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## ANALYSIS OF SUCCESSFUL CASES OF SUSTAINABLE ECONOMIC DEVELOPMENT OF AN ENTERPRISE THROUGH THE LENS OF PROJECT MANAGEMENT

## АНАЛІЗ УСПІШНИХ КЕЙСІВ СТАЛОГО ЕКОНОМІЧНОГО РОЗВИТКУ ПІДПРИЄМСТВ ЧЕРЕЗ ПРИЗМУ ПРОЄКТНОГО УПРАВЛІННЯ

The article elaborates on the categories of sustainable economic development and project management as key elements for modern business, which are becoming increasingly interconnected. This is driven not only by the gradual awareness of companies regarding their social responsibility, but also by increased pressure from stakeholders, a desire to reduce risks, and even new business opportunities. A key point is the search for tools to assess the economic feasibility of transitions to sustainable development, which would consider financial, social, and environmental aspects. In this context, project management is an important tool that allows for the structuring and effective implementation of project initiatives, as well as the assessment of their overall profitability from the perspective of each component of sustainable development. Thus, the article aims to identify the features of ensuring sustainable economic development of an enterprise through the lens of project management, by analyzing specific examples.

**Keywords:** the significance of Hicks-Lindahl aggregate income, project initiatives; natural, physical and human capital, risk reduction, achievement of sustainable development goals.

У статті розглядаються категорії сталого економічного розвитку та проектного менеджменту як ключові для сучасного бізнесу, які все більше переплітаються. Це зумовлено не лише поступовим усвідомленням бізнесом своєї соціальної відповідальності, посиленням тиску з боку стейкхолдерів, прагненням до зменшення ризиків тощо. Ключовим моментом є пошук інструментів для оцінки економічної доцільності переходу до сталого розвитку, які враховували б не лише фінансові, а й соціальні та екологічні аспекти. Саме проектний менеджмент у цьому контексті є важливим інструментом, який дозволяє підприємству структурувати та ефективно реалізовувати проектні ініціативи, а також визначати їх загальну доходність з точки зору кожної складової сталого розвитку. Метою статті є визначення особливостей забезпечення сталого економічного розвитку підприємства через призму проектного менеджменту, зокрема, шляхом аналізу конкретних прикладів. За результатами досліджень констатовано, що особливістю сталого економічного розвитку підприємства через призму проектного менеджменту є фокус на формуванні та коригуванні проектів, які не лише гарантують перехід до соціально відповідальних і екологічних рішень, а й забезпечують ефективну бізнес-стратегію з урахуванням конкретних переваг, вартість яких можна обрахувати.

Застосування проектного менеджменту доцільно для тих проектів, за якими можуть бути обраховані вартісні значення та зміни сукупного доходу Хікса-Ліндаля. Значення сукупного доходу Хікса-Ліндаля – це проектний економічний показник, який відбиває максимальну суму грошових коштів, яку бізнес може отримати за певний період, зберігаючи при цьому природний, фізичний та людський капітал. Розрахунок значення сукупного доходу Хікса-Ліндаля на основі стандартної методики є неможливим, оскільки він формується на основі глибокого розуміння змісту діяльності підприємства. Можна виділити лише умовні етапи обрахунку такого доходу. Перетворення умовного розрахунку в реальну величину можливе лише після детального аналізу діяльності підприємства та узагальнення отриманих даних.

**Ключові слова:** значення сукупного доходу Хікса-Ліндаля, проектні ініціативи, природний, фізичний та людський капітал, зменшення ризиків, досягнення цілей сталого розвитку.

**Statement of the problem.** The categories of sustainable economic development and project management are two key concepts of modern business that are becoming increasingly intertwined. This is driven not only by the gradual recognition of social responsibility by businesses, the increasing pressure from stakeholders, and the desire to reduce risks but also by new opportunities for business. A key point is the search for tools to assess the economic feasibility of transitions to sustainable development that consider not only financial but also social and environmental aspects. Project management, in this context, is an important tool that enables the structuring and effective implementation of project initiatives and helps determine their overall profitability from the perspective of each component of sustainable development.

**Analysis of recent research and publications.** The issues of sustainability as an alternative to the business growth paradigm that largely ignores the environmental risks associated with its extensive operations have been sufficiently addressed in the works of Stepanenko T.O. [7], Dankanych A.A., Korolovych O.O. [2–3], Todoryuk S.I., Kutarenko N.Ya. [5]. In particular, each subsequent study builds upon the previous one, allowing for a deeper exploration of the issue. The essence of project management has been studied by leading scholars such as Baranovskyy V.A. [1], Pavlova S.I. [6] and several others. Despite the growing interest in business sustainability and the specifics of project management, there is still a lack of systematic research dedicated to analyzing successful cases of sustainable development through the lens of project management.

**Formulation of the research task.** The article aims to fill the theoretical gaps related to understanding the specifics of ensuring sustainable economic development of businesses through the lens of project management by analyzing specific case studies.

**Summary of the main research material.** Sustainable economic development of a business is a process aimed at achieving economic goals while preserving natural resources and maintaining social responsibility [5–6]. It means that business aims for profit while also prioritizing the environment, employee well-being, and the local community. It requires simultaneous focus on a wide range of diverse indicators, which are often difficult and sometimes impossible to generalize [4–5; 7]. For example, Tesla, Inc., founded in 2003, is one of the leading global manufacturers that adhere to sustainable economic development by simultaneously focusing on indicators such as earnings per share (EPS), return on assets (ROA), CO<sub>2</sub> emissions from production processes (greenhouse gas emissions volumes), industrial waste volumes, water

consumption, and conventional energy use in production processes, employee satisfaction, and the company's contribution to the development of the local economy (through investments in social projects or the creation of new jobs), among others.

Thus, since 2018, project management has been increasingly utilized in many businesses to ensure sustainable economic development. From 2020 onwards, these categories have existed as two interrelated concepts increasingly intertwined in the search for pathways to long-term success for enterprises. Project management facilitates this activity through the focus on planning, organizing, executing, and controlling projects, emphasizing the measurability of sustainable development tasks [2–3]. This approach allows for the structuring of changes, optimization of resources, risk management, transparency, and the stimulation of sustainable innovations (as clearly illustrated in Figure 1).

In practice, the application of project management has proven to be suitable for those enterprise projects that aim to improve environmental, social, and economic performance indicators and for those that allow for the calculation of monetary values and changes in the values of the Hicks-Lindahl aggregate income.

It is worth noting that the Hicks-Lindahl aggregate income is a project economic indicator that reflects the maximum amount of monetary resources that a business can generate over a specific period while maintaining natural, physical, and human capital. Thus, it adjusts and measures the sustainability of development. In other words, it represents the maximum income that a business can generate without depleting its resources.

Calculating the Hicks-Lindahl aggregate income based on standard methodology is not feasible, as it requires a deep understanding of the nature of the enterprise's activities. In particular, only conditional stages of calculating the Hicks-Lindahl aggregate income can be identified [1–2; 5]:

- 1) determining all types of capital of the enterprise (physical, natural, and human);
- 2) valuing each type of capital (for physical capital, depreciation and market value assessment methods are used; for human capital, methods for evaluating employee value; and for natural capital, ecological-economic assessments);
- 3) calculating the income stream (which involves identifying all sources of revenue for the company over a specific period);
- 4) determining the costs of maintaining capital (which includes calculating expenses for maintaining physical capital (repairs, upgrades), developing human capital (training, skill enhancement), and preserving natural capital (investments in environmental projects);

<b>Structuring Changes</b> Complex sustainable development tasks are broken down into specific projects with clearly defined objectives and deadlines.	<b>Resource Optimization.</b>  <b>Through detailed planning and monitoring, resources are utilized more efficiently.</b>	<b>Risk Management</b>  Potential risks and obstacles are identified and minimized.
<b>Ensuring Transparency.</b>  Project outcomes are easily tracked and assessed.		<b>Stimulating Innovation.</b> <b>Sustainable development projects often involve the implementation of new technologies and approaches.</b>

**Figure 1. Features of applying project management to Sustainable development tasks in enterprises**

Source: formulated by the author based on [1–2; 5–6]

5) calculate the maximum stream of aggregate income (by subtracting the costs of maintaining capital from the total income).

In this process, the conditional calculation of the Hicks-Lindahl aggregate income is transformed into a real value based on the results of a comprehensive analysis of the enterprise's activities and the synthesis of the obtained data.

Considering the uniqueness of each project and the specificity of the Hicks-Lindahl income structure, we believe that specific case studies of enterprises are the most informative for understanding the features of ensuring sustainable economic development through the lens of project management [1; 6-7]. A sustainability case study is a detailed description of a real project that demonstrates how organizations address sustainability challenges. The diversity of such case studies, ranging from environmental initiatives to social projects, allows for the identification of common patterns and best practices. With the availability of case studies on various platforms, anyone can find examples relevant to their interests and field of activity [1; 3; 6].

Among these, notable case studies include Patagonia (for its project to transition to the use of organic cotton and the recycling of old products) and IKEA (for its project to produce furniture from environmentally friendly materials and promote the ideas of reuse and recycling).

Patagonia is a prime example of how a business can be a driving force for positive change in the world. Their approach to the production and sale of clothing demonstrates that it is possible to be successful in business while also caring for the environment and promoting social justice. As part of this commitment, in 2022, Patagonia initiated a project to use organic cotton in clothing production and to recycle old products to achieve sustainable development goals. The conditions of the project were as follows:

1. The cultivation of organic cotton does not require the use of harmful pesticides and chemicals, which positively impact ecosystems.

2. The recycling of clothing helps conserve natural resources and reduce production volumes.

To implement the Patagonia project management processes included the following components: a transition plan for using organic cotton in production and recycling old products; a plan for engaging suppliers; the establishment of a collection and recycling system; communication with customers. Thus, the components of the project management elements at Patagonia are outlined in Table 1.

In fact, by developing a detailed project plan, the company engaged suppliers of organic cotton and established a system for collecting and recycling old

products. Implementing such a project was a significant reduction in the environmental footprint, a strengthening of the brand among conscious consumers, and increased customer loyalty. The maximum stream of Hicks-Lindahl aggregate income for the company increased from \$22 million in 2022 to \$40 million in 2023, demonstrating a growth of 81%.

Continuing to invest in sustainable development, Patagonia has achieved even greater success: as of September 2024, the maximum stream of aggregate income, calculated with capital preservation in mind, reached \$57 million. Of this amount, revenue from clothing and gear sales accounts for 60–70%, revenue from household goods accounts for 15–20%, revenue from services accounts for 10–15%, and other income accounts for 5–10% (see Table 2).

The analysis of Patagonia's Hicks-Lindahl income structure demonstrates a clear correlation between investments in sustainable development and financial success. Although the company's primary income comes from the sale of clothing and gear, a significant portion also comes from ancillary products and services, highlighting Patagonia's comprehensive approach to business.

IKEA is a global leader in furniture and home goods, long recognized for its approach to democratizing design and sustainable consumption. The company is actively working to make quality design accessible to everyone while minimizing its environmental impact. As part of this commitment, the company initiated a project in 2021 to transition to the production of furniture made from eco-friendly materials, promoting the ideas of reuse and recycling. The conditions of the project were as follows:

1. Use of eco-friendly materials. The company prioritized wood certified by the Forest Stewardship Council (FSC), sourced from responsibly managed forests.

2. Promotion of the ideas of reuse and recycling. The company aimed to encourage customers to reuse furniture and participate in programs for returning old products for recycling.

3. Creation of a closed production loop. IKEA aimed to establish a closed production loop in which manufacturing waste is minimized, and used materials are reintegrated into the production process.

To implement the project, the management processes at IKEA included the following components: a plan for transitioning to eco-friendly materials, their reuse, and recycling; a plan for engaging suppliers; the establishment of a project team; the development of procedures for change management. Thus, the components of project management at IKEA are outlined in Table 3.

Table 1

Components of project management elements at Patagonia

Core components	Characteristics of core component	Benefits of using the core component	Core components of the Hicks-Lindahl aggregate income
Transition plan for using organic cotton and recycling old products	A plan that covered all stages – from sourcing suppliers of organic cotton to establishing a system for collecting and recycling old products.	Allowed for the effective organization of the process and minimized risks.	<b>Revenue from the sale of clothing and gear:</b> for various types of outdoor activities (surfing, climbing, skiing, etc.); sale of equipment (backpacks, tents, sleeping bags); sale of accessories (hats, gloves, sunglasses). <b>Revenue from the sale of household goods:</b> sale of home textiles (blankets, pillows); sale of eco-friendly cleaning products. <b>Revenue from services:</b> product repair and maintenance; equipment rental; online consultations and training. <b>Other revenues:</b> licensing fees for brand usage; income from the sale of books and films about outdoor activities and ecology; income from investments in environmental projects.
Supplier engagement	The company did not just purchase organic cotton; it established partnerships with farmers, ensuring fair conditions for them.	This contributed to the establishment of long-term relationships and improved product quality.	
Establishment of a collection and recycling system	The company developed a convenient system for customers to collect old items for recycling.	This allowed for consumer engagement in the process and created a closed production cycle.	
Communication with customers	The company actively informed its customers about the benefits of organic cotton and the recycling programs.	This increased consumer awareness and strengthened their loyalty to the brand.	

Source: formulated by the author based on Patagonia data

Table 2

Core components of Patagonia's Hicks-Lindahl income and their approximate percentage

Core components	Characteristics of core component	Benefits of using the core component	Core components of the Hicks-Lindahl aggregate income
Revenue from the sale of clothing and gear.	This category includes Patagonia's core product range, and it is the one that generates the highest revenue for the company.	60–70%	Demand for eco-friendly clothing, product innovations, marketing campaigns, seasonality
Revenue from the sale of household goods.	This category includes the sale of home textiles and eco-friendly cleaning products, which complement the core product range	15–20%	The growing awareness of consumers regarding eco-friendly household products and trends in interior design.
Revenue from services	This category includes services related to product sales (repair, maintenance, rental), as well as online consultations and training.	10–15%	Service quality, expansion of service offerings, customer satisfaction.
Other income	This includes income from licensing fees, the sale of books and films, as well as investments in environmental projects.	5–10%	Brand popularity.

Source: formulated by the author based on Patagonia data and [5]

In fact, through the implementation of the transition to eco-friendly materials, their reuse, and recycling, the company achieved a reduction in its impact on forests and promoted sustainable consumption among its customers by encouraging choose durable and environmentally friendly furniture. The maximum flow of Hicks-Lindahl's total income for the company increased from \$11.5 million in 2021 to \$43.2 million in 2023, representing a growth of 276%. Continuing to invest in sustainable development, IKEA has achieved even greater success: as of September 2024, the maximum flow of total income, calculated with

capital preservation in mind, has reached \$51 million, with 70-80% coming from the sale of furniture and home goods, 15-20% from service provision, and 5-10% from other income sources (see Table 4).

The analysis of IKEA's Hicks-Lindahl income structure demonstrates that investments in sustainable development are a socially responsible step and an extremely effective business strategy. The transition to eco-friendly materials, resource reuse, and recycling has reduced environmental impact and significantly enhanced the appeal of all IKEA products to conscious consumers.

Table 3

**Components of project management elements at IKEA as of September 2024.**

Core components	Characteristics of core component	Benefits of using the core component	Core components of the Hicks-Lindahl aggregate income
Plan for transitioning to eco-friendly materials, their reuse, and recycling	A detailed plan that outlines the stages of transition, objectives, resources, and responsible individuals. It includes research and selection of eco-friendly materials, development of new technologies and production processes, as well as the creation of a waste collection and recycling system.	Provided a clear understanding of the areas of activity, allowing for effective resource allocation and monitoring of the transition process.	Revenue from the sale of furniture and home goods: sales of furniture (wardrobes, tables, sofas, beds, etc.); sales of home accessories (textiles, lighting, decorative elements); sales of kitchenware (dishes, kitchen appliances). Revenue from services: interior design; delivery and assembly of furniture; financing services for purchases. Other income: licensing fees; revenue from real estate sales (e.g., shopping centres); investment income.
Establishment of a project team	Formation of an interdisciplinary team composed of specialists from various fields (designers, engineers, ecologists, marketers, etc.). The team is responsible for the planning, implementation, and monitoring of the project.	Provided a comprehensive solution to tasks, facilitated quick decision-making, and enhanced work efficiency.	
Development of procedures for change management	Creation of a set of rules and guidelines that regulate the process of making changes to the project. This includes defining the procedure for submitting and reviewing proposals, assessing the impact of changes, and developing plans for their implementation.	Ensured predictability and controllability of the change process, minimized risks associated with changes, and contributed to the successful implementation of the project.	
Plan for engaging suppliers	Development of a strategy for interaction with suppliers, including selection, evaluation, and management of their activities. This involves establishing clear requirements for product quality and environmental sustainability in production.	Ensures a stable supply of quality materials and the development of long-term partnerships. Encourages suppliers to implement environmentally friendly technologies.	

Source: formulated by the author based on IKEA data

Table 4

**The main components of IKEA's Hicks-Lindahl income and their approximate percentages as of September 2024**

Core components	Characteristics of core component	Benefits of using the core component	Core components of the Hicks-Lindahl aggregate income
Revenue from the sale of furniture and home goods	Includes revenue from IKEA's core product range, which generates the highest income for the company.	70–80%	The main component of income depends on interior design trends, product quality, and marketing campaigns
Revenue from the provision of services	This category includes income from services related to furniture sales (interior design, delivery, assembly) as well as financial services.	15–20%	Adds value to core products and increases customer loyalty.
Other income	This includes income from licensing fees, real estate sales, and investments.	5–10%	An additional source of income related to the company's growth and its assets.

Source: formulated by the author based on IKEA data

Based on the outlined principles, it is evident that sustainable development case studies are a core learning tool for managers, as they demonstrate how theoretical concepts of sustainable development in project practice are implemented. Their availability on international organization websites, scientific journals, and corporate sites allows anyone to study successful examples and apply the knowledge gained to their activities.

Conclusions. According to the research findings, it has been established that a feature of sustainable economic development of an enterprise through the lens of project

management is the focus on the formation and adjustment of projects that not only guarantee a transition to socially responsible and environmentally friendly solutions but also provide an effective business strategy that takes into account specific benefits, the value of which can be calculated. In this regard, the following conclusion has been made:

1. The application of project management is advisable for sustainable development projects of an enterprise for which cost values and changes in Hicks-Lindahl aggregate income can be calculated. The Hicks-Lindahl aggregate

income value is an economic indicator that represents the maximum amount of revenue a business can generate over a specific period while preserving natural, physical, and human capital. Thus, it adjusts and measures the sustainability of development. In other words, it is the maximum income that an enterprise can achieve without depleting its resources.

2. Calculating the value of Hicks-Lindahl aggregate income based on standard methodology is impossible, as it is formed based on a deep understanding of the essence of the enterprise's activities. In particular, the following conditional stages can be identified for calculating Hicks-Lindahl aggregate income: identifying all types of capital of the enterprise; assessing the value of each type of capital; calculating the income flow; determining the costs of maintaining capital; calculating the maximum flow of aggregate income. In this case, the conditional calculation of the value of Hicks-Lindahl aggregate income is

transformed into a real one based on a comprehensive analysis of the enterprise's activities and the generalization of the obtained data.

3. To understand the features of sustainable development in project management, it is essential to study specific examples – cases. A sustainable development case is a detailed description of a real project that demonstrates how organizations address sustainable development issues. The diversity of such cases, ranging from environmental initiatives to social projects, allows common patterns and best practices identification. Thanks to the accessibility of cases on various platforms, anyone can find examples relevant to their interests and field of activity.

The prospects for further research lie in the development of specialized software products or online platforms that would automate calculating the Hicks-Lindahl total income and make it accessible to a broader range of users.

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