

MANUAL ON STEPS TO SUCCESS

Brochure No. 1, winter 2017



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FOREWORD

Despite the common European gravity towards collectiveness on all stages and in the majority of circumstantial constellations in diversified societal and political mash-ups, it is inevitable to bias towards fragmentation and “individualism” when it comes to the economic stability, sustainability and development on micro level. In order to be able to afford continuation of stable economic flow, European policies and practices started aiming at engagement of the capital in knowledge, creativity and innovative approaches kept as the offer from citizens in the shadows of oftenly quite different European states’ systems.

Through the highlighted will to support enterprises from the phase of their inception, through incubation to commercialisation and systematic investment in entrepreneurial education and its modalities for various groups, consensus between citizens and governments is made in order to provide mutual support for common good.

The non-profit sector in the field of youth encompasses an incredibly rich array of groups working on different kinds of issues. In recent years there's been an explosion of interest in entrepreneurship, for example. Non-profits operate in-between the entities of larger national authority or credibility, existing somewhere between where government leaves off and the private sector stops short.

With the increased demand for infusion of the topic of entrepreneurship in youth programmes, based on the necessity to involve all possible actors of society in the tendency towards European economic growth, project “Small enterprise, big success” was set up as one of the mechanisms to involve more than 100 representatives of 10 partner organizations from 9 countries from the EU and South East Europe.

With the objectives to primarily widen and exchange the knowledge, foster skills development and experience exchange; foster creativity, competitiveness, and sense of initiative toward self-employment through creation of small or micro enterprise and create a network of organizations, fostering mutual cooperation and future actions through youth programmes – one of the tangible results planned was “Manual on steps to success”.

This “Manual on steps to success” was calibrated to be the output in digestable format for target groups in somewhat broader sense: to be comprehensive enough for both young people, youth workers and beyond – early business thinkers or business starters.

The completion of it would not be in any way possible without the true dedication, patience and endurance of management members of partner organizations, participants, trainers and external experts, so I express my deepest gratitude for kind support me and my team received.

In Surcin, January 2017

President of Best-seller as the coordinating organization

Tamara Petrovic



The importance of youth work and non-formal education in supporting the development of entrepreneurial skills

Aleksej Stepanov and Katarina Ilic

Entrepreneurial skills are not easy to be clearly defined, as they are somewhere in-between or overlapping with those that are called soft skills and transversal skills, also falling under the umbrella of key competences.

Generally, entrepreneurial skills can be picked from the hat and clustered together if we assume that these are those needed for starting up and sustaining a business. We may argue which of these are more or less important, but surely they are all necessary in different phases of our own or the development of our businesses or for what is worth – good care of our own economic state.

Youth employment is a priority for the European Union. One of the biggest challenges that youth is facing today is the economic and social crisis, a scenario that has had a major impact on the life of all European youngsters, challenging them to struggle with unacceptable youth unemployment rates and the decrease of quality education, training and job opportunities. These facts have intensified the difficulties a young European person faces when transitioning from education to working life.

The statistics shows:

- More than 1 in 5 young people on the labour market cannot find a job.
- 7.5 million young people (aged 15-24) are not working, are NEET neither in education or training.
- 30.1% of the unemployed under 25 have been out of work for more than 12 months.

Modern, knowledge-based economies require people with higher and more relevant skills. CEDEFOP forecasts predict that the proportion of jobs in the EU requiring tertiary level qualifications will increase from 29% in 2010 to 34% in 2020, while the proportion of low-skilled jobs will fall in the same period from 23% to 18%. Transversal skills such as the ability to think critically, take initiative, problem solving and working collaboratively will prepare individuals for today's varied and unpredictable career paths.

Most employers believe soft skills are important to their business and over half rated them more highly than academic qualifications. It was estimated that soft skills contributed £88 billion to the economy, and will increase to £109 billion over the next five years.

A recent survey of more than 500 business leaders from across Europe found that most (54%) think young people lack 'soft skills' such as confidence, teamwork, self-motivation, networking and presentation skills.

What we want to solve: There are five critical skills most likely to increase odds of success across all outcomes and which employers expect employees to have: social skills; communication; and higher-order thinking skills (including problem solving, critical thinking, and decision-making); supported by the intrapersonal skills of self-control and positive self-concept.

Interaction at EU level allows member countries and partner country to learn from each other about what works and what doesn't. The EU can point up existing policies or systems that are successful.

Efforts to encourage young people to study, work or volunteering in another country – giving them more job, more projects and traineeship opportunities – are most effective at EU level.

Development of transversal skills is coherent with goals of the European Union in terms of larger occupational mobility and increasing employment through entrepreneurship activities. In addition, the development of these skills is compatible with the concept of lifelong learning as one of the governing principles of the European Union.

The Europe 2020 strategy recognises entrepreneurship and self-employment as key for achieving smart, sustainable and inclusive growth.

The aim of this transnational EU cooperation is to promote a better cooperation and regional development by a joint approach to tackle common issues.

The results clearly demonstrate that participation in Erasmus+ programs impacts multiple areas for Participants, project leaders as well as organizations. Participation has an effect on the behavior, attitude and skills of the participants.

With recently newly born excellent and very successful programmes implemented over the last couple of years by various European institutions in view to stay in tune with the latest trends in education that involve sense of initiative and entrepreneurship as the focal points, the positions and possibilities of youth have greatly improved, giving them the opportunity to go out into the world, meet new people, new perspectives, learn and master new skills necessary to scale up their employability; gain new experiences and generally make them better equipped to tackle the adult world and economic realities. But does the responsibility of improving the lives of young people lie solely on their governments, the European Commission and institutions alike? We don't believe so. In accordance to the EU Youth Strategy 2010-2018, A new skills agenda for Europe – Working together to strengthen human capital, employability and competitiveness, Social agenda 46 – Boosting youth employment and other national papers together with building on our previous experience – We believe that organizations in Europe,

dedicated to working with and for youth, should take the necessary steps to improve their capacities, re-evaluate their previous work, learn from past experiences and genuinely and whole-heartedly work on establishing new and higher standards of their future work, therefore making a greater impact on their respective communities and the lives of young people they work with and a greater and long-lasting contribution to the quality of their programmes aimed at development of entrepreneurial skills and knowledge uptake for years to come.

Time and effort should be taken to improve the capacities and enable the aspirations of organizations and institutions so they can contribute to and benefit from carrying out higher quality projects, thus ensuring more opportunities and higher standards of non-formal entrepreneurial education for youth in their communities and around Europe.

So far so good.



Start smart – overview of the work from training and workshop sessions

Mirjana Opacic

Entrepreneurship has become one of the key interests of youth, mostly due to the streamlined promotion, funding and support on behalf of individuals and institutions on different levels. Less and less young people are interested to be part of predefined system, strongly believing in realization and success of their own ideas. Young people are more courageous to step into entrepreneurial waters and create their own future. They are open towards their own ideas and creativity in innovation. Their visionary and willingness to take a chance could play a key role in further development of the society.

The group training was carefully planned in order to tackle all parts of entrepreneurial structure. Content was adjusted towards different levels of experience of the participants. They were introduced to:

1. The main features of entrepreneurship with realistic examples from the participants' environment

Introductory part of the training was aimed to give basic principles and to raise their interest to the subject by giving practical examples focused on successful stories of the companies that they are familiar with. Involved persons showed great interest in the background of locally known companies' history. After the images shared and discussion participants agreed that despite of the various activities of these companies, all of them have some crucial facts in common:

- None of them had an easy road to success
- All of the deliveries to the market in the form of new product/service were innovative or they had some innovative improvement of the existed products/services
- Hard work and strong belief in success
- Nurturing vibrancy, good will, joy and satisfaction while working and delivering results.

2. Characteristics of entrepreneurs and private enterprises

The aim of this training segment was that through panel discussion participants go through the set of main features that drives entrepreneurial spirit. Accent was especially given to the fact that entrepreneurs are creators of a new working place – they are one of the main economic and societal progress contributors in present time, starting from local, through regional, national and moreover – transnational level.

Entrepreneur



- Forward-looking
- Convinced in his/her capability and success
- Responsible
- Willing to risk
- Very dynamic person
- Skilled in organizing and motivating people (boss vs. leader)
- Expects to prove his/her own value through earnings

The benefits of running a private enterprise

- I'm doing what I love and I enjoy it
- I have control over my life and destiny – depends on me!
- Distinction from others
- The possibility of achieving its own full potential and unlimited profit
- Contribution to society and recognition based on effort
- Your ideas translated into action, successfully implemented resulting in new work place

Disadvantages of running a private enterprise

- Long working hours and hard work
- Precarious revenue
- Risk of loss of invested capital
- Lower quality of life till the establishment of a business
- Stress

3. The generation of new ideas and its development

The group went through the process from new idea generation to the realization. They were introduced to the main issues that should be worked out before they step into the realization (launching) of their own business.

Main aspects:

- There is no bad idea
- Think in visionary way
- Time – commitment to the business, balancing obligations towards business and the family, the time required for business to generate profit and to reach planned market position
- the importance and significance of associates – choose your team

4. Key challenges in market analysis

The objective of the exercise done was to direct group mindset into the potential market analysis and go through a range of key issues before moving on to business plan creation.

- Have you identified market segments?
- Is there a need for your product?
- Who are your customers?
- Do you understand their needs?
- Will your product be competitive?
- Is there a competition?
- Who are the main competitors?
- How do you plan to overcome competition?
- Did you do a SWOT analysis?

5. Analysis of business options

When the basic brainstorming was done, participants were introduced to the main tools of business analysis – most important conclusions were made.

- Offer to the market something that makes you different from others and be competitive
- Identify your partners
- Do a business plan development
- Calculate investment and return of the investment
- Dare to found your enterprise
- Do SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)
- Consider lean start-up methodology (MVP concept)

6. 90 minutes exercise

This exercise with the group served to describe specific issues that they identify in the environment and seeking for solutions (through a product re-invention, modification or adjustments).

7. Financing models

One of the main issues always is about financing. Participants were more than willing to find out more how they could finance development of their ideas.

- Start-up loans
- Crowdfunding
- Kick-start campaign
- Embassy funding
- EU funding
- Investors

8. Inevitable revolution and by-side processes of value

The following areas are those that are interconnected with all the other in the sphere of entrepreneurship and economic development which early stage business starters that tend to deeply understand the greater picture should be aware about:

- Inbound marketing – useful low cost marketing tool with unique approach of addressing buyers' personas
- Technology transfer – an essential process through which every innovation is going on the way of commercialization
- Open innovation concept – ideal case scenario that gives opportunity to small innovative teams to work and share experience with successful companies
- 4.0 industrial revolution – digitalization – Active movement direction of industrial development that will affect all sectors of the economy

Technology transfer represents immeasurable economic chance in innovation delivery. It plays huge and important role in global economic race. Our mission is to encourage upcoming generations to generate innovations so as to make them commercialization-friendly and available for markets.

Present models of doing business are not thought in school classrooms, therefore young generation is not ready to step into cruel market race. Young people are the bearers of potential but without adequate support in education and training, their chances for making an impact will be significantly reduced. In spite of this, awareness elevation among youngsters is becoming a reality but still there are wide gaps that they cannot overcome on their own.

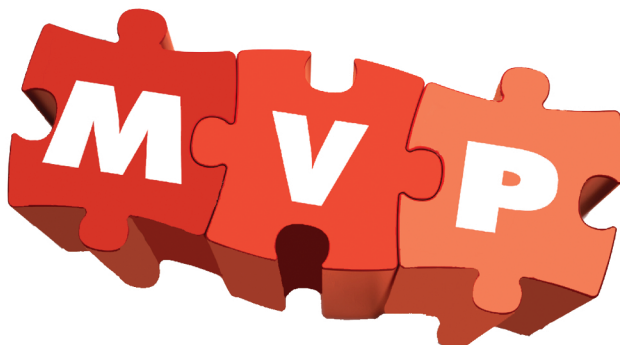


Recommendations for further actions:

- **Awareness actions** – connect young people with the successful start-ups from their environment, giving them a chance to learn and share experience
- **Education** – through optimized programs give them a basic knowledge that any pre-entrepreneur should have before starting to develop their own business
- **Workshops**
 - the lean start-up methodology and the development of products, constant iteration and validation of the idea
 - creation of a business model canvas, accordingly with <https://canvanizer.com/new/lean-canvas>
 - Making their own pitch for a product that solves the identified problem <https://guykawasaki.com/the-only-10-slides-you-need-in-your-pitch/>

Summary

Participants showed a great interest in technics of a modern start-up methodology. This type of working sessions showed us justified basics to carefully plan our further steps towards entrepreneurial early stage support. Future projects should be planned to reach wider audience and to initiate cooperation between agencies from regions in terms of sharing experience and knowledge. Quality infrastructure will be also built, based on cooperation with (worldwide) successful entrepreneurs, lecturers, incubators, science parks, technology transfer offices, hubs, etc. Development of early stage support center for small and medium enterprises will be our main focus in future. Networking among stakeholders may result in key development of entrepreneurship of small and medium-sized enterprises in the region.

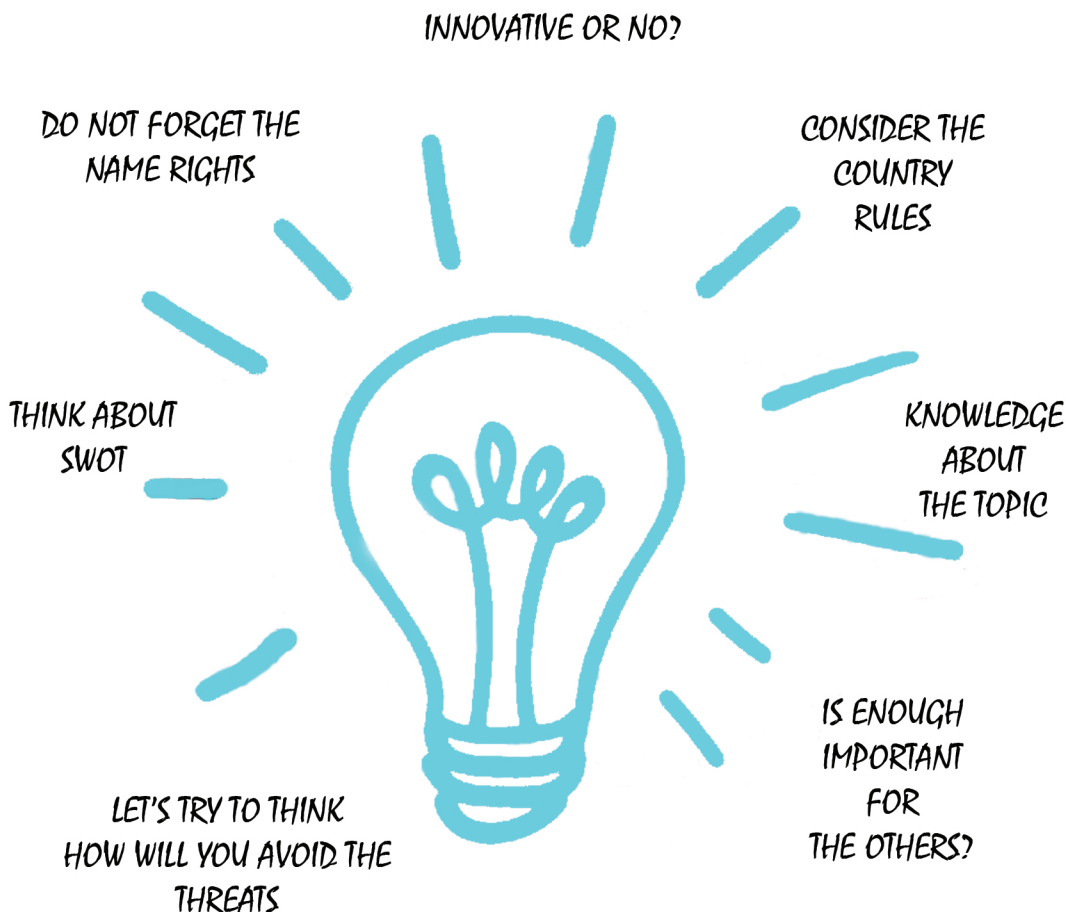


Participants of the Workshop had their own ideas and hints on how the newly born business can be developed, maintained and sustained. Here is what their thoughts on the matter were...

Have in mind that this section was written by non-native English speakers.

The idea

Olga Economou and Dalila Marusic





“We are in the age of the idea.
The organization that can develop
a culture of creativity and
idea generation will be
the winners.”

Kevin Roberts

Links that we used for our presentation:

<https://www.entrepreneur.com/article/70518>

www.erasmus-entrepreneurs.eu

<https://www.facebook.com/esyne/>

<http://www.businessnewsdaily.com/latest?subsection=business-ideas>

<http://www.conceptdraw.com/examples/examples-of-swot-analysis>

<https://www.vectorstock.com/royalty-free-vector/creative-light-bulb-idea-sign-vector-1858473>



Planning

Nejra Marusic and Dimitris Siakavelis

1. From idea to establishment (intro)

Planning helps an organization chart a course for the achievement of its goals.



2. Business Plan

Why write a business plan?

Writing a business plan for your idea is a very helpful step because it will take you through the process of creating an effective and sustainable business. Everyone wants to create a stable company but actually doing it is a little bit harder. Therefore, creating a business plan will help you put on paper all your ideas, wants and keep you focused on your objective/target.

What to include?

- Analyze the potential markets for your business
- Establish the size of your potential market
- Identify your company's initial needs
- Prepare product samples
- Research possible locations for your business
- Determine your start-up cost

- Put yourself in the shoes of potential investors
- Identify potential investors

Actually write your business plan

First of all, you will need help in writing your business plan. The basic question you have to answer is whether you want to use software for this purpose or hire a consultant to help you with the process of writing it.

Here are some useful links, templates and software:

- <http://www.wikihow.com/Write-a-Business-Plan>
- <https://www.liveplan.com/>
- http://www.paloalto.com/business_plan_software

“A goal without a plan is just a wish!”

3. Relationship between the Business plan and the Marketing Plan

Your business plan spells out what your business is about. What you do and don't do, and what your goals are. Your company business plan provides the environment in which your marketing plan will flourish.

Marketing Plan

Why write a marketing plan?

- It's a rallying point

Your marketing plan will provide your employees with something to rally behind. You want them to be happy and confident about your company and about you.

- Chart to success

The point of writing a marketing plan is to get somewhere, because without it, you will be wandering aimlessly.

- Company operational instructions

Your marketing plan will be a step-by-step guide for your company's success. You have to follow it as soon as it's finalized.

- Top level reflection

After writing your marketing plan, you can sit back and review it after a year or so, and check the progress of your company.

What to include in a marketing plan?

- Prepare yourself to write a marketing plan
- Research your target market situation
- Find out your threats and opportunities
- Think about your marketing objectives
- Set your marketing goals
- Consider your budget

Actually write your marketing plan

Again here, you will have to decide if you will get help from a consultant or computer software.

Here are some useful links and resources:

- www.mplans.com/flp-marketing-software.php
- www.paloalto.com/sales_and_marketing_plan_software

Things to consider

- Set your personal goals for running your business and don't copy someone else
- Be clear on what you want to achieve for yourself, your company, and your employees
- Consider the environment in which your business will be operating
- Be prepared for the unexpected and have a plan B
- Test out your idea with your potential customers with a survey or a prototype

**“You are young at any age,
if your are planning for tomorrow. “**

Sources:

<https://www.entrepreneur.com/article/43018>

<http://www.wikihow.com/Write-a-Business-Plan>

<http://startupowl.com/resources/business-startup-essentials/planning-your-startup/>

Establishing or how to start and run your business legally

Daniela Popova and Muhammet Serhat TATAR

1. Chose A Business Name

! Important: Make sure you are legally permitted to use it.

* **Quick tip:** pick up a couple of backup names in case your first choice is already in use and register your trademark for proper legal protection

2. Pick Up A Business Structure

- Sole proprietorship/sole trader

Definition: type of business entity owned and run by one natural person and in which there is no legal distinction between the owner and the business – owner receives all profits and has unlimited responsibility for all losses and debts

- Corporation

Definition: company or group of people authorized to act as a single entity and recognized as such according to the law

! Important: The name should contain one of the following designations: Incorporated, Corporation, Company, Inc., Corp. Or Co.

- Partnership

Definition: partners that agree to cooperate to advance their mutual interests

3. Register your business with the state

- **How?**

- You should obtain an application that pertains to your business from the office of Secretary of the state

- **! Important:** you may have to supply additional documentation with the application

Example: partnership – Partnership Agreement required

4. Register your business with the IRS (Internal Revenue Service)

- **How?**

- You should obtain an employer identification number (Social Security number)
- What is Social Security Number:
- The number you use to file all of our business tax return forms

- **And how to obtain it:**

- By completing the IRS form depending on the business structure

5. Obtaining business licence

- **To be aware of:**

- City
- Country

6. Open a bank account to start building business credits

7. Shake a hand, raise a dollar

- Expanding the network of donors
- Show them how – with their dollars – you will change the world



DOS and DON'TS

Klim Popov and Monika Brajkovic

• DOS

- * Do what you know, what you are good at
- * Make long term plans
- * Recognize your mistakes and ask for help
- * Make sure of the accurate resources for founding
- * Make your daily, monthly or annual targets and compare them
- * Be ready for the changes and for taking risk
- * Think about community and people's needs while you are developing your idea
- * Have a strong work ethic (responsibility, discipline, teamwork)
- * Give bonuses to your employees when they achive given targets

• DON'TS

- * Don't expect success over night (set realistic goals)
- * Don't miss opportunities for learning from good practices
- * Don't blame others for the outcomes
- * Don't ignore your strengths and limits
- * Don't take people who work for you for granted, respect your employees and managers
- * Don't be afraid to set high standards (as the best in the business)
- * Don't be impatient
- * Don't foster a blame, free culture (accidental errors are considered as learning opporrtnities, but deliberate sabotage negligence are dealt with disciplinary procedures)



How to maintain a business

Hristo Hristo and Mustafa Aslan

1. People

In order to maintain good business, good leader needs to maintain an efficient team. One needs to make sure that the members of their team maintain optimal interpersonal relationships. A team would function better if its members are not only co-workers but also friends. Therefore, the team leader is advised to organize regular team building events.

In order for team to be efficient its members must improve their soft and professional skills. Therefore, regular training needs to be organized in order to make sure the team members' skills are up to date.

A qualified human resources team is a key for functional business. They are the ones who decide if new team members need to be hired and who would be appropriate for a certain position. They are the ones who decide if someone needs to be fired too.

2. Product

In order for a business to exist the product or the service it offers needs to be competitive and up to date. Therefore, the business owner needs to make sure that they keep an eye on their competition and innovate when necessary. This may lead to taking certain risks. Therefore, an adequate risk management is crucial.

3. Marketing

Every business needs good advertisement in allure for more costumers. Therefore, it is a key for a business owner to know who his potential costumers are and where their attention is and adapt according to it. For example 20 years ago every person's attention was his/her e-mail inbox, because it was the "new thing". Therefore, marketers used it for adverting. Nowadays, social media like Facebook, Instagram, Twitter, etc. are more popular and everyone's attention is there. Good marketers need to know how to use social media in order to recruit new costumers.

4. Customers

In order to sustain a business one needs to maintain its customers. Therefore, one needs to reward the loyal ones. For example one can give certain discounts, small gifts, or even send a simple Birthday card in order to maintain good relationship.

Best practices

Jelena Batelic and Dana Balas Timar

What is best practice and why is it so important?

It means to find and to use the best ways and the best options for working in order to achieve the aims of your business. It involves keeping up to latest trends with the ways that successful businesses operate, especially in your field and measuring your ways of working against those used by the market leaders. There are several things to be considered but the ones the most important are through benchmarking, forecasting, financial and strategic planning, performance monitoring, internal analysis, reviewing national and international standards, maintain the culture of innovation.

A best practice strategy can help the business in a lot of ways, but for sure the ones that are increasing it are the ones with which your company can:

- > Become more competitive on the market
- > Reduce costs and become more efficient
- > Improve the skills and knowledge of your employees
- > Use technology more effectively
- > Reduce waste and improve quality
- > Respond more quickly to innovations in the sector you work.

There are a lot of examples around Europe of best practice in the field of entrepreneurship, and here are the ones we choose to share with you:

1.) Youth association Alfa Albona, Croatia - "Social entrepreneurship building"

The idea designed by members of the Youth Association Alfa Albona is the conversion of a former student's home into a multipurpose center that works on all the principles of social entrepreneurship with the goal of hiring highly educated young people and people with disabilities, the promotion of social audit and entrepreneurship. It is a self-sustaining based on the principle of social entrepreneurship where each owner has one vote and where all the profits are reinvested in the enrichment facilities of the building or through public tender to co-finance projects of youth organizations in the county. This project got 3 national awards so far: the award for the Best social entrepreneurship idea in 2012, the award for the Best social innovation of the year in 2013, and the award for the Best project in the field of social entrepreneurship in Croatia in 2013.

2.) NVO Atina, Serbia - "Bagel bejgl shop"

Bagel Bejgl shop is a social enterprise that was launched in 2015 by NGO Atina for economic empowerment of victims of trafficking and other forms of gender-based violence. The whole concept of association action is part of a struggle that has lasted for more than 12 years – the struggle for a just society of equal, which promotes diversity and solidarity. In addition to helping victims of human trafficking or other forms of violence, the possibility of economic empowerment and independence, Bagel has developed a special segment of the constant training and education of persons belonging to this vulnerable group. Profit is directed to the programs of support and recovery of victims of trafficking.

3.) Vita d.o.o, Bosnia and Herzegovina - "Amama"

It is a small company whose core business is the sale and distribution of natural cosmetics, cosmetics for special use and dietary supplements under the name Amama. Vita was among the first to recognize the benefits of natural cosmetics in Bosnia and Herzegovina and concentrated on the quality and on providing its customers products that will preserve their health, take care of their beauty and offer products for which many will go back and repeat purchase.

4.) BTM Resources, Romania - "Positive youth development practices applied to education/training in private and public educational institutions"

Positive Youth Development (PYD) refers to intentional efforts of youth, adults, communities, government agencies and schools to provide opportunities for youth to enhance their interests, skills, and abilities. PYD is used in scientific literature and by practitioners who work with youth to refer to programs designed to optimize developmental progress. PYD differs from other approaches to youth in that it rejects an emphasis on trying to correct what is "wrong" with children's behavior or development. Programs and practitioners seek to empathize with, educate, and engage children in productive activities. While not particularly common in use yet, PYD has been used across the world to address social divisions, such as gender and ethnic difference.

5.) Organic vegetable production Marušić, Bosnia and Herzegovina

Organic vegetable production Marušić is a small family company that produces various sorts of vegetables in an organic way. Their local food production answered to the needs of the people who nowadays want to eat healthier as well as to support local farmers. All the products can be found in the local supermarkets or delivered directly to your home.

Bad practices

Polina Dencheva Slavova

Bad choice of an idea for starting a new business

Many new businesses fail because they don't adequately investigate the market.

The main problems with the bad choice of idea to open a new business occur from:

Already existent similar idea

- Too many players on the trade market
- Overtrade and begs for tips

The question that needs to be asked is - Is there a market share not being served that makes room for another business in this category?

Example: Too many cafes in a small town



Planning

- Bad marketing analysis
- Bad risk management

Establishing

- Inappropriate structure of management – strong or weak, centralized
- Unflexible in the choice of structural management

An organization's structure gets misaligned for many reasons. But the most common one is simply inertia. The company gets stuck in an old way of doing things and has trouble breaking free of the past. How did it get this way to begin with? When an organization is in startup to early growth mode, the founders control most of the core functions. The founding engineer is also the head of sales, finance, and customer service. As the business grows, the founders become a bottleneck to growth – they simply can't do it all at a larger scale. So they make key hires to replace themselves in selected functions – for example, a technical founder hires a head of sales and delegates authority to find, sell, and close new accounts. At the same time, the founders usually find it challenging to determine how much authority to give up (too much and the business could get ruined; too little and they'll get burned out trying to manage it all).

Maintaining

- Do not keep an eye in the competition in the trade market and adapt or innovate
- Do not respond the costumers' needs.

