

From Village to Cloud: A Framework for the Emergence and Sustainability of Digital Social Enterprises (DSEs) in Rural Tourism

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Abstract

INTRODUCTION: Diversification into tourism in rural economies has emerged as a viable pathway to enhance resilience, with digitalization further expanding reach, enriching visitor experiences, and enabling inclusive participation. Digital Social Enterprises (DSEs) – hybrid ventures that integrate a social mission with entrepreneurial approaches and digital technologies – offer significant potential for advancing sustainable rural tourism. Despite this promise, there is a lack of an integrated framework explaining how DSEs in rural tourism emerge and, subsequently, achieve long-term sustainability.

OBJECTIVES: This conceptual paper addresses that gap by synthesizing concepts on digital social entrepreneurship, entrepreneurial intention theory, and sustainable rural tourism.

RESULTS: It proposes a two-phase framework – emergence and sustainability – linking antecedents such as empathy, moral obligation, prior experience, and perceived feasibility and desirability, with enabling conditions including community assets, digital infrastructure, and ecosystem support, as well as hybrid organizing and legitimacy.

CONCLUSION: The framework is accompanied by propositions outlining how these factors interact to influence both the creation and endurance of rural tourism DSEs. The study contributes theoretically by bridging disparate research streams.

Keywords: Digital social entrepreneurship, rural tourism, hybrid ventures, sustainable development, entrepreneurial intention, digitalization

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1. Introduction

Rural economies frequently encounter challenges due to their substantial dependence on agriculture—a vulnerability that intensifies during global disruptions. Fluctuations in crop yields, commodity prices, and input costs can swiftly undermine economic stability and restrict livelihood prospects. Furthermore, limited innovative capacities within rural communities further constrain their capacity to adapt, diversify, and propel sustainable economic development. In this context, diversification into tourism has emerged as a promising strategy to enhance resilience. Rural tourism capitalizes on local cultural heritage, natural landscapes, and traditional lifestyles to attract visitors. These have generated new income streams that complement existing agricultural activities. By

mitigating reliance on a single sector, communities can better withstand economic shocks while fostering local development.

Previous research has underscored the substantial contribution of the tourism sector to rural economies. For instance, a study conducted in China revealed that rural tourism experienced a remarkable increase in non-agricultural employment, rising by 99.57%. This growth propelled rural tourism to become the leading industry in certain regions and it surpasses the value of agricultural output by a factor of ten [1].

The digitalization of tourism further amplifies these opportunities. It does so by expanding market reach, enriching visitor experiences, and enabling broader participation in the rural economy [2]. Digital tools enable rural destinations to connect with global audiences at relatively low cost. These technologies also open pathways for more inclusive participation by lowering entry barriers for small-scale entrepreneurs, artisans, and community groups. For instance, www.Etsy.com provides local small-scale entrepreneurs with a platform to sell local artisan products to virtual tourists worldwide. Furthermore, Artificial Intelligence (AI)-driven visitor analytics and virtual and augmented reality experiences assist rural destinations in enhancing service quality and customer satisfaction. This, at the end, will increase their competitiveness [3].

Within this evolving landscape, Digital Social Enterprises (DSEs)—defined as organizations that promotes digital social innovation, that is addressing social challenges by leveraging digital technology [4]—hold particular promise. DSEs combine a social mission with entrepreneurial approaches. DSE adopts digital technology not only to generate economic returns but also to deliver tangible social benefits. In rural tourism, a DSE might operate digital platforms and social media sites that connect tourists directly with homestays, community-led tours, or local craft markets, ensuring that economic value flows back to the community [5]. DSEs in the rural economy are unique because these enterprises align closely with sustainable development objectives. DSEs promote rural cultural preservation, environmental stewardship, and social inclusion alongside financial viability. For instance, www.Amartha.com facilitates the connection between urban investors and rural women entrepreneurs, thereby promoting Sustainable Development Goal 1 (No Poverty) and Sustainable Development Goal 5 (Gender Equality).

Despite the growing interest in both digital social entrepreneurship and rural tourism, there remains a notable research gap: there is no integrated framework that explains how DSEs in rural tourism emerge; there is also limited research that explains how they can be sustained over time. Existing studies tend to address either the enabling factors for social entrepreneurship [6] or the impacts of digitalization on tourism [7]. There has been limited research that synthesizes these perspectives in a rural context. This lack of integration limits our understanding of the interplay between individual motivations, community assets, and the broader digital and institutional ecosystem that shapes the success of digital social enterprises.

The purpose of this paper is to develop a conceptual framework that connects the antecedents of DSE creation in rural tourism with the enabling conditions and sustainability mechanisms necessary for long-term impact. Drawing on insights from digital social entrepreneurship literature, entrepreneurial intention models, and sustainable

tourism literature, the framework will be accompanied by a set of propositions. These propositions will guide future empirical research and will offer practical pathways for entrepreneurs, policymakers, and community leaders seeking to harness the potential of DSEs to drive resilient and inclusive rural development.

2. Literature Review and Theoretical Foundations

This literature review explores the conceptual and theoretical foundations underpinning digital social entrepreneurship (DSE). It focuses on how digital technologies, entrepreneurial intentions, hybrid organizational structures, and rural tourism contexts intersect to drive social and economic value creation. The review begins by examining the core literature on DSE. It highlights the hybrid nature of DSEs and the role of digital technologies and ecosystem support in achieving both social and market objectives. It then delves into theories of entrepreneurial intention, including the Theory of Planned Behavior and expectancy theory. This is to explain the motivational and cognitive factors influencing individuals to establish and sustain DSE ventures.

Building on these foundations, the review next considers hybrid organization theory and sustainability literature. The review unpacks how DSEs manage competing logics of social impact and commercial viability. Finally, the discussion turns to the digitalization of rural tourism and community assets. This section illustrates how digital tools and infrastructures enable local entrepreneurs to create inclusive, technology-enabled ventures that are rooted in community development. Together, these strands of literature form an integrated understanding of DSEs as a digitally enabled, hybrid, and contextually embedded phenomenon.

2.1. Digital Social Entrepreneurship (DSE) literature

The literature on digital social entrepreneurship (DSE) emphasizes the hybrid nature of these ventures, combining social impact objectives with market-driven business models. DSE integrates digital technologies to achieve social and market objectives [8]. This “digital hybridity” enables DSEs to operate in a dual space, addressing societal challenges while maintaining financial viability and organizational sustainability. Recent studies further highlight the critical role of ecosystem effects [9] in supporting DSEs to achieve their objectives. In this ecosystem, supportive networks of stakeholders, including government agencies, create an enabling environment for DSEs to thrive.

Effective resource orchestration is another recurring theme [8]. It involves the capability to mobilize and integrate human, financial, and digital resources to deliver sustained value. Legitimacy building, both within the community and in wider markets, is essential for gaining trust, attracting funding, and fostering partnerships [10]. Moreover, founder-level characteristics, such as motivation and intention, as well as prior experience and identity, also emerge as significant factors [11]. This shapes the venture's vision, approach to innovation, and resilience in navigating complex social and business environments.

2.2. Entrepreneurial intention theory, theory of planned behavior, and expectancy theory

Research integrating entrepreneurial intention theory, the Theory of Planned Behavior (TPB), and expectancy theory provides a rich understanding of what drives individuals to establish DSEs [12]. Factors that influence the intention of digital social entrepreneurs include empathy. It fosters a personal connection to the social mission and moral obligation; this will in turn strengthen commitment to addressing societal needs [13]. Self-efficacy, the belief in one's capacity to execute entrepreneurial tasks, enhances confidence. Ukil et al. [13] conclude that entrepreneurial self-efficacy plays an important role in converting empathy and moral obligation into actions.

Perceived social support encompasses the availability of resources, networks, and encouragement from the community and other stakeholders. These resources can be instrumental and tangible, informational, emotional, esteem-based, and appraisal-oriented. [14], [15]. In rural-tourism DSEs, this support flows through bonding ties (e.g., village leaders, craft cooperatives); they bridge and link ties to government agencies and tourism boards, NGOs, technology platforms, and investors [16].

Further, Berg & Mitra [11] identified that prior experience of the founders plays an important role in DSEs. Their study emphasizes that founders' prior experience acts as valuable human capital. The study found that this is critical for the performance of new technology-based firms in East Asia. The study also found that founders leverage human capital through networks developed with former colleagues and business partners to access crucial resources like finance and customers. Prior experience helps founders navigate this dual objective. Founders use their technical background to create scalable solutions and their social sector experience to address community needs.

Moreover, expectancy theory adds the dimensions of perceived feasibility and perceived desirability of DSEs. This indicates that individuals are more likely to act if they believe their venture can succeed and that the outcomes will be valuable and rewarding. There are three

components of expectancy theory: expectancy, instrumentality, and valence [17]. Expectancy highlights that increased effort will lead to better performance. For DSE founders, this is the confidence that hard work, particularly in developing digital technologies, will lead to a successful social enterprise. Instrumentality refers to the belief that high performance will result in desired outcomes. Founders of DSEs are motivated by their conviction that a well-performing digital platform will successfully achieve its social mission and generate sustainable revenue. Valence refers to the value an individual places on the potential outcomes. In DSEs, this value is tied not only to financial gain but also to intrinsic rewards, such as creating positive social or environmental change, and fulfilling a personal mission.

2.3. Hybrid organization theory and sustainability

Hybrid organizations blend multiple institutional logics (e.g., social welfare and market). Hybrids face persistent goal, identity, and performance tensions [18]. The literature defines hybrid organizing as the activities, structures, processes, and meanings that allow these dual logics to co-exist. The designs of hybrids range from structural or temporal separation (e.g. structural ambidexterity) to tighter integration, with selective coupling as a common internal response [19]. Selective coupling can be understood as an approach where hybrid organization purposely adopt "modular" elements from each logic (practices, rules, metrics, roles)— instead of adopting fully blended logics at one end or compromise at the other—and connect only the compatible pieces into its operating system, while buffering or excluding incompatible elements.

A paradox lens explains how leaders of hybrid organizations cycle between competing demands (e.g. impact vs. revenue; inclusivity vs. efficiency) rather than "resolving" them, using temporal pacing, guardrails, and learning routines [20].

Further, mission drift and accountability challenges emerge as governance fails, making board design, role clarity, and measurement crucial in hybrid organizations. Ebrahim, Battilana & Mair [44] highlight the need to align control systems and accountability with dual goals (who is accountable to whom, for what, and with which metrics), while Battilana & Dorado [46] show staffing, socialization, and role design as levers for sustaining hybridity. In DSEs, this translates to separating mission-deepening work (e.g., community training, heritage stewardship) from peak-season commercialization. This can be achieved with explicit cross-subsidy rules and board oversight.

Hybrid organizations need to continuously manage pragmatic legitimacy (based on self-interest), moral legitimacy (based on normative approval), and cognitive legitimacy (based on the nature and “taken-for-grantedness”) across different stakeholders (beneficiaries, regulators, markets). The institutional work literature [21], [22] shows how actors actively build, maintain, and disrupt the “rules of the game” (e.g., via local certifications, data-sharing norms among communities). Institutional creation work establishes new categories, rules, and evaluative criteria that would replace existing ones. For example, in rural tourism DSEs, digital co-creation with communities sustains moral legitimacy via the development of new institutions (e.g. ones that are endorsed by community leaders) that embed digital technologies in capability building.

2.4. Digitalization of rural tourism and community assets

Digitalization amplifies the value of community assets, such as cultural heritage, natural attractions, and local skills. In rural contexts, digital readiness (e.g. reliable broadband, availability of digital platforms, digital payment systems, and basic skills) can be a catalyst that enables local actors to digitize the value offering of community assets and engage with wider markets. Moreover, policy guidance underscores that rural tourism strategies should pair community assets with digitalization and skills development, so communities can capture value without eroding cultural or ecological integrity [23], [24], [25].

Enabling technologies in rural tourism, such as AI-driven recommendations, big data analytics, utilisation of cloud technology, and immersive media (Augmented Reality/Virtual Reality), support opportunity recognition and early business model formulation for DSEs. For example, Smart Tourism Ecosystem work shows how data-rich, connected infrastructures reorganize value creation among destinations, firms, platforms, and visitors [26]. Digital entrepreneurship literature similarly explains how digital affordances reshape venture design and ecosystem embedding [27], [28]. In the rural tourism context, customer analytics helps rural communities identify demand patterns and visitor sentiments to tune their offerings, while AR/VR extends storytelling and pre-visit engagement; all of these initiatives would position DSE founders at the intersection of tourism, technology, and social impact [29], [30], [31].

3. The Framework of Emergence and Sustainability Stages of DSE

This paper introduces a staged framework that explains the development of DSEs in rural tourism through two interconnected phases: emergence and sustainability.

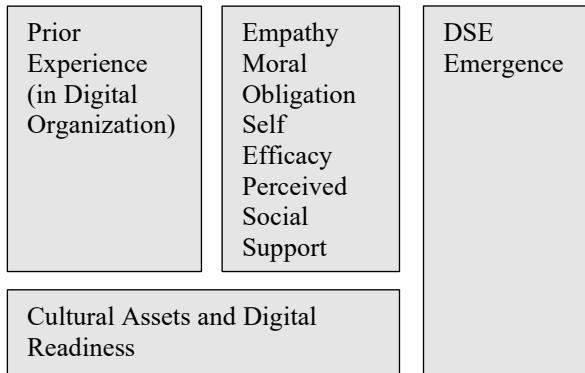
Emergence is the formative phase in which a DSE takes shape. The phase is marked by the alignment of individual motivations, local resources, and technological readiness. At the personal level, entrepreneurial intentions are shaped by factors such as empathy, moral obligation, self-efficacy, perceived social support, as well as a belief in both the feasibility and desirability of the venture.

These individual drivers intersect with community assets, such as cultural heritage, natural attractions, and local skills. These assets are the raw material for rural tourism offerings. Digital readiness, encompassing infrastructure quality, internet penetration, security, and the availability of enabling technologies like AI, big data, and immersive media, acts as a critical catalyst in this phase. These conditions enable opportunity recognition and initial hybrid digital business model formulation. Consequently, DSE founders will be able to position themselves at the intersection of tourism, technology, and social impact.

Sustainability represents the consolidation and growth stage, where the initial venture must adapt and mature as a hybrid organization. At the sustainability stage, DSEs should also maintain relevance and impact over time. Success in this phase depends on the appropriate management of hybrid ventures. At the same time, the development of strong ecosystem partnerships among important stakeholders is also important. The collaboration should provide ongoing resources, market access, and policy support for DSEs. Further, legitimacy from the community and the broader market must be actively cultivated through consistent delivery of social and economic value. By integrating these elements, DSEs can transition from promising start-ups into resilient hybrid ventures capable of delivering enduring benefits for rural economies.

The staged approach reflects the fact that the success of DSEs does not materialize at once, but rather evolves over time. The emergence stage captures the formative processes through which entrepreneurial intentions, local assets, and digital readiness, including prior experience of the founders, align to create viable hybrid ventures. The sustainability stage focuses on the mechanisms that allow these ventures to consolidate their position as hybrid organizations. This framework attempts to provide a better understanding of the relevant factors involved in the evolution of DSEs from opportunity recognition to long-term resilience, specifically in the context of rural, technology-enabled, and socially driven tourism enterprises. Figure 1 illustrates the staged framework.

Emergence Stage/Phase



Sustainability Stage/Phase

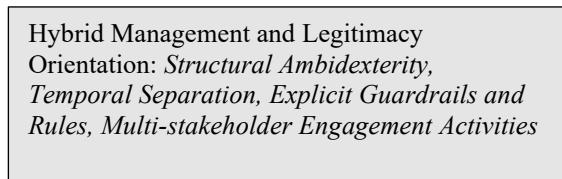


Figure 1. The Staged DSE Framework

3.1. Emergence Phase Propositions

The intention models of social entrepreneurship position empathy and moral obligation as core antecedents that channel concern into start-up intention, alongside self-efficacy and perceived social support [32], [33]. Further, entrepreneurship literature explains how empathic concern catalyses opportunity recognition and prosocial venturing,

complementing the more self-oriented motives of entrepreneurial venture founders [34]. Moreover, when integrated with the Theory of Planned Behavior, these motives shape attitudes and perceived norms that translate into intention and action [35]. In rural destinations, where livelihoods, cultural heritage, and local identity are closely knit, such values operate as a moral compass. This helps steer founders to design models that balance revenue with cultural stewardship and to mobilize local participation from the outset [36]. The current research therefore proposes:

P1. Higher levels of empathy and moral obligation among potential founders increase the likelihood of establishing DSEs in rural tourism.

Prior experience in social organizations strengthens intentions to launch DSEs because it provides first-hand exposure to mission-driven problem-solving. This, in turn, develops empathy and the understanding of community needs [32], [33]. This experience also builds self-efficacy and entrepreneurial intention through learning [37]. Further, empathy and self-efficacy expand perceived social support by growing relationships to stakeholders, funders, and local authorities [15], [16]. These mediators – empathy, self-efficacy, and perceived social support – help to facilitate prior social experience into stronger social entrepreneurial intentions, including in rural-tourism contexts [33], [35]. The current research therefore proposes:

P2. Prior experience in social organizations positively influences intention to create DSEs in rural tourism, and this relationship is mediated by empathy, self-efficacy, and perceived social support.

Moreover, prior experience in digital organizations leverages founders' perceptions of feasibility by building digital self-efficacy and confidence in executing technology-enabled tasks [38], [37]. It also strengthens perceived behavioral control and facilitates conditions [35], [39]. These are required in manifesting technology initiatives. Prior experience in digital organizations also provides schemas, as well as capabilities, for digital venture design, for example, on how platforms, analytics, online marketing, and AI/VR create, deliver, and capture value; this will sharpen opportunity recognition in the tourism and technology contexts [27], [28]. In rural tourism, these capabilities link community assets to digital channels and smart-tourism infrastructures [26], [30]. The current research therefore proposes:

P3. Prior experience in digital organizations increases the perceived feasibility of using technology for rural tourism, thereby strengthening the emergence of DSEs.

Rural communities are rich in cultural-tourism assets, such as heritage sites, distinctive traditions, and valued landscapes. Altogether, they offer strong value propositions that attract visitors and anchor place-based narratives for new ventures [40], [23]. When these assets are matched with strong digital readiness, for example, internet broadband and 4G/5G penetration with adequate speed, coverage, and security, founders can more easily connect existing cultural assets to markets via platforms, analytics, and immersive media [26], [25]. Founders can use “off the shelf” measures as local digital readiness can be operationalized with established indicators in the industry (e.g., International Telecommunication Union/ITU’s connectivity statistics, Global System for Mobile Communication Association/GSMA’s Mobile Connectivity Index). These measures capture infrastructure and usage conditions and make technology-enabled models practical from day one [41], [42]. The current research therefore proposes:

P4. Communities with strong cultural-tourism assets and strong digital infrastructure, measured by internet penetration, speed, and security, are more likely to host emerging DSEs.

3.2. Sustainability Phase Propositions

Rural tourism DSEs face tensions, e.g. mission depth versus commercial scale, inclusion versus efficiency, and cultural stewardship and traditions versus visitor growth. These tensions cannot be easily solved [20], [43]. In light of this, structured ambidexterity offers a durable design. It refers to an effort to temporally separate mission-related activities (e.g., community training, social activities, etc.) from revenue-generating periods (e.g., holiday peak seasons), connect them with explicit guardrails and rules, and oversee them through specific governance arrangements with clear accountability for dual goals [18], [44], [45].

In tourism destinations that are seasonally volatile, such pacing eases operational tensions and reduces mission drift. Thus, the selective coupling of practices from social and market logics further protects the coherence of the venture [19], [46]. Evidence from tourism underscores that managing seasonality is central to tourism firm sustainability. All of these highlight the value of temporal separation and cross-subsidy in hybrid models [47], [48]. The current research therefore proposes:

P5. DSEs that practice structured ambidexterity, temporal separation, and explicit guardrails and rules, exhibit financial sustainability and higher mission integrity than DSEs that pursue impact and revenue simultaneously.

Long-run survival of hybrid DSEs will depend on continually renewing legitimacy with different types of audiences [49], [50]. In many tourism destinations, pragmatic legitimacy accrues from reliable service quality,

transparent impact reporting, and fair pricing for visitors and investors [44], [49]. In addition, moral legitimacy develops over time through co-creation and fair benefit-sharing with communities [51], [52], [23]. Further, cognitive legitimacy is depicted by compliance with heritage and ecological rules and by certifications for sustainable tourism [24], [53]. Participatory governance will also strengthen community trust; this, in turn, will increase levels of approvals and attract important partners and capital [54], [55]. The current research therefore proposes:

P6. DSEs that maintain a multi-stakeholder engagement activity—community co-creation, transparent impact reporting, promoting ethical practices, and compliance with sustainable tourism standards—secure faster policy approvals and larger resource inflows, increasing survival probability in the growth stage. This is also due to increasing trust and perceived fairness among the stakeholders.

4. Discussion

The research question explored in this paper was twofold: how do DSEs in rural tourism emerge, and how are they sustained? The framework and the propositions answer the questions with a staged emergence and sustainability logic. This logic connects founder motives and skills with rural and digital conditions to produce an initial hybrid model. Further, the sustainability stage explains post-launch consolidation through hybrid management and governance as well as legitimacy orientation.

Consistent with intention models in social entrepreneurship, this paper highlights the notion that empathy and moral obligation would prime motivation and translate concern into start-up intention [32], [33]. This reinforces the TPB pathway from attitudes and norms to intention and action [35]. Prior experience in social organizations strengthens intention via increased empathy, self-efficacy, and perceived social support [32], [33], [15], [16], [37]. Similarly, prior digital experience raises perceived feasibility through digital self-efficacy and perceived behavioral control [38], [35], [39], providing schemas and capabilities for platform, data, and AI/VR-enabled venture design [27], [28]. These individual drivers intersect with community assets (cultural heritage, nature, local skills) and digital readiness (penetration, speed, security; enabling tech) to enable opportunity recognition and the initial hybrid digital business model [40], [23], [26], [25].

Following launch, hybrids face continuing tensions. Structured ambidexterity—temporal separation of mission-deepening and revenue-maximizing activities—prevents mission drift [20], [18], [45], [44]. Selective coupling protects coherence under multiple logics [19], [46]. Long-run survival depends on maintaining moral, pragmatic, and

cognitive legitimacy with different types of stakeholders [49], [44], [50], [24], [53]. The application of participatory governance also strengthens trust, speeding approvals and attracting aligned partners [54], [55].

In doing so, this paper extends existing literature by providing a staged, multi-level model of DSE development in rural tourism that explicitly links emergence to sustainability. On the emergence side, the paper integrates intention-based antecedents (empathy, moral obligation, self-efficacy, perceived social support, and perceived feasibility/desirability) with community assets (cultural heritage, landscapes, local skills) and digital readiness to explain how viable hybrid digital models form. This is consistent with rural-tourism literature that treats local resources as countryside capital and charts the evolution of rural tourism as an authentic, development-oriented strategy [56], [57], [40], [23]. The model is also consistent with tourism digitalization literature that highlights smart, data-enabled destinations [26], [25]. On the sustainability side, the model highlights hybrid organizational mechanisms along with multi-stakeholder legitimacy management that represents the realities of rural destinations emphasized in much research in rural-tourism literature [48], [47], [23].

For practitioners, the model might serve as a playbook. In the emergence stage, founders and enablers can build prosocial motivation and self-efficacy initiatives (through the promotion of role models, mentoring activities) to facilitate DSE development. They can also draft an initial hybrid digital business model that connects cultural assets to platforms, analytics, and AR/VR utilization in value creation, delivery, and capture. In sustainability, digital social enterprises should implement a structured ambidexterity strategy and manage a legitimacy portfolio (e.g. co-production and fair benefit sharing, impact dashboards, certifications/compliance) to accelerate approvals and attract capital. The framework might translate directly into organizational Key Performance Indicators (KPIs), so entrepreneurs, community leaders, tourism boards, investors, and policymakers can strategically sequence interventions. This will also help them to avoid misalignment across stages and reliably convert early promise into sustainable rural growth.

5. Summary, Limitations & Further Research

Despite the contributions, this paper is not without limitations. Therefore, future studies should focus on empirical testing of the propositions developed in this research across different rural tourism settings. While the staged framework of emergence and sustainability is grounded in established theoretical foundations, its practical validity requires testing in diverse empirical contexts. Such empirical work can help refine the

relationships between antecedents, enabling conditions, and sustainability mechanisms, and may reveal additional variables or moderating factors unique to certain rural environments.

Further, longitudinal studies would provide valuable insights into the lifecycle of rural tourism DSEs. By following enterprises over extended periods, researchers can capture how ventures transition from emergence to sustainability, the challenges encountered at each stage, and the strategies employed to adapt to market shifts, technological changes, and community dynamics. Longitudinal evidence would also clarify the durability of the capabilities and partnerships identified in the sustainability phase. This particular approach will offer a more nuanced understanding of what contributes to long-term resilience.

Moreover, a comparative analysis between developing and developed rural regions could illuminate how contextual differences shape both the emergence and sustainability of DSEs. Factors such as infrastructure quality, policy frameworks, market access, and community digital literacy may vary widely between these settings, influencing the applicability and relative importance of certain propositions. Such comparisons would deepen theoretical understanding of DSE development while offering region-specific guidance for practitioners and policymakers aiming to foster digitally enabled, socially impactful rural tourism ventures.

In conclusion, this paper answers how digital social enterprises (DSEs) in rural tourism both emerge and endure by advancing a staged, multi-level model. The framework and the model link founder motives and capabilities with countryside capital and digital readiness to generate an initial hybrid design. The paper continues to specify how that design is consolidated through structured ambidexterity, selective coupling, and a deliberate legitimacy portfolio. Practically, the framework functions as a sequenced playbook and KPI baselines.

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