

THE CHARACTERISTICS OF A SUCCESSFUL BUSINESS – ANALYSIS OF COMPANIES RUN BY ENTREPRENEURS FROM THE START-UP PROJECT

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Abstract

The road to entrepreneurship is sometimes a bumpy one, full of unexpected detours, obstacles and dead ends. There have been cases where after many sleepless nights, plans didn't work out, funding didn't materialise and customers never materialised. Starting a business is so difficult that one might question why anyone would want to embark on such a path. Despite these difficulties, thousands of people embark on the entrepreneurial journey every day, determined to realise their vision and meet the needs of society. They open concrete businesses, launch technology startups or turn ideas into new products or services. So if there is the right motivation and inspiration, and the right game plan, then anyone can become a successful entrepreneur. Entrepreneurs identify a need that cannot be met by existing businesses and determine a solution to that need. Entrepreneurship involves developing and starting a new business and implementing a business marketing plan, often with the ultimate goal of selling the business for profit.

Keywords: business, profit, cash flow, return

Clasificare JEL : M40, M41

1. Introduction

Business means an independent activity carried out by a person on an ongoing basis for the purpose of making a profit. Entrepreneurship is an activity carried out independently by entrepreneurs in their own name, with their own responsibilities and with the aim of making a profit. Thus, a business is any activity that is continuously repeated, for which there is a licence to operate and which generates a profit. Put simply, an entrepreneur is an independent person who is not employed by another entrepreneur and makes his or her own profit [1].

So the entrepreneur is his own employer, responsible for himself and the owner of all profits from the business. A business is a collection of tangible and intangible components used by entrepreneurs in their activities.

Entrepreneurs are the owners of a business and bear the greatest risks and responsibilities. In today's context, the term entrepreneur can extend far beyond the actual functions of an owner or CEO.

Entrepreneurs often act in a way that is goal-oriented or employee-oriented and does not shy away from uncertainty or risk. Striving to grow a business is a core characteristic of an entrepreneur, even in the face of failure.

Entrepreneurs who regularly start new businesses, sell them and then start new businesses are serial entrepreneurs. Whether a business owner is also seen as an entrepreneur often depends on whether they set up the business. So every founder of a successful family business started out as an entrepreneur. If a person wants to become self-employed, but worries about not having the money to do so, finances should not become a negative factor in achieving personal career goals. Most entrepreneurs identify methods of financing, avoiding traditional banks. If they can demonstrate the high growth potential of the business, entrepreneurs can also turn to venture capitalists, who provide financing in exchange for equity in their company. The material focuses on the analysis of

2. Motivations of successful entrepreneurs

The question is regularly asked what are the underlying motivations that make entrepreneurs take a step when others are moving in the opposite direction? Generally entrepreneurs are driven by one or more of the following motivations [3]:

- Autonomy: Entrepreneurs are those who want to be their own boss, to delineate their personal goals and have control over the business to run it as they see fit. They believe that the success or failure of the business depends strictly on their decisions, but they don't see all this as a burden but on the contrary as a responsibility - a sign of their freedom.

- Scope: Entrepreneurs have a precise vision when they say what they want to achieve and eventually they will achieve their intended goals, no matter how hard they work. They are not adept at repetitive activities, so they don't want to hear about a situation where the work has stayed the same and would rather fail while moving forward than languish doing nothing.

- Flexibility: it is believed that only the strong can cope with the rigidity of traditional corporate culture. Entrepreneurs seek to escape any constraints, find a better work-life balance or work in unconventional ways. This does not mean that working fewer hours, but only in stages, does not mean that the way of working is instructive.

- Financial success: Entrepreneurs know that they won't become billionaires overnight, but they're not interested in the potential to make a lot of money from a highly successful business over which they have complete control. Some people want to build a financial safety net for themselves and their families, but other entrepreneurs believe that if they want to make big profits, they need to develop and implement something new.

- Legacy: Entrepreneurs are sometimes driven by the desire to create something that will allow them to survive. Others aim to develop a brand that has a long history and becomes an institution. There are situations where they want to pass on a source of income and financial security to their heirs, while hoping to leave a lasting impression and innovative products that actually improve people's lives. In a situation where a person wants to become an entrepreneur then they need to know which of the motivational factors are a motivation for them. Subsequently they should think about whether they have specific character traits and attributes that will allow them to thrive as an entrepreneur. What differentiates entrepreneurs is their desire, courage and, in some cases, recklessness to actually act.

Entrepreneurship is about finding solutions, focusing solely on solving a problem or doing something radically different from the way things are currently done. It aims to do better than before and continually seek to improve.

Entrepreneurship is a mindset - a style of thinking and acting. It looks at things differently, so it exposes a different picture when it comes to solving a problem and creating value.

Becoming an entrepreneur is like a person venturing into unknown territory. What they do next is rarely obvious and when they encounter a problem, they have to rely on themselves. To become a successful entrepreneur, it is necessary to possess the passion to learn from customers, employees or even the competition

Entrepreneurship is the art and science of making profitable systems that support people in ways that other systems cannot. The core competency of an entrepreneur is the ability to know the feelings and needs of others[5].

Being a successful entrepreneur means being a good leader. Leadership is the ability to get people to follow you, rather than making them feel forced to follow you, which requires an investment in your personal team.

Entrepreneurship is the ability to see the big picture, to see where there are opportunities to make someone's life better, to formulate hypotheses around those opportunities, and to continually test your hypotheses. Entrepreneurs need to put people first. Without a professional team behind it, a business will fail. Entrepreneurs need to be able to build a team that cares about their work, and to do that, they need to care about how they build their team.

To be a successful entrepreneur, you have to identify yourself through perseverance, so most successful entrepreneurs never give up on their ideas. When faced with certain challenges, they identify innovative ways to overcome them, adapt quickly to economic changes, continually innovate and improve technological advances to keep customers engaged. They require determination and a strong focus on the end goal.

Entrepreneurship is identified with a strong mindset that allows them to see opportunity where others do not. A product might be a business idea, but the entrepreneur can also identify people who have the ability to develop a business.

Entrepreneurs don't just look at 'short-term gains', they look at the bigger picture to ensure that an action taken is towards the overall goals of the business, whether or not it means it will pay off at the time.

Entrepreneurship is about opportunity and summing up resources to change possibilities into reality, while also being free to imagine something new and make it happen.

Entrepreneurs must be able to accept failure. Everyone thinks they can accept failure until they fail at something big and committed. To be a successful entrepreneur, you have to be able to risk failure at your deepest level[4].

Entrepreneurs have the ability to always move forward, they will never stop, they don't exhibit fear or self-doubt, they are able to always take control and decide whether or not it is the best decision because they believe that a wrong decision is better than no decision.

In conclusion, there is normally no method found for an individual to become a successful entrepreneur because they possess the skills to resonate with future customers, have new ideas and an open mind. Thus being an entrepreneur is not about identifying a profitable idea, but in identifying those willing to pursue it with passion. An entrepreneur doesn't say they want to start a business, they already know what they need to do and they start it. Most businesses won't appeal equally to everyone in the audience, but they can gauge interest in the basic idea before they go to market. Demographics about who is most interested in the business can help a lot with management decisions that will apply later, decisions about where to locate stores. The entrepreneur is able to understand what his audience is thinking, so he will market his own ideas at the right place and time, highlight what is unique about his product in relation to the competition which will help him attract new customers to his business[6].

Becoming a successful entrepreneur is not a very easy path because in most cases it requires extra work, creativity and perseverance compared to a general job where the work done is only 9 to 17. But to be a good entrepreneur, you just need to do things your own way, which will have a strong impact on society, although there is no guarantee that an idea will succeed, but failure is also uncertain.

An entrepreneur is a person who organizes, manages a business or enterprise and takes risks, is adept at change, and can combine resources in a total different style than before. He can only make a profit when the market value generated by this new combination of resources is higher than the market value generated by these resources elsewhere, individually or in other combinations. The purchase price of the resources determines the opportunity cost, and the profits earned denote the increased value created by the resources it controls. But loss-making entrepreneurs diminish the value created by the resources they control, so those resources could generate more value elsewhere.

A dynamic, growing economy is influenced by the efficiency of the process of quickly discovering new ideas, acting on them and labelling them as success or failure. Over time it has

been concluded that venture capital inflows do not support entrepreneurship, and promoting the development of individual entrepreneurs is more important for economic development policy than attracting early stage venture capital. Therefore, funding only has the capacity to increase the chances of survival of a new firm, it does not create new ideas, so money follows ideas, not the other way around.

In conclusion, I have come to the conclusion that entrepreneurship is the act of creating one or more businesses, taking all the risks and hoping to make a profit. The general principles of an entrepreneur are: create jobs, implement an innovation, have the ability to create change, give to society their new idea, all of which generate income for the country. At the same time an entrepreneur has the ability to set up a profitable business right at home, marketing the idea through an online shop. So entrepreneurs have the ability to see a possibility or a solution where a common man sees only problems.

3. Analysis of companies participating in the Start for Excellence project

In this part we will analyse 5 companies randomly out of the 45 presented in the project "START-UP FOR EXCELLENCE" implemented in the South-West Oltenia region. The aim of the project is to provide basic information and motivations for an entrepreneur at the beginning of his journey. Initially a target group of 348 entrepreneurs from the region was considered, of which 302 participated in the courses and in the end a total of 46 entrepreneurs were selected and only 45 were implemented. These firms are identified in all 5 counties of the region, see figure 1.

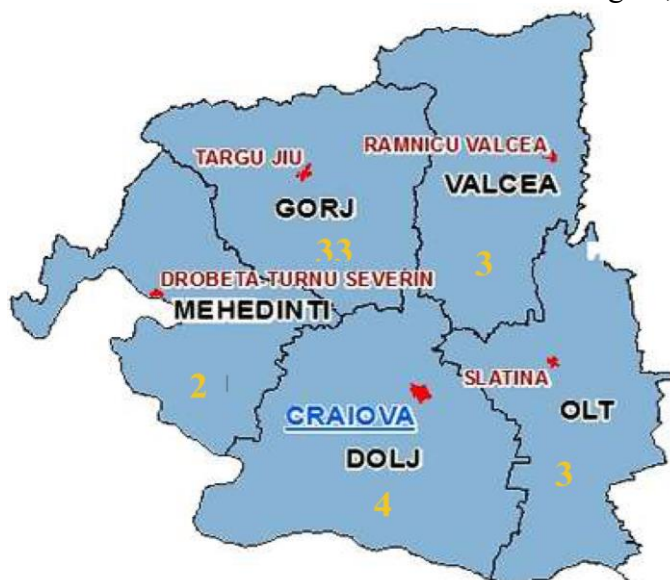


Figura 1 Territorial distribution of companies participating in the project

According to the data presented in the previous figure, it can be seen that out of the 45 companies, the majority are in Gorj county, namely 33 in number, 4 in Dolj county, 3 in Valcea county and in Olt county, and only 2 in Mehedinți county. In the following we will analyse a few firms randomly out of the 45, we will analyse at least one firm from each county and we will list the other participating firms in that county.

In Valcea county participated in the project:

a. URCI PE CRESTE S.R.L. which at the end of 2022 has an average of 2 employees and a financial loss of 64.568 lei. It ranked 12th locally according to its market share (0.08%). The company's turnover was 4,700 lei at the end of 2022.

b. REVIGO SPA SRL is fiscally active, has an average of 2 employees at the end of the financial year 2022, is not liable for VAT. No other financial data could be identified.

c. SRIEM AMINTIRI SRL is fiscally active, but not liable for VAT, it was established in 2019 with an average of 2 employees, at the end of 2022 it shows a financial loss of 1400 lei.

In Gorj county we will analyze the company GOMCARSERVICE IMPEX SRL which was established in 2019, identifying itself with the CUI 41174900, has an average of 3 employees at the end of 2022 and is not subject to VAT, the field of activity is CAEN code 4520 - Maintenance and repair of motor vehicles, with its fiscal headquarters in the Municipality of Târgu-Jiu. In 2019, the company's turnover was 7,290 lei, it increased extremely in just 12 months with 2452% reaching 186,037 lei, then the upward trend was maintained in the next two years, but it was slower respectively with 31% and 13%, reaching at the end of 2022 a turnover of 276,240 lei. The company recorded a financial loss only in the year it was established, then in 2020 it accumulated a profit of 42,177 lei, but the increase in annual financial debts led to a decrease in the value of profit to 5,487 lei in 2022. Locally, the company ranks 48th by market share, i.e. 0.4%, with a net margin of only 1.99%, the top positions being occupied by TIVCON SERV S.R.L., L AUTO S.R.L. and ABRUD S.R.L. Nationally, the company ranks 4155 at the end of 2022.

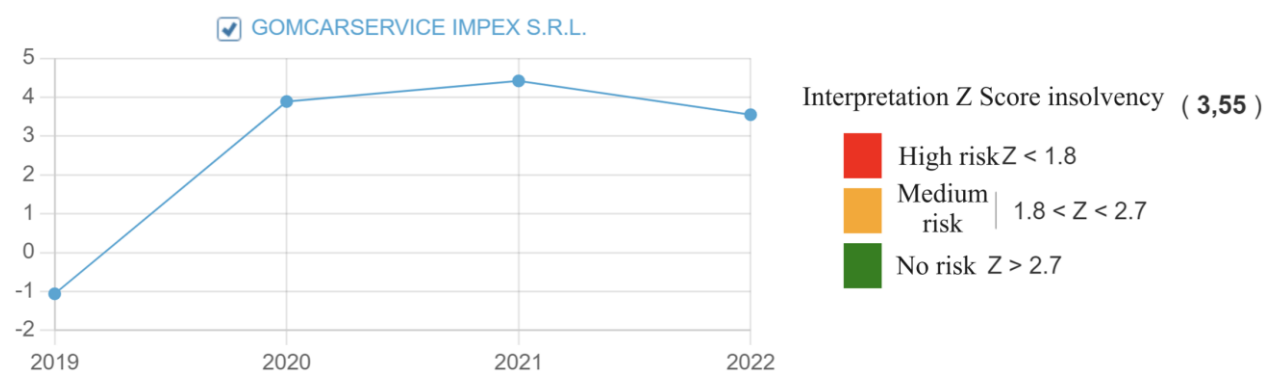


Figura 2 Altman Z Scoring Indicator at GOMCARSERVICE IMPEX SRL

The data presented in the previous figure shows that only in 2019 the company was at risk of insolvency, but from 2020 it exceeded the critical threshold and was no longer at risk, so at the end of 2022 the level of the indicator was 3.55%. In 2022 the productivity of employees was 92,080 lei (referred to turnover - turnover/average number of employees), which was lower than the previous year when a total of 121,927 lei was recorded.

In conclusion, the entrepreneur Gomoï Emanuel has successfully managed his small business, all the information accumulated throughout the project has been a real success, because he has managed to develop his activity generating profit year after year.

In Gorj County, the project also involved:

a. ZOOM COURIER SRL was established in 2021 and at the end of 2022 had an average of 2 employees with a financial loss of 19,134 lei. The company's turnover was 134,882 lei at the end of the financial year 2022.

b. Casa Dragomirilor SRL was established in 2019 and had an average of 2 employees. Although it is fiscally active in 2022 it does not present financial data.

c. PGD TRANS 88 SRL was launched in 2019 with an average of 2 employees, but at the end of 2022 it did not report any employees. Although it is fiscally active no financial data is identified, except a financial loss of about 7500 lei at the end of 2022, but it is ranked 4th locally.

d. IMT METAL TECH SRL was established in 2019, is VAT registered, has an average of 2 employees at the end of 2022, with a turnover of 180,632 lei and a net profit of 28,279 lei (with the mention that it was the first year that the company is on profit). In 2022, at the local level it occupies the 7th place by market share (0.6%), the first positions being occupied by the companies: INDUSTRIAL ENUMECA S.R.L., CNC TECH S.R.L. and ENOVA MECHANICS S.R.L. whose market shares exceed 30 percentage points. According to the financial data recorded at the end of

the financial year 2022, it is noted that the company is at medium risk of insolvency with an indicator value of 1.48%. It is concluded that the entrepreneur Troaca Ion Mihai has successfully managed his tasks.

e. THESCIENCEBOX SRL was established in 2019, it is not liable for VAT, it is tax active, at the end of 2022 it had an average of 1 employee with a turnover of 17,021 lei and 3rd place locally by market share held (4.74%), without being at risk of insolvency.

Since there are most companies participating in the project in Gorj county, we will list below some financial data about them, see table 1.

Tabelul 1 Gorj companies participating in the project - financial details

Societatea	Turnover 2022	Average number of employees	Local plan position	Percentage indicator Scoring Z Altman
SOUND OCTAVE SRL	273.665 lei	0	5	8,81 %
2D-3D DEVELOPMENT ART SRL	179.418 lei	2	19	4,79%
CROITORIA LUI CREANGĂ SRL	60.167 lei	2	18	-0,57%
EXPERTADV OUTDOOR SRL	721.469 lei	2	3	5,22%
ACDESIGURANTA SRL	-	0	33	-0,98%
RXMALEROX CONCEPT SRL	-	2	85	1,52%
TOPO MARVIAL SRL	200.629 lei	1	58	7,73%
PSIHOMITRULESCU SRL	2.160 lei	0	25	62,35%
ADMSTUDIO.RO SRL	1.597 lei	1	58	-1,16%
BIABAL DENTAL SRL	594.919 lei	2	13	28,39%
CANDLE LUXURY SRL	188.575 lei	2	2	9,34%
CHIRURGIA MĂINII SRL	93.477 lei	1	64	33,67%
EXCLUSIVE PLAY BRANDS SRL	299.370 lei	1	3	5,3%
DEP STDONE 2019 SRL	11.400 lei	0	46	0,07
NEW IDEAL DENT ALL SRL	296.580 lei	4	4	7,48%
PATRICRISFOTO PROFESSIONAL SRL	1.358.208 lei	2	2	7,25%
ANDELUZ SPICE SRL	392.642 lei	2	43	5,23%
MAGNETICHAIR 2020 SRL	145.716 lei	3	22	16,12%
GET MULTISOLUTIONS SRL	27.060 lei	0	31	4,79%
VISUITOR DM SRL	59.701 lei	0	112	2,08%
GORJBIZ SRL	103.562 lei	1	398	8,96%
HAIRART VOGUE SRL	17.350 lei	1	121	1,5%
888 ZONE ART SCHOOL SRL	125.218	2	5	2,87%
D&P MUSIC PRODUCTION SRL	-	-	-	-
PRIMAVARA DECOR SRL	691.653 lei	1	7	8,15%
URANTIA ASCENDENT SRL	98.441 lei	1	104	-0,44%
JC ASALTIS SRL	18.060 lei	1	5	0,01

All companies in Gorj were established in 2019, three of them do not present financial data for 2022.

Within Olt County participated in the project:

a. SPORTKINE SRL was established in 2022 and is not liable for VAT, we have not identified any financial data about it.

b. EDU TRIPS & TIPS SRL was established in 2019 and fiscally reactivated, it marketed its products through its personal website <http://www.edutt.ro/>, but it is not liable for VAT. At the end of the financial year 2022 it shows a turnover of 33,348 lei with a financial loss of 5,299 lei. According to its market share, it ranks 2nd locally and 2123rd nationally.

c. PLASTIC & PAPER COLLECT SRL which was launched on the retail market in 2019, is identified by CUI 40982281, in 2022 presents a turnover of 136,450 lei with an average of 2 employees and 10th place locally according to market share.

In Dolj county We will analyze the company FĂCUI SRL which was registered in 2019 and is a VAT payer. It markets its products through its own online website <https://xn--fcui-0sa.ro/>. The company has an average of 1 employee, which managed to increase its turnover from 92,415 lei in 2019 to 353,264 lei in 2022, resulting in a 122% increase in the last year alone compared to the previous one. At the same time, the entrepreneur who coordinates the company's activity managed to make a profit in the 4 years of activity, namely from the value of 96,164 lei net profit declared in 2019 reached the value of 266,260 lei at the end of 2022. The most financial debts at the company level were recorded in 2020, but at the end of 2022 the value of these was only 9,815 lei. Locally, the company ranks 33rd with a market share of 0.36% and a net margin of 75.37%, the first two positions are occupied by FABIO COMPROD SRL and IRCOM STYLE ICD SRL with a market share of about 26 percentage points and 11 points respectively. In 2022 at national level the company ranks 948th according to market share. And during the period of activity the company did not register any risk of insolvency see figure 3.

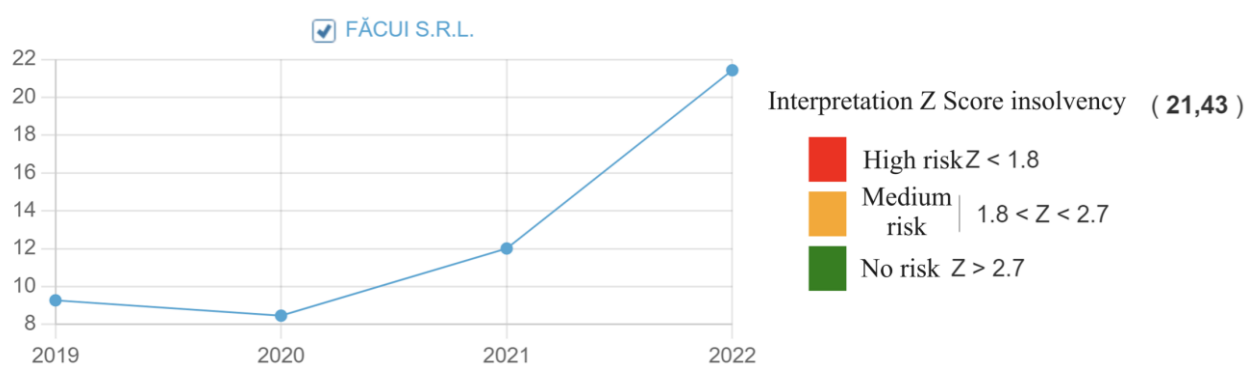


Figura 3 Altman Z Scoring Indicator at FĂCUI SRL

According to the data presented in the natural figure, it can be seen that in the period 2019-2022 the company was not placed at risk of insolvency, the net profit obtained year after year provides financial security to the company. The entrepreneur Saizu Radu successfully managed to implement the information assimilated during the project and thus coordinates the activity of his own company with great desire, and this is identified in the presented financial data. Employee productivity increased year by year, it reached the value of 353,264 lei in 2022, being double the one declared at the end of 2021.

Within the county of Dolj have also participated in the project:

a. ILIKE PRINT SRL which was established in 2019 is not a VAT payer and declared a turnover in 2022 of 298,312 lei with an average of 2 employees and a net profit of 35,165 lei. Considering the market share, it can be seen that the company occupied the 29th place at the local level with a share of 0.46% and the 2513th place at the national level, in the year 2022.

b. QUIN BEES SRL was launched on the retail market in 2019, it is not a VAT payer and in 2022 it ranked 4th locally according to the market share held.

c. ROMINSTAL SERVICE DMB SRL started operating in 2019, is not a VAT payer, and in 2022 had an average of 2 employees with a turnover of 135,431 lei and 92nd place on the sales market with a share of 0.06%.

In Mehedinti county we will analyze the company HITHUB SEVERIN SRL which was established in 2019 with an average of 2 employees, commercialized its services through its own website <http://www.hithub.ro/>, identifying itself with CUI 41041229, it is not VAT payer. When the company was established, it had a turnover of 18,100 lei, which increased in just 12 months by 356%, reaching a value of only 18,953 lei at the end of 2022, a decrease of 82% in 2022 compared to the previous year. Throughout its existence, the company recorded financial profit, in 2019 it was 5,490 lei, a value that decreased slightly in 2020 to 4,232 lei, later it increased extremely much

by 1225% reaching 56,065 lei, but decreased to the value of 815 lei in 2022. In 2022 the company ranks 2nd in terms of market share (1.53), the first place being occupied by ASPHALT ROUTE EXPRESS SRL. At the national level, the company is ranked 564th.

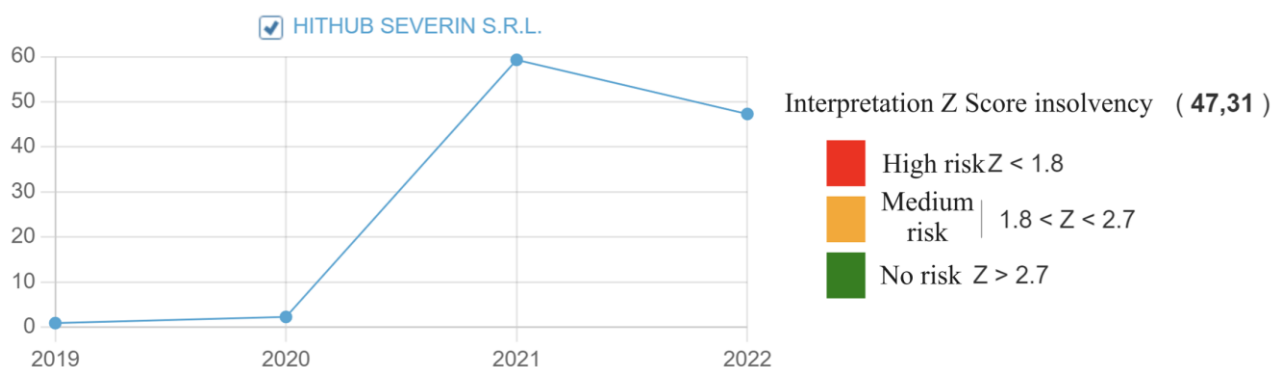


Figura 4 Altman Z Scoring indicator at the company HITHUB SEVERIN SRL

According to the data presented in figure no. 4 it is found that the company was at risk of insolvency in the first year of analysis, but since then it is on the right path, the entrepreneur Deac Vasile applied the best strategic decisions that led the company's activity to success, the value of the insolvency indicator is 47.31% in 2022, which ranks the company in the risk-free zone. Employee productivity was 103,480 lei in 2021, and for 2022 the value increased and will continue to increase in 2023.

Within Mehedinți County also participated in the ALTEO project DR. ZAHARESCU SRL has its own online site <https://drzaharescu.ro/> for the commercialization of the services offered, with an average of 2 employees in 2022.

4. Conclusions

Entrepreneurship involves the willingness to take the leap, to work hard, to sacrifice everything around to solve a problem that cannot be solved by anyone else. Entrepreneurs solve countless problems with care, enthusiasm and energy. It allows you to learn an incredible amount in life and maximize your impact on the world because you have to deal with the most difficult problems.

Being a successful entrepreneur involves having a proper plan and a vision of the basic idea, but when the plan fails and there is only the vision, he still tries to make the idea succeed. He also knows when to give up, when the idea doesn't work because of external forces. In conclusion, being an entrepreneur means focusing only on the business idea itself, even if it is a risky one, involving many hours of work, sometimes even by yourself, but all these things lead to your own successful business, without think at least once about giving up. Over time there has not been identified a typical method in becoming an entrepreneur, because there is none, their only traits include: passion, ambition and the desire to build an empire from what others see only as a failure. Start-up entrepreneurs solve a problem that many people struggle with every day, bring people together in an unprecedented style, or develop an innovative idea that culminates in a successful product. Entrepreneurial mindset implies a person's attitude towards building an independent business. This means keeping an open mind and questioning everything to create something unique and innovative.

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