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EDITORIAL

Technological change, transformational entrepreneurship, and business model innovation

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Introduction

Technological change has been a commonly talked about topic in management circles especially in relation to artificial intelligence. It has resulted in unprecedented growth and societal change. The most useful new technologies enter the marketplace at different rates depending on their capabilities (Perotti, Dhir, Ferraris & Kliestik, 2024). This means each type of technology needs to be evaluated on its own merits in terms of usefulness. Technology has profoundly changed societal interactions in terms of commerce and communication (Panda & Rath, 2021). This has subsequently generated further innovation through periods of intense technological disruption. Some regions in the world have become centres of technological innovation as they have grown prosperous from this change. Technological leadership in these regions has unfolded at different paces based on the success of companies located in these regions. The technologies as a result are then exported to the rest of the world. With the worldwide diffusion of technology, more consumers and businesses become indebted to the technology for efficiency reasons.

Most technological innovation is considered general purpose as it can be used for a variety of purposes. More specific technological innovation is considered disruptive due to its wide scope for change. This means the technology is improved over time in order to perfect it. This process can include an enormous amount of experimentation with the final result being more easily identifiable. Disruptive innovations tend to be embedded in the modern information economy based on knowledge networks. This requires the technology to be new to the world but often results in additional innovative possibilities. This can include creating further innovation that is characterised by the advancement of scientific ideas.

Transformational entrepreneurship

Transformational entrepreneurship occurs when a business venture changes something in a substantial way (Carle & Rayna, 2024). This means the alteration has made a significant difference to someone or something in a societal context. To solve big problems, transformational forms of entrepreneurship that consider novel techniques have been used. This means the concept of transformational entrepreneurship is relatively new in the business vernacular and academic discourse. It is different to other forms of entrepreneurship as it emphasises big changes that are made possible through entrepreneurship (Corner & Pavlovich, 2007).

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Entrepreneurship, in general, is viewed as a process in terms of identifying business opportunities that create value. The most popular way to examine entrepreneurship tends to be through a corporate or technological perspective due to the relevance of these types in society. Although social and community forms of entrepreneurship are increasingly relevant and considered in a good way (Ratten, 2010). Entrepreneurship is required for new ideas to emerge and for revitalising reasons. It includes a set of activities designed to create new business ideas. This means the change needs to have market implications in terms of profitability. Entrepreneurship is a tool to implement innovative practices and may enhance a firm's overall strategies. Entrepreneurship is both a collective and social process as it requires different stakeholders. A key feature of entrepreneurship is in identifying opportunities for market reasons. This means it has practical significance in terms of incentivising innovation.

The fluctuating global business environment has led to a sense of uncertainty for many. This has made entrepreneurship more popular as a mechanism for change. Rapid technological changes have further changed how business is conducted and people communicate. As a result, transformation is required in many business sectors. This brings a sense of competitiveness and focus on performance. The orientation towards transformation has led to more entrepreneurs consciously upgrading their overall objectives. This new approach requires rethinking of processes regarding entrepreneurship. By realising entrepreneurship as a source of wealth, it is a substantial factor in transformations.

The idea of transformational entrepreneurship is that innovative and creative solutions are needed to help alleviate societal problems. The type of problems solved can range from reducing inequality to increasing the effectiveness of education programs. The ability and desire to innovate is at the heart of transformational forms of entrepreneurship. This can be conducted by encouraging improved efficiency mechanisms and enhancing knowledge sharing, thereby facilitating better collaboration through increased sources of intelligence.

Transformational entrepreneurship is relevant due to its focus on systematically solving societal needs. It is of considerable importance in terms of facilitating socio-economic growth. It often combines different units of analysis from individual, group, community, regional, and international to develop productive solutions. By doing so, it emphasises networks that can be used to encourage relevant knowledge sharing.

Business model innovation

Business model innovation is a way to understand firm and organisational behaviour regarding transformational entrepreneurship and innovation processes. It enables a focus on the big picture in terms of strategic direction rather than short-term goals. By taking a long-term perspective, more knowledge about a business can be uncovered. Business model innovation is defined as 'designed, novel, nontrivial changes to the key elements of a firm's business model and/or the architecture linking these elements' (Foss & Saebi, 2017: 201). To conduct business model innovation, there normally needs to be a strategic orientation that commits to innovation. This enables a business to be run in an innovative way. The core objective of business model innovation is in value creation, capture, and transfer. Business model innovation links different innovation processes and knowledge transfers based on environmental interactions. Compared to traditional innovation business model innovation, it is a bit different as it involves newness to both the firm and market. This means the coverage of innovation is wider due to an emphasis on positive change in an organisation's strategy.

The common theme of any conceptualisation of innovation is newness. In a global business environment that is increasingly digital based newness is a source of competitiveness. Newness can be hard to define due to it constantly changing as other ideas emerge in the marketplace. This means newness should be examined in terms of how, where, and why it is applied. This will help to ascertain its definition in a transformational entrepreneurship context.

Innovation occurs in many different forms and can be interpreted in a multitude of ways. Most commonly innovation is determined by its shape in terms of being product, process, market, service, or organisational. The extent of innovation can be based on the radicalness or obvious change.

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Significant improvements are considered innovation but may be less obvious in terms of completely new innovations entering the marketplace. Innovation should be considered generally as any form of positive change.

Innovation capabilities are increasingly required by businesses in order to be competitive. This means incorporating knowledge in a quick way to enable better performance mechanisms. By doing so, knowledge processes can be collected and applied to new ideas. Romijn and Albaladejo (2002: 1054) define innovation capabilities as the 'skills and knowledge needed to effectively absorb, master and improve existing technologies and to create new ones'. It is different to other types of capabilities due to the emphasis on gaining insights. Increasingly innovative capabilities are being utilised in a digital context for transformational entrepreneurship and business model innovation.

Digital innovation

Digital innovation is a form of innovation that is linked to disruptive innovations that occur in the technology realm. It is a complex process often hard to describe due to new value pathways being created. It is defined as 'the creation or renewal of products, services, and organisational processes through the application of material (e.g., IoT devices) and non-material (e.g., Application Programming Interfaces) digital resources' (McCarthy, O'Raghallaigh, Kelleher & Adam, 2025: 1). Digital innovation supports different business and social goals related to the use of digital processes. It enables the transfer of digital information to create new business models. This can include the launching of applications based on layered modular architectures. The increased use of digital platforms on smartphones and other mobile devices has necessitated digital forms of innovation. The enhanced connectivity on digital devices enables more collaboration opportunities. This means firms and consumers sharing ideas about how to progress the digital environment. By supporting each other, it increases the scope of digital innovation. Digital innovation networks can be utilised in order to increase the reach of digital innovation. This means leveraging complementary capabilities in terms of knowledge development. This is important in digital innovation that often requires multiple sources of knowledge. Interpretative differences regarding the use of knowledge can make it difficult to combine knowledge. This necessitates shared meanings regarding digital innovation are needed. This enables knowledge to be aligned and understood in the same way.

To be successful, digital innovation should be agnostic in terms of not relying on one dominant technology or firm. In reality, this may not be possible due to the dominance of major players in the marketplace. Agnostic digital resources enable more flexibility in terms of how technology is developed. This enables a recombination of existing digital resources to facilitate new ideas. There are countless possibilities for how digital technology is recombined. This includes developing or reusing existing systems in order to build upon technologies.

The nature of innovation has changed with the phenomenon of digital innovation gaining ascendancy in the marketplace. The way innovation is conducted and organised has altered with new digital forms of innovation. There is an increased sense of interconnectedness between social actors in business ecosystems regarding digital technologies. This means traditional forms of information systems have altered due to the pervasiveness of digital technologies.

Conclusion

Technological change is necessitating transformational forms of entrepreneurship. This is altering the way business model innovation is conducted and applied in a societal context. Increased usage of digital technologies has made possible new inventions and increased the pace of change. This editorial has discussed the linkage between transformational entrepreneurship and business model innovation by focusing on digital forms of innovation, thereby providing a contemporary and relevant approach that can be utilised by business managers in the global business environment.

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