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# Evolving Organizational Models: Microfranchises and the BoP 4.0 Paradigm in Post-Conflict Colombia

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## ABSTRACT

Microfranchises (MFs), as an innovative organizational model, aim to enhance the productive capacity of the base of the pyramid (BoP) population in diverse contexts. We provide original insights into the underexplored role of MFs in the socioeconomic inclusion of victims of the conflict and former combatants in conflict settings while advancing theory-building in overlooked areas. To bridge these gaps, we use grounded theory in exploratory analysis of the total population sampling of 17 Colombian social enterprises/ seven MFs financed by the United Nations Development Program and Inter-American Development Bank. Our results suggest that MFs were the most adopted organizational model in post-conflict Colombia, promoting the inclusion of victims and ex-combatants who collaboratively create contextualized solutions and prioritize community well-being, which has led to the development of a new iteration of the BoP model – BoP 4.0 - closely aligned with MFs, an innovative sustainable business typology developed. Its focus on Colombian social enterprises in post-conflict settings delimited this research. Thus, generalizing these findings beyond this context should be approached with caution. This study marks a significant contribution by revealing the pivotal role of MFs in promoting socioeconomic inclusion for victims in conflict-affected regions. Furthermore, it introduces the innovative concept of BoP 4.0, representing an evolution in sustainable business typology within the BoP framework.

## KEYWORDS

Base of the pyramid; BoP; business model; Colombia; microfranchise; organizational model; post-conflict; social entrepreneurship; sustainable

## Power Points

- (1) MFs offer sustainable income-generating opportunities and access to decent, formal employment for victims of the conflict, presenting a novel typology for aiding this vulnerable group's social and economic reintegration in post-conflict settings.
- (2) Within post-conflict Colombia, MFs emerged as the most widely adopted business model among social enterprises, indicating their suitability for addressing unique challenges.
- (3) Many MFs are led by women, many of whom are conflict victims, highlighting the model's role in promoting gender equality and empowering vulnerable groups.
- (4) This has generated momentum for the latest version of the BoP model, often referred to as BoP 4.0

## Introduction

Social Entrepreneurship (SE) and Social Innovation (SI) are key tools for tackling societal “wicked problems” and achieving Sustainable Development Goals (SDGs) (Saranya, 2025), such as poverty

(SDG1), food insecurity (SDG2), unemployment (SDG8), gender equality (SDG5), and educational inequalities (SDG4) (de Bakker et al., 2022; Harrison, 2023; Krlev, 2022; Wu & Si, 2018). These grand challenges (Wickert et al., 2021) are particularly acute in conflict settings where diverse populations coexist within the base of the pyramid (BoP) alongside various stakeholders with differing interests (Langevang & Namatovu, 2019).

SE and SI offer a blueprint for engaging constructively with transformation within conflict-affected environments. SE and SI advance economic justice (Kaloga, 2021) and empower local communities (Bacq et al., 2022). In doing so, SE and SI significantly contribute to sustainability and peacebuilding efforts (Gallo et al., 2023; Joseph & Van Buren, 2022; Joseph et al., 2023). The scalability of SE and SI in conflict settings is hindered by inadequate ontological, epistemological, and axiological approaches borrowed from developed markets (Halme et al., 2022), emphasizing the need for a bottom-up approach that recognizes the BoP's entrepreneurial potential.

MFs have emerged as a novel phenomenon and socially focused organizational model that incorporate the three overarching value functions of sustainable business models: maintaining, unlocking, and sharing value (Lüdeke-Freund et al., 2024), and emphasizes inclusivity and sustainability (Gupta et al., 2020). MFs are an adaptation of social franchising (Lawson-Lartego & Mathiassen, 2021; Pérez-Morón et al., 2024) that replicate micro-enterprises with minimal investment, for the BoP population while trading off some (or all) of its financial returns (Awuh & Dekker, 2021).

MFs exemplify organizational change both conceptually and concretely. Conceptually, they integrate traditional franchising with BoP models, reshaping how businesses operate to address social issues. Concretely, they implement this innovation on the ground by empowering low-income entrepreneurs, creating sustainable income opportunities, and fostering socioeconomic development in tangible, measurable ways (Graham et al., 2022), especially while alleviating poverty among vulnerable populations in post-conflict settings in Latin American and Caribbean regions, which remain underexplored and will enrich rigor within the context (Pérez-Morón et al., 2024).

However, how MFs (as a form of innovative SE) represent an alternative for the socio-economic inclusion of vulnerable groups in conflict-affected regions has been overlooked. The necessity to fill this knowledge gap is well expressed by Joseph et al. (2023, p. 323): “*The role of entrepreneurship in conflict and peace remains largely unknown*” and Naranjo-Valencia et al. (2022, p. 3): “*The interest is to comprehend how social entrepreneurship becomes social innovations in areas with limited resources – poor, rural and conflict-afflicted populations.*”

In light of Colombia's post-conflict setting, this article draws on qualitative case study research in seven Colombian social MFs to address one main research question (RQ):

**RQ1:** How do microfranchises, within the BoP 4.0 paradigm, contribute to organizational model evolution in post-conflict Colombia?

In addition to offering original and empirical insights about MFs in Colombia's post-conflict setting, the primary contribution of our article is to advance the theory-building of SE at the BoP, further enhancing our understanding of its role in conflict settings (Decker et al., 2023). This particular area has been neglected. To safeguard confidential information, we employ pseudonyms to anonymize the participants and company names in the case study. We used grounded theory in the exploratory analysis of 17 Colombian social enterprises/seven MFs.

## Background

There is a nascent and growing interest in studies related to “SE, SI at the BoP and conflict,” contextualizing research processes and methods, research findings, and contextualization of the researchers themselves, which is a critical factor in qualitative management studies (Halme et al., 2022). However, all these intentions of fostering SE and SI at the BoP remain challenging due to external and internal barriers to the scalability of BoP business models (Decker & Obeng Dankwah,

2022; Dembek & York, 2020). More initiatives should value the BoP as entrepreneurs and co-inventors (McWilliams et al., 2017; Smith et al., 2020), adapting to each country's conditions while generating economic, social, and environmental benefits (Kumar et al., 2022; Yessoufou et al., 2018).

BoP and inclusive business model research have had several iterations over time. Dentchev et al. (2022) classify the BoP concept into three generations: BoP 1.0, which regarded it as a market niche; BoP 2.0, where products and services were co-created; and BoP 3.0, emphasizing entrepreneurial activities. Early research saw BoP as a niche market (Leposky et al., 2020), followed by a focus on BoP as consumers (Borchardt et al., 2018; Decker & Obeng Dankwah, 2022). The latest BoP approach integrates bottom-line principles, emphasizing mutual value creation, investment, and scaling strategies (Derks et al., 2022), which has spurred the development of a new iteration of the BoP model – BoP 4.0 - that aligns closely with MFs.

MFs are identified as a potential avenue for contributing to positive change in these conflict-affected areas and highlight the importance of approaches to address economic development, community empowerment, and peacebuilding (Pérez-Morón et al., 2023). The interplay of SE, SI, and sustainable business models is crucial in addressing the diverse and complex challenges of vulnerable populations. These approaches not only have the potential to alleviate poverty and stimulate economic growth but also promote environmental sustainability, community empowerment, and peace in diverse social work contexts (Joseph & Van Buren, 2022; Kiss et al., 2022; Vig, 2022).

The structure of the paper ensures a coherent progression from the introduction to the findings. It begins with an introduction that clarifies the purpose, research question, and the importance of investigating MFs in post-conflict Colombia. This section establishes a foundation for appreciating their impact on socioeconomic inclusion. Following this, the literature review situates the research within the broader fields of SE, SI, and the BoP framework, identifying the gaps this study addresses. This review lays the theoretical groundwork that supports the research methodology and highlights the study's relevance. The findings section delivers empirical data from case studies of 17 Colombian social enterprises/7 MFs, illustrating the implementation and effects of MFs on the intended demographic. This structured approach connects the initial research questions and theoretical background with the empirical outcomes, providing a detailed understanding of the study's contributions.

## Methodology

This article's uniqueness lies in its focus on MFs as a prominent example of SE within conflict settings' inherently complex and diverse landscape. Its distinctiveness is primarily attributed to the focused exploration of MFs as a paradigmatic representation of SE, a seldom-explored avenue in such complex and diverse environments. While the existing body of research often addresses conflict settings through more conventional entrepreneurial perspectives, the article delves into the uncharted territory of MFs, offering a fresh lens through which to scrutinize social impact and sustainable practices.

Doing so bridges a significant knowledge gap by providing a comprehensive understanding of the role and viability of MFs in conflict-affected regions. This unique study sheds light on such models' adaptability and furnishes invaluable insights for policymakers, practitioners, and scholars committed to fostering socio-economic development in the most challenging and underserved contexts, thereby expanding the frontiers of sustainable SE. Moreover, this article can serve as a reference point or exemplar for other conflict-affected regions grappling with the multifaceted challenges of conflicts.

Theory development constitutes a central and indispensable pursuit in organizational research (Yin, 2003). Notably, theory generation from case studies serves as a potent bridge that connects rich qualitative evidence to the domain of mainstream deductive research, ultimately yielding theories that are both accurate and engaging while also amenable to empirical testing (Eisenhardt, 1989; Eisenhardt & Graebner, 2007).

Multiple case studies, as endorsed by Yin (2003), hold particular significance in this endeavor, as they collectively contribute to a robust foundation for theory generation. These studies are characterized by their capacity to offer diverse and empirical data on underexplored phenomena, drawing from

various sources of evidence. This multifaceted approach enhances the comprehensiveness and depth of theory building, affording scholars a more thorough understanding of the complexities underlying organizational dynamics. As such, multiple case studies represent a pivotal and methodologically sound means of advancing the theoretical landscape, enabling researchers to develop concepts that resonate with real-world intricacies and complexities (Siggelkow, 2007; Yin, 2003). While a case study methodology can encompass qualitative and quantitative approaches, this study has primarily employed qualitative research techniques (Eisenhardt & Graebner, 2007; Yin, 2003).

### Study context

In conflict-affected areas, such as Colombia, these challenges are compounded, especially for the 11,521,894 victims of the conflict (51% women, 49% men) affected by forced displacement, homicides, kidnapping, terrorism, crimes against sexual integrity, enforced disappearance, and other atrocities (Panda, 2018; Registro Unico de Victimas, 2024). Armed conflicts disrupt livelihoods, services, and social structures, intensifying economic difficulties (Kok et al., 2019; Shultz et al., 2014). This complex intersection of conflict, BoP, and entrepreneurship necessitates tailored interventions. These interventions encompass SE, SI, and sustainable development, and they have the potential not only to alleviate poverty (Tobias et al., 2013; Vig, 2022) and stimulate economic growth but also contribute to healing, community rebuilding, and sustainable peace (Gallo et al., 2023; Joseph et al., 2023; Katsos & Forrer, 2022; Tejada, 2016).

Colombia's complex dynamics provide valuable insights into conflict resolution, post-conflict challenges, and the role of SE and SI in promoting peace (Naranjo-Valencia et al., 2022). The demobilization of paramilitaries in 2006 and the peace accord between the government and The Revolutionary Armed Forces of Colombia – People's Army (FARC – EP), signed in 2016, present both opportunities and challenges in a complex post-conflict scenario (here is worth noting that Colombia still fights multiple ongoing conflicts with other illegal armed groups) (Trejos Rosero et al., 2019).

The Colombian internal conflict is one of the lengthiest non-international armed conflicts (NIACs) in modern history. Rooted in deep-seated social and political tensions, the conflict arises from stark socioeconomic disparities, notably in rural areas, making Colombia one of the world's most unequal nations. Multiple actors have played significant roles, including guerrilla groups, paramilitaries, dissident factions, and criminal gangs.

This conflict has national implications, revealing political elites' associations with paramilitaries, such as the Para-Political scandal, and marked by issues like impunity, “false positives,” and political prisoners. The conflict's victims span the entire country, with many forced to relocate to urban areas or even migrate overseas for security reasons, with the Colombian Caribbean region at the center poorest of the nation-(see Table 1), leaving a trail of casualties across its departments.

Our method for selecting cases followed the principle of total population sampling (all cases funded by multilateral agencies were selected) (Suurmond et al., 2020). The population sampling consists of 17 social enterprises created in the Caribbean region of Colombia after the 2016 peace agreement. These

**Table 1.** Poverty and conflict victims in the Caribbean region of Colombia.

Department/Region	Number of Victims	Multidimensional Poverty Index
	2023	2022
Bolívar	799,779	19,4
Magdalena	596,435	23,0
Córdoba	515,705	26,9
Cesar	513,988	19,1
Sucre	358,763	26,0
La Guajira	186,863	42,9
Atlántico	39,667	10,2
Total	3,011,200	

Based on and Unidad para las Victimas (2023).

**Table 2.** Funding agencies for research on microfranchises.

Funding Agency	Purpose	Duration	Executing Agency	Total Project
The Korean United Nations Development Program (UNDP) Millennium Development Goals Trust Fund	Promote sustainable growth for the economic inclusion of poor, conflict-affected, and excluded groups.	One year	Local chamber of commerce	USD \$376,532,95
InterAmerican Development Bank (IDB)	Reduce poverty by creating new businesses for poor and low-income populations.	One year	Corporación para El Desarrollo de las Microempresas (PROPAIS)	USD \$2,540,150

cases ( $n = 17$ ) had five different types of organizational forms including cooperatives, simplified shares company foundations, and seven MFs, which facilitated the exploration of diverse dimensions of social enterprises in conflict settings, contributing to theory development until we achieved theoretical saturation (Eisenhardt, 1989; Eisenhardt & Graebner, 2007).

These cases represent the entire universe of social enterprises funded by multilateral initiatives at the micro-macro-meso level (see Table 2), including other project partners such as Chambers of Commerce, National SE programs, Centers of Employment and Entrepreneurship, and accelerators/incubators (these are essential institutions for those interested in MFs because they provide critical support, resources, and networks necessary for the creation of MFs, fostering sustainable business growth and economic empowerment in post-conflict regions). This familiarity with the context and the actors involved offers a nuanced understanding of the intricate dynamics at play, making these cases a rich source of insights for theory generation (Eisenhardt & Graebner, 2007).

### Data collection and analysis

We draw on data from a single qualitative study of seven MFs in six localities (*Barranquilla, Cartagena, Monteria, Riohacha, Santa Marta, Sinclejo*) of the Caribbean region of Colombia, affected by the conflict and with a high presence of population under the line of poverty, undertaken between May 2019 and January 2021, an overview of the chosen areas is provided in Table 3. This time frame enabled thorough data collection, offering valuable insights for research and practical guidance to MFs. MFs are tailored for low-income people who seek low-risk solutions to generate sustainable income, even with low capital, little education, or business experience (Hassan et al., 2016; Kistruck et al., 2011, 2013). Reliability is secured by encompassing the entire population and all pertinent cases funded by multilateral agencies, thereby eliminating selection bias. Validity is obtained through data triangulation from various sources, including semi-structured interviews, official documents, archival records, and direct observations.

Other sources of evidence included semi-structured interviews with each MFs based on Diaz et al. (2019), conducted in Spanish via face-to-face and Skype™, lasting 45 minutes (informal conversation) and two hours (formal interview); MFs official documentation and archival records ( $n = 7$ ) to familiarize with the context, funding agencies' reports ( $n = 3$ ; 111 pages), direct observation, websites ( $n = 2$ ) and external expert interviews ( $n = 2$ ). We identified and counted all the interview questions using Microsoft Excel™ 2016 for tabulation. The interview transcripts (in Microsoft Word™ files) were prepared by four bonafide undergraduate students from the School of Business. This task was part of their requirements as members of the research hotbed they were enrolled in. This triangulation of multiple sources enabled us to corroborate our findings. After gathering the above data, we

**Table 3.** MFs characteristics.

	NAME	INDUSTRY & SECTOR	OWNER				FOUNDING DATE	EMPLOYEES (n=XX)				LOCATION	
			MEN VC	WOMEN VV	MEN EX	WOMEN EX		VC	EC	NE	TOTAL		
1	A	Commerce	1	0	0	0	0	2016	10	0	35	<b>45</b>	SINCELEJO Y BARRANQUILLA
2	B	Commerce	1	0	0	0	0	2016	5	0	20	<b>25</b>	BARRANQUILLA, SANTA MARTA, CARTAGENA, RIOHACHA Y MONTERÍA
3	C	Professional Services	1	0	0	0	0	2016	15	0	25	<b>40</b>	BARRANQUILLA, SANTA MARTA, CARTAGENA
4	D	Commerce	0	1	0	0	0	2016	1	0	2	<b>3</b>	CARTAGENA
5	E	Professional Services	0	1	0	0	0	2017	1	0	4	<b>5</b>	CARTAGENA
6	F	Professional Services	0	1	0	0	0	2017	1	0	4	<b>5</b>	CARTAGENA
7	G	Professional Services	0	1	0	0	0	2017	1	0	2	<b>3</b>	CARTAGENA
<b>TOTAL</b>			<b>3</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>34</b>	<b>0</b>	<b>92</b>	<b>126</b>	

decomposed it into first-order codes and second-order categories. We found relationships between codes (axial coding) and theoretical coding (Corbin & Strauss, 1990), allowing us to discuss their connection to Dembek and York's theory (Dembek et al., 2018).

The first category of questions was related to the sector of each microfranchise. The second category focused on the legal framework of MFs. The third category focused on employees' economic stability. The fourth category focused on MFs' impact on the economy, and the fifth category focused on support received to operate.

## Findings

The leaders of the interviewed MFs, their employees, and their locations are in low-income neighborhoods with extreme poverty levels. In our sample, we used the sectors described by the International Labour Organization (ILO) and highlighted a prominent trend within MFs. The data on MFs and their corresponding industries, as categorized by the International Labour Organization (ILO), offer valuable insights. Most MFs in the sample (C, E, F, and G) operate within the professional service sector, which contrasts with the common belief that MFs primarily focus on commerce, particularly in the food sector. This transition signifies a shift in MFs favoring sectors where added value takes precedence over purely transactional ones. Venturing into professional services reflects innovation and adaptability within the microfranchise model, presenting opportunities for future MFs to address a broader spectrum of unmet societal needs. By offering services beyond traditional commerce, this diversification may open new avenues for both social impact and financial sustainability. This shift addresses SDG1 by providing sustainable income opportunities, SDG8 by creating employment, and SDG5 by empowering women in leadership roles within the MFs.

The interviews with microfranchise owners revealed a striking trend: most of these MFs (specifically D, E, F, and G) are led by women who are also victims of the conflict, which highlights a remarkable intersection of gender and conflict-related vulnerabilities, where women play a central role in the microfranchise sector, which emphasizes the significance of MFs not only as a means for progress and economic empowerment in post-conflict settings but also as a tool to promote gender equality. By offering opportunities to female conflict victims to become leaders and entrepreneurs, MFs are pivotal in empowering marginalized women, fostering economic independence, and



contributing to a more equitable society. This prominently addresses SDG5, as it enhances women's leadership roles and promotes their economic empowerment, creating a ripple effect of benefits across their communities.

The total number of employees across the seven MFs ( $n = 126$ ), among whom 34 are victims of the armed conflict, does not include any former combatants within their organizations (see Table 3). 92 employees do not identify as victims or ex-combatants. MFs present a tangible opportunity to assist these victims in generating a sustainable income facilitating access to decent and formal employment. Notably, the microfranchise in the professional services sector accommodates the most sizable number of victims ( $n = 15$ ). MFs A ( $n = 10$ ), B ( $n = 5$ ), and C ( $n = 15$ ) were established in 2016, coinciding with the signing of the peace agreements. In contrast, MFs E, F, and G were founded in 2017, each with only one victim of the conflict among their employees. This temporal pattern reflects the post-conflict period's potential impact on the emergence of MFs, with those established in 2016 signaling a response to the peace agreements' signing. This primarily addresses SDG8 by providing sustainable employment opportunities and formal jobs, contributing to economic stability and resilience for conflict victims.

The MFs employed 34 victims of the conflict, with a substantial majority being women (25 out of 34). This gender disparity in hiring is noteworthy, reflecting a potential trend in these MFs to provide employment opportunities for women who may have been disproportionately affected by the conflict. It aligns with broader efforts to empower women economically and socially. However, it is also crucial to explore the reasons behind the lower representation of men among the victims of the conflict employees, as well as the specific roles and support mechanisms in place to ensure the successful integration and well-being of these conflict-affected individuals within the microfranchise businesses.

The locations of the MFs exhibit an interesting distribution pattern, with varying degrees of geographic presence. Microfranchise A, for instance, operates in both Sincelejo and Barranquilla, suggesting a localized scope, while MFs D, E, F, and G exclusively focus on Cartagena, signaling their concentration within a single city. In contrast, MFs B and C extend their operations across multiple cities, encompassing Santa Marta, Barranquilla, Cartagena, Riohacha, and Monteria. This spatial distribution highlights the diversity of the MFs model, with some MFs opting for a more extensive regional presence across different cities, potentially seeking to leverage broader markets, while others concentrate their efforts in a single urban center. The varying geographic reach of these MFs can influence their market dynamics, target demographics, and operational strategies, all of which are essential factors to consider when evaluating their potential impact on the local and regional economy (see Table 4).

This research has a geographic limitation, focusing exclusively on MFs in post-conflict Colombia. While the findings provide valuable insights, their generalizability to other conflict-affected regions needs careful consideration. Despite these limitations, this research lays a solid foundation for understanding the potential of MFs as a novel business model within the broader spectrum of post-conflict development.

## Discussion- extension of theory

The study provides valuable insights into MFs within conflict-affected regions. Key findings include a shift toward professional services among MFs (Sectors C, E, F, G), challenging the common belief of a commerce-focused approach. This innovation in the microfranchise model broadens opportunities for addressing societal needs beyond mere commerce. Notably, women, conflict victims, lead most MFs (Sectors D, E, F, G), underlining the model's role in promoting gender equality and empowering marginalized women. Surprisingly, no former combatants are employed, showcasing MFs as a means of aiding conflict victims. The varied geographic presence among MFs highlights their diverse market strategies and potential regional impacts.

In comparing these findings to Dembek and York's (2020) typology of business models at the BoP, it becomes evident that MFs represent a new and distinct typology. The existing typology outlines



**Table 4.** MFs population groups.

NAME	POPULATION GROUP (VICTIMS OF THE CONFLICT-VC; EXCOMBATANTS-EX-OLDER ADULTS-OA; NOT SPECIFIED-NE)														TOTAL	FUNDING DONOR		
	VC (n=XX)				EX (n=XX)				OA (N=XX)				NE (n=XX)					
	MEN	WOMEN	NE	TOTAL VC	MEN	WOMEN	NE	TOTAL EX	MEN	WOMEN	NE	TOTAL OA	MEN	WOMEN			NE	TOTAL
1	4	6	0	10	0	0	0	0	0	0	0	0	0	12	23	0	35	IDB
2	0	5	0	5	0	0	0	0	0	0	0	0	0	4	16	0	20	IDB
3	5	10	0	15	0	0	0	0	0	0	0	0	9	16	0	25	IDB	
4	0	1	0	1	0	0	0	0	0	0	0	0	2	0	0	2	UNDP- KOREA GOVERNMENT	
5	0	1	0	1	0	0	0	0	0	0	0	0	2	2	0	4	UNDP- KOREA GOVERNMENT	
6	0	1	0	1	0	0	0	0	0	0	0	0	3	1	0	4	UNDP- KOREA GOVERNMENT	
7	0	1	0	1	0	0	0	0	0	0	0	0	2	0	0	2	UNDP-KOREA GOVERNMENT	
<b>TOTAL</b>	<b>9</b>	<b>25</b>	<b>0</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>58</b>	<b>0</b>	<b>92</b>		

three types: *Delivering*: These models aim to fulfill the needs of the BoP by providing access to either new, adopted, or existing technologies. They focus on enabling BoP communities to consume more efficiently (Dembek & York, 2020, p. 300). *Sourcing*: Sourcing models engage BoP communities as suppliers, whether for materials, products, or services. Their central mechanism for addressing poverty is generating income for individuals and communities within the BoP (Dembek & York, 2020, p. 300). Moreover, *Reorganizing models* aim to create system-level changes or replace existing systems that perpetuate poverty and other associated issues. Often, this involves addressing environmental degradation and other systemic challenges (Dembek & York, 2020, p. 301).

MFs represent a unique and evolving typology distinct from the conventional business models outlined by Dembek and York. This distinction arises from their exceptional amalgamation of elements from both traditional franchising and BoP models, resulting in a novel business paradigm, BOP 4.0.

Traditional franchising typically revolves around established businesses extending their reach through franchised outlets, often focusing on profit generation (Crawford-Spencer & Cantatore, 2016). BoP models, on the other hand, aim to address the needs of the low-income population, through providing goods and services. MFs, however, break this mold by combining these elements. They target low-income entrepreneurs, enabling individuals from marginalized communities to become franchisees. This inclusive approach is instrumental in fostering social inclusion, providing opportunities for the economically disadvantaged to participate actively in entrepreneurship, thereby creating economic empowerment.

MFs embody the third view of value creation by integrating the triple bottom line (TBL) (first view) approach with stakeholder theory (second view). MFs focus on the sustainability implications of their activities while creating value for various stakeholders. This less-studied approach ensures their business models contribute ecologically, socially, and economically, addressing diverse stakeholder needs and interests (Lüdeke-Freund et al., 2024).

What truly sets MFs apart is its unwavering emphasis on social impact. While traditional business models often prioritize profitability as their primary goal and BoP models focus on delivering goods and services, MFs place a significant weight on their broader societal influence. Their business philosophy extends beyond mere financial gains to include social objectives. They are uniquely positioned to create positive changes within the communities they serve. In post-conflict settings, this emphasis is particularly significant, as it contributes to the reconstruction of the social fabric, fosters gender equality, and promotes sustainable development, aligning well with the specific needs of these regions.

In conclusion, the innovative approach of MFs, uniting aspects from traditional franchising and BoP models, makes them a distinct business model typology in BoP 4.0. Their focus on empowering low-income entrepreneurs, fostering social inclusion, and driving economic opportunities while maintaining a strong emphasis on social impact distinguishes them from the traditional business models introduced by Dembek and York. This differentiation underlines the relevance and uniqueness of MFs, especially within the context of post-conflict regions, as they contribute to socioeconomic progress and broader societal development.

## Conclusions

This study makes a significant contribution to understanding organizational models, structures, and processes, especially in the Global South, by analyzing MFs as an evolving organizational form. It highlights the essential role of MFs in post-conflict Colombia in promoting socioeconomic inclusion, particularly by aiding the reintegration of conflict victims. The paper advances the BoP 4.0 paradigm, introducing a new type of sustainable business that emphasizes community well-being and collaborative approaches.

The research delves into the remarkable world of MFs in post-conflict Colombia, revealing them to be a pioneering model for empowering vulnerable entrepreneurs in this challenging

environment (Pérez-Morón et al., 2023). These findings have implications far beyond the borders of Colombia, offering valuable insights into innovative approaches to socioeconomic development in conflict-affected regions globally. The study demonstrates that MFs have taken root in post-conflict Colombia, emerging as one of the most widely adopted business models among the examined social enterprises. This prevalence signifies their suitability to address the challenges and opportunities posed by post-conflict environments. By fostering the growth of MFs, vulnerable populations, particularly those in conflict-affected areas, can find a path to economic independence and an avenue to break free from cycles of poverty (Christensen et al., 2010; Lawson-Lartego & Mathiassen, 2021).

One notable aspect of these MFs is their focus on professional services, challenging the conventional belief that this model primarily centers on commerce. This shift reflects their innovative adaptability and prioritization of sectors that generate added value rather than purely transactional ones. This diversification is more than a strategic move; it opens doors to addressing a broader spectrum of societal needs. By offering services beyond traditional commerce, these MFs are financially viable and possess a powerful potential for broader social impact (Kistruck et al., 2011; Sireau, 2017).

Gender equality emerges as another crucial dimension within this study. A substantial number of MFs are led by women, most of whom are conflict victims. This intersection of gender and conflict-related vulnerabilities underscores the vital role that MFs play in empowering marginalized women. They serve as vehicles for economic independence and contribute significantly to building a more equitable society in post-conflict settings (Restrepo, 2016).

The employment of conflict victims by MFs, while not including ex-combatants as direct employees, reveals their potential to aid a specific group of vulnerable individuals. By offering sustainable income-generating opportunities and access to decent, formal employment, MFs play a distinct role in aiding conflict victims' social and economic reintegration. This study also recognizes a temporal pattern whereby some MFs were established following the signing of peace agreements, suggesting that MFs are responsive to the unique opportunities presented during the post-conflict period. Furthermore, the geographic distribution of MFs varies from localized operations within a single city to a regional presence across multiple cities. This diversity of scope impacts market dynamics, target demographics, and operational strategies. The choice of regional or localized presence reflects the nuanced and adaptable nature of the microfranchise model. Their strategic decisions align with their goals and opportunities within different contexts.

This study also demonstrates how MFs, within the BoP 4.0 paradigm, contribute significantly to organizational model evolution in post-conflict Colombia. By integrating elements of traditional franchising and BoP models, MFs emerge as innovative and inclusive organizational models that address the specific needs of low-income entrepreneurs. This paper emphasizes the social impact of MFs in promoting socioeconomic inclusion, gender equality, and sustainable development in post-conflict settings. The findings suggest that MFs can serve as a blueprint for similar initiatives in other conflict-affected areas, contributing to a broader understanding of how socially focused business models can foster resilience and growth in vulnerable populations. This work advances theoretical frameworks and offers practical implications for policymakers, NGOs, and practitioners aiming to implement sustainable and inclusive business practices in the Global South. By empowering vulnerable entrepreneurs and fostering social inclusion, MFs significantly contribute to SDG1, SDG5, and SDG8.

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