



Entrepreneurial Architecture and Enterprise Sustainability in Volatile Emerging Economies: Developing the Ngoro Enterprise Sustainability Architecture (NESA)

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Abstract: This study develops the Ngoro Enterprise Sustainability Architecture (NESA), a multi-layered conceptual framework explaining enterprise sustainability in volatile and resource-constrained environments. Building on prior empirical research on client concentration risk and structural vulnerability in Zimbabwe's clearing and forwarding sector, the study extends these insights into a systems-based model of enterprise resilience. NESA conceptualizes sustainability as an emergent outcome of alignment across six interdependent layers: entrepreneurial cognition, structural legitimacy, market intelligence, financial governance, capital formation strategy, and institutional adaptation. Adopting an inductive, theory-building approach, the study integrates practice-based insights with established theoretical perspectives, including entrepreneurial cognition, institutional theory, market orientation, financial management, and dynamic capabilities. The findings suggest that enterprise sustainability is not driven by isolated capabilities, but by vertical coherence across multiple organizational dimensions under conditions of macro-environmental volatility. The study contributes to theory by advancing a systems-based perspective on sustainability, centralizing entrepreneurial cognition, and contextualizing firm behavior within volatile emerging economies. Practically, it provides a diagnostic and strategic framework for managers and policymakers. While conceptual in nature, the model establishes a foundation for future empirical validation across sectors and contexts.

Keywords: Enterprise Sustainability, Entrepreneurial Cognition, Structural Vulnerability, Financial Governance, Institutional Adaptation, Market Intelligence, Volatile Economies, Clearing and Forwarding Sector

INTRODUCTION

Entrepreneurship is widely recognized as a driver of economic development (Drucker, 1985; Schumpeter, 1934); however, its outcomes vary significantly across different macroeconomic contexts. Classical perspectives emphasize innovation and opportunity exploitation as central to firm growth (Kirzner, 1973), typically assuming relatively stable economic environments.

Recent scholarship highlights that entrepreneurial performance is highly contingent on institutional quality, financial systems, and macroeconomic stability (Bruton et al., 2021; Welter et al., 2019). In volatile emerging economies—such as Zimbabwe—persistent instability manifests through inflationary pressures, liquidity constraints, and regulatory unpredictability (Beck et al., 2005; Stiglitz, 1981; Mlambo & Ncube, 2020).

Empirical evidence from Sub-Saharan Africa suggests that while entrepreneurial activity is high, sustainability remains low due to structural fragility (Amankwah-Amoah et

al., 2018; George et al., 2016). Zimbabwe represents a particularly acute case where currency volatility and policy inconsistency undermine enterprise continuity (Mlambo & Ncube, 2020).

This paper argues that conventional entrepreneurship models are inadequate in such contexts. Enterprise sustainability must instead be understood as a systemic resilience challenge requiring integration of financial discipline, institutional adaptation, and structural risk management (North, 1990; Teece, 2007; Bruton et al., 2021). To address this gap, the study develops the Ngoro Enterprise Sustainability Architecture (NESA).

This study builds directly on prior empirical research on client concentration risk and structural vulnerability in Zimbabwe's clearing and forwarding sector, which identified overdependence on a limited client base, weak financial governance, and institutional fragility as key drivers of firm instability (Ngoro, 2026). While that study provided a diagnostic account of the sources of vulnerability, it did not offer an integrated framework for enterprise sustainability. The present study addresses this gap by extending those insights into a systems-based model—the Ngoro Enterprise Sustainability Architecture (NESA)—which conceptualizes how firms can transition from structural vulnerability to layered resilience in volatile economic environments.

LITERATURE REVIEW

The Ngoro Enterprise Sustainability Architecture (NESA) is grounded in and extends several established theoretical traditions that explain firm survival, resilience, and performance under uncertainty. This section situates NESA within the broader literature, demonstrating how it integrates and advances insights from entrepreneurship, institutional theory, market orientation, financial management, and dynamic capabilities, particularly in volatile and developing economy contexts.

Enterprise Sustainability and Resilience

The literature on enterprise sustainability has progressively shifted from a narrow focus on profitability to a broader concern with resilience, continuity, and adaptability under conditions of stress. Studies emphasize that firms survive not only through resource endowment but through their ability to align internal capabilities with external conditions (Fiksel, 2006; Lengnick-Hall et al., 2011). However, much of this work adopts a variable-centric approach, examining factors such as access to finance or strategic positioning in isolation. NESA advances this literature by conceptualizing sustainability as a systemic and layered construct, where resilience emerges from the interaction of multiple interdependent capabilities rather than single determinants.

Entrepreneurial Cognition and Decision-Making

Entrepreneurial cognition research highlights the role of mental models, heuristics, and risk perception in shaping firm behavior under uncertainty (Baron, 2004; Mitchell et al., 2007). Entrepreneurs rely on cognitive frameworks to interpret ambiguous environments and make strategic decisions.

NESA builds on this foundation by positioning entrepreneurial cognition as the core layer of sustainability. Unlike prior studies that treat cognition as a supporting variable, NESA frames it as the primary generative mechanism influencing all other organizational capabilities.

Institutional Theory and Legitimacy

Institutional theory emphasizes that firms must conform to rules, norms, and regulatory frameworks to achieve legitimacy and access critical resources (DiMaggio & Powell, 1983; Scott, 2014). Legitimacy reduces uncertainty and enhances organizational survival.

NESA extends this perspective by reconceptualizing structural legitimacy as a strategic capability. In volatile environments, compliance is not merely about conformity but about managing risk and enabling competitive positioning, particularly where enforcement is uneven and institutional frameworks are evolving.

Market Orientation and Competitive Strategy

The market orientation literature underscores the importance of customer focus, competitor intelligence, and responsiveness to market conditions in driving firm performance (Kohli & Jaworski, 1990; Narver & Slater, 1990).

NESA incorporates these insights through its market intelligence layer, linking them explicitly to revenue stability and risk mitigation. It extends existing theory by emphasizing client segmentation, demand stabilization, and strategic positioning as critical for sustainability in volatile markets.

Financial Management and Capital Formation

Traditional financial theories focus on capital structure optimization and access to formal finance (Modigliani & Miller, 1958). However, these frameworks often assume stable financial systems and efficient markets.

Emerging literature on financial bricolage and bootstrapping recognizes that firms in constrained environments rely on informal and adaptive financing mechanisms (Baker & Nelson, 2005; Winborg & Landström, 2001). NESA builds on this by integrating informal finance, hybrid capital strategies, and resource improvisation into its capital formation layer, thereby aligning financial theory with the realities of developing economies.

Dynamic Capabilities and Adaptation

Dynamic capability theory emphasizes a firm's ability to sense, seize, and reconfigure resources in response to environmental change (Teece et al., 1997). Adaptability is central to long-term competitiveness. NESA contributes to this literature by isolating institutional adaptation as a distinct capability. In volatile policy environments, firms must not only adapt to markets but also to regulatory and institutional shifts, making adaptation both economic and administrative in nature.

Informality and Developing Economy Contexts

Research on developing economies highlights the prevalence of informality, institutional voids, and resource constraints, which shape firm behavior (Khanna & Palepu, 2010; Webb et al., 2013).

NESA is explicitly grounded in this context, incorporating hybrid practices that span formal and informal systems. It offers a framework that reflects the lived realities of firms operating in structurally constrained environments, rather than imposing assumptions derived from developed economies.

Macro-Environmental Volatility

Macroeconomic instability—such as inflation, liquidity shortages, and policy uncertainty—is widely recognized as a constraint on firm performance (North, 1990; Acemoglu & Robinson, 2012). While much of the literature treats these factors as external shocks, NESA conceptualizes volatility as a continuous pressure system that shapes firm behavior across all layers. This perspective emphasizes that firms must continuously adapt within, rather than react episodically to, instability.

Synthesis and Identified Gaps

Across these strands, several gaps are evident:

- Limited integration across analytical levels (cognitive, organizational, institutional)
- Over-reliance on assumptions of stable and formalized economies
- Insufficient attention to informal finance and adaptive practices
- Fragmented treatment of sustainability drivers

NESA addresses these gaps by offering a multi-layered, integrative framework that captures the complexity of enterprise sustainability in volatile environments. It synthesizes diverse theoretical perspectives into a coherent architectural model, emphasizing systemic alignment and layered resilience.

From Structural Vulnerability to Sustainability Architecture

Existing research on enterprise failure in volatile environments has highlighted the role of structural weaknesses such as client concentration, liquidity constraints, and regulatory exposure. In the context of Zimbabwe's clearing and forwarding sector, prior empirical findings demonstrated that firms heavily reliant on a narrow client base were more susceptible to revenue instability, cash flow disruptions, and operational fragility (Ndoro, 2026). These vulnerabilities were further compounded by weak financial controls and inconsistent institutional alignment.

However, while such studies provide valuable insights into the sources of enterprise instability, they remain largely diagnostic and fragmented. There is limited theoretical integration explaining how these risk factors interact or how firms can systematically build resilience across multiple dimensions.

The Ndoro Enterprise Sustainability Architecture (NESA) emerges as a direct theoretical extension of this gap. It reframes identified vulnerabilities—such as client concentration risk—as manifestations of deeper misalignments across organizational layers, particularly within market intelligence and financial governance (Ndoro, 2026). By abstracting these empirical patterns into a multi-layered framework, NESA moves beyond risk identification toward a systemic model of enterprise sustainability, where resilience is achieved through alignment across cognitive, structural, financial, and institutional domains.

METHODOLOGY

This study adopts a theory-building qualitative methodology to develop the Ndoro Enterprise Sustainability Architecture (NESA). The methodological approach is grounded in the need to generate a context-sensitive and practice-informed framework capable of explaining enterprise sustainability within volatile and resource-constrained environments, particularly in developing economies.

Research Design

The study follows an inductive, exploratory research design, suitable for contexts where existing theories are insufficient to explain observed phenomena. Rather than testing predefined hypotheses, the research seeks to build a conceptual model from patterns observed in practice and supported by existing theoretical insights. This approach aligns with theory-building methodologies that emphasize the integration of empirical observation and literature synthesis to generate new frameworks. NESA is therefore developed as a conceptual architecture, later translated into propositions for future empirical validation.

Research Approach

The methodology combines three complementary approaches:

Practice-Based Inquiry

The model is informed by industry-informed insights derived from the author's industry experience in the clearing and forwarding sector. Observations of firm behavior, operational challenges, and survival strategies in a high-volatility environment provided the empirical grounding for the model. This practice-based perspective ensures that NESA reflects real-world dynamics, including informality, liquidity constraints, regulatory pressures, and competitive fragmentation.

Theoretical Integration

To strengthen conceptual rigor, the study integrates insights from multiple theoretical domains, including:

- Entrepreneurial cognition

- Institutional theory
- Market orientation
- Financial management
- Dynamic capabilities

This cross-theoretical synthesis enables the development of a model that captures the multi-dimensional nature of enterprise sustainability, rather than relying on a single theoretical lens.

Conceptual Abstraction and Model Development

Observed patterns and theoretical insights were systematically abstracted into six interrelated layers, forming the NESAs framework. The process involved:

- Identifying recurring determinants of firm survival
- Grouping these determinants into coherent categories
- Structuring them into a hierarchical and interdependent architecture
- Defining relationships between layers and the external environment

The result is a multi-layered conceptual model that reflects both empirical realities and theoretical coherence.

Unit of Analysis

The primary unit of analysis is the enterprise (firm level), with particular attention to:

- Decision-making processes (cognitive level)
- Organizational structures and practices (firm level)
- Interaction with regulatory and market systems (institutional level)

This multi-level focus allows the model to capture the interplay between internal capabilities and external pressures.

Data Sources

The development of NESAs draws on two main sources:

- Primary experiential insights derived from industry practice, including direct engagement with operational processes, regulatory frameworks, and market dynamics.
- Secondary data from existing academic literature, which provides theoretical grounding and supports the abstraction of key constructs.

This combination ensures both contextual relevance and theoretical validity.

Analytical Procedure

The analytical process followed a systematic inductive logic, involving:

- Observation: Identification of recurring challenges and survival strategies among firms
- Pattern Recognition: Grouping similar behaviors and practices across cases
- Categorization: Organizing patterns into conceptual domains (e.g., financial governance, market intelligence)
- Structuring: Arranging domains into a layered architecture reflecting interdependence
- Theorization: Developing propositions that explain relationships between layers and sustainability outcomes

This process resulted in the articulation of NESAs as both a conceptual model and a set of testable propositions.

Validity and Rigor

To enhance methodological rigor, the study employs:

- Theoretical triangulation: integrating multiple theoretical perspectives
- Contextual validation: grounding the model in observed industry realities
- Logical coherence: ensuring consistency between constructs, layers, and propositions

However, as a conceptual study, NESAs do not yet include statistical validation, which is identified as an area for future research.

Limitations of the Methodology

The methodology is subject to several limitations:

- Reliance on qualitative and experiential data, which may introduce subjectivity
- Limited generalizability beyond similar high-volatility contexts
- Absence of quantitative testing to empirically validate relationships

These limitations are acknowledged and inform the proposed future research agenda.

Ethical Considerations

The study is based on non-intrusive, practice-based insights and secondary data, ensuring that:

- No confidential or proprietary information is disclosed
- Observations are presented in aggregated and generalized form

- The research maintains professional and ethical standards

Synthesis

The methodology underpinning NESAs reflects a rigorous, inductive, and integrative approach to theory development. By combining practice-based insights with established theoretical frameworks, the study produces a contextually grounded and analytically robust model. To mitigate potential subjectivity associated with practice-based insights, the study employs theoretical triangulation and abstraction to ensure analytical rigor.

This methodological approach ensures that NESAs is both relevant to real-world enterprise challenges and positioned for future empirical testing and refinement, thereby contributing to the advancement of sustainability theory in volatile economic environments.

CONCEPTUAL MODEL

The Ndoro Enterprise Sustainability Architecture (NESAs) conceptualizes enterprise sustainability as a multi-layered and systemic construct, emerging from the alignment of interdependent organizational capabilities within volatile environments. The structure of the model is illustrated in Figure 1. Unlike traditional linear models, which isolate determinants of firm performance, NESAs adopts an architectural perspective, emphasizing interaction effects across layers (Fiksel, 2006; Lengnick-Hall et al., 2011).

At its foundation lies Entrepreneurial Cognition, which encompasses risk perception, adaptive thinking, and strategic judgment. Prior research shows that entrepreneurs rely on cognitive frameworks to interpret uncertainty and guide decision-making (Baron, 2004; Mitchell et al., 2007). NESAs extends this by positioning cognition as the primary generative mechanism influencing all higher-order capabilities.

The second layer, Structural Legitimacy, reflects the firm's alignment with regulatory and institutional frameworks. Institutional theory suggests that legitimacy enhances survival by reducing uncertainty and facilitating access to resources (DiMaggio & Powell, 1983; Scott, 2014). NESAs builds on this by treating legitimacy as a strategic asset, particularly in environments with fluid enforcement.

Market Intelligence, the third layer, draws from market orientation theory, which emphasizes customer focus and responsiveness as drivers of performance (Kohli & Jaworski, 1990; Narver & Slater, 1990). NESAs extends this perspective by linking market intelligence to revenue stability and risk mitigation.

At the operational level, Financial Governance ensures liquidity, cost control, and sustainability of operations. While traditional finance theory emphasizes capital structure optimization (Modigliani & Miller, 1958), NESAs adapts this to constrained environments where cash flow discipline becomes central to survival.

The fifth layer, Capital Formation Strategy, incorporates insights from financial bricolage and bootstrapping literature, which highlight how firms mobilize resources under constraints (Baker & Nelson, 2005; Winborg & Landström, 2001). NESAs recognizes informal and hybrid financing mechanisms as critical to sustainability.

Finally, Institutional Adaptation reflects the firm's ability to respond to regulatory and policy shifts. This aligns with dynamic capability theory, which emphasizes adaptability as a driver of long-term performance (Teece et al., 1997), but extends it by focusing specifically on policy-driven adaptation.

All layers operate within macro-environmental volatility, including inflation, liquidity constraints, and institutional instability (North, 1990; Acemoglu & Robinson, 2012). NESAs conceptualizes this environment as a continuous pressure system, shaping decisions across all layers. As shown in Figure 1, the six layers operate as an integrated system.

The six-layer structure of NESAs reflects patterns originally observed in the analysis of structural vulnerability within the clearing and forwarding sector. For instance, client concentration risk—previously identified as a primary driver of instability—is reconceptualized within the model as a failure of market intelligence and revenue diversification (Ndoro, 2026). Similarly, liquidity pressures observed in practice are captured within the financial governance layer, while regulatory exposure aligns with structural legitimacy and institutional adaptation. In this way, NESAs translates sector-specific vulnerabilities into generalized components of a broader sustainability architecture.

Sectoral Application: Zimbabwe's Clearing and Forwarding Industry

The Zimbabwean clearing and forwarding sector operates within a highly volatile and fragmented environment, characterized by regulatory complexity, liquidity constraints, and intense competition [Ndoro, 2026]. These conditions reflect broader institutional and economic challenges typical of developing economies (Khanna & Palepu, 2010; Webb et al., 2013). Within this context, entrepreneurial cognition becomes critical in navigating uncertainty, particularly in customs compliance and cross-border operations. Firms must interpret regulatory frameworks and make rapid decisions under pressure, consistent with findings in entrepreneurial cognition research (Baron, 2004).

Structural legitimacy is equally important, as compliance with regulatory authorities determines market access. Institutional theory suggests that legitimacy reduces risk and enhances organizational survival (Scott, 2014), a reality strongly reflected in this sector.

At the market level, firms face intense price competition, often leading to unsustainable pricing strategies. Market orientation literature emphasizes the need for strategic positioning and customer focus to achieve stability (Narver & Slater, 1990), reinforcing the importance of market intelligence within NESAs.

Financial constraints are particularly pronounced, with firms often pre-financing operational costs. This aligns with research highlighting the importance of financial discipline and resource improvisation in constrained environments (Baker & Nelson, 2005).

A clear illustration of this alignment can be seen in firms exhibiting high client concentration. Such firms typically lack diversified revenue streams (weak market intelligence) and often operate under strained cash flow conditions (weak financial governance), making them highly sensitive to client default or delay (Ndoro, 2026). This reinforces the argument that vulnerabilities identified in prior research are not isolated risks, but symptoms of deeper structural misalignment across multiple NESAs layers.

Finally, frequent policy shifts require continuous institutional adaptation, supporting the relevance of dynamic capability theory in explaining firm survival under regulatory uncertainty (Teece et al., 1997).

Theoretical Contributions of NESAs

First, this study extends prior research on client concentration risk and structural vulnerability by shifting the analytical focus from risk identification to systems-based sustainability. While earlier work emphasized the causes of enterprise instability (Ndoro, 2026), NESAs advances a structured explanation of how firms can build resilience through the alignment of interdependent organizational capabilities.

NESAs contributes to the literature by integrating multiple theoretical perspectives into a coherent, layered framework. First, it advances sustainability research by shifting from linear models to systemic approaches, consistent with calls for more holistic frameworks (Fiksel, 2006).

Second, it centralizes entrepreneurial cognition, extending prior work that has largely treated cognition as a supporting variable (Mitchell et al., 2007).

Third, it reconceptualizes legitimacy as a strategic capability, building on institutional theory (DiMaggio & Powell, 1983) while introducing a more dynamic interpretation.

Fourth, it contextualizes financial theory by incorporating informal and adaptive financing mechanisms, aligning with emerging literature on financial bricolage (Baker & Nelson, 2005).

Finally, it extends dynamic capability theory by emphasizing institutional adaptation in policy-volatile environments (Teece et al., 1997).

Managerial Implications

From a managerial perspective, NESAs highlights the need for integrated decision-making across multiple domains. Managers must develop cognitive capabilities to interpret uncertainty (Baron, 2004), ensure compliance to maintain legitimacy (Scott, 2014), and adopt disciplined financial practices to sustain operations (Modigliani & Miller, 1958).

Additionally, managers should leverage market intelligence to stabilize revenue streams (Kohli & Jaworski, 1990) and adopt flexible capital strategies in line with financial bricolage principles (Baker & Nelson, 2005).

Policy Implications

NESAs suggests that policymakers should adopt coordinated, system-level interventions. Institutional theory highlights the importance of regulatory frameworks in shaping firm behavior (North, 1990), while development literature emphasizes the need for supportive ecosystems in emerging markets (Khanna & Palepu, 2010).

Policies should therefore focus on:

- Simplifying compliance requirements
- Enhancing access to finance
- Supporting entrepreneurial capacity development

Conclusion

In conclusion, NESAs provide a systems-based framework for understanding enterprise sustainability, integrating insights from entrepreneurship, institutional theory, and financial management. By emphasizing layered interdependence and adaptive resilience, the model responds to calls for more context-sensitive approaches to firm sustainability (Fiksel, 2006; Acemoglu & Robinson, 2012).

It demonstrates that sustainability is not achieved through isolated capabilities, but through alignment across cognitive, structural, financial, and institutional dimensions, particularly in volatile environments.

MODEL INTERPRETATION

The Ndoro Enterprise Sustainability Architecture (NESAs) conceptualizes enterprise survival and growth as a layered, adaptive system operating within conditions of macro-environmental volatility. The model advances the argument that sustainability in fragile and uncertain economies is not driven by a single factor, but by the dynamic alignment of cognitive, structural, financial, and institutional capabilities.

At its foundation, Layer 1: Entrepreneurial Cognition (Core) represents the primary driver of the entire architecture. This layer emphasizes the entrepreneur's risk literacy, adaptive mindset, and strategic judgment as the origin of all enterprise decisions. NESAs posit that sustainability begins with how the entrepreneur interprets uncertainty, allocates attention, and makes trade-offs under pressure. Without strong cognitive capacity, higher-level structures become ineffective or misaligned.

Building on this, Layer 2: Structural Legitimacy reflects the enterprise's formal positioning within the regulatory and legal environment. This includes legal registration, compliance status, and mechanisms for risk containment. The model suggests that legitimacy is not merely administrative, but a strategic asset that enhances credibility, reduces exposure, and enables access to markets and resources.

Layer 3: Market Intelligence introduces the firm's ability to read and respond to market signals. Through segmentation, demand stabilization, and revenue optimization, enterprises reduce uncertainty in income streams. NESAs interpret this layer as the interface between the firm and its revenue environment, where informed positioning mitigates volatility.

Layer 4: Financial Governance operationalizes sustainability through disciplined financial management. Liquidity control, cash flow monitoring, and cost discipline ensure that the enterprise remains solvent and responsive. The model underscores that even with strong market positioning, weak financial governance can destabilize the entire system.

At a more strategic level, Layer 5: Capital Formation Strategy addresses how enterprises mobilize and structure financial resources in constrained environments. The emphasis on bootstrapping, informal finance, and flexible capital structuring reflects the realities of underdeveloped financial systems. This layer highlights resourcefulness as a sustainability mechanism, rather than reliance on formal capital markets alone.

Layer 6: Institutional Adaptation captures the firm's ability to respond to regulatory changes, policy shifts, and compliance demands. In volatile environments, rules are often fluid, making regulatory agility a critical capability. NESAs interpret this layer as the adaptive shield that allows firms to remain compliant while maintaining operational continuity. Surrounding and influencing all layers is Macro-Environmental Volatility, characterized by inflation, liquidity constraints, and policy instability. Rather than treating the environment as an external backdrop, NESAs position it as an active, shaping force that continuously pressures each layer of the architecture. The upward flow in the model signifies that capabilities must build cumulatively to withstand this pressure. Overall, the NESAs model presents sustainability as a systemic outcome of vertical coherence—where each layer reinforces the others. Weakness at any level creates structural vulnerability, while alignment across layers enhances resilience. The model is particularly relevant for enterprises operating in developing and high-volatility contexts, where adaptability, informality, and strategic judgment are critical to survival.

PROPOSITIONS

The Ndoro Enterprise Sustainability Architecture (NESAs) advances a set of interrelated propositions that explain how firms achieve sustainability in volatile and resource-constrained environments. These propositions translate the layered structure of the model into testable and theoretically grounded claims, emphasizing that enterprise survival is a function of systemic alignment rather than isolated capabilities.

Proposition 1: Foundational Primacy of Entrepreneurial Cognition

Enterprise sustainability is fundamentally determined by the quality of entrepreneurial cognition, defined by risk literacy, adaptive mindset, and strategic judgment. This proposition asserts that all higher-order capabilities—structural, financial, and institutional—are conditioned by the decision-making logic of the entrepreneur. Firms led by individuals with strong cognitive adaptability are better able to interpret uncertainty, anticipate disruptions, and make timely strategic adjustments. Conversely, weak cognition results in misaligned structures, poor financial decisions, and ineffective responses to environmental shocks.

Proposition 2: Structural Legitimacy as a Strategic Asset

Firms that maintain high levels of structural legitimacy—through legal compliance, proper registration, and adherence to regulatory frameworks—are more likely to achieve sustained market participation and reduced operational risk. NESAs posits that legitimacy is not merely a regulatory requirement but a source of competitive advantage, enabling access to formal markets, institutional trust, and strategic partnerships. Firms operating outside formal

structures may gain short-term cost advantages but face long-term vulnerability due to enforcement risks and limited scalability.

Proposition 3: Market Intelligence Drives Revenue Stability

The degree of market intelligence, reflected in effective segmentation, demand predictability, and revenue optimization, is positively associated with enterprise sustainability. This proposition emphasizes that firms must actively manage their market exposure to reduce revenue volatility. Enterprises that understand client behavior, diversify revenue streams, and avoid overdependence on unstable segments are better positioned to maintain consistent cash inflows and withstand competitive pressures.

Proposition 4: Financial Governance as the Operational Anchor

Strong financial governance, including liquidity management, cash flow control, and cost discipline, is a necessary condition for enterprise continuity. NESAs assert that even firms with strong market positioning and legitimacy can fail if financial controls are weak. This proposition identifies financial governance as the operational anchor that sustains daily business functions, ensuring that resources are efficiently allocated and that the firm remains solvent under stress.

Proposition 5: Adaptive Capital Formation Enhances Resilience

Firms that employ flexible and adaptive capital formation strategies—including bootstrapping, informal financing, and hybrid capital structures—demonstrate greater resilience in resource-constrained environments. This proposition challenges traditional reliance on formal finance by recognizing the importance of financial ingenuity. Enterprises that can creatively mobilize and structure capital are better equipped to absorb shocks, bridge liquidity gaps, and sustain operations during periods of financial strain.

Proposition 6: Institutional Adaptation as a Survival Mechanism

The ability to adapt to regulatory and policy changes is positively correlated with long-term enterprise sustainability. NESAs highlight that in volatile institutional environments, firms must develop regulatory agility—the capacity to quickly interpret, respond to, and align with changing rules. Firms that fail to adapt risk non-compliance, operational disruption, or exclusion from the market.

Proposition 7: Layered Interdependence and Systemic Coherence

Enterprise sustainability is a function of alignment across all NESAs layers, rather than the strength of any single dimension. This integrative proposition underscores that each layer is necessary but insufficient in isolation. Weakness in one layer—such as poor financial governance or lack of legitimacy—can undermine strengths in others. Sustainable firms exhibit vertical coherence, where cognitive, structural, market, financial, and institutional capabilities reinforce one another.

Proposition 8: Macro-Environmental Volatility as a Continuous Pressure System

Macro-environmental volatility—characterized by inflation, liquidity constraints, and policy instability—moderates the relationship between NESAs layers and enterprise sustainability. This proposition positions the environment as an active force that intensifies or constrains the effectiveness of internal capabilities. Firms do not eliminate volatility; instead, they must build layered resilience to operate within it. The stronger the alignment across NESAs layers, the greater the firm’s ability to withstand external shocks.

Synthesis

Collectively, these propositions frame NESAs as a systems-based theory of enterprise sustainability, where outcomes are determined by the interaction of internal capabilities under external pressure. The model shifts emphasis from isolated predictors of performance to integrated, multi-layered resilience, offering a robust foundation for empirical testing and sectoral application in volatile economies.

THEORETICAL CONTRIBUTIONS

The Ndoro Enterprise Sustainability Architecture (NESAs) makes several important theoretical contributions to the study of enterprise sustainability, particularly within volatile, resource-constrained, and institutionally fluid environments. It advances existing scholarship by moving beyond fragmented explanations of firm performance toward a systemic, layered, and context-sensitive framework.

A Shift from Linear to Architectural Models of Sustainability

Traditional models of firm performance often adopt linear or factor-based approaches, isolating variables such as access to finance, market conditions, or regulatory compliance. NESAs departs from this by conceptualizing sustainability as an architectural construct, where multiple interdependent layers interact dynamically. This contribution reframes enterprise sustainability as a structural outcome of vertical coherence, rather than the additive effect of independent variables. It introduces a more holistic lens that captures the complexity and simultaneity of decision-making in real-world business environments.

Integration of Micro, Meso, and Macro Perspectives

NESAs bridges analytical levels that are often treated separately in the literature:

- Micro-level: Entrepreneurial cognition and decision-making
- Meso-level: Firm structures, market positioning, and financial systems
- Macro-level: Institutional and environmental volatility

By integrating these levels into a single framework, NESAs contributes a multi-scalar theory of enterprise sustainability. It demonstrates how internal capabilities are both shaped by and responsive to external pressures, offering a more complete explanation of firm behavior in uncertain contexts.

Centralization of Entrepreneurial Cognition in Sustainability Theory

While entrepreneurship research acknowledges the importance of cognition, it is rarely positioned as the foundational layer of sustainability architecture. NESAs elevates entrepreneurial cognition from a supporting variable to a primary generative mechanism. This contribution emphasizes that sustainability outcomes are not only structural or financial, but also cognitively constructed. It highlights how perception, judgment, and adaptive thinking determine how firms interpret risk, allocate resources, and respond to change.

Reconceptualization of Legitimacy as a Strategic Capability

NESA advances institutional theory by reframing structural legitimacy as an active strategic resource, rather than a passive compliance requirement. In volatile environments, legitimacy enables firms to access formal systems, reduce enforcement risk, and build trust with stakeholders. This shifts the theoretical understanding of compliance from a cost center to a value-generating capability, particularly in sectors where regulatory engagement is central to operations.

Contextualization of Financial Theory in Constrained Economies

Conventional financial theory often assumes access to formal capital markets and stable monetary systems. NESAs challenges these assumptions by incorporating informal finance, bootstrapping, and hybrid capital strategies as legitimate and central components of sustainability. This contribution is particularly relevant for developing economies, where firms must rely on financial improvisation and resource recombination. It extends financial theory by grounding it in the realities of liquidity constraints and institutional gaps.

Introduction of Institutional Adaptation as a Dynamic Capability

NESA contributes to dynamic capability theory by explicitly identifying institutional adaptation—the ability to respond to regulatory and policy shifts—as a distinct and critical capability. In many existing frameworks, adaptation is treated broadly or implicitly. NESAs specifies it as a separate analytical layer, highlighting its importance in environments where rules are frequently changing and enforcement is uneven.

Conceptualization of Volatility as an Endogenous Pressure System

Rather than treating the macro-environment as an external backdrop, NESAs conceptualizes macro-environmental volatility as an active, continuous pressure system that shapes firm behavior across all layers.

This theoretical shift recognizes volatility as endogenous to the sustainability process, influencing decision-making, resource allocation, and strategic alignment. It provides a more realistic depiction of operating conditions in unstable economies.

Advancement of a Systems-Based Theory of Enterprise Sustainability

At its core, NESAs contributes a systems-based theory, where sustainability emerges from the interaction and alignment of multiple components. This moves beyond reductionist explanations and supports the development of integrated analytical and empirical models. The framework also lends itself to comparative and sectoral analysis, allowing researchers to examine how different industries or contexts exhibit varying configurations of the same underlying architecture.

Relevance to Under-Researched Contexts

A significant contribution of NESAs lies in its contextual grounding in developing and high-volatility economies, particularly those characterized by informality, institutional fragmentation, and economic instability. By theorizing from this context, NESAs addresses a gap in the literature, which has historically been dominated by models derived from stable, developed economies. It offers a locally grounded yet generalizable framework for understanding enterprise sustainability under constraint.

Synthesis

Collectively, these contributions position NESAs as a novel and integrative theoretical framework that redefines how enterprise sustainability is conceptualized and studied. By emphasizing layered interdependence, cognitive foundations, and adaptive resilience, the model provides both a robust theoretical foundation and a platform for future empirical research in complex economic environments.

MANAGERIAL IMPLICATIONS

The Nodoro Enterprise Sustainability Architecture (NESAs) offers a practical decision-making framework for managers operating in volatile and resource-constrained environments. Rather than treating sustainability as an abstract goal, NESAs translates it into actionable priorities across six interdependent layers, guiding how managers allocate attention, structure operations, and respond to uncertainty.

Managing from the Core: Strengthening Entrepreneurial Cognition

NESAs underscores that managerial effectiveness begins with how decisions are made under pressure. Managers must actively develop:

- Risk literacy (understanding regulatory, financial, and operational exposure)
- Adaptive thinking (responding quickly to disruptions)
- Strategic judgment (prioritizing long-term sustainability over short-term convenience)

Practically, this means investing in continuous learning, scenario planning, and reflective decision-making. Managers should institutionalize routines such as post-clearance reviews, risk audits, and contingency planning to sharpen cognitive capability.

Treating Compliance as Strategy, Not Obligation

Under NESAs, structural legitimacy is a competitive asset. Managers should move beyond minimal compliance and instead:

- Maintain up-to-date licensing and regulatory alignment
- Build strong working relationships with regulatory authorities
- Ensure internal processes meet audit and enforcement standards

This reduces disruptions, enhances credibility, and positions the firm for higher-value clients and contracts. Cutting corners on compliance may reduce costs in the short term, but it weakens long-term sustainability.

Active Market Positioning and Client Portfolio Management

Managers must deliberately shape their revenue base through market intelligence. Key actions include:

- Segmenting clients based on profitability and reliability
- Avoiding overdependence on a few large or unstable clients
- Differentiating services (e.g., specialization, speed, compliance expertise)

Rather than competing solely on price, managers should focus on value-based positioning, ensuring more predictable and stable revenue streams.

Enforcing Financial Discipline as a Survival Mechanism

NESA identifies financial governance as non-negotiable. Managers should:

- Maintain strict cash flow monitoring systems
- Align pricing with actual cost structures (avoid under-pricing)
- Control operational expenses and eliminate leakages
- Enforce clear credit policies with clients

In practice, many firms fail not because of lack of business, but due to poor cash flow management. Managers must treat liquidity as a daily priority, not a periodic concern.

Building Flexible Capital Strategies

Given limited access to formal finance, managers must adopt adaptive capital formation approaches, including:

- Negotiating client prepayments or deposits
- Leveraging supplier credit arrangements
- Reinvesting retained earnings strategically
- Using informal or hybrid financing cautiously

The emphasis should be on financial flexibility and resilience, ensuring the firm can absorb shocks such as delayed payments or unexpected costs.

Developing Institutional Agility

Managers must remain highly responsive to policy and regulatory changes. This requires:

- Continuous monitoring of statutory instruments and customs updates
- Rapid internal alignment with new procedures or systems
- Training staff on evolving compliance requirements

Institutional agility allows firms to minimize disruption and exploit first-mover advantages when new regulations are introduced.

Ensuring Alignment Across All Layers

A central managerial implication of NESAs is that no single capability guarantees sustainability. Managers must ensure:

- Decision-making (cognition) aligns with compliance structures
- Market strategies are supported by financial capacity
- Capital strategies are consistent with regulatory requirements

This calls for a systems-thinking approach, where decisions are evaluated not in isolation, but in terms of their impact across the entire enterprise architecture.

Competing Beyond Price in Saturated Markets

In highly competitive sectors, managers often resort to price undercutting. NESAs warn against this as a primary strategy. Instead, managers should:

- Emphasize reliability, compliance, and turnaround time
- Build long-term client relationships
- Develop niche expertise

Sustainability is achieved through value differentiation, not margin erosion.

Managing Under Volatility, Not Against It

NESAs reframe the role of management in volatile environments: the goal is not to eliminate uncertainty, but to operate effectively within it. Managers should:

- Build buffers (financial, operational, relational)
- Plan for multiple scenarios rather than fixed forecasts
- Maintain flexibility in contracts and operations

Resilient firms are those that anticipate disruption and adapt quickly, rather than those that assume stability.

Synthesis

The managerial implications of NESAs emphasize a shift from reactive management to structured, layered decision-making. Managers are required to think holistically—aligning cognition, compliance, market strategy, financial discipline, capital structuring, and institutional responsiveness. Ultimately, NESAs provide a practical blueprint for enterprise resilience, equipping managers to navigate complexity, sustain operations, and build long-term viability in challenging economic environments.

POLICY IMPLICATIONS

The Ndoro Enterprise Sustainability Architecture (NESAs) provides a structured lens for policymakers to understand how firms survive and fail in volatile, resource-constrained environments. Its layered logic highlights that enterprise sustainability is not driven by a single intervention (e.g., finance or regulation), but by the alignment of cognitive, structural, financial, and institutional conditions. As such, effective policy must move beyond isolated reforms toward coordinated, system-level interventions.

From Fragmented Reforms to Integrated Policy Design

NESAs demonstrate that enterprise performance is shaped by interdependent layers, implying that siloed policy interventions—such as standalone financing schemes or isolated regulatory reforms—are insufficient.

Policymakers should adopt integrated policy frameworks that simultaneously address:

- Regulatory clarity and consistency
- Access to finance
- Market development and information systems
- Capacity-building for entrepreneurs

This coordinated approach ensures that improvements in one area are not undermined by weaknesses in another.

Strengthening Entrepreneurial Capacity as a Public Good

By positioning entrepreneurial cognition as foundational, NESAs suggest that policy should actively support decision-making capacity at the firm level.

This includes:

- Training programs in risk management, financial literacy, and compliance
- Public-private partnerships for skills development
- Incorporation of practical entrepreneurship modules in education systems

Such interventions enhance the quality of enterprise decisions, which in turn improves overall sector performance.

Regulatory Reform: Balancing Enforcement with Enablement

NESA reframes structural legitimacy as both a compliance requirement and a strategic enabler. This has two key policy implications:

- Simplification of regulatory processes to reduce compliance costs and barriers to entry
- Consistent and fair enforcement to discourage informality and level the competitive landscape

Where compliance is overly complex or costly, firms are incentivized to operate informally. Effective policy must therefore strike a balance between rigor and accessibility, ensuring that formalization is both achievable and beneficial.

Enhancing Market Stability and Transparency

Given the role of market intelligence in stabilizing revenue, policymakers should support:

- Development of market information systems (pricing, demand trends, trade data)
- Promotion of fair competition frameworks to reduce destructive price undercutting
- Facilitation of sector coordination platforms (associations, industry bodies)

These measures reduce information asymmetry and help firms make more informed strategic decisions.

Financial Sector Deepening and Liquidity Support

NESA highlights the centrality of financial governance and capital formation, particularly in environments with limited access to formal finance. Policy implications include:

- Expanding access to affordable working capital financing
- Supporting SME-targeted financial instruments (e.g., invoice discounting, trade finance)
- Encouraging financial institutions to recognize alternative collateral and informal financial histories

Additionally, macro-level policies that stabilize inflation and currency volatility are essential, as these directly affect firm-level financial management.

Recognition and Integration of Informal Financing Mechanisms

Rather than ignoring or suppressing informal finance, NESA suggests that policymakers should:

- Acknowledge and integrate informal financial practices into formal systems
- Provide regulatory frameworks that protect participants without stifling flexibility
- Encourage pathways for gradual formalization

This approach reflects the reality that many enterprises rely on hybrid financial systems to survive.

Building Institutional Agility and Policy Predictability

NESA emphasizes the importance of institutional adaptation, but excessive or unpredictable policy shifts impose high adjustment costs on firms.

Policymakers should therefore:

- Ensure policy consistency and transparency
- Provide advance notice and transition periods for regulatory changes
- Engage stakeholders in consultative processes before implementing reforms

This reduces uncertainty and allows firms to adapt more effectively without disrupting operations.

Supporting Sectoral Structuring and Professionalization

In fragmented industries, NESA suggests that sustainability is undermined by uncoordinated competition and weak standards. Policy can address this by:

- Encouraging industry consolidation or coordination mechanisms
- Strengthening professional bodies and certification systems
- Enforcing minimum service and pricing standards where appropriate

Such measures promote quality, accountability, and long-term sector stability.

Managing Macro-Environmental Volatility

At the outermost level, NESA identifies macroeconomic instability as a continuous pressure on firms. While firms must adapt, policymakers carry responsibility for:

- Maintaining macroeconomic stability (inflation control, currency management)
- Ensuring liquidity in the financial system
- Reducing abrupt and frequent policy reversals

A stable macro-environment enhances the effectiveness of all lower-level interventions.

Synthesis

The policy implications of NESA point toward a systems-oriented governance approach, where enterprise sustainability is supported through aligned interventions across multiple domains. Effective policy must:

- Strengthen entrepreneurial capability

- Enable compliance while enforcing standards
- Improve access to finance
- Stabilize markets and macroeconomic conditions

Ultimately, NESAs position policymakers not merely as regulators, but as architects of an enabling ecosystem, responsible for creating conditions under which enterprises can build resilience and achieve sustainable growth.

LIMITATIONS AND FUTURE RESEARCH

While the Ngoro Enterprise Sustainability Architecture (NESAs) offers a comprehensive and context-sensitive framework for understanding enterprise sustainability, it is not without limitations. Recognizing these constraints is essential for refining the model and guiding future scholarly inquiry.

Conceptual and Theoretical Limitations

Lack of Initial Empirical Validation

NESA is primarily a conceptual model, developed from observed patterns and theoretical integration rather than large-scale empirical testing.

As such, its propositions remain theoretically grounded but not yet statistically validated across sectors or geographies.

Implication:

There is a need for quantitative and mixed-method studies to test the strength, direction, and significance of relationships between the layers and enterprise sustainability outcomes.

Context-Specific Foundations

The model is deeply rooted in high-volatility, developing economy contexts, particularly those characterized by informality, liquidity constraints, and institutional fluidity.

Implication:

While this enhances its relevance in such environments, it may limit direct generalizability to stable, highly formalized economies without adaptation. The relative importance of layers may differ in more predictable settings.

Potential Over-Structuring of a Dynamic Reality

NESA presents sustainability as a layered and ordered architecture, which may imply a degree of stability and sequence that does not always reflect real-world complexity.

Implication:

In practice, firms often develop capabilities non-linearly, with overlaps, feedback loops, and iterative adjustments that are more dynamic than the model suggests.

Measurement Challenges Across Layers

Several constructs within NESAs—particularly entrepreneurial cognition, institutional adaptation, and market intelligence—are inherently difficult to operationalize and measure.

Implication:

Future research must develop robust measurement scales and proxies to enable empirical testing and comparative analysis.

Limited Consideration of External Networks and Ecosystems

Although NESAs incorporate macro-environmental volatility, they place relatively less explicit emphasis on inter-firm networks, alliances, and ecosystem dynamics.

Implication:

The role of partnerships, supply chain integration, and social capital may be under-theorized, yet these are critical in many sectors.

Methodological Limitations***Absence of Longitudinal Analysis***

The model does not yet account for how firms evolve across the NESAs layers over time.

Implication:

Sustainability is inherently dynamic, and longitudinal studies are required to understand how firms build, lose, or reconfigure capabilities.

Sectoral Concentration in Initial Application

Early application of NESAs has been concentrated in specific sectors, such as clearing and forwarding.

Implication:

Broader cross-sectoral validation is needed to determine the model's robustness across industries with different structures, capital requirements, and regulatory exposures.

Future Research Directions

Empirical Testing and Model Validation

Future studies should focus on:

- Testing NESAs propositions using quantitative methods (e.g., regression, structural equation modeling)
- Conducting case studies to explore causal mechanisms
- Using mixed-method approaches to capture both depth and generalizability

Development of Measurement Scales

There is a need to operationalize key constructs by:

- Developing validated scales for entrepreneurial cognition and institutional adaptation
- Identifying measurable indicators for market intelligence and financial governance
- Creating composite indices to assess layer alignment and coherence

Cross-Country and Cross-Context Comparisons

Future research should examine how NESAs performs in:

- Different economic environments (stable vs. volatile economies)
- Regional contexts (Africa, Asia, Latin America)
- Formal vs. informal sectors

This will help determine the boundary conditions of the model.

Longitudinal and Evolutionary Studies

Researchers should explore:

- How firms progress through or regress across layers over time
- The impact of shocks (e.g., policy changes, economic crises) on layer alignment
- Path dependency and capability accumulation dynamics

Integration with Network and Ecosystem Theories

Future work can extend NESAs by incorporating:

- Inter-firm relationships and strategic alliances
- Role of industry associations and support institutions
- Influence of supply chain ecosystems on sustainability

Digital Transformation and Technological Adaptation

An important extension of NESAs lies in examining:

- How digital tools and platforms affect market intelligence and financial governance
- The role of automation and data systems in enhancing compliance and efficiency
- Technology as a cross-cutting enabler across all layers

Policy and Institutional Research

Further research is needed to:

- Assess how different policy regimes influence NESAs layer development
- Evaluate the effectiveness of government interventions aligned with NESAs principles
- Study the interaction between public institutions and firm-level adaptation

Synthesis

The limitations of NESAs primarily reflect its early-stage conceptual nature and contextual grounding, rather than structural weaknesses. These limitations open up a rich agenda for future research aimed at empirical validation, theoretical refinement, and contextual expansion.

By addressing these gaps, future scholarship can transform NESAs from a conceptual architecture into a fully validated, widely applicable theory of enterprise sustainability, capable of informing both academic inquiry and real-world practice.

CONCLUSION

This study introduced the Ndoro Enterprise Sustainability Architecture (NESAs) as a novel, integrative framework for understanding enterprise sustainability in volatile and resource-constrained environments. Departing from traditional linear and variable-centric models, NESAs conceptualizes sustainability as a layered and systemic outcome, emerging from the alignment of entrepreneurial cognition, structural legitimacy, market intelligence, financial governance, capital formation strategy, and institutional adaptation.

The analysis demonstrates that enterprise survival is not determined by isolated strengths—such as access to finance or market position—but by vertical coherence across interdependent capabilities. At its core, the model establishes entrepreneurial cognition as the foundational driver, shaping how firms interpret risk, allocate resources, and respond to environmental pressures. This cognitive base conditions the effectiveness of all higher-order layers, reinforcing the importance of decision-making quality in uncertain contexts.

By applying the model to Zimbabwe's clearing and forwarding industry, the study illustrates the practical relevance and explanatory power of NESAs. The sector's characteristics—fragmentation, intense price competition, regulatory complexity, and macroeconomic instability—highlight the necessity of a multi-layered resilience approach. Firms that align compliance, market strategy, financial discipline, and adaptive capacity

are better positioned to withstand volatility, while those relying on narrow strategies, such as price undercutting, remain structurally vulnerable.

The study also contributes to theory by integrating diverse scholarly perspectives into a coherent architecture. It advances entrepreneurship research by centralizing cognition, extends institutional theory by reframing legitimacy as strategic, and contextualizes financial and market theories within constrained environments. In doing so, NESAs offers a context-sensitive yet generalizable framework for analyzing enterprise sustainability across similar economic settings.

From a practical standpoint, the model provides managers with a structured decision-making tool, enabling them to diagnose weaknesses, prioritize interventions, and build resilience across multiple dimensions. For policymakers, it underscores the need for coordinated and system-level interventions, rather than fragmented reforms, to create enabling environments for enterprise development. Notwithstanding its contributions, the study acknowledges its conceptual and methodological limitations, particularly the absence of empirical validation and its grounding in a specific economic context. These limitations, however, open avenues for future research, including quantitative testing, cross-sectoral application, and longitudinal analysis. By extending empirically grounded findings on structural vulnerability into a layered sustainability framework (Ngoro, 2026), this study establishes a clear theoretical progression from risk diagnosis to resilience architecture. In conclusion, NESAs shifts the discourse on enterprise sustainability from isolated determinants to integrated systems thinking, emphasizing that resilience is constructed through the alignment of internal capabilities under external pressure. As such, it provides both a theoretical advancement and a practical framework for understanding and navigating the complexities of doing business in volatile economies.

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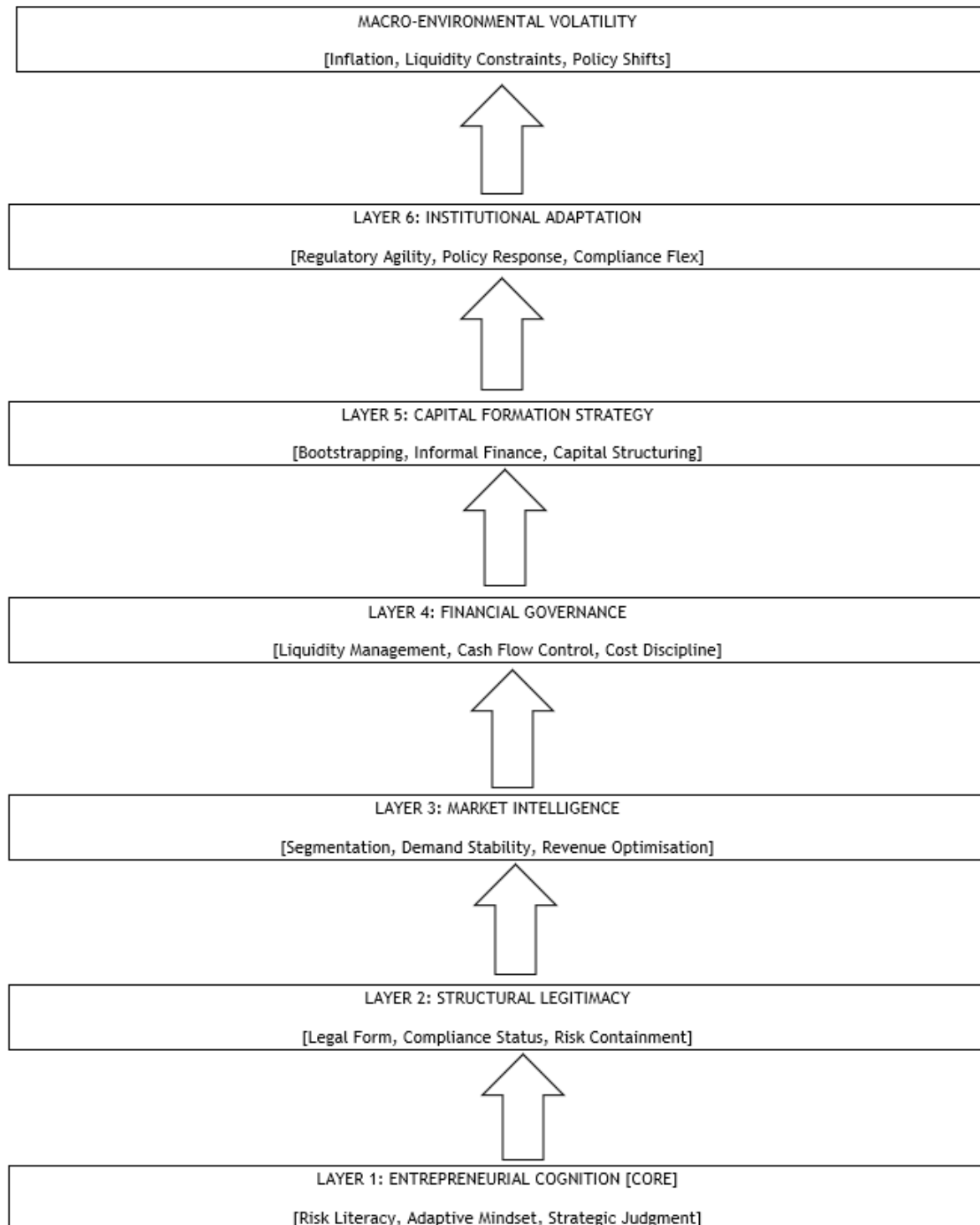


Figure 1: Ndoro Enterprise Sustainability Architecture (NESA)

Figure 1: The Ndoro Enterprise Sustainability Architecture (NESA) conceptualizes enterprise sustainability as a multi-layered resilience system. The model illustrates how entrepreneurial cognition, structural legitimacy, market intelligence, financial governance, capital formation strategy, and institutional adaptation interact dynamically within a volatile macroeconomic environment characterized by inflation, liquidity constraints, and policy unpredictability.