

# Strategic Renewal and Entrepreneurial Success: A Critical Review with the Focus on SME's Sector

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## **Abstract**

*This paper explores the intersection of strategic renewal and entrepreneurial success within the context of modern business environments with a critical review with the focus on SME's sector. It synthesizes existing literature to provide insights into how organizations can leverage strategic renewal initiatives to foster entrepreneurial behavior and enhance overall business performance. Key theoretical frameworks and empirical evidence are discussed to illustrate the dynamics between strategic renewal efforts and entrepreneurial outcomes. The findings show that strategic renewal improves entrepreneurial success in the context of modern business environments. Therefore the study concludes that strategic renewal is a critical factor for improving entrepreneurial success in modern business environments. Thus, the study recommended that SME's sector should implement and sustain effective strategic renewal practices, through setting measurable objectives, tracking progress, and making adjustments as needed to improve entrepreneurial success.*

**Keywords:** *Strategic Renewal, Realignment Competence, Innovation, Growth, Survival, Entrepreneurial Success*

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## **1.0 Introduction**

In today's dynamic and competitive business environment, the ability of organizations to adapt and innovate is paramount to their survival and growth. Strategic renewal, defined as the deliberate and proactive modification of organizational strategies and processes to align with changing external conditions and internal capabilities (Teece, 2007), has emerged as a crucial mechanism for maintaining relevance and fostering long-term sustainability. Concurrently, entrepreneurial success, characterized by the ability to identify and exploit opportunities through innovative actions and risk-taking behaviors (Shane & Venkataraman, 2000), is increasingly recognized as a cornerstone of organizational performance and competitive advantage.

The intersection of strategic renewal and entrepreneurial success represents a fertile ground for scholarly inquiry and practical application. Strategic renewal initiatives encompass a spectrum of activities, from incremental adjustments to radical transformations, aimed at rejuvenating

organizational strategies and capabilities (Helfat & Peteraf, 2009). These initiatives not only enable firms to respond effectively to market disruptions and technological advancements but also create pathways for entrepreneurial behaviors to thrive within organizational contexts (Denrell & Vermeulen, 2010). Conversely, entrepreneurial success relies heavily on an organization's ability to strategically renew itself, as dynamic capabilities and adaptive strategies are essential for seizing opportunities and mitigating risks in volatile business landscapes (Eisenhardt & Martin, 2000).

Despite their interconnectedness, the relationship between strategic renewal and entrepreneurial success remains complex and multifaceted. While strategic renewal initiatives provide the structural foundation and resources necessary for entrepreneurial activities, entrepreneurial behaviors such as creativity, opportunity recognition, and risk-taking are instrumental in driving the strategic renewal process forward (Sarasvathy, 2001). Therefore, understanding how these concepts interact and influence each other is crucial for organizations seeking to foster a culture of innovation and achieve sustainable growth (Jansen et al., 2006). This critical analysis aims to explore this relationship by synthesizing existing literature, examining empirical evidence, and providing insights into the strategic and practical implications for businesses operating in today's competitive landscape.

### **Statement of the Problem**

Strategic renewal, the process by which firms rejuvenate their strategies, structures, and capabilities to adapt to changing environments and enhance competitiveness, is critical for entrepreneurial success. Despite its importance, many organizations, particularly in volatile and dynamic markets, struggle with effectively implementing strategic renewal. This struggle is often due to various factors, including resistance to change, lack of innovation, inadequate resources, and poor leadership (Danneels, 2002; Teece, 2007). In the context of small and medium-sized enterprises (SMEs), especially those operating in emerging economies, the challenges are even more pronounced. SMEs often face additional constraints such as limited access to financial resources, insufficient managerial expertise, and a lack of strategic foresight (Amorós et al., 2016; Gunday et al., 2011). These constraints hinder their ability to engage in strategic renewal processes that are essential for sustaining competitive advantage and achieving entrepreneurial success.

Moreover, the relationship between strategic renewal and entrepreneurial success is not fully understood, particularly in specific sectors such as the consumer goods industry. The food, beverage, and tobacco firms in Rivers State, Nigeria, for example, operate in a highly competitive and rapidly changing environment where strategic renewal is crucial for survival and growth. However, there is a dearth of empirical research examining how these firms navigate strategic renewal and the impact of these efforts on their entrepreneurial success (Kassean et al., 2015; Odhiambo, 2015). Therefore, this study aims to address the gap by critically examining the process of strategic renewal and its influence on entrepreneurial success within the context of SMEs sector in Rivers State, Nigeria. By doing so, it seeks to provide insights that can help these firms overcome the challenges associated with strategic renewal and enhance their overall performance and sustainability.

## **Aim and Objectives**

The aim of this research was to critically examine the concept of Strategic Renewal and entrepreneurial Success in literature. The objectives of the research were to:

1. Examine how realignment competence enhance growth
2. Examine how realignment competence improves survival
3. Evaluate how innovation enhance growth
4. Evaluate how innovation improves survival

## **Significance of the Study**

The study of strategic renewal and entrepreneurial success in the context of SMEs holds significant implications for various stakeholders. For SMEs, understanding how strategic renewal processes can foster entrepreneurial success is crucial for their long-term viability and growth in competitive markets. By adapting their strategies, SMEs can better navigate challenges, seize new opportunities, and enhance their resilience. Scholars benefit from exploring this intersection as it contributes to theoretical advancements in strategic management and entrepreneurship, offering insights into how smaller enterprises can effectively renew their strategies to achieve sustainable competitive advantage. For society, the implications are profound as SMEs are major drivers of economic growth, job creation, and innovation. Supporting their ability to strategically renew enhances overall economic dynamism and contributes to a more robust entrepreneurial ecosystem. Thus, this study not only addresses practical concerns for SME managers but also advances knowledge that can shape policies and practices beneficial to broader societal prosperity.

## **2.0 LITERATURE REVIEW**

### **Conceptual Review**

Strategic renewal is the process of change and the outcome of adjustment in strategic direction that have the potential to determine the long-term competitiveness of a firm. The objective of strategic renewal is to provide a strategic fit between a firm's internal capabilities and shifts in the external environment involving technology, markets, industries, and the economy that require a change in the status quo of conducting business. There are several types of strategic renewal. Incremental renewal occurs through a series of regular adaptations to changes in the commercial environment. Transformational renewal is brought about through radical shifts in strategic management and the removal or replacement of key functions and units in the firm.

### **Proactive vs. Reactive Strategic Renewal**

Strategic renewal can be categorized as proactive or reactive. Proactive renewal involves anticipating changes in the market or industry and taking preemptive actions to adapt. This type of renewal is characterized by forward-thinking and strategic planning, allowing firms to stay ahead of competitors and capitalize on emerging opportunities. On the other hand, reactive renewal occurs in response to external pressures or crises. This approach is typically driven by necessity and often involves quick, decisive actions to mitigate threats or recover from setbacks (Baden-

Fuller & Volberda, 1997). Proactive renewal tends to be more sustainable as it is based on strategic foresight rather than immediate necessity.

Exploratory and exploitative renewals are two other types of strategic renewal. Exploratory renewal focuses on innovation and the pursuit of new opportunities. It involves experimenting with new business models, entering new markets, or developing new products and services. Exploitative renewal, in contrast, emphasizes refining and optimizing existing capabilities and resources to improve efficiency and effectiveness. Both types of renewal are crucial for long-term success, as they enable organizations to balance the need for innovation with the need for operational excellence (March, 1991). Firms that effectively combine exploratory and exploitative renewal can achieve a dynamic equilibrium, fostering sustained growth and adaptability.

Numerous organizations have successfully implemented strategic renewal. For instance, IBM's transformation from a hardware manufacturer to a service-oriented company demonstrates effective strategic renewal. Faced with declining hardware sales, IBM proactively shifted its focus to software and consulting services, leading to a significant turnaround and sustained profitability (Gerstner, 2002). Similarly, Nokia's pivot from a consumer electronics company to a telecommunications equipment provider highlights the importance of strategic renewal in adapting to industry changes and maintaining competitiveness (Doz & Kosonen, 2008).

### **Factors Influencing Effective Strategic Renewal Practices**

Several factors influence the effectiveness of strategic renewal practices. Leadership plays a pivotal role, as visionary leaders can inspire and guide their organizations through periods of change. Additionally, a culture of innovation and continuous improvement supports strategic renewal by encouraging experimentation and learning. Access to resources, including financial capital, technology, and skilled personnel, also facilitates successful renewal efforts. Furthermore, strategic alignment, where renewal initiatives are consistent with the organization's overall goals and vision, is critical for achieving desired outcomes (Teece, 2007).

### **Realignment Competence**

Realignment competence is a critical aspect of strategic renewal that refers to an organization's ability to realign its resources, capabilities, and strategies in response to changing environmental conditions. This competence involves reconfiguring existing assets and processes to better align with new strategic directions, ensuring the organization remains competitive and resilient. According to Helfat and Peteraf (2003), realignment competence is essential for firms facing dynamic and complex environments, as it enables them to adapt to external changes without compromising their core capabilities. This process involves both incremental and radical changes, necessitating a flexible approach to strategy and execution.

Effective realignment competence requires a comprehensive understanding of the internal and external factors affecting the organization. Internally, it involves reassessing and potentially restructuring organizational processes, resource allocation, and capabilities to better support new strategic objectives. Externally, it requires continuous monitoring of market trends, technological

advancements, and competitive actions to anticipate and respond to changes proactively (Teece, Pisano, & Shuen, 1997). This dual focus ensures that the organization can not only respond to current challenges but also anticipate future opportunities and threats, thereby maintaining a strategic advantage.

Leadership plays a pivotal role in fostering realignment competence. Leaders must create a culture that encourages innovation, flexibility, and continuous learning. By promoting a strategic vision that emphasizes the importance of adaptation and resilience, leaders can motivate employees to embrace change and contribute to the organization's renewal efforts. As noted by Eisenhardt and Martin (2000), dynamic capabilities, including realignment competence, are often rooted in organizational processes that are guided by leadership. Therefore, effective leadership is crucial for developing and sustaining realignment competence within the organization.

Realignment competence also has significant implications for organizational performance and long-term sustainability. Organizations that excel in realignment are better positioned to navigate disruptions and capitalize on emerging opportunities, leading to sustained competitive advantage and improved performance outcomes. Research by Zahra, Sapienza, and Davidsson (2006) highlights that firms with strong realignment capabilities can achieve higher levels of innovation, market responsiveness, and overall strategic agility. This competence not only enhances the organization's ability to survive in volatile environments but also supports continuous growth and development.

## **Innovation**

Innovation is the process of translating ideas and inventions into goods and services that create value or for which customers will pay. It involves deliberate application of information, imagination, and initiative in deriving greater or different values from resources, and encompasses all processes by which new ideas are generated and converted into useful products. According to Schumpeter (1942), innovation is a critical dimension of economic change and can lead to new industries, revolutionize existing ones, and stimulate economic growth. Businesses leverage innovation to gain a competitive edge, improve operational efficiency, and meet evolving customer needs (Tidd & Bessant, 2013).

Innovative activities can be broadly categorized into product innovation, process innovation, and organizational innovation. Product innovation involves creating new products or improving existing ones to meet market demands or solve problems more effectively (Danneels, 2002). Process innovation focuses on enhancing production or delivery methods to increase efficiency or reduce costs. Organizational innovation involves developing new business practices, workplace organization, or external relations to improve performance. Gunday et al. (2011) assert that these types of innovation are interconnected and collectively contribute to a firm's competitiveness and long-term sustainability.

The role of innovation in fostering business success is well-documented. Companies that consistently invest in innovation tend to achieve higher profitability, increased market share, and enhanced customer satisfaction (Laforet, 2011). Innovation enables firms to respond to market

changes swiftly, adapt to new technologies, and seize emerging opportunities. It also fosters a culture of continuous improvement and creativity within organizations, leading to sustained competitive advantage (Porter, 1985). For instance, companies like Apple and Google have shown that a strong focus on innovation can lead to market leadership and robust financial performance. However, successful innovation requires a supportive organizational culture and structure, adequate resources, and effective leadership (Tushman & O'Reilly, 1997). Challenges such as resistance to change, lack of collaboration, and insufficient investment can hinder innovative efforts. Organizations must cultivate an environment that encourages experimentation, rewards creative thinking, and supports risk-taking. Moreover, integrating innovation into strategic planning and aligning it with overall business goals are crucial for realizing its full potential. As Gallouj (2007) notes, the synergy between innovation and strategy is vital for achieving sustainable growth and maintaining a competitive edge in today's dynamic market environment.

### **Concept of Entrepreneurial Success**

Entrepreneurial success is often defined in terms of organizational performance metrics such as profitability, market share, and growth. However, it also encompasses qualitative factors like customer satisfaction, brand reputation, and the ability to innovate continuously. In the context of organizational performance, entrepreneurial success involves achieving a balance between financial outcomes and sustainable growth, ensuring long-term viability and competitiveness in the market (Bruton, Ahlstrom, & Obloj, 2008).

### **Growth**

Entrepreneurial growth refers to the expansion and scaling of a new or young business venture, characterized by increased revenues, market share, and workforce size. It is a critical indicator of a venture's health and viability, reflecting its ability to successfully execute its business model and capitalize on market opportunities. According to Davidsson and Wiklund (2013), entrepreneurial growth is essential not only for the individual business but also for broader economic development, as growing ventures contribute to job creation, innovation, and competitiveness within an economy. Several factors drive entrepreneurial growth. These include access to capital, market conditions, innovative capabilities, and strategic partnerships. Access to financial resources allows entrepreneurs to invest in technology, marketing, and talent, which are critical for scaling operations.

Moreover, favorable market conditions, such as growing demand and a conducive regulatory environment, can facilitate growth. Innovation, both in product offerings and business processes, is another key driver, enabling firms to differentiate themselves and capture larger market shares. Strategic partnerships and networks also play a vital role, providing access to new markets and resources (Autio, 2015). While entrepreneurial growth is desirable, sustaining it poses significant challenges. Rapid expansion can strain resources, leading to operational inefficiencies and potential quality issues. Additionally, entrepreneurs must navigate competitive pressures and changing market dynamics, which can threaten their market position. Ensuring adequate governance structures, maintaining a strong organizational culture, and investing in continuous improvement are critical for addressing these challenges. As noted by Brush, Ceru, and Blackburn



(2009), effective leadership and strategic management are crucial for navigating the complexities associated with growth.

Several high-profile examples illustrate successful entrepreneurial growth. For instance, the rapid rise of Uber from a startup to a global ride-sharing giant underscores the importance of innovation, market understanding, and strategic execution. Uber's use of technology to disrupt traditional taxi services and its aggressive market expansion strategies contributed significantly to its growth. Similarly, the story of Airbnb demonstrates how leveraging technology and creating new market categories can drive significant entrepreneurial growth. These cases highlight the importance of strategic foresight and adaptability in achieving and sustaining growth (Zhang, 2020).

### **Survival**

Firm survival refers to the ability of a business to continue operating over an extended period, overcoming various internal and external challenges. It is a fundamental measure of business success and resilience. Firm survival is crucial because it reflects the company's capability to maintain its market presence, satisfy customers, and generate sustainable profits. As stated by Aldrich and Ruef (2006), firm survival is an essential aspect of economic stability, as it ensures continuity in employment, innovation, and economic contribution. Several factors influence firm survival, including financial health, market adaptability, management competence, and strategic positioning. Financial stability is paramount, as it allows firms to weather economic downturns and invest in necessary resources.

Market adaptability, or the ability to respond to changing customer needs and industry trends, is also critical. Competent management teams that can make informed strategic decisions and effectively manage resources play a vital role in ensuring survival. Furthermore, strategic positioning, such as having a unique value proposition or a strong brand, can provide a competitive edge that enhances survival prospects (Lumpkin & Dess, 1996). Firms face numerous challenges that can threaten their survival. Economic fluctuations, technological disruptions, competitive pressures, and regulatory changes are some of the external challenges. Internally, issues such as poor management, resource misallocation, and operational inefficiencies can undermine a firm's viability. Addressing these challenges requires a proactive approach, including continuous market research, innovation, and the development of robust risk management strategies. Additionally, fostering a resilient organizational culture that can adapt to changes is essential for long-term survival (Tecece, 2007).

Many firms have demonstrated resilience and achieved long-term survival through strategic renewal and adaptability. For example, IBM's shift from a hardware-centric business to a service-oriented company allowed it to remain relevant and competitive in the face of declining hardware demand. This strategic renewal involved significant investments in new technologies and business models, illustrating the importance of adaptability and innovation. Similarly, Kodak's failure to adapt to digital photography, despite being an early pioneer, serves as a cautionary tale of the risks associated with resistance to change and the importance of strategic flexibility (Gavetti, 2005).

## **Theoretical Review**

### **Dynamic Capabilities Theory (Teece et al., 1997)**

The Dynamic Capabilities Theory was primarily developed by David J. Teece, along with his colleagues Gary Pisano and Amy Shuen. The foundational paper outlining this theory is "Dynamic Capabilities and Strategic Management," published by Teece, Pisano, and Shuen in 1997 in the *Strategic Management Journal*. This theory emphasizes the ability of an organization to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. The theory that best explains the relationship between strategic renewal and entrepreneurial success, particularly in the context of the SMEs sector, is the Dynamic Capabilities Theory. This theory posits that the ability of a firm to achieve sustained competitive advantage depends on its capacity to build, integrate, and reconfigure internal and external competences to address rapidly changing environments (Teece, Pisano, & Shuen, 1997). Dynamic Capabilities Theory emerged from the resource-based view (RBV) of the firm, which emphasizes the role of internal resources in achieving and sustaining competitive advantage. However, unlike the RBV, which focuses on the possession of valuable, rare, inimitable, and non-substitutable (VRIN) resources, Dynamic Capabilities Theory highlights the importance of a firm's ability to adapt, renew, and recreate its strategic resources in response to environmental changes (Eisenhardt & Martin, 2000).

The relationship between strategic renewal and entrepreneurial success in SMEs is rooted in the dynamic capabilities of these firms. According to Teece (2007), dynamic capabilities enable firms to sense opportunities and threats, seize them through investments and resource reconfigurations, and transform their operations to maintain competitive advantage. In the context of SMEs, strategic renewal facilitated by dynamic capabilities involves continual adaptation, learning, and innovation, which are essential for survival and growth in volatile markets. For instance, SMEs that successfully engage in strategic renewal through innovation can introduce new products or services, enter new markets, or improve operational efficiencies. This adaptability not only helps SMEs to overcome challenges but also positions them to capitalize on emerging opportunities, thereby driving entrepreneurial success (Zahra, Sapienza, & Davidsson, 2006). The ability to dynamically reconfigure resources and capabilities allows SMEs to remain competitive, foster growth, and achieve sustained success.

### **Strategic Renewal and Entrepreneurial Success**

Strategic renewal is a crucial process that allows organizations to adapt and remain competitive in dynamic environments. It involves revisiting and redefining strategies, structures, and processes to align with emerging market trends and technological advancements. This concept is particularly relevant for entrepreneurs who operate in highly volatile markets. By engaging in strategic renewal, entrepreneurs can ensure their businesses remain relevant and capable of seizing new opportunities (Schmitt, Raisch, & Volberda, 2018). This adaptability is essential for long-term success and sustainability in today's rapidly changing business landscape. The impact of strategic renewal on entrepreneurial success cannot be overstated. Through continuous innovation and reconfiguration of resources, entrepreneurs can create value and sustain a competitive advantage.



This process enables entrepreneurs to pivot when necessary, addressing market shifts and technological disruptions effectively. Research by Covin and Wales (2019) indicates that firms engaging in strategic renewal often experience enhanced performance metrics, including revenue growth and market share expansion. Thus, strategic renewal is not just a reactive measure but a proactive approach to maintaining business viability and success. While the benefits of strategic renewal are clear, the process is not without challenges.

Entrepreneurs often face resistance to change from within the organization, resource constraints, and the uncertainty associated with new strategic directions. However, fostering a culture of innovation and flexibility can mitigate these challenges. Leadership plays a pivotal role in driving strategic renewal, as emphasized by Crossan and Apaydin (2010). Effective leaders can inspire and guide their teams through transitions, ensuring that strategic renewal efforts are aligned with the overall vision and goals of the enterprise. Numerous case studies illustrate the successful implementation of strategic renewal in entrepreneurial ventures. For instance, Netflix's transition from a DVD rental service to a streaming giant exemplifies how strategic renewal can lead to unprecedented success. By continually evolving its business model and embracing new technologies, Netflix has maintained its competitive edge in the entertainment industry (Girotra & Netessine, 2014). Such examples underscore the importance of strategic renewal in achieving entrepreneurial success and highlight practical approaches that other entrepreneurs can emulate.

### **Realignment Competence and Entrepreneurial Success**

Realignment competence refers to an organization's ability to adjust its internal capabilities, resources, and strategies in response to external changes. This competence is crucial for entrepreneurs who must navigate the complexities of dynamic markets. By effectively realigning their competencies, entrepreneurs can ensure that their businesses remain agile and competitive. Realignment involves assessing the current strategic direction and making necessary adjustments to stay in sync with market demands (Teece, Peteraf, & Leih, 2016). The role of realignment competence in entrepreneurial success is significant. Entrepreneurs who can swiftly realign their resources and strategies are better positioned to capitalize on new opportunities and mitigate risks. Research by Zahra and George (2002) highlights that firms with strong realignment capabilities are more likely to achieve sustained growth and profitability. This is because realignment allows for the optimization of resources and the adaptation of business models to better meet customer needs and market conditions.

Developing realignment competence involves overcoming several challenges, including internal resistance, limited resources, and the complexity of change management. Entrepreneurs can address these challenges by fostering a culture of continuous improvement and learning within their organizations. According to Sirmon, Hitt, and Ireland (2007), building dynamic capabilities, such as realignment competence, requires ongoing investment in employee training and development. By equipping their teams with the necessary skills and knowledge, entrepreneurs can enhance their ability to realign effectively. Realignment competence has practical implications for entrepreneurial ventures. For example, the successful pivot of Slack from a gaming company to a leading enterprise communication platform demonstrates the power of realignment

competence. By recognizing the potential of their internal communication tool and realigning their business model, Slack was able to achieve remarkable entrepreneurial success (Butterfield, Henderson, & Simons, 2019). Such examples illustrate how realignment competence can drive innovation and business growth, providing valuable insights for other entrepreneurs.

### **Innovation and Entrepreneurial Success**

Innovation is a fundamental driver of entrepreneurial success. It involves the creation and implementation of new ideas, products, or processes that add value to the business and its customers. For entrepreneurs, innovation is not just about staying ahead of competitors but also about continuously improving and evolving to meet changing market demands. As highlighted by Drucker (1985), innovation is the specific tool of entrepreneurs by which they exploit change as an opportunity for a different business or service. The impact of innovation on entrepreneurial success is profound. Innovative entrepreneurs are often more capable of differentiating their offerings, attracting customers, and achieving higher profitability. Studies have shown that there is a strong correlation between innovation and business performance. For instance, research by Schumpeter (1942) suggests that innovative firms are more likely to experience higher growth rates and gain competitive advantages. This is because innovation allows entrepreneurs to introduce unique solutions that address unmet needs in the market.

### **Empirical Review**

Empirical studies provide valuable insights into the relationship between strategic renewal and entrepreneurial outcomes. Research by Volberda, Van Den Bosch, and Heij (2018) indicates that firms engaging in strategic renewal are more likely to achieve superior performance, including higher growth rates and profitability. These findings underscore the importance of strategic renewal as a driver of entrepreneurial success and highlight the need for ongoing investment in renewal activities. Numerous case studies illustrate how strategic renewal can foster entrepreneurial success. For example, the transformation of Fujifilm from a traditional film company to a diversified technology and healthcare enterprise demonstrates the power of strategic renewal. By leveraging its expertise in chemical engineering and investing in new growth areas, Fujifilm successfully navigated the decline of the film industry and achieved sustained growth (Tripsas & Gavetti, 2000). Such examples provide valuable lessons for other organizations seeking to implement strategic renewal.

Entrepreneurial firms are typically characterized by their agility, risk-taking propensity, and innovative mindset. These characteristics enable them to adapt quickly to market changes and seize new opportunities, making them well-suited for strategic renewal initiatives. Entrepreneurial firms often foster a culture that encourages creativity, experimentation, and resilience, all of which are essential for successful strategic renewal. By leveraging their inherent flexibility and innovation capabilities, entrepreneurial firms can effectively realign their strategies and operations to achieve sustained success (Covin & Slevin, 1991). Integrating strategic renewal with entrepreneurial initiatives requires a comprehensive framework that aligns organizational goals, resources, and capabilities. One such framework involves establishing a clear vision and strategic objectives, fostering a culture of innovation, and implementing robust processes for continuous learning and

adaptation. By aligning strategic renewal efforts with entrepreneurial initiatives, organizations can create a synergistic effect that enhances overall performance and competitiveness (Volberda, Van Den Bosch, & Heij, 2018).

Companies like Google and Amazon exemplify the successful integration of strategic renewal and entrepreneurial success. Google's continuous innovation in its core search engine business, coupled with its exploration of new areas such as artificial intelligence and cloud computing, showcases its strategic renewal capabilities. Similarly, Amazon's relentless focus on customer-centric innovation and its expansion into diverse sectors, including cloud services and entertainment, highlight its ability to integrate strategic renewal with entrepreneurial initiatives effectively (Khan, 2019).

Nkem and Onuoha (2023) evaluated strategic renewal strategies and corporate performance of industrial enterprises in rivers state, Nigeria. The purpose of the research was to assess the result of strategic renewal methods on corporate performance of manufacturing enterprises in Rivers State. The research employed a cross-sectional survey technique to obtain answers from the ten (10) manufacturing respondents it had in Rivers State, Nigeria. Final data analysis comprised 107 respondents and a convenient sampling procedure. For data analysis and hypothesis testing, descriptive statistics and Pearson Product Moment Correlation were utilized. Empirical data demonstrated that there is a positive impact of realignment competency on improved customers care, there is significant influence of transformation of strategic intent on improved customers care. It was established that realignment competence and transformation of strategic purpose inside a business or companies pushed the attainment of defined goals and objectives. There are a few suggestions linked to the study. One of these ideas is to analyze various sorts of strategic renewal techniques to compare the results produced from these types.

### **Gap in Literature**

A critical review of existing literature was done on strategic renewal and entrepreneurial success however, it was found there is a little stream of research on how strategic renewal improve entrepreneurial success in SME's sector. Most studies on strategic renewal focus on larger enterprises with significant resources, overlooking how SME's manage resource constraints during strategic renewal. Therefore, the present study filled this gap by studying strategic renewal and entrepreneurial success with the focus on SME's sector.

### **Methodology**

This research was a theoretical study as such it engaged in literature review as it methodology. Theoretical research, distinct from empirical research, primarily focuses on developing new theories or refining existing ones by analyzing, synthesizing, and critiquing existing literature and theoretical frameworks. One fundamental method used in theoretical research is literature review, which involves a comprehensive survey of existing studies, theories, and models related to a specific topic. This method allows researchers to identify gaps in the current knowledge, assess the strengths and weaknesses of existing theories, and establish a foundation for proposing new theoretical insights or modifications. Literature reviews can be systematic, where a structured and

replicable approach is used to gather and evaluate relevant literature, or narrative, where the review is more flexible and descriptive (Torraco, 2016).

This study also engaged in conceptual analysis. This involves deconstructing and examining the fundamental concepts and constructs that underpin theories to clarify their meanings, relationships, and implications. Researchers engage in detailed scrutiny of the definitions, dimensions, and interconnections of concepts to enhance theoretical clarity and coherence. Conceptual analysis often includes comparing and contrasting different theoretical perspectives, identifying inconsistencies, and proposing more precise or comprehensive conceptual frameworks. This method is instrumental in refining theoretical propositions and enhancing the rigor and robustness of theoretical constructs (Walker & Avant, 2011).

## **Conclusion**

This analysis highlights the critical role of strategic renewal in achieving entrepreneurial success. Realignment competence enhances growth by enabling organizations to adapt their strategies and reconfigure resources effectively in response to evolving market conditions, thereby capturing new opportunities and expanding their market presence (Helfat & Peteraf, 2003).

Realignment competence fosters organizational growth by aligning internal capabilities with external opportunities, ensuring continuous market relevance and expansion. Realignment competence improves survival by allowing organizations to swiftly and efficiently adapt to environmental changes, mitigate risks, and maintain operational continuity despite disruptions. Realignment competence is critical for organizational survival as it enables firms to navigate and withstand market volatility and external shocks.

Innovation enhances growth by driving the development of new products, services, and processes that meet evolving customer needs, thereby increasing market share and revenue. Innovation propels organizational growth by fostering product differentiation and opening new revenue streams. Innovation improves survival by equipping organizations with the ability to continuously improve and adapt their offerings, thus maintaining competitive advantage and customer loyalty in dynamic markets. Innovation ensures organizational survival by enabling constant adaptation and responsiveness to market changes and competitive pressures.

## **Recommendations**

To implement and sustain effective strategic renewal practices, organizations should establish clear processes for monitoring and evaluating renewal efforts. This involves setting measurable objectives, tracking progress, and making adjustments as needed. Additionally, fostering collaboration and knowledge sharing across the organization can enhance the effectiveness of renewal initiatives. By creating a supportive environment and providing the necessary tools and resources, managers can drive successful strategic renewal.

Different organizational contexts and industries may require tailored strategic renewal approaches. For example, technology firms may prioritize exploratory renewal to stay ahead of rapid technological advancements, while manufacturing companies might focus on exploitative renewal

to optimize operational efficiencies. Understanding the specific needs and dynamics of their industry can help managers design and implement effective renewal strategies that align with their unique context.

### **Practical Implications for Managers**

For managers and business leaders, enhancing entrepreneurial success through strategic renewal involves several practical steps. First, they must foster a culture of innovation and continuous improvement. This includes encouraging risk-taking, supporting creative thinking, and providing opportunities for employees to develop new skills. Second, leaders should prioritize strategic alignment, ensuring that renewal efforts are consistent with the organization's overall goals and vision. Third, managers must invest in the necessary resources, including technology, training, and infrastructure, to support renewal initiatives (Teece, 2007).

### **Future Research Directions**

Future research in the intersection of strategic renewal and entrepreneurial success should explore emerging trends such as digital transformation, sustainability, and globalization. These trends present new opportunities for strategic renewal and require innovative approaches to remain competitive. Researchers can investigate how organizations can leverage digital technologies, sustainable practices, and global networks to enhance their renewal efforts and achieve entrepreneurial success.

Advancements in research methodologies, such as big data analytics, machine learning, and longitudinal studies, can provide deeper insights into the dynamics of strategic renewal and entrepreneurial success. By employing these methodologies, researchers can analyze large datasets, identify patterns and trends, and understand the long-term impacts of renewal efforts. This can lead to more robust and actionable findings that can inform both theory and practice (Eisenhardt & Graebner, 2007).

### **Theoretical Contributions and Practical Implications**

The integration of strategic renewal with entrepreneurial initiatives provides a comprehensive framework for sustained success. Practical implications for managers include fostering a culture of innovation, ensuring strategic alignment, and investing in necessary resources. Tailored recommendations for different organizational contexts further enhance the applicability of renewal strategies. Integrating strategic renewal strategies with entrepreneurial initiatives is essential for navigating the complexities of contemporary business environments. By leveraging the insights from this analysis, organizations can enhance their renewal efforts, drive innovation, and achieve long-term entrepreneurial success. Future research should continue to explore emerging trends and methodological advancements to further our understanding of this critical intersection.

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