute your products. In addition, the business support system has to be implemented. This part is hardly analysed by any studies. The key word here is duplication, it is important to duplicate the business model in every market, therefore the support system is essential.

The resource part is important in the beverage and food industry. Firstly, it is important to mention the capital requirements for the start of the business. Manufacturers may provide only large quantities – that may increase the total costs. At the same time, depending on the distribution channel, large taxes or fees may be paid in order to use the distributor's channels and during this time, it is important to maintain constant marketing flow, if the product will not be sellable, the distributor may cancel the contract. Therefore, not only capital is necessary, but also the assurance of constant cash flow until the product will be pushed into the market. The next part is the raw materials used in the food or beverages and more attention should be focused towards functional ingredients. Some ingredients may not be known by the consumer, therefore choosing the right ingredients that would appeal to them and wouldn't require informing the consumer about their benefits would be easier to market. However, it may not always be the case, if an enterprise wants to stay unique and maintain a competitive advantage.

Depending on the activities and resources, a partners network needs to be developed. Part of them would be meant for the main activities of development, e.g. renting manufacturing lines and not purchasing ones yourself. In the beginning this could be a wise way to outsource and save costs, however in the long-term expanding your plant is recommended. Moreover, at the beginning the brand may not have credibility, therefore choosing partners just for this reason may also come in handy. The last part is related to the business support system. This area is crucial for the food and beverage industry, without it, sustainable development would not be possible.

The support system consists of three parts. The first part is related with constant development of products, therefore constant investment in research & development sectors should take place. Some functional drinks or food products take years to develop and to overcome all legislative issues, therefore simpler products should be launched first. The second part is related with the training of staff. It is hard to find specialists in the food and beverage industry, because it is a unique market that requires highly scientific knowledge. Therefore, a training system for employees should be implemented inside the enterprise, it is also related with the principles of freedom and self-realisation. If you will treat your employees correctly, they will tend to stay longer at the enterprise. Lastly, it is important to mention the consumer education concept. This area is essential for the growth of functional beverages and whole foods. The consumer may not know some ingredients, therefore informing about benefits is important. Moreover, the recommendations for consumption and daily usage should be also analysed and scientific proof should be provided. This way new habits can be formed that would grow a new market segment for the enterprise. For example, a similar case was done when bottled water, yogurt and corn flakes were presented to consumers.

Cost structure requires planning and analysis of daily costs for the assurance that the product will provide cash flow in the future. It is important to analyse and maintain the daily operating costs so that they will not outgrow the monthly cash flow. The business support part is also important for the system, however it may

not provide cash flow, but it would provide sustainable development. Moreover, part of the cash flow should always be put aside for investment, growth and unforeseen expenditures. At first it should amount to 10-20%, however in the future the daily costs should consist of 10-20% and the saved part should amount to 70-80%. Then the business would grow and develop in the future. At first it could be hard to understand how it is possible to fund a business with only 20%, however if you build a system and distribute products, that it may be possible to provide constant cash flow. The cash flow should come from three places. The first is the main product line, however this area won't make the company wealthy. It will only stop it from bankruptcy. It is important to invest the money in new areas of growth. One of the strategies could be to launch a product for the side industry, e.g. if you distribute food and beverage products for sportsmen you could also sell clothes, smart watches, apps for sportsmen. Lastly, investment should also be taken into consideration, these investments may be made not in the food and beverage industry, but in another industry that would make the enterprise wealthier. By using this competitiveness methodology in the food and beverage industry, sustainable growth could be achieved.

## 5. CONCLUSIONS

The authors' developed methodology for the food and beverage industry offers a strategy for sustainable development. It considers the health trend that is now being a concern in the world. Moreover, the legislation implemented by the European Union changed the competitive environment dramatically, therefore changes need to be made in the development of a business model. Many SMEs are now being established because of the entrepreneurship concept. Government is investing in the education of entrepreneurship, however small investments are being made in the financial education sector. The developed methodology offers to embed a business support system into the current business development model. This support system would help to develop more efficient business processes and qualifications of workers. In addition, the cash flow recommendations to focus on systematic business models can create sustainable development. Other research has been made that offered business models, however only a few of them implemented the business support concept and considered the legislative issues inside the development process. The authors' findings can also be implemented in other fast moving consumer industries, because all these products are reused daily and proper consumer relationship development is essential. The expansion of the business development model to other industries will be analysed in future research. The upcoming industry of 4.0 will also make a huge impact on the future development of the FMCG industry and business development models.

In conclusion, the authors' methodology creates sustainable development strategies for entrepreneurs and ascertains a sustainable business development model for the food industry.

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## **PROCES ZRÓWNOWAŻONEGO ROZWOJU PRZEDSIĘBIORSTWA: PRZYKŁAD PRZEMYSŁU SPOŻYWCZEGO**

### Streszczenie

Małe i średnie przedsiębiorstwa szybko rozwijają się, ponieważ posiadanie własnego biznesu stało się trendem XXI wieku. Przedsiębiorcy poszukują swobody, funduszy i zrównoważonego rozwoju, jednak ponad 95% z nich ogłasza upadłość w ciągu pierwszych 5 lat. Przemysł dóbr szybkozbywalnych (FMCG) jest jednym z najszybciej rozwijających się branż, a dziś zwraca wiele uwagi ze strony rządu i konsumentów. Konsumenti szukają zdrowej żywności i zaczęli czytać etykiety. Rząd zaczął działać bardziej w skali globalnej i rozwija podatki zdrowotne, dlatego środowisko konkurencyjności w przemyśle spożywczym zmieniło się drastycznie. Celem niniejszej pracy jest opracowanie procesu zrównoważonego rozwoju dla przemysłu spożywczego i napojów. Autorzy nawiązali do znanego modelu rozwoju biznesu typu canvas. Ten model jest ukierunkowany do wszystkich branż, ale nie bierze pod uwagę trendu zdrowia i produktów naturalnych. W celu dostosowania modelu rozwoju biznesu dla przemysłu spożywczego i napojów zostały wykorzystane dodatkowo cztery czynniki powodzenia koncepcji zostaną wykorzystane. Autorzy opracowali metodę, która obejmuje kwestie ustawodawstwa i elementy wspierające biznes w rozwoju. Dzięki zastosowaniu tej metody w rozwoju procesu żywności w nowych przedsiębiorstwach, może zostać osiągnięta zrównoważona przewaga konkurencyjności. Model rozwoju przedsiębiorstwa identyfikuje znaczenie kwestii legislacyjnych, markę i dystrybucję bazując na pierwszych użytkownikach. Ponadto unikalną częścią modelu biznesowego jest prezentowany system wsparcia biznesu, który nie dotyczy innych badań praktycznych. Te ustalenia mogą być również wykorzystywane do szybkiego ruchu konsumenckiego dóbr na rzecz zrównoważonego osiągnięcia przewagi konkurencyjnej. Zdrowie, otyłość i prawa konsumenta są obecnie problemem świata. Naukowiec obecnie analizuje te problemy i rekomenduje rozwiązania, jednak praktycznie nie zostały wykonane żadne badania dotyczące usta-

lenia źródła problemu, a nie samego problemu. Model rozwoju biznesu, który bierze pod uwagę trend zdrowia byłby korzystny dla obniżenia wskaźnika otyłości na świecie.

**Słowa kluczowe:** rozwój działalności, konkurencyjność, przemysł spożywczy, przemysł napojów, MSP, zdrowie.