

ENTREPRENEURIAL SUCCESS – BETWEEN EXPERIENCE AND OPPORTUNITY

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Often, the issue of entrepreneurship is analyzed more in terms of the skills of the person in question and less in terms of secondary factors. However, one cannot neglect the role of luck in achieving success, nor the capitalization of the right opportunity at the right time. Although long-term success is clear that it cannot be ensured in the absence of financial, human, material or informational resources, time plays an essential role in consolidating an idea, as well as in ensuring a sustainable character, but it also becomes important. conjuncture. This paper addresses the issue of entrepreneurial success from two points of view, on the one hand through the prism of theory, on the other hand through a case study that can only be the stage for launching a more detailed research.

Key words: *business, entrepreneurship, luck, opportunity, success*

JEL Classification: *L21, L26*

I. INTRODUCTION. THEORETICAL BACKGROUND

Analyzing the issue of entrepreneurial success is not an easy goal to achieve, given that this aspect is subject to a very wide range of influences from outside and beyond. It “has many faces and can be measured using various methods” (Wach, 2010), being discussed from an interdisciplinary point of view, bringing together connections from the sphere of economics, psychology, sociology (Perez and Canino, 2009).

“The entrepreneurial spirit may develop in any economic sector and any type of business” (Tănase and Tănase, 2010). The literature includes various approaches in this respect, talking about both the need for adaptability (Morris, Altman and Pitt, 1999) and the use of opportunities at the right time, but this approach is not enough. It is necessary to consider on the one hand the qualities of entrepreneurs, the ability to make decisions, as well as the desire for achievement (Say, 1971, McClelland, 1961, in Makhbul, 2011). Entrepreneurial success is also perceived through the prism of “tangible elements” such as “profitability, sustainability or turnover” (Makhbul, 2011), being introduced the very notion of strategic entrepreneurship (Cappiello, 2015).

Moreover, some researchers identify a less debated connection, by adding to the recipe for entrepreneurial performance an ingredient known that is too little mentioned by the traditional economic literature, namely the element of “luck” (Liechti, Loderer and Peyer, 2009). Its importance is not denied, but cannot be measured as an independent indicator, its quantification being done rather in terms of effects. Thus appears the phrase “unexpected performance” (Liechti, Loderer and Peyer, 2009), but, nevertheless, the economic definition of this term, otherwise generic, remains imprecise.

This happens because what an entrepreneur might consider as “luck”, may constitute another's perspective as a coincidence or accident, or a whole conglomeration of factors, which, put into context at the right time, would generate the positive effects that determine performance. Luck can be considered as the element that makes the difference between entrepreneurs who have good ideas and successfully implement them, respectively those who have good ideas, but fail along the way. But, at the same time, we could debate whether luck is just a coincidence or, on the contrary, in turn, it can be determined by a series of other secondary factors, based on the idea that “man makes his own luck”. These factors can be, on the one hand, a good education, which can open the right doors in certain areas, but also the right relationships, the necessary information, a greater openness to risk and change, etc.

This issue is therefore debated in terms of the need for adaptation in time more than “having the right concept from the start or being in the right place at the right time” (Morris, Altman and Pitt, 1999), but it is often debated also as the obligation to have a specific set of qualities or attributes, indispensable to the potential entrepreneur, to guarantee a sustainable and successful business path in the future. However, we cannot deny that personal qualities alone, even developed through a continuous process of professional development, are not

enough to achieve success in business. A whole complex of factors brings its contribution, an essential aspect being represented by the element "time", which can even be considered an indispensable neo-factor.

Angel, Jenkins and Stephens (2018) state that "the most common criteria entrepreneurs use to define success are personal satisfaction and wealth creation", each of which can have a personalized approach, especially taking into account that personal satisfaction, for example, is a subjective aspect, directly dependent on personality, ambitions and individual goals.

Other authors (Wasdani, Mathew, 2014) indicate a direct link between entrepreneurship and the recognition of the right opportunity to launch and develop the business, also questioning whether opportunities are created or discovered. "Opportunities for entrepreneurs in developing countries are broader in scope than in developed markets" (Lingebach, de la Vina, Asel, 2005), the specialized works identifying three main aspects (Dyer, Gregersen, Christensen, 2008), namely:

1. Recognition of opportunity - by connecting new products with an existing opportunity;
2. Discovering the opportunity - by knowing the demand, which stimulates new research;
3. Creating the opportunity - where neither the demand nor the products exist, and the entrepreneur participates in their creation.

"Individuals are continuously involved in opportunity recognition" (Wasdani, Mathew, 2014), entrepreneurs "seeking opportunities in an economy in which they are working" (Shafique et al). Regardless of the way it is defined, whether it is perceived as "a course of action that is possible and worth pursuing" (de Bono, 1978), a vision which involves a searching preview of the mechanism of translating the concept into reality with an industrial setting" (Hulbert, Brown and Adams, 1997), the importance of recognition of opportunity by entrepreneurs is confirmed by examples of good practice.

According to Badal and Clifton (2014), successful entrepreneurs prove a system of 10 talents: business focus, confidence, creative thinking, delegation, determination, independence, knowledge seeking, promoter, relationship building, risk taking. Maticiuc (2015) states that "greater efforts are needed to stimulate innovation because businesses are a key factor in terms of success in innovation and they should be encouraged to generate excellence".

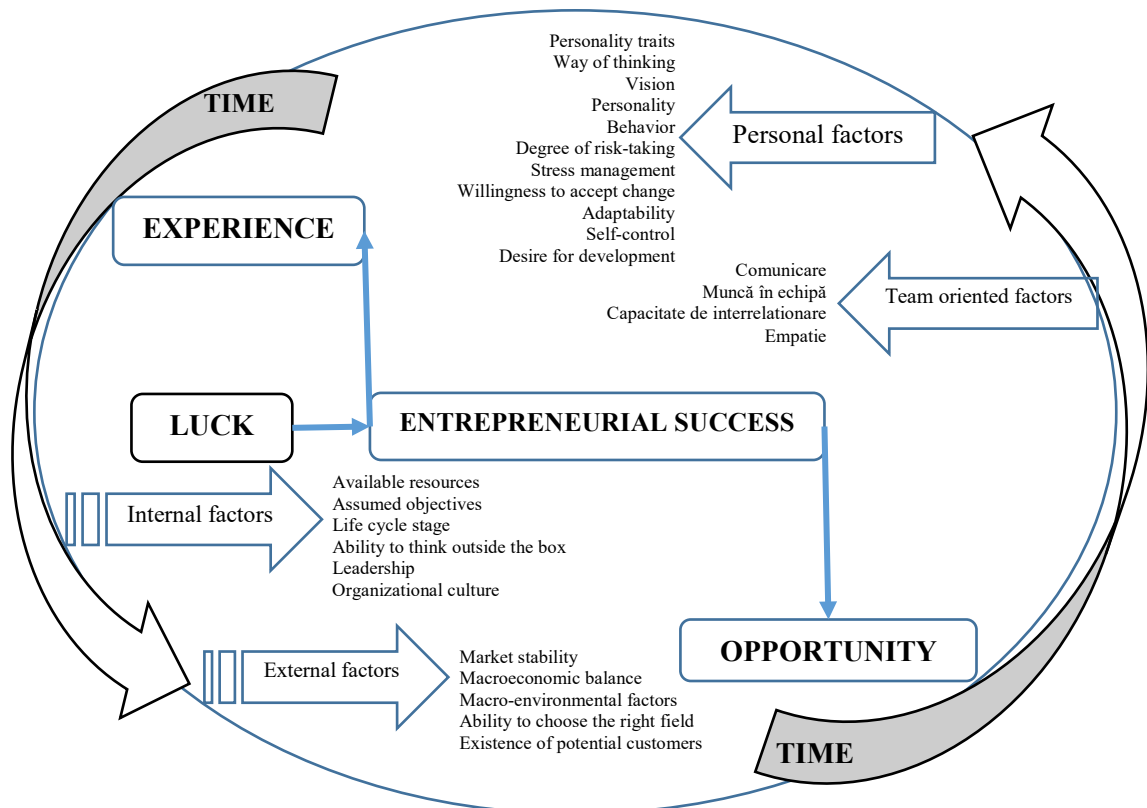


Figure 1 - Defining elements of entrepreneurial success

Source: made by the authors based on the information identified in the sources presented in the bibliography section

In terms of opportunities, Morris considers that they are rather "fluid and move in new directions"

(Morris et al, 1999), reasons for which they must be identified in time, given their dynamic and temporary character. The elements mentioned above, however, are complemented, of course, by the micro-environmental factors, with which entrepreneurs must establish constant links, given that each variable influences to a greater or lesser extent the development of the business, being essential each of these to be taken into account in shaping the long-term strategy.

We could thus extrapolate these ideas in the form of a regression equation, starting from the relation $y=f(x_1, x_2 \dots)$, where the theoretical model can be replaced with a model of statistical dependence $y=f(x_1, x_2 \dots) + \epsilon$.

Given that the number of factors is large, we distinguish a multifactorial regression. The present paper thus represents only the first part of a larger study, in which we will analyze the correlation between the component elements of the figure above.

As a premise of this study, in order to identify exactly the hypotheses that have to be demonstrated, we present below, in the third part, the results of a study conducted in Resita, on the development prospects of the city through entrepreneurial initiatives. Starting later from these results, we will study through a regression equation, the level of dependence of the factors, taking into account not only the items identified from a theoretical point of view, but also those obtained at the applicative, practical level.

II. WHAT DOES THE STATISTICAL PICTURE OF THE BUSINESS ENVIRONMENT LOOK LIKE?

We cannot deny that entrepreneurship has a considerable impact on the labor market, respectively the general level of development of a state. Kritikos recalls as strengths of the idea of entrepreneurship: the introduction of new innovations or technologies, stimulating competition, providing new jobs, increasing productivity, respectively ensuring an increased dynamics of the business environment, the negative aspect being the existence of a high level of bankruptcy risk. From the perspective of jobs, the importance of entrepreneurship cannot be denied, as long as “unemployment is a subject targeted by the macroeconomic policies of any country” (Tănase, Tănase, 2018) and “the psycho-socio-technical system expresses the relationship between man and labor at the level of the productive or service companies” (Minică, 2017).

A partially relevant indicator, which gives us an overview of the development of the business environment is the number of registrations made in a certain period of time. However, the picture is not complete if we do not make a parallel comparison of the total number of business erasures performed in the same time frame. On the other hand, we are talking only about a general evolution, in terms of numbers, without taking into account economic-financial results.

“New firms must start somewhere” (Ewing, 2008). The information available online on the website of the National Office of the Trade Register shows the following distribution of the number of new registrations made between 1.01.2020 - 31.01.2020, compared to the same period last year:

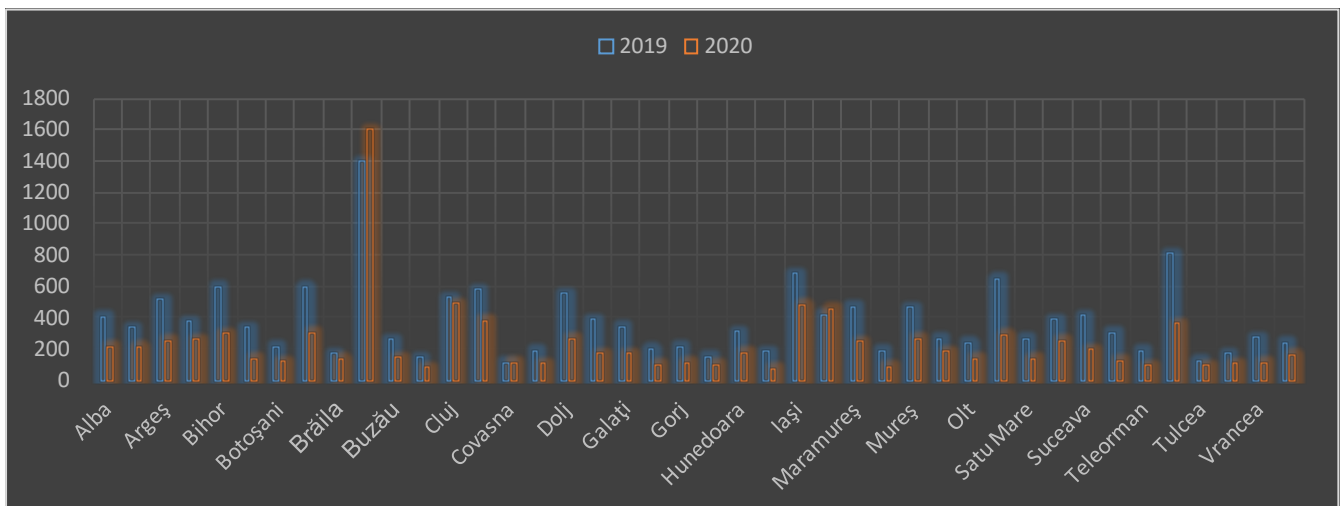


Figure 2 - Number of new business registrations

Source: authors' own processing, according to the information available on <https://www.onrc.ro/index.php/ro/statistici>

We therefore observe a much lower level in 2020, compared to 2019, Bucharest being one of the few cases in which we can identify an increase in the number of new company registrations. The dynamics of registrations, on the other hand, can be represented as follows, the negative results indicating significant

decreases especially for the counties of Bistrița - Năsăud, Ialomița, Sălaj and Vrancea:

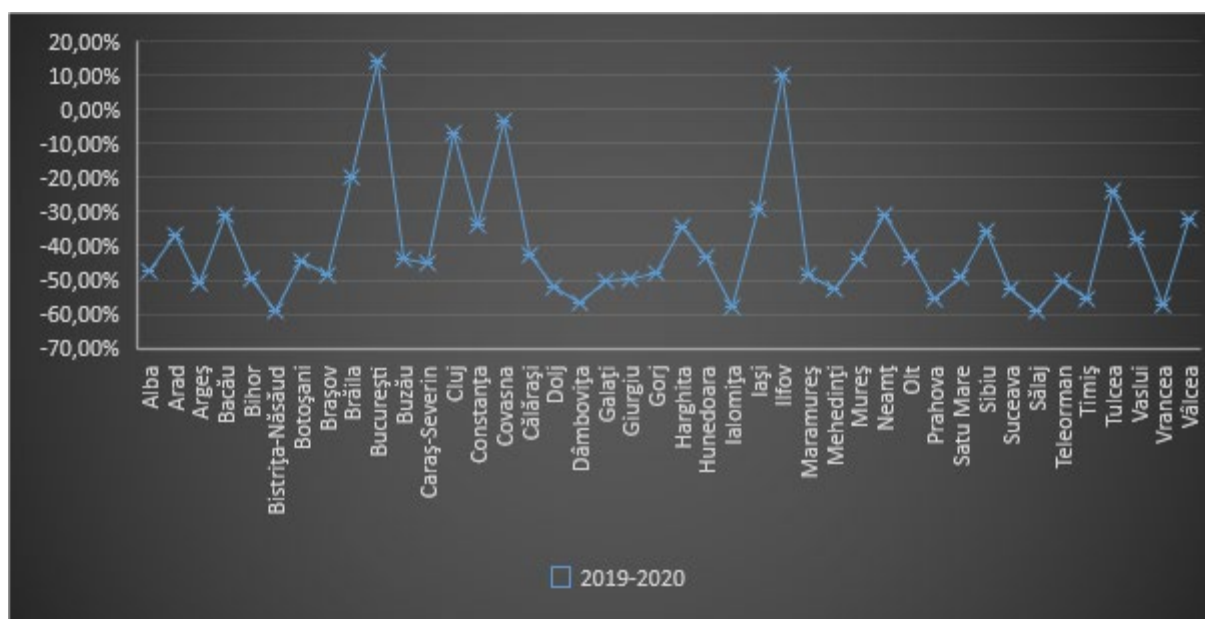


Figure 3 - The dynamics of new business registrations

Source: authors' own processing, according to the information available on <https://www.onrc.ro/index.php/ro/statistici>

III. STUDY REGARDING THE DEVELOPMENT PERSPECTIVES OF REȘIȚA MUNICIPALITY THROUGH ENTREPRENEURIAL INITIATIVES

Research objectives and methodology

Continuing the topics previously discussed in this paper, we further present the results of a research conducted regarding the prospects for the development of Resita through entrepreneurial initiatives.

As a first step of the research, we established a general objective of the paper, namely: studying the perception of the respondents regarding the development potential of Resita, through entrepreneurial initiatives. Next, we outlined some specific / secondary objectives, these being:

- SO1 - identifying the level of familiarity of the respondents with the notion of entrepreneurship
- SO2 - identifying the respondents' perception regarding the development perspectives of entrepreneurial initiatives in Resita
- SO3 - identification of those fields or branches of activity that are insufficiently developed in Resita
- SO4 - determining the main obstacles in the development of entrepreneurship
- SO5 - identifying respondents' perceptions of the reasons that would determine or prevent them from accessing European / governmental funds for business development
- SO6 - selection of the socio-demographic factor with the greatest impact on the development of the business environment in Resita
- SO7 - determining the preferred form of association in a business and motivating the choice made
- SO8 - identifying the respondents' perception regarding the minimum period necessary for the development of a business and the elements necessary for its consolidation.

In order to obtain the most relevant conclusions from the above mentioned points of view, we conducted a questionnaire-based survey. It was administered between December 2019 and February 2020, on a sample of 102 respondents, residents of Resita. The administration of the questionnaire was online, the tool used being Google Forms. The questionnaire included a number of 17 questions, of which 13 content questions, respectively 4 questions to identify the respondents. All the questions were closed questions, with unique answers, in order to simplify the data collection process, but also to avoid possible errors resulting from not filling in certain answer fields, in case the respondents should have expressed their personal opinion. From the experience of previous articles, we have concluded that such questions have a lower success rate because respondents are reluctant or less willing to express their own answer. The disadvantage of the online administration of the questionnaire consists mainly in the fact that we do not have a control over the typology of the respondents, raising the issue of representativeness, but this aspect can be later studied through statistical quantities, depending on the typology of

answers.

The analyzed sample included 74% females and 26% males, the age structure indicating 18% respondents aged between 25 - 35 years, 42% respondents aged between 35 - 45 years, 22% of people aged 45 to 55 years, 16% of respondents are under 25 years old, while 2% are over 55 years old. Most respondents declare a level of higher education (84%), 10% - high school education, and 6% have post-secondary education. 91.8% of respondents declare an employee status, the remaining 8.2% being unemployed.

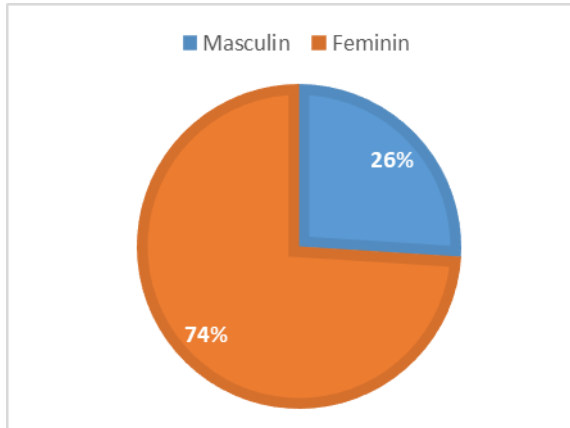


Figure 4 – Sample structure – gender

Source: developed bu authors

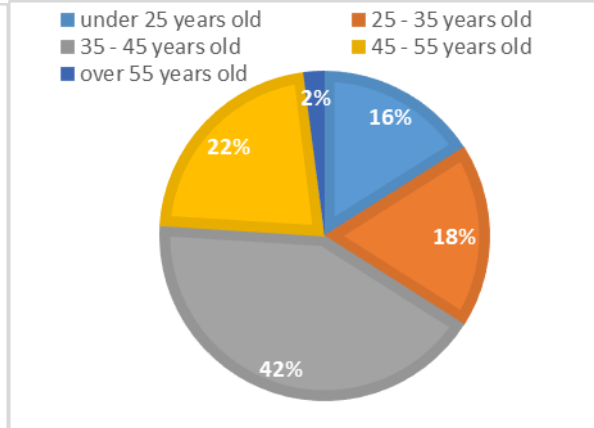


Figure 5 – Sample structure – age

Source: developed bu authors

IV. RESULTS AND CONCLUSIONS

The term entrepreneurship is no longer unknown, implying various definitions in the literature. Respondents thus associate the term business (54%) and business initiative (32%), respectively, with the notion of entrepreneurship, while 18% identify self-employment as a synonym for this concept. Even if it is not considered to be identical as a term, the link between management and entrepreneurship cannot be ignored, 10% of respondents indicating it as a term associated with the later, respectively as a determining factor of entrepreneurial success.

More than half of the respondents thus associate the actual existence of the business with entrepreneurship, while the perception of others is limited only to the early stage of starting a business, which can be subsequently implemented or not. Confirming the approach in the literature, where we find the phrase manager-entrepreneur, we find that 10% of respondents identify management as a basic element for a positive path, from idea to business implementation, continuous and hard work is a derivative mandatory in this regard.

It is no secret that the city of Resita is currently facing a development deficit from an entrepreneurial point of view. Although it is a county municipality, its level of development cannot be compared with that of the other municipalities of the component counties of the West region, being far behind Timișoara, respectively Arad. Although there are areas poorly represented as business in the city, the potential for revitalizing the business environment exists, but poor development is determined by a whole complex of various factors: low purchasing power of the population, rather poorly paid jobs, business initiatives relatively few, the tendency of young people to migrate to other areas of the country or even to emigrate, distrust of the national legislative system, all these being elements that intercondition each other, forming a vicious circle from which it is very difficult to escape.

From this point of view, the respondents demonstrate a realistic - pessimistic attitude, their perception regarding the existence of development prospects for entrepreneurial initiatives in Resita being as follows: 48% associate an average level of prospects, 28% considering that development is possible to a small extent and 6%, to a very small extent. A rather small percentage, of only 18%, demonstrates a higher level of optimism, stating that Resita's development prospects are largely possible through entrepreneurial initiatives, but none of the respondents is so optimistic as to be confident to a very large extent.

Approached from this perspective, we find that success in business depends largely on the perception and trust of potential customers. Mutual support for business ideas becomes essential for rebuilding the local business environment and ensuring long-term sustainability.

An analysis of the areas of activity at municipal level leads us to the conclusion that there are quite large discrepancies in terms of their development. Thus, most of the respondents indicate tourism as an underdeveloped sector, although the proximity of tourist objectives is a great advantage for Resita. Potential

exists, therefore, because the area has such attractions, which could make an increased contribution to the development of this branch of activity, but even today, although there have been development initiatives, the combined private and public effort is not enough to achieve an appropriate position on the national economic map. 64% of respondents believe that entrepreneurial initiatives could be more significant in this area.

Other areas mentioned as insufficient or poorly developed are services, mentioned by 50% of respondents, but also industry (46%), which turns into a paradox at the moment, taking into account the history of the city and the fact that the tradition, as well as the whole life of Reșița municipality have as starting point the industrial field. In addition are mentioned transportation (16%), interior design (16%) and construction (10%), which respondents indicate as areas that could benefit from future developments.

Most respondents agree that the development of entrepreneurship faces obstacles or barriers, which do not allow a good expansion of activity in certain areas. Some of these obstacles are external in nature, largely dependent on external environmental factors, while other obstacles are largely related to the person of the entrepreneur.

Changes in the labor market in recent years, as well as the general trend towards emigration, have led to over time when there are problems with the provision of skilled labor. In fact, the highest percentage of respondents to this study, namely 44%, consider the lack of labor as the biggest obstacle to the development of entrepreneurship. However, we cannot ignore the bureaucracy, mentioned by 42% of the respondents, who consider that it makes the process of setting up a new business very difficult, especially the subsequent course. At a considerable distance are those who consider that the obstacles belong exclusively to entrepreneurs, who would not have the necessary training or qualification in the field in which they want to start a business (34%). On the other hand, inadequate infrastructure as well as lack of financial support are recognized as obstacles or barriers by 32% of respondents. Poor communication with the authorities is also mentioned by 10% of respondents. What we can observe, therefore, is that financial resources would not be a barrier for an entrepreneur, other factors intervening negatively in the process of setting up and developing a business, more than the aspect of money.

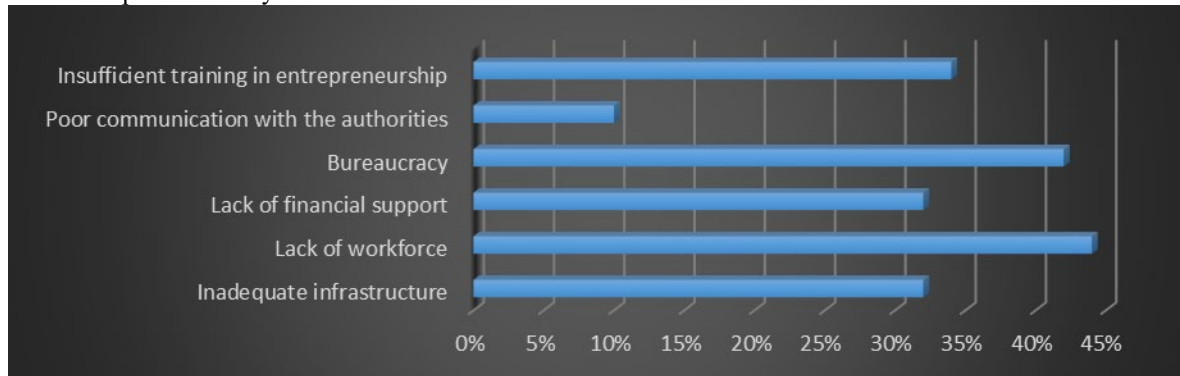


Figure 6 - Obstacles / barriers to entrepreneurship

Source: developed by authors

The issue of funding is recognized as quite easy to solve, given that there are numerous funding possibilities, both through European and government funds. When asked what would be the reasons for accessing such grants, the majority of respondents indicated (72%) the desire for financial independence, while 22% of respondents would use these resources to purchase the equipment necessary to carry out the activity.

The business success of well-known people is itself a motivator for potential entrepreneurs, even if the percentage of respondents who refer to this aspect is quite small (4%). However, the intention to start a business can be largely driven or stopped, depending on the financial resources available to the entrepreneur at a given time. In this regard, one option may be to access non-reimbursable funds, but potential entrepreneurs do not always turn to them. Among the reasons that contribute to the choice of an entrepreneur to use these resources is also the fulfillment of a passion (16%).

However, each such step also involves risks, which only some entrepreneurs are prepared to take. However, entrepreneurial success depends to a large extent on the courage shown by an entrepreneur, being conditioned by the level of risk that he is prepared to take. The factors that would prevent an individual from accessing such funds are diverse, but the one mentioned to a greater extent (56%) is bureaucracy. A share of 32% of respondents mention the difficulty of reaching the indicators as a reason that would discourage them in the process of accessing non-reimbursable funds, 30% show a general fear of risk, not being ready to assume, while 22% of those who answered the questions of the study fear the prospect of a failure in business.

In the respondents' perception, the development of the business environment in Reșița is in a direct and strong relationship with the socio-demographic factors. According to the respondents, the tendency of the inhabitants to emigrate has the greatest impact (52%), but a negative effect is shown by the decrease of the

population from a demographic point of view (34%), the aging of the population (32%), respectively the lack of education. (22%). Each of the response options is a major problem both socially and demographically. Thus, the decrease of the population from a numerical point of view, respectively its aging character does not offer the perspective of continuity in the entrepreneurial field, the emigration tendency (52%) affecting from multiple perspectives the business environment, on the one hand at managerial level, by losing confidence in develop a business in the country, on the other hand at the level of execution, by emigrating qualified people in certain basic fields (construction, medicine, etc.). If the "gray eminences" leave the country to contribute to the progress of other countries, the percentage of uneducated people who choose to stay but have no intention of starting a business will certainly increase.

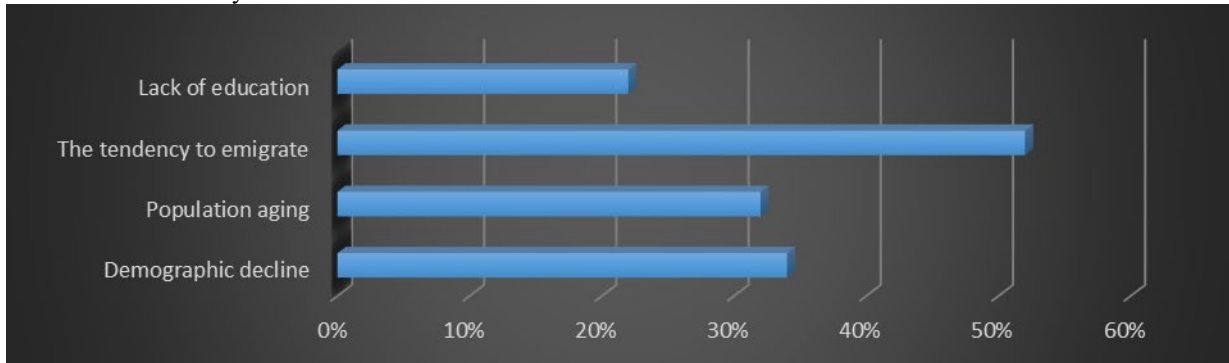


Figure 7 - Socio-demographic factors with an impact on the business environment

Source: developed by authors

Asked which form of organization they would prefer for their own business, respondents believe that a higher level of success is guaranteed by the form of organization that includes a sole partner, 72% of them opting for such a form of organization, only 28% indicating the need to involve two or more entrepreneurs to ensure business success. In the case of the first option, to be the sole shareholder, the reasons that contribute to the adoption of this form by entrepreneurs to the detriment of the other are closely related to the fact that association with other people leads to profit sharing on the one hand (20%), either they do not have enough trust in partners (35.9%) or do not want to limit their independence in decision making (48.7%).

The success of the business is perceived to be closely related to its sustainability over time. Thus, 44% of the subjects consider that the estimated time to transform an idea into a sustainable business is 2 years, and a percentage of 8% consider that a period of 6 months is sufficient. However, the sustainability of a business is approached differently by the people who answered the questions in the study, 24% of the respondents mention a term longer than 2 years. We find only in a percentage of 8% a perception of the respondents according to which the profitability and sustainability of a business are objectives to be achieved in an average time horizon, of only 6 months.

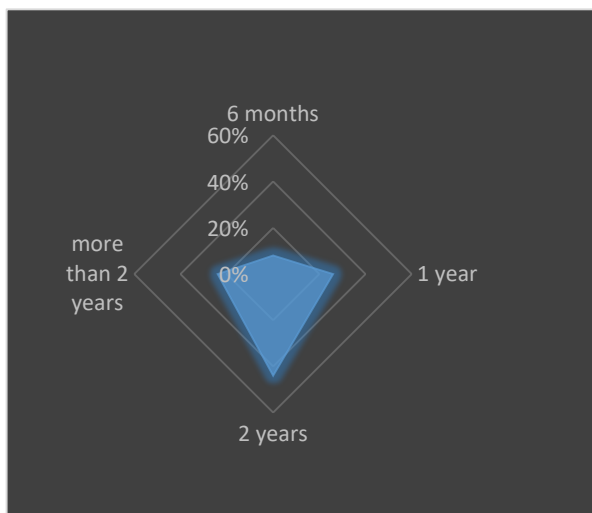


Figure 8 - The time needed to ensure the sustainability of the business

Source: developed by authors

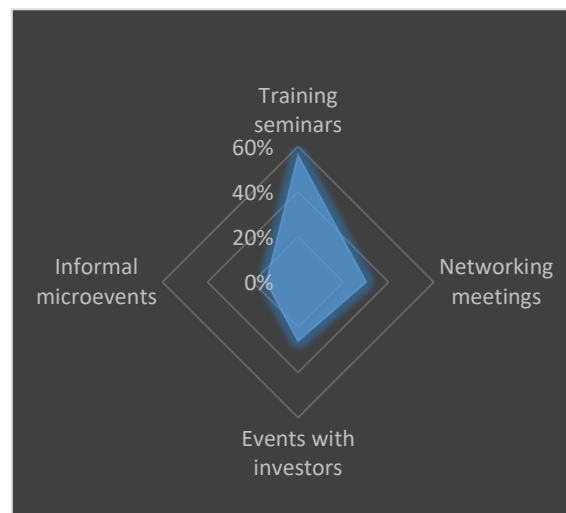


Figure 9: Events for entrepreneurs

Source: developed by authors

However, professional development becomes a mandatory criterion for any entrepreneur who wants to achieve good results in their work and extinguish long-term success. Among the interviewed subjects, a percentage of 56% mentioned that they would be interested in training seminars, and a percentage of 14% are interested in informal micro-events and feedback, but respondents take into account, from the perspective of usefulness, both meetings networking with people with similar ideas, with initiators of START-UPS (30%), as well as networking events with potential investors (26%).

In order to increase and support the entrepreneurial environment in Resita, as well as to strengthen it in the coming years, 54% of respondents reported that the reduction of bureaucracy would significantly support the entrepreneurial environment, while 30% believe that the average more ethical business, with respect to contracts and the word given helps to grow and consolidate business. Respondents believe that the entrepreneurial environment in Resita would in the future, in order to increase and consolidate, primarily reduce bureaucracy (54%).

A close percentage registers the desire to invest in entrepreneurial education, fiscal stability and shaping a more ethical business environment, each of these three variants being mentioned by more than 30% of respondents.

What defines a person as an entrepreneur? The answers are varied. The majority of respondents (64%) indicate the freedom and desire to be their own master as the main defining elements for a future entrepreneur, 24% of respondents mentioning the desire to gain more experience in the field, but also the attitude towards difficult problems, and the ability overtime is considered a basic issue by 8% of respondents.

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