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MANAGERIAL CONCEPTUALISATION OF COMPETITIVE ADVANTAGE

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Abstract. This paper aimed to fill the gap in the managerial conception of competitive advantage by identifying and describing the specific sources that enable the firm to achieve higher economic value. These resources are rarely treated consciously in practice but more often subconsciously, intuitively, or just based on long-standing best practices. The article focused on structuring, classifying, and naming specific sources of competitive advantage and linking them to managerial frameworks, theories, and concepts from the field of strategic management that are categorised according to the same or similar behavioural characteristics. At the same time, the paper outlines the linkages between sources of competitive advantage, corporate strategy, value chain, and sustainability of competitive advantage. The research method of bibliometric analysis used revealed the interrelationships between the concept of "competitive advantage" and "key characterising keywords", and 9 clusters represented by the most frequent keywords were formed. By their descriptive sentence interpretation, the clusters were then classified under commonly known strategic frameworks and concepts, which differ from each other but represent well-known and understandable theories with clear generic characteristics, specific manifestations, and uniform and consistent characteristics. Within these, the authors then extract 135 prominent sources of competitive advantage where, by looking back at their roots and origins, managers can come to a clearer understanding of the theoretical area or framework that relates to their own achieved or potentially achievable competitive advantage. A deeper understanding of these strategic components enables managers to stimulate new ideas and innovations and significantly contribute to creating new and previously undiscovered competitive advantages.

Keywords: strategic management; competitive advantage; sources of competitive advantage; value chain

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JEL Classifications: A10, L10, L20

1. Introduction

In the context of accelerating global, technological, and market changes, the ability of corporations to compete and gain competitive advantage is becoming increasingly crucial. The fundamental premise of competition remains to outperform rivals in the market environment (Gavurova et al., 2016, 2017).

Mohamed a Başar (2023) described that firms achieve competitive advantage by creating and delivering more economic value than their competitors, and they capture part of this value in the form of profits. Exploring why some firms outperform others remains an unanswered primary focus of strategic management research (Keskin et al., 2021).

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A historical breakthrough in the understanding of competitive advantage occurred in the 1980s with the seminal work of Michael Porter, which focused on developing theories of competitive strategies and the concept of competitive advantage. Porter views competition as the primary effort of firms to achieve higher profitability than their direct rivals. This traditional conception of competitive advantage is that a firm either seeks lower costs than competitors, provides higher perceived value to customers, or achieves a combination of both. Porter characterises competitive advantage as follows, "There are two basic types of competitive advantage: cost leadership and differentiation" (Porter, 1985).

In the later studies, Porter (1991) emphasises the greater complexity of the issue. He discusses the so-called "dynamic theory of strategy", which identifies three possible ways of determining the origins of competitive advantage: by modelling relevant variables and environments (e.g. technology, products, preferences), by committing to a limited number of irreversible investment decisions, and by using resources, including core competencies, as opportunities for diversification.

In the following years, many concepts and theoretical studies on competitive advantage were developed. From these, three main streams of thought have gradually emerged that examine and measure competitive advantage in terms of firms' superior performance, firm resources, and the firm's ability to effectively exploit market opportunities and/or neutralise competitive threats (Deszczyński, 2021; Grant, 2022; Waseem et al., 2023).

These streams often characterise the sources of competitive advantage, although they are not always explicitly named and unveiled.

Some authors use case studies to show that competitive advantage is not necessarily associated with superior performance, yet firms can have this advantage (Baia et al., 2020; Farida & Setiawan, 2022a). Cao et al. (2022) or Lin et al. (2020) then argue that competitive advantage is more dependent on specific conditions and contexts, i.e., that it is contextually contingent.

Chikán et al. (2022) describe competitive advantage as a relational concept between a specific firm and its rivals within a specific context of competition. According to this theory, competitive advantage is not a universal, general, and overall characteristic of a firm or certain aspect of a firm.

The concept of competitive advantage has a significant variety and diversity of content. Since different authors conceive and interpret it differently, it needs an unambiguous definition and suffers from the so-called definition problem (Dixit et al., 2021).

Competitive advantage and its sources are readily apparent in firms that have achieved it, and it has usually been created over a long time horizon (Sołoducho-Pelc & Sulich, 2020; Gavurova et al., 2020). Less often, competitive advantage is deliberately built from the beginning of a company's life cycle. Most of the literature, therefore, focuses on "ex-post" case studies that use specific examples to show the impact of specific competitive advantages on firm performance or profitability (Miocevic, 2021; Tkacova & Gavurova, 2023).

In today's business environment, there is a strong emphasis on speed, agility, and the ability to adapt quickly. The need for continuous adjustment of strategies has been addressed by Ali and Anwar (2021), who rightly argue that strategic plans cannot be implemented accurately over the long term as new information and external stimuli continuously enter into them. For this reason, the intended and planned strategy often differs from the one that is eventually implemented. This approach has a major impact on the construction and behavioural characteristics of competitive advantage, the key attributes of which are longevity, strength, and sustainability. Naradda Gamage et al. (2020) add that these global challenges and trends that define the current business environment increasingly impact local markets. According to Zakhidov (2024), this impact forces firms to constantly adapt their strategies and reassess the impact, relevance, and sustainability of their existing competitive advantage.

Concerning the future of strategic management Benito et al. (2022) predict that multinational managers will face three key challenges in the strategic direction of firms: climate change, the development of artificial intelligence (AI), and geopolitical influences. Many other studies focus on the issue of strategic business model innovation (BMI) to ensure firms' long-term prosperity. Empirical research Dymitrowský a Mielcark (2021) has shown that BMI based on new technologies positively affects a firm's competitive advantage, suggesting that in the future, strategic innovations associated with technological advances will be increasingly crucial for long-term market success.

Although competitive advantage is of high strategic importance and, in its more general concept, predetermines the success of a company on the market, active and conscious work with competitive advantage is rarely seen in managerial practice, and often competitive advantage is perceived by managers only superficially and rather more intuitively.

Research Sigalas (2015) found that almost 42% of managers cannot identify the existence of competitive advantage in their organisation, indicating that they are unfamiliar with the concept. Understanding competitive advantage requires significant mental effort, analytical understanding, and deep insight from managers. However, few managers are willing to accept extensive scientific theories and concepts (Belas et al. 2022; Gavurova et al. 2022). Managers are usually very busy and often expect clear and direct outputs from research (Abernethy et al., 2024). Mahrinasari et al. (2021) further confirmed that managers prefer practical guidelines for dealing with organisational situations, which increases their propensity to make intuitive decisions instead of deeper analysis.

There is a gap in managerial understanding of competitive advantage, particularly its sources and clearer characteristics, both in terms of theoretical, more accurate, and clearer descriptions and practical understanding. There is a lack of a structured, logical, and comprehensible interpretation of the sources of competitive advantage, including a description of their characteristics and attributes, with an emphasis on their resilience and sustainability over time, as well as their embedding in the context of corporate functions and value creation processes. This gap often leads companies to fail to exploit their full potential, lose their market position, and jeopardise their long-term competitiveness.

This paper aims to fill the gap in the managerial conception of competitive advantage and to identify and describe certain sources of competitive advantage that enable a firm to achieve higher economic value. These resources are usually rarely treated consciously in practice but more often subconsciously, intuitively, or only based on long-standing best practices. The paper focuses on structuring, classifying, and naming specific sources of competitive advantage, links them to managerial frameworks, theories, and concepts from the field of strategic management, and explores their interrelated behavioural characteristics. At the same time, the paper reveals the links between sources of competitive advantage, corporate strategy, value chain, and sustainability of competitive advantage.

2. Research Design and Methodology

The research design of this paper is domain theory (Lukka & Vinnari, 2014), which addresses a specific set of knowledge about a subtopic domain. Through deductive reasoning (Walliman, 2011) and synthesis of multiple theories, a graphical model (Jaakkola, 2020) is chosen as the output of the paper for discussion, which represents the topic under investigation and clarifies the interrelationships between the constructs.

Clustering

The main inputs examined are sources of competitive advantage, which need to be structured appropriately. Using the bibliometric analysis method in the Web of Science database, all 4,163 articles containing the keyword "competitive advantage" in the main line and adding the auxiliary keyword "source" were selected. Their titles and abstracts were then exported to separate files. Subsequently, they were sorted into 9 clusters using the advanced software tool VOSviewer version 1.6.19, Figure 1. Primarily, the links between the term

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"competitive advantage" itself and the "main characterising phrases" were examined. In each cluster, 10 keywords were selected with their highest rate of occurrence. By their subsequent descriptive sentence interpretation, the clusters were classified under commonly known managerial frameworks, theories, and concepts, representing comprehensible theories with clear generic properties, specific manifestations, and uniform and consistent characteristics. For each strategic framework or concept, the authors then derived 15 prominent sources of competitive advantage, i.e. a total of 135 sources for all clusters, where a retrospective look at their roots and origins can lead to a clearer understanding of that particular theoretical area or framework related to competitive advantage.

Output Exhibition in a Table

The result of the clustering is reported in the Appendix of this article. The first column, titled "Cluster", indicates the cluster serial number.

The second column, titled "Number of Items", expresses the total number of items obtained by clustering using the software tool VOSviewer.

In the third column, titled "10 keyword representatives with the highest occurrence rate in Cluster (No of occurrence)", the keywords with the highest number of occurrences are mentioned, and the explicit numbers are given in parentheses.

The fourth column, titled "Descriptive perception of the cluster supporting the quest for the source of competitive advantage", expresses a concise perceived sentence expression deductively derived from the keyword content.
According to this descriptive characteristic of each cluster, the managerial frameworks, theories, and concepts that fit the cluster and its descriptive perception are again deductively identified in the fifth column titled "Derived managerial frameworks, theories and concepts that fit the cluster and its descriptive perception".
In the last column, titled "Prominent representatives of the sources of competitive advantage that fit derived managerial frameworks, theories, and concepts", 15 prominent representatives of specific sources of competitive advantage are derived for each managerial framework, theory, or concept, i.e., a total of 135 such representatives are identified across all clusters.

3. Results

Using the VOSviewer software tool allowed us to create 9 clusters and identify the links and relationships between the words "competitive advantage" and "main characterising links", Figure 1. Each cluster contains the most frequently searched keywords with the highest number of occurrences. Using the described methodology, the authors derived links between the retrieved keywords and managerial frameworks, theories, and concepts. From these, 15 prominent sources of competitive advantage are then derived, i.e. a total of 135 sources of competitive advantage to all clusters.

The observed clustering outputs and subsequent derivations are summarised in the Appendix of this paper.

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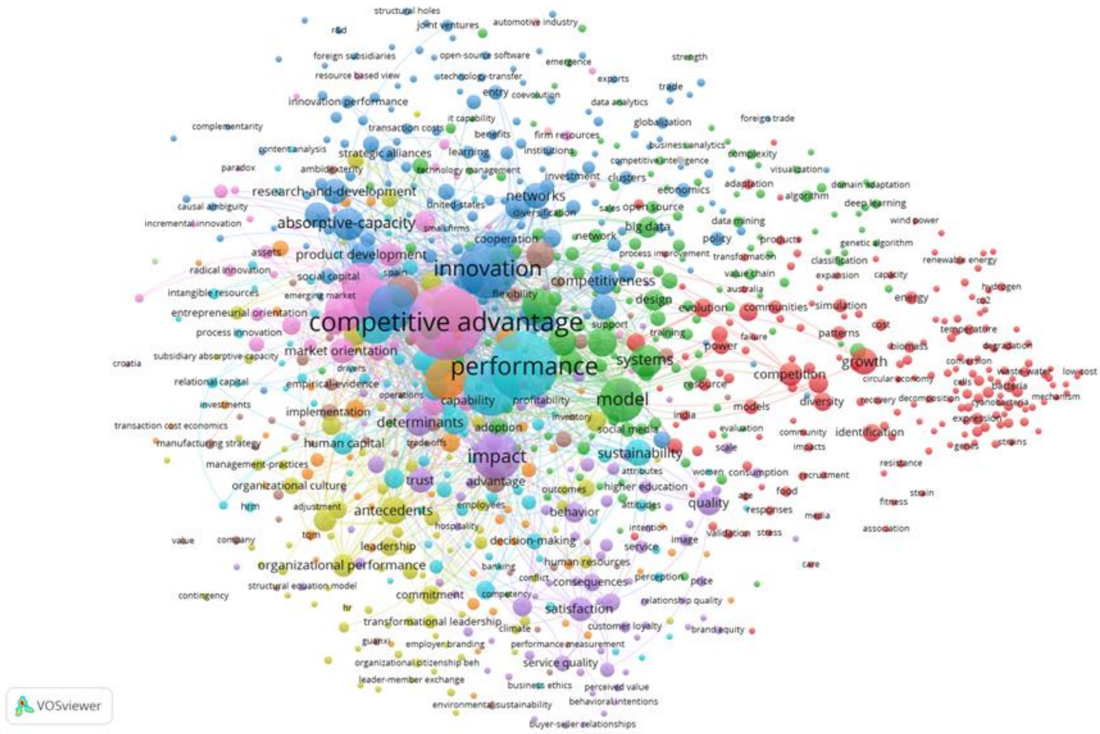

Figure 1. VOSviewer clustering of the word links between “competitive advantage" itself and the "main characterising phrases"

Sources of Competitive Advantage

Each of the resulting clusters is assigned individual management frameworks, theories, and concepts, which are briefly described below. The specific sources of competitive advantage whose prominent representatives belong to the respective framework, theory, or concept are examined.

These extracted individual prominent representatives of sources of competitive advantage overlap, repeat, or even complement each other in some interpretative dimensions and characteristics across some managerial frameworks, theories, or concepts. Nevertheless, it is possible to find common roots, generic characteristics, and/or a distinct theoretical basis for them.

Cluster 1 - Strategic Positioning and Business Model

Strategic positioning is usually determined by the company itself based on a thorough strategic analysis of the sector and available resources. The original concept of the three generic strategies of cost leadership, differentiation and focus (Porter, 2004) has been modified and extended by many scholars to a combined concept of eight elements according to Moon et al. (2014): Broad differentiation, Broad cost leadership, Product-based differentiation, Product-based cost leadership, Customer-based differentiation, Customer-based cost leadership, Narrow differentiation, Narrow cost. This represents considerable diversity and the need for a deeper understanding of each concept and its differences or overlaps.

Through appropriate strategic positioning, a company seeks to position itself in a market that will be difficult for competitors to copy and will create a competitive advantage in the long term.

Similarly, efforts to position the company more advantageously on the market can be observed, e.g. in the business model innovation (BMI) (Bashir & Verma, 2017), its sustainability and the dynamic capabilities of the firm associated with organisational design (Bocken & Geradts, 2020a), in the business model's connection to value creation that changes over time and requires changes in organisational design (Fjeldstad & Snow, 2018), in the unique flat organisational structure (Alexy, 2022), in the unique revenue model (Grant, 2022), that the firm applies, etc.

Thus, the chosen strategic positioning or the chosen business model predetermines the attributes and characteristics of the competitive advantage through which the firm wants to gain and maintain its position in the market, or rather the other way around, the competitive advantage is based on a specific conscious configuration of resources through which the firm wants to create value and outmanoeuvre the competition.

Cluster 2 - Core Competences

Core competencies are the resources and capabilities that form the strategic advantages of a company. A company defines what it wants to be better at than its competitors, why, and how it will develop it to create a competitive advantage. Based on this, the firm should make capital investments and process changes to be able to develop unique core competencies.

The managerial theory of core competencies is characterised as the aligned outcome of a specific set of skills or production techniques that differentiate a firm in the marketplace and form the basis of competitiveness, Prahalad and Hamel (1990). This study illustrates that core competencies are developed through continuous improvement, which leads to the development of key products that can be further leveraged to create many more products for end users. The authors define core competencies as "collective learning across the corporation". In the concept of competitive advantage, core competencies are then related to the creation of superior value or some advantage for consumers, and these competencies should be difficult to imitate or replicate or should be rare.

Tampoe (1994) develops the theory of core competencies of an organisation and defines it as "a technical or managerial subsystem that provides a sustainable and unique competitive advantage and adds value to an organisation".

Global competition and dynamic changes in markets and customer behaviour pressure companies to identify their core competencies to develop their capabilities and adapt to changing environments and technological developments. Using a research approach in the form of a dependency structure matrix, the authors provide a management tool to help firms identify Core Competencies based on identifying Core Products (Danilovic & Leisner, 2007).

The difficulty of correctly identifying core competencies is also suggested by other research, which indicates that managers apply them rather intuitively. Research by Eden and Ackermann (2010) reinforces the view that firm differentiation is most strongly manifested in identifying and creating unique bundles or combinations of competencies and capabilities.

Current research shows that the rapid development of technology and digitalisation significantly impacts human resources' core competencies and skills and induces a significant need to adapt them to the coming Industry 5.0 development stage (Suciu et al., 2023).

Cluster 3 - Innovation and Knowledge Capability

Innovation is the creation of new products or processes by developing new knowledge or new combinations of existing knowledge. In economics and business, innovation is one of the most important sources of competitive advantage. The economist Joseph Schumpeter is considered one of the founders of innovation management, who, in his landmark work (Schumpeter, 1994), says that industry must continuously improve its economic structure, which means streamlining processes and improving products.

The broad innovation literature has evolutionarily shifted from a primary focus on product innovation to the identification and importance of the roles of other forms of innovation in value creation. The OECD Manual

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(2005) in its third edition distinguishes two types of innovation, (a) technological - product and process, and (b) non-technological - marketing and organisational. The fourth edition of the OECD Manual (2018) then adds to the terminology the concept of Business innovation as a new or improved product or business process or a combination of both, which differs significantly from the previous one.

A revolutionary concept in the field of innovation management has become the theory of disruptive innovation (Christensen, 2008), where minority players create a new market and a new value network at the periphery of the existing market, which is overlooked and ignored by the incumbents, but which in its innovative development eventually overcomes existing products and strong alliances and pushes established firms out of their positions.

The biggest innovative technological driver of today and the near future is Artificial Intelligence (AI). Its application will touch almost every field, with the EU Parliament document (2020) outlining the frameworks that shape the regulatory and economic context for AI, describing the possibilities for AI development and use, and mentioning the social and ethical options that focus on the relationship between AI and society.

In AI application in strategic management, AI's low cognitive capabilities in creating winning competitive strategies are often discussed. A study by Krakowski et al. (2022) demonstrates that while AI can outperform humans in some cognitive tasks, the complete replacement of the human agent by a machine is impossible. Therefore, the best winning combination is the operation of the human agent simultaneously with AI. The main reason for the unsuitability of AI to "strategically manage" is the high complexity of the business environment, where AI lacks the capacity for creativity, contextual understanding, and social communication.

Kemp (2023) argues that AI can provide a competitive advantage if three characteristics of AI can be overcome in the ways suggested - its nature as a generic technology can be removed in the form of "grounding", its dependence on the explicit articulation of knowledge in the form of "bounding", and its tendency to be "myopic" due to a lack of contextual awareness in the form of "reframing".

Although innovation has great potential to create a competitive advantage, research shows that firms' innovation efforts often fail, and newly introduced innovations are often not sustainable in the long term. Pisano (2015) offers guidance by creating evolutionary innovation strategies on how innovations should create value for customers, how firms should capture this value, and what types of innovations firms should pursue.

Cluster 4 - Organisational Capabilities and HR Management

Organisational capabilities are the intangible strategic assets an organisation uses to be effective, execute its business strategy, and satisfy its customers. They may include expertise, activities, information, procedures, processes, skills, systems, technologies, or unique adaptive characteristics. The strength and consistency of these assets define a company's identity and can create a competitive advantage.

Although traditional ways of gaining competitive advantage are like a firm's financial, strategic, and technological capabilities, organisational capabilities are based on the assumption that people perform decision-making processes and all organisational activities (Ulrich & Lake, 1991).

Spanos & Practacos (2004) generally conceptualises organisational capabilities theory as socially constructed entities organised into knowledge networks that carry relationships between individuals and inanimate corporate assets to perform assigned tasks efficiently and effectively.

Today, the focus on human potential and its skills is often associated with digital skills, the effective use of which can create a competitive advantage for an organisation. Van Laar et al. (2017) define a conceptual framework of knowledge worker skills in the 21st century in relation to the digital environment, which consists of a framework of seven core skills: technical, information management, communication, collaboration,

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creativity, critical thinking, and problem-solving, and five contextual skills, which are: ethical awareness, cultural awareness, flexibility, self-direction, and lifelong learning.

With the massive emergence of AI into mainstream business practice, many scholars are beginning to address the necessary organisation and new demands on corporate management and organisational capabilities to use AI technologies. Weber et al. (2023) identified four organisational capabilities facilitating AI implementation: AI Project Planning, Co-Development of AI systems, Data Management, and AI Model Lifecycle Management.

The use of this knowledge in practice can serve to arrange organisational resources accordingly and to make strategic decisions. These knowledge capabilities, particularly in the IT field, can become a significant source of competitive advantage.

Cluster 5 - Relationship and Network Effects

The term relationships and network effects can be characterised by referring to any situation where the value of a product, service, or platform depends on the number of buyers, sellers, or users who use it. Typically, the greater the number of buyers, sellers, or users, the greater the network effect - and the greater the value the offering creates.

This is often the case in online environments with large target reach, such as e-commerce, social networks, user-centric platforms, sharing economy services, etc. However, it can also be relationships in the supply model or network effects in specific business ecosystems.

These relationships and their strength and robustness can create a significant competitive advantage and are often difficult for competitors to imitate.

Examples from the technology environment show that forming alliance networks to pursue a particular technology standard can eliminate rivals by creating interconnected solid supplier relationships and gaining a significant competitive advantage (Soh, 2010).

The conditions under which they operate most effectively are critical to creating business networks and relationships. Saskia De Klerk (2012) identifies that the fundamental prerequisite and cornerstone within network relationships is “trust“.

Lin & Lin (2016) link network relationships to their sources as network content. They then classify and differentiate these into four types of relationships: long- and short-term, team-based, and project-based. According to these, they then determine their impact on performance and advantage for the firm.

A special category in the creation of network relationships in the platform ecosystem is third-party complementors, which are becoming a very attractive market segment. Stronger alliances between platform vendors and complementor vendors can create effective strategic dynamic decision frameworks in the network ecosystem (Cenamor, 2021).

Using the example of the Chinese Internet giant Tencent operating a platform-based entrepreneurial firm (PBEF), Zeng et al. (2023) demonstrate the critical ability to exploit the network effect in firm growth. The three defined resource management patterns focus on the key objectives, which are: a) structuring the platform portfolio - initiating network effect for mass user acquisition, b) developing resource pool - expanding the network to create new opportunities, external resources, complements, and data, c) sustaining ecosystem development - focusing on creating a self-managing ecosystem that enables growth.

It is clear that the relationships and network effects created in this era of increasing advanced digitalisation and near-barrier-free communication enable the emergence of a very significant or even global competitive advantage.

Cluster 6 - Management and Entrepreneurship

In a broader sense, management and entrepreneurship can be defined as the ability to seize opportunities and ideas and create value for others. From the perspective of sources of competitive advantage, it is then usually about exceptional management skills and/or strong entrepreneurial thinking of an individual or an entire organisation.

Despite its broad complexity, ambiguity of opinion, and lack of clear terminology, entrepreneurial orientation has become one of the most studied constructs in the modern entrepreneurship and management literature.
Earlier studies measured entrepreneurial orientation using three dimensions: innovativeness, pro-activeness, and risk-taking (Miller, 1983). These dimensions were later expanded to include two additional dimensions: autonomy and competitive aggressiveness (Lumpkin & Dess, 1996).

Entrepreneurial orientation is most often used in the context of two different phenomena. As a unidimensional construct of entrepreneurship understood as risk-taking, innovativeness, and pro-activeness, and as a multidimensional construct related to the processes, practices, and decision-making activities that lead to new entrants (Covin & Wales, 2019).

In examining successful firms in terms of exceptional managerial and entrepreneurial skills, research has begun to explore the area of entrepreneurial mindset to answer why some people identify opportunities and others do not. Naumann (2017) links the term Entrepreneurial mindset to a cognitive mindset comprising seven attributes divided into two groups. The first is the Core attributes, which directly influence the presented human behaviour and are observable from the outside: cognitive tuning & goal orientation, heuristic-based decision logic, alertness, prior knowledge, and social interaction. The second group is Meta-cognitive attributes, which require a higher level of self-awareness and are more hidden: meta-cognition and cognitive adaptability.

Thus, managerial and entrepreneurial success is primarily attributed to the behavioural and entrepreneurial mindsets associated with the triad of “The cognitive aspect (Thinking)“ - how entrepreneurs use mental models to think, “The behavioural aspect (Acting)" - how entrepreneurs respond to opportunity and “The emotional aspects (Feeling)“ - what entrepreneurs feel in business (Kuratko et al., 2021).

One of the most famous concepts of successful entrepreneurial thinking that completely changes the view of the competitive market environment and creates a unique sovereign market space is the well-known Blue Ocean Strategy (Kim & Mauborgne, 2005), i.e. a space without direct significant competition

The emphasis on human capabilities and entrepreneurship is also defined by the EntreComp European framework for promoting entrepreneurial capabilities and entrepreneurial competencies (Bacigalupo et al., 2016), which consists of three interrelated and interconnected competency areas: "Ideas and Opportunities", "Resources" and "Into Action". Within these, 15 competencies emerge, which together constitute the entrepreneurial mindset. These include, for example, creativity, planning and management, taking initiative, learning through experience, mobilising resources, and others. These competencies can be mapped from basic to expert level, so the framework applies to all competencies.

Cluster 7- Knowledge-Based View

The knowledge-based view (KBV) is considered a derivative of the Resource-Based View (RBV) theory and extends the portfolio of corporate resources to include knowledge-based resources. This theory considers knowledge a fundamentally necessary, scarce, and valuable resource in a firm (Grant, 1996).

Knowledge-based resources and firm-specific knowledge are developed primarily within or across firm boundaries and are difficult for competitors to imitate or copy. This provides the basis for sustainable competitive differentiation. The KBV thus establishes that the heterogeneous knowledge base and capabilities,

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as intangible assets of the firm, are the main determinants of firm performance in a knowledge economy Eisenhardt et al. (2000).

The ownership of knowledge-based resources and intellectual capital is essential to a firm's success in a dynamic business environment (Kengatharan, 2019). These resources contribute to cost reduction, foster innovation and creativity, increase efficiency, and benefit customers, and are considered key drivers of overall firm performance.

A key aspect of knowledge creation and innovation is the firm's ability to absorb external knowledge - the so-called absorptive capacity, which is characterised by the ability to identify, receive and use knowledge sources from the environment Ferreira et al. (2020).

Broad conceptualisation research identifies that KBV has a growth trend and potential in social capital, corporate social responsibility, process and product information, and intellectual capital development (Pereira & Bamel, 2021).

With increasing demands in digitalisation, the RBV view is extended to the need to create corporate ecosystems that integrate elements of internal and external knowledge management and support business growth (Chen et al., 2023).

Cluster 8 - Dynamic Capabilities

In today's business world, which is often referred to as a VUCA environment (Volatile, Uncertain, Complex, and Ambiguous), companies must be able to adapt quickly and effectively to market or technological changes. Dynamic Capabilities (DC) of the firm originated as a derivative of the Resource-Based View (RBV) concept and is one of the most discussed theoretical frameworks in the competitive research field today.

Dynamic capability is a process, position, and path-focused framework initially defined as a firm's ability to integrate, build, and reconfigure internal and external competencies to respond to a rapidly changing environment (Teece et al., 1997).

The original theoretical concept of DC has been widely developed and is characterised as a set of specific and identifiable processes, which are product development, strategic decision-making, and alliance formation (Eisenhardt & Martin, 2000).

The DC concept has been revised and modified by its original author over time to take the form of three core high-level corporate capabilities: sensing, seizing, and transforming (Teece, 2007). These are key activities for companies and their management in identifying where markets and technologies are heading, figuring out how to capitalise on this, and finally reshaping and transforming company resources to fulfil and capitalise on the new vision.

Dynamic capabilities allow firms to identify profitable configurations of competencies and assets, assemble and organise them, and then leverage them in an innovative and agile organisation (Schoemaker et al., 2018). What excels here is the ability of flexible functions that can be combined in one way at first and reconfigured into other combinations later.

The dynamic capabilities of the business require agility in rapid decision-making, and strategy is very closely linked to making sense and being effective. Only when everything is well connected and interacting can value be created and the concept of a sustainable business model be established (Bocken & Geradts, 2020)

Companies need the ability to capture and create value in this way to develop and maintain a competitive advantage over their existing and potential rivals.

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Teece (2023) actively embeds the concept of DCs in the contemporary modern economic theory of the firm and outlines the possibilities of using them as a policy tool for industrialised economies.

Cluster 9 - Resource-Based View

The resource-based view (RBV) is one of the most important conceptual frameworks for understanding the sources of sustainable competitive advantage. The study by Wernerfelt (1984), which can be considered the beginning of this conceptual framework, focused on the analysis and positioning of firm resources instead of product analysis.

K The concept was further developed by assuming that strategic resources are heterogeneously distributed among firms and are stable (Barney, 1991). In exploring the link between firm resources and competitive advantage, the author listed four key attributes of resources that can lead to competitive advantage: value, rarity, imitability, and organisation; nowadays, the concept is referred to as VRIO. Resources and capabilities are then further divided into tangible (physical, financial, technological, organisational) and intangible (human, innovation, reputation), with competitive advantage arising from their heterogeneity and immobility (Madhani, 2010).

Some authors consider the RBV concept a "research agenda" or "metatheory", involving a basic view of their heterogeneity and imperfect mobility. The theory attempts to explain or predict various outcomes through additional assumptions, analyses, or logic (Miller, 2019).

Many authors develop the concept of RBV by looking at their management in adding new dimensions to asset management and exploring orchestrating the impact and linkages of these strategic resources and activities on firm performance (D'Oria et al., 2021).

The RBV concept is being expanded into greater complexity and interconnectedness with other strategic management theories, such as linking with stakeholder theory incorporating four essential elements from this theory: (a) incorporating normativity, (b) recalibrating the idea of sustainability, (c) viewing people beyond resources, and (d) allotting more room for cooperative behaviours (Freeman et al., 2021).

For this article, however, it is important to understand what sources of competitive advantage are involved in the RBV concept, how managers should identify and approach them, and how they can systematically innovate, develop, and strengthen them.

4. Discussion

Groups of sources of competitive advantage with the same or similar characteristics and nature are linked to the individual components in the strategic construct presented below.

Thus, it is crucial for managers not only to understand the behavioural characteristics of individual sources of competitive advantage but also to understand their location within the firm's value chain, their impact on profitability, and an understanding of their erosive trends and temporal sustainability. The interrelationships within the firm's strategic construct are graphically depicted in the theoretical model in Figure 2.

Corporate Strategy and Competitive Advantage

Strategy and its development require deep analytical-synthetic management skills and a holistic approach. Strategy is a complex concept as it is composed of many elements (Khalifa, 2020). One of the key elements is competitive advantage, which links strategy and competitiveness. Strategic competitiveness is achieved when a firm successfully formulates and implements a strategy that creates value (Hitt et al., 2017). The strategy is an integrated and coordinated set of commitments and activities designed to leverage core competencies and gain a competitive advantage.

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In recent decades, there has been a tendency to change the traditional hierarchy of strategies: corporate-business-functional, to a more flexible, equal, and networked concept called "Heterarchy" focusing on a common goal (Chakravarthy & Henderson, 2007). However, the fundamental component of the strategy remains the way of conducting the competitive struggle in the specific market, the specific industry, and the specific conditions in which the company decides to do business.

It is clear that, given the constant changes in the external market environment, the creation, implementation, and adaptation of strategies is also a continuous, recurring, and never-ending process. Competitive strategy in business is not a one-off or static process. Still, it is predominantly a dynamic competitive strategy that consists of a sequence of interconnected actions and reactions unfolding over time (Hutzschenreuter & Israel, 2009).

Business strategy has a positive and significant impact on competitive advantage and, consequently, firm performance (Farida & Setiawan, 2022b).

In this sense, for this study, strategy holds the function of a framework where, at its core, amongst other components, is represented as the component of either an already existing competitive advantage or there lies the potential to create one.

A very strong interdependence is established, i.e., any change at the strategy level has an impact on the size and effects of the competitive advantage and, hence, on the firm's performance, and vice-versa, any change that takes place at the level of the sources of competitive advantage has a significant impact on the firm's performance and triggers the need for a reassessment of the strategy.

Competitive Advantage and Value Chain

The basic concept of value creation within a competitive strategy was proposed by Michal Porter in 1985 as the Value chain. The value chain is a set of activities that an organisation performs and through which the company's activities are distributed and analysed in individual process components. All activities are divided into primary activities and support activities, with competitive advantage arising either in one particular activity or, more often, in a combination and interdependence of relationships between multiple activities.

Much subsequent research and evolutionary development has extended or modified this value chain concept. Other authors have also defined the value chain as a way of conceptualising the activities that are needed to be competitive in providing a product or service to a customer (Ensign, 2001).

Newly developed theoretical frameworks of value chains using the literature streams of transaction cost economics, production networks, and technological capabilities attempt to explain the governance patterns in global value chains. In global value chains, the international competitiveness of advanced industrial economies in terms of traditional measures of export performance has gradually declined in recent decades in favour of emerging economies that have significantly expanded their shares of export markets for high- and medium-technology and industrial products (Gereffi, 2014).

Studies show that a theoretical understanding of the value chain is beneficial for building a business model and, when broken down to the level of a specific industry, provides ideal conditions for generating business models and, consequently, achieving competitive advantage (Strakova et al., 2021).

Current value chain research is gradually expanding under the influence of major transformation trends of enterprises and in the context of the current global economic recovery. Value chains are being examined both with a focus on a single area or sector and with a focus on business model upgrades within the supply chain and on technological innovation in green technologies (Wang & Gu, 2022).

The value chain can also be characteristically considered as the place where a company's competitive advantage "resides". At certain and precisely identifiable points, the individual sources of competitive advantage materialise, which is further transformed into tangible, concrete, and measurable outputs.

Sustainability of Competitive Advantage

Any competitive advantage tends to erode, fade, and weaken over time. Its overall sustainability, resilience, and strength are measured by how competitors find it difficult to eliminate or completely overcome its specific and unique value-creating effect.

The sustainability of a competitive advantage is very closely related to its resources. This means that for a competitive advantage to be sustainable in the long run, it must be impossible, extremely costly, or otherwise difficult for competitors to duplicate the resources of the competitive advantage. Rumelt (2017) refers to this principle as the "isolation mechanism" a firm creates as a protective competitive barrier.

A similar widely accepted concept of sustainable competitive advantage comes from the financial world of successful investor Warren Buffet, who uses the term "Economic moat" (Dorsey, 2004), which is an advantage that creates such strong barriers that make it difficult for rivals to successfully compete with the firm, e.g. in terms of more significant financial differentiators such as lower operating costs, but also from less tangible sources such as brand strength, strong corporate culture, etc.

With steadily increasing competitive pressure, the advent of digitalisation, disruptive technologies, and the emergence of new technology startups and new business models, the stability of the industry structure is often significantly disrupted and becomes highly dynamic. This leads to the emergence of “hypercompetition", an environment that is characterised by a low ability to estimate competitive behaviour (D’Aveni & Gunther, 1994). Under these conditions, intense and rapid competitive movements occur, with firms being forced to make rapid counter-moves to create new advantages and significantly eliminate the existing advantages of their rivals.

With the current emergence of the digital economy, often characterised as a high-speed environment, hypercompetition is becoming the new normal. In such an environment, sustainable competitive advantage will be rare, if not outright impossible (Knudsen et al., 2021). In this perception, sustaining a unique competitive advantage over the long term is likely to become increasingly challenging and complex, with firms more likely to seek to create a series of temporary competitive advantages (Sirmon et al., 2007). Competitive advantage will more closely resemble the shorter-term concept of “Transient competitive advantage“ (McGrath, 2013). In this situation, companies must continuously launch new strategic initiatives, simultaneously creating and exploiting multiple transient competitive advantages.

Thus, the view of competitive advantage gains greater complexity when multiple layers of advantages coexist, thereby instilling a multilevel competitive advantage. Thus, firms that are profitable over the long term and maintain market leadership exploit multilevel competitive advantage (Grant, 2022, p.330). This gives them the highest level of resilience and stability in a competitive environment.

The ability to correctly and timely detect and predict incoming changes in the external environment, which affect competitive advantage and may even mean its complete extinction, is conceptualised McGrath (2021, p.51) by defining the period of optimal warning about the magnitude and significance of the incoming change.

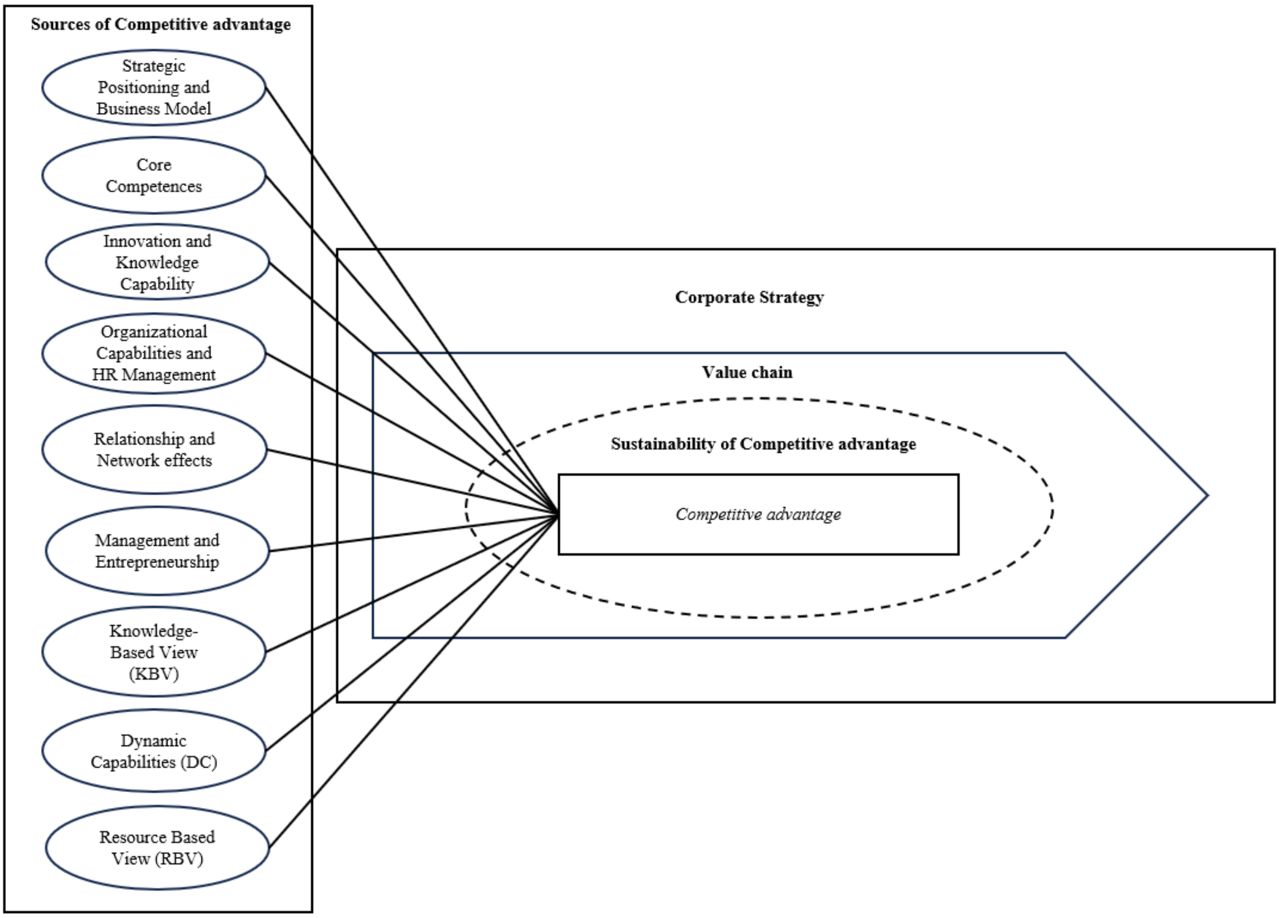

Figure 2. The interrelationships of sources of competitive advantage and the firm's strategic construct

5. Managerial Implication and Conclusion

Corporate strategy is a coordinated set of activities managers perform to outperform competitors and achieve superior profitability (Gamble et al., 2024, p.3). Part of creating and continuously updating corporate strategies is the validation of assumptions with a view to the medium to long-term future with a certain degree of predictable uncertainty (Courtney et al., 1997). In today's highly interconnected and wide-open global market environment full of unpredictable changes, estimates and scenarios of future developments are becoming increasingly complex. Strategic decisions in setting companies' future direction are becoming increasingly challenging for senior management. Managers, therefore, face complex challenges in setting up a sufficiently efficient, effective, and sustainable business model.

The current new directions of strategic thinking in an unstable environment require new approaches to formulating and implementing corporate strategies. The result is changes in the reorientation of corporate objectives, new approaches to competitive advantage, and learning to compete in digital markets, and a greater emphasis on making strategic choices.

Increasing competitive intensity, disruptive technologies, the emerging broad application era of AI, and new digital startups mean that competitive advantage in creating and seeking uniqueness and differentiation through a process of deep thinking is increasingly hard and challenging to create and sustain. Therefore, unless company management attempts to create unique differentiation, which is often difficult to achieve, none will emerge, and companies will lose without it. Suppose managers try to offer across-the-board superiority without carefully selecting differentiators beforehand while at the same time trying to outperform competitors with a range of differentiators that are too broad (lower price, better service, superior style, etc.). In that case, such attempts are doomed to fail because of their internal inconsistency and extreme resource intensity (Hambrick & Fredrickson, 2001).

Thus, in seeking uniqueness and selecting differentiators, senior managers should prioritise a few mutually reinforcing, consistent with the firm's resources and capabilities, and have high value in the areas of the business the firm is focused on. For this reason, a good and detailed understanding of the concept of competitive advantage is essential for managers. It is, therefore, about an accurate understanding of the specific sources of competitive advantage, their behavioural characteristics, their location within the firm and its value chain, their impact on profitability, and an understanding of their erosive trends, resilience, and sustainability.

The research method of biometric analysis using the software tool VOSviewer revealed correlations between the concept of "competitive advantage" and "main characterising keywords", with 9 clusters represented by the most frequent keywords. By their descriptive sentence interpretation, the clusters were then classified under commonly known managerial frameworks, theories, and concepts, which differ from each other but represent well-understood theories with clear generic characteristics, specific manifestations, and unified and consistent characteristics. Within these, the authors then extract 135 of the most apparent sources of competitive advantage where, by looking back at their roots and origins, managers can understand the theoretical area or framework that relates specifically to their own achieved or potentially achievable competitive advantage.

Suppose managers correctly understand and evaluate the nature and characteristics of competitive advantage and its sources in their firm. In that case, they can already accurately assess its unique differentiating significance, determine the strength of its impact on the value creation process, profitability, and the firm's financial performance, and realistically assess the threat of its erosive loss or the threat of rivals to imitate or duplicate it.

In striving to maintain some strategic consistency, managers can then work very effectively and specifically to cultivate sources of competitive advantage or, through a creative or innovative strategic process, find room to strengthen them, prioritise them, or look for broader multiplier or multilevel effects.

In this article, the authors provide insight into a deeper understanding of the topic of competitive advantage and its sources, seeking to fill an important gap between scientific theory and real-world managerial practice. Understanding managerial frameworks, theories, and concepts related to competitive advantage and the characteristics of their specific sources can, given the right market assumptions, stimulate new ideas and innovations and contribute significantly to the creation of new and undiscovered competitive advantages.

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Appendix. The observed clustering outputs and subsequent derivations

Cluster	No of Items	10 keyword representatives with the highest occurence rate in Cluster (No of occurence)	Descriptive perception of the cluster supporting the quest for the source of competitive advantage	Derived managerial frameworks, theories and concepts that fit the cluster and its descriptive perception	Prominent representatives of the sources of competitive advantage that fit derived managerial frameworks, theories and concepts
1	183	growth (85) competition (66) system (45) evolution (43) environment (43) dynamics (42) diversity (42) identification (38) power (33) efficiency (30)	The basic goal of a firm is a search for growth in the competitive environment, using systems that are evolving within a given environment with a certain level of dynamics and diversity, searching for its own identity using relevant power and efficiency	**Strategic Positioning and Business Model**	**Cost-effectiveness:** a business model developed that enables the organisation to reduce production and operating costs, allowing it to offer competitive prices **Product / service differentiation:** strategic positioning in the marketplace with a unique product or service that customers perceive as valuable and differentiated from competitors **Customer focus:** a customer-centric business model with an emphasis on understanding customer needs and providing highly personalised products/services **Scalability:** the ability of an organisation to expand and grow without significantly increasing costs based on the existing model, enabling revenue and profit growth **Technology development:** a business model focused on the development and commercialisation of new technologies or products, enabling the organisation to be first to market **Brand and reputation:** a strong brand and positive reputation can attract customers and build loyalty **Distribution network:** an effective distribution model that enables the organisation to reach customers faster and more efficiently than competitors **Partner relationships:** collaborations with other companies or partnerships that provide access to new resources and markets **Product and service ecosystem:** creating a broad ecosystem of products and services that extends the value of the organisation to customers **Global presence:** a business model that enables an organisation to operate in international markets and benefit from global opportunities **Innovation in pricing strategy:** a combination of different pricing strategies or an approach to price discrimination that enables an organisation to compete effectively **Sharing economy:** the use of sharing economy and resource sharing models, which can reduce costs and increase efficiency **Quality and reliability:** a business model that relies on maintaining high product or service quality and reliability over the long term **Agility and rapid response to market changes:** the ability to adapt quickly to new trends and market changes can provide a competitive advantage **Risk management:** the ability to manage and minimise the risks associated with business and operations
2	150	model (229) technology (134) systems (122) framework (101) information (92) information technology (77) supply chain (61) big data (54) design (53) value creation (51)	A firm model using technology and systems in the framework of relevant information and information technology relying on supply chain and big data sources in a design that creates value	**Core Competences**	**Technological expertise:** an organisation may have deep technological knowledge and capabilities that enable it to develop innovative products or services **Knowledge management and learning:** the ability to share, store and use knowledge within the organisation **Ability to innovate:** the ability to innovate quickly and come up with new ideas and solutions can be a key competence **Research and development:** strong ability to innovate and develop new products and technologies **Quality and reliability:** maintaining high product or service quality and reliability over the long term **Big data capability:** in today's digital age, organisations with competencies in data analysis and exploitation can gain a competitive advantage **Customer knowledge:** knowledge of customer needs and behaviours can help an organisation to better serve customers **Distribution network:** organisations with an efficient and wide distribution network can achieve greater market reach **Brand and reputation:** a strong brand and reputation that attracts customers and builds trust **Ability to respond quickly to change:** an organisation can have the competence to respond quickly to market changes and new opportunities **Management skills:** good leadership, planning and management can be key competencies for achieving long-term competitive advantage **Cultural competencies:** organisational culture and values can be a competency that differentiates an organisation and brings success **Skilled employees:** employees with high skills and knowledge in key areas **Process development:** unique manufacturing processes that reduce costs and increase efficiency **Logistics and supply chains:** efficient logistics and supply chain management for faster and cheaper deliveries
3	148	innovation (408) knowledge (249) absorptive-capacity (121) competitiveness (91) firms (89) networks (79) knowledge transfer (76) research-and-development (73) strategies (73) product development (73)	A firm's innovation capability and knowledge management skill with absorptive capacity supporting competitiveness within a given network environment using transferred knowledge, R&D, and product development within defined strategies	**Innovation and Knowledge Capability**	**Research and Development (R&D):** the ability to invest in research and development of new products and technologies that customers find innovative **Knowledge and know-how:** having specialists with deep knowledge and skills that are key to innovation and new product creation **Intellectual property:** holding patents, copyrights and intellectual property protection can protect innovative ideas and technologies **Innovation culture:** fostering innovation and creativity within the organisation and encouraging employees to come up with new ideas **Data processing and analysis:** the ability to collect and analyse data and information can provide insights for innovation and strategic decisions **Collaboration and partnerships:** working with other organisations, universities or research institutions can provide access to new knowledge and resources **Quality of research teams:** teams of researchers and engineers who are able to develop new technologies and solutions **Knowledge management:** effective management of knowledge within the organisation and sharing of information and experience among employees **Expertise and trend foresight:** monitoring and analysing market trends and competition can help an organisation identify new innovation opportunities **Employee training and development:** investing in employee training and development can improve an organisation's ability to innovate **Open Innovation:** collaborating with external sources of innovation such as customers, suppliers and third-party developers **Agile development and iteration:** using agile methodologies and rapid iteration can accelerate new product development **Experimentation and venture capital:** openness to trying new ideas and investing in venture capital to support innovation **Cultural factors:** organisational culture and values that promote learning and innovation **Focus on sustainability:** innovations in sustainability and environmental responsibility can gain support from customers and government regulators
4	89	antecedents (89) organizational performance (63) organizations (63) human-resource-management (60) productivity (53) organization (51) moderation role (44) leadership (43) commitment (42) mediating role (38)	The antecedents of the current firm's capability with a certain organizational structure with its performance and given HR aimed at productivity and relevant leadership and commitment	**Organizational Capabilities and HR Management**	**Experienced and skilled employees:** employees with high skills and experience can bring a competitive advantage **Teamwork and collaboration:** the ability to build strong teams and foster collaboration between employees can improve organisational performance **Training and development:** investing in training and development for employees to improve their skills and knowledge **Employee engagement:** employees who are engaged and satisfied with their jobs can be more productive **Fair pay and benefits:** offering competitive salaries and benefits can help an organisation attract and retain talented employees **Leadership development:** the ability to identify and develop executives and leaders within the organization **Cultural competency:** an organization's culture and values that foster innovation, collaboration and performance **Diversity and Inclusion:** actively seeking to create a diverse workforce and fostering an inclusive work environment **Performance management:** an effective system for evaluating and managing employee performance **Crisis and change management:** the ability of the organisation to respond to crises and environmental changes with minimal negative impact on operations **Employee supervision and career development:** providing opportunities for employees to grow and develop their careers within the organisation **Flexible working arrangements:** offering a variety of working patterns, including teleworking and flexible working hours **Focus on sustainability:** innovations in sustainability and social responsibility can gain support from customers and the investment market **Agile management:** the ability to react quickly to changes in the market and environment and to adapt to new conditions **Knowledge management and information sharing:** effective knowledge management and information sharing within an organisation can improve innovation and performance
5	83	impact (263) determinants (94) trust (74) quality (72) satisfaction (71) behavior (50) success (48) customer satisfaction (46) perception (41) product (38)	The competitive impacts and determinants on the market supported by trust, quality, satisfaction, behavior, and success, bring customer satisfaction and positive perception with the product orientation	**Relationship and Network effects**	**Customer loyalty:** building strong relationships with customers can lead to customer loyalty and a long-term relationship with the organization **Supplier relationships:** quality relationships with suppliers can ensure access to quality raw materials and components **Strategic partnerships:** maintaining strategic partnerships with other companies can provide access to new markets, customers and resources **Ecosystems and platforms:** building ecosystems or platforms for third parties can add value to an organisation and provide a competitive advantage **Knowledge sharing:** effective sharing of knowledge and know-how with partners can lead to innovation and efficiency gains **Global reach:** having extensive networks or a global presence can enable an organisation to reach customers around the world **Social network:** using social networks and online communities can help an organisation build relationships with customers and get feedback **Distribution networks:** effective distribution networks and chains can ensure fast and efficient delivery of products or services **Customer base:** a large and loyal customer base can mean repeat purchases and referrals, contributing to growth **Community support and charity:** social responsibility activities and charity can build an organisation's reputation and attract customers **Referral partners:** gaining referrals from satisfied partners or customers can strengthen an organisation's reputation **Standards and interoperability:** adherence to industry standards and interoperability with other systems can facilitate collaboration and business relationships **Network experience and expertise:** leveraging the experience and know-how of different partners in the network can bring new perspectives and opportunities **Network coordination and management:** the ability to coordinate and manage complex networks and relationships can be a competitive advantage **Innovation ecosystems:** collaboration with innovative firms and institutions can support the development of new products and technologies
6	83	performance (548) management (357) firm performance (157) perspective (108) sustainability (85) intellectual capital (82) business (74) human capital (56) strategic management (51) financial performace (48)	Firm performance is linked to management, long-term perspective, sustainability, intellectual capital that supports business, human capital, and strategic management with an effect in financial performance	**Management and Enterpreneurship**	**Leadership and management:** quality management can effectively manage teams and make strategic decisions **Innovation culture:** a culture of innovation and fostering creativity can lead an organisation to develop new products and solutions **Adaptability:** the ability of an organisation to respond quickly to changes in the market and environment **Risk management:** effective risk management and resilience to uncertainty **Entrepreneurial spirit:** fostering entrepreneurship and the ability to take risks and invest in new opportunities **Strategic planning:** the ability to develop and implement effective strategies to achieve the organisation's goals **Customer focus:** emphasising customer needs and requirements within the organisation's strategy and operations **Workforce and teamwork:** building teams with diverse skills and the ability to work together effectively **Legal and regulatory know-how:** knowledge of and ability to comply with industry regulations and standards **Financial management:** ability to manage funds and invest them in growth and innovation **Investor relations:** trust and support from investors can help raise funds for growth **Market knowledge:** a good understanding of the market and competitive environment can help an organisation develop successful strategies **Expertise and know-how:** obtaining know-how from industry and sector experts **Agile management:** the ability of an organisation to respond quickly to change and adapt to new conditions **Networking:** building and maintaining extensive networks and relationships within the industry and among partners

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7	51	knowledge management (199) supply chain management (59) sustainable competitive advantage (46) business performance (40) organizational learning (31) barriers (26) intangible assets (23) total quality management (19) quality management (17) new product development (14)	The dominant knowledge management supported by supply chain management brings sustainable competitive advantage and business performance within organizational learning capability, creates competitive barriers, and supports intangible assets, quality management, and new product development	**Knowledge-Based View (KBV)**	**Experts and know-how:** the organisation can work with experts and scientists with deep knowledge in their sector, enabling them to innovate and solve complex problems **Internal know-how and employee skills:** the knowledge, skills and experience of employees can move an organisation forward within the industry **Intellectual property:** patents, copyrights and other forms of intellectual property can protect and exploit key knowledge **Databases and information:** effective collection, analysis and use of data can provide valuable information for strategic decision-making **Employee training and development:** investing in employee knowledge and skills development can improve organisational performance **Customer experience:** knowledge of customer needs and preferences can be used to create products and services that better suit the market **Knowledge Management:** systems and processes to effectively collect, store and share knowledge within the organisation **Research and development:** investment in research and development can lead to new knowledge-based technologies and products **Collaboration and partnerships:** collaboration with other organisations, universities or research institutions can provide access to new knowledge and resources **Knowledge systems and technologies:** effective use of knowledge systems and technologies for the collection, preservation and distribution of knowledge **Knowledge ecosystem:** the creation and maintenance of a comprehensive knowledge ecosystem that includes internal and external resources **Strategic analysis and forecasting:** the ability to analyse market trends and predict future events and changes **Market and customer knowledge:** deep understanding of customer needs and behaviours and market trends **Innovation culture:** a culture of innovation that encourages creative thinking and the development of new products and services **Leadership development:** identifying and developing leaders and executives with deep industry knowledge
8	48	strategy (228) dynamic capabilities (125) integration (96) advantage (56) implementation (34) communication (31) logistics (26) flexibility (26) competitive strategy (25) business model (25)	Strategy is linked to the firm´s dynamic capabilities and their integration bringing advantage with a focus on implementation, communication, logistics, flexibility, supporting competitive strategy and business model	**Dynamic Capabilities (DC)**	**Rapid response to change:** an organisation's ability to respond quickly to new trends, technologies or changes in customer demand can be a competitive advantage **Flexible organisational structure:** organisations with flexible organisational structures can more easily adapt their operations to new requirements **Adaptive strategies:** the ability of an organisation to review and adjust its long-term strategies based on the current situation **Agile management and adaptation:** the ability of an organisation to respond quickly to new conditions and change its operational processes **Learning and adaptation:** the ability of an organisation to learn from its own mistakes and experiences and to adapt its strategies and processes based on this knowledge **Innovation culture:** fostering innovation and creativity within an organisation can lead to new products, services and ways of working **Collaboration and partnerships:** good collaboration with other organisations and partnerships can provide access to new resources and knowledge **Technological know-how:** strong technological skills and knowledge can enable the development of new technologies and processes **Culture and values change:** organisations can change their values and culture to better meet new challenges and objectives **Risk management:** good risk management and the ability to adapt quickly to unexpected events can be key to maintaining a competitive advantage **Customer relationships:** strong customer relationships and the ability to provide the best possible service can lead to greater loyalty and competitive advantage **Crisis and change management:** the ability to manage an organisation through times of crisis and change **Ability to create new products or services quickly:** shortening development cycles and developing new products quickly **Distribution flexibility:** the ability to quickly change distribution methods and respond to customer demands **Effective internal communication:** communication and collaboration within the organisation that enables rapid transfer of information and decision-making
9	46	competitive advantage (649) firms (193) resource-based view (192) capabilities (192) view (77) market orientation (73) resources (64) orientation (62) smes (55) resource-based theroy (50)	The competitive advantage of a firm is based on unique resources, capabilities, variation of business approaches, views, and market orientation	**Resource-Based View (RBV)**	**Patents and Intellectual property:** unique technologies and Intellectual property protection can provide a competitive advantage **Technological know-how:** unique technical and technological knowledge that enables an organisation to create exceptional products or services **Ownership of key assets:** control of key assets that are difficult to imitate by competitors **Physical resources:** unique facilities, real estate or geographic location can be a source of advantage **Qualified employees:** employees with high skills and experience who bring a competitive advantage **Distribution network:** if an organisation has a well-developed distribution network, this can provide an advantage in reaching customers **Relationships with suppliers and customers:** strong relationships can lead to greater efficiency and more favourable business terms **Brand and reputation:** a strong brand and reputation can provide customers with trust and preference **Innovation and R&D:** the ability to innovate and develop new products or services can provide a competitive advantage **Financial resources:** access to capital and financial stability can enable long-term growth **Cultural resources:** organisational culture and values can be a resource that differentiates a company from competitors **Efficient governance and processes:** optimising internal processes and management can increase efficiency and reduce costs **Quality and reliability:** maintaining high product or service quality and reliability over the long term **Knowledge management:** effective knowledge management and sharing of know-how within the organisation **Leadership and strategic decision-making:** the ability to develop and implement effective strategies to achieve the organisation's objectives

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