



THE ROLE OF STARTUPS IN THE GENERATION OF INNOVATIVE YOUNG ENTREPRENEURS

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ABSTRACT

Aims. The modern entrepreneurial ecosystem builds startups as companies that play a significant role in the business environment. Building the image of innovative entrepreneurs, who are increasingly perceived as paradigm changers, because of the way of thinking that through its creativity and enthusiasm changes the overall entrepreneurial environment.

Materials and methods. Presentation of a brief overview of the literature review on the topic of startup companies and their modern vision.

Results. A brief overview of current information about startup companies and their specifics.

Conclusion. The development of innovation in doing business is not only due to increasing competition in local and global markets, but also as a result of the identification of trends.

The concept of a startup includes a business vision in the field of innovation and high technology. Rapid growth is a key feature and unifying factor - the whole process from start-up through growth to startup development is extremely dynamic and limited in terms of time and compared to the pace at which small and medium-sized businesses are developing.

Key words: innovation, business start-up, innovative entrepreneurship

INTRODUCTION

Today, startups are perceived as an innovative entrepreneurial initiative, the development of which is gaining more and more popularity among young entrepreneurs. In addition to the typical business idea, the concept also includes the concept of socio-economic and cultural development of the respective ecosystem. In practice, startups are ideas that initiate changes in segments of society and are characterized as socially significant initiatives.

Startups - entrepreneurial initiatives with an innovative vision

The term "innovation" comes from Latin and

means the most general renewal, introduction of a novelty in practice, which is expressed in a new product, technology, market and organizational change (new way, invention, technical solution to solve new or old problems.) (1) The processes taking place in the stages of initiating the entrepreneurial activity often use the innovation in the different moments of the project development - methodology, creation of a product or service; this is also the reason why entrepreneurship is often perceived as an economic innovation. Entrepreneurship theory deals with understanding the innovation process and identifying policies that promote the creation of fast-growing companies (2). Awareness of the key role of entrepreneurship in society and its image in the field of innovation, give the startup concept its definition as one of the economic engines of the 21st century.

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Promoting entrepreneurship is a key factor in achieving sustainable growth in society's economic development. It is perceived (entrepreneurship) as the engine for innovation, productivity growth, competitiveness, economic growth and job creation. The last decades have made public an interesting and especially topical phenomenon related to innovative entrepreneurship. The authors invariably include entrepreneurship as a valuable source of innovation and development in advanced industrialized countries as well as in emerging economies (3).

Startup companies have a serious role in implementing new technologies. According to authors such as Audrecht (4), small firms as drivers of innovation reflect changes in technology, globalization and other factors that have radically changed the importance and processes related to innovation. One of the main roles of innovative entrepreneurship is to economically support both developed industrial countries and developing economies.

An interesting perspective in the conceptual development of innovative entrepreneurship is found by the authors, according to whom if the entrepreneurship policy arose from a policy for small and medium enterprises, then the innovation policy has developed its potential from technology development and in particular from research and development policy and development. Researchers of innovative entrepreneurship are increasingly united around the idea that formulates its origin and development in societies where the entrepreneurial culture is above average, for example, in their research they find a positive relationship between entrepreneurship and innovative capacity in developed countries, where next - the more the initiation of entrepreneurial activity in developed countries, the more the production of innovations that become important for society increases. (5). But also the fact that the degree of acceptance of innovation policy and the policy of entrepreneurship varies considerably from country to country and should also be seen as an important factor in development.

According to Gabr and Hoffman (6), five main drivers of entrepreneurship can be limited - opportunities, abilities, capital, incentives and culture, each of which is influenced by an exhaustive list of policy instruments. The development of innovation is not only due to the increasing competition in local and global markets, but also arises as a result of the identification of market trends.

Today, the concept of innovative entrepreneurship includes the vision of business in the field of high technology. Entrepreneurship is seen as the ability of an individual to turn his ideas into action. (7) Over the last decade, it (entrepreneurship) has been seen as a key trend among young people - through entrepreneurial activity to be more creative and more confident in their abilities and freedom of action. Most often, the authors define innovative entrepreneurs as paradigm shifters because of the way of thinking, which through its creativity and innovation changes the overall entrepreneurial environment in more and more countries around the world. Creating completely different concepts for business development, the so-called. new entrepreneurs or innovators are fleeing the well-established image of the entrepreneur for decades. Increasingly, entrepreneurial initiatives are not provoked by the desire for their own progress, but as a result of climate or social incentives - decisions that cannot be delayed and for which politics is unable to respond with the necessary speed. The search for opportunities (8) beyond the resources we currently have is what gives the entrepreneur an advantage in building a concept of initiative.

As a kind of creative process, entrepreneurship brings innovation, but not this type of innovation as new, unknown, but on the contrary - innovation as a technology that facilitates, supports, creates better conditions in the environment.

Defined as Incubators of Ideas, universities are where the concepts of innovative entrepreneurship emerge. More and more researchers of the so-called Innovative entrepreneurs unite around the idea that academic institutions are key in shaping the attitudes of future young entrepreneurs. Academic circles

participate in the formation of knowledge, their practical skills and their behavior. (9) When looking at academic entrepreneurship education, close collaboration between business and education breaks down barriers and creates a complete cycle of theoretical and practical knowledge that young people could much more easily incorporate into their future entrepreneurial initiatives.

Startups in the role of innovative business of young entrepreneurs

Why young entrepreneurs?

Statistics show that the average age of startup entrepreneurs in Europe is 35 years. This is a relatively young age to start a business and is largely one of the leading factors that distinguish a startup from a small business. (10)

In essence, startup companies are an innovative management method combined with the creation of a completely new product or service for the market. Another factor that distinguishes startups and small business ventures is that since their inception, their application is not related to their transformation into a large company / consortium, but into a scalable project that can be sold. As this is a "product of the young", trends show the formation of an ecosystem that allows the growing number of startups and the growing desire of young people in Europe to start their own startup company. On average, 37% of young people across Europe want to start their own company. Of course, this percentage varies from one country to another. (11)

The model of start-up innovative companies comes to Europe from the United States, where there is generally an established business image, in which the main characteristics are risk-taking, rapid growth and experimentation. The differences in the start-up of start-ups and the difficulties that create constraints on developing new business stem from the fact that the entrepreneurial ecosystem in Europe interprets some key factors in a different way from the American "school". When starting a new business venture, important activities such as environmental analysis and risk avoidance are perceived differently in the two schools, which is why the American model is impossible to multiply in the European reality.

Another example of fundamental entrepreneurial differences is that the European Union recognizes 24 different official languages and differences are not limited to them. These are different cultures, a variety of social and political individuality. Turning these disadvantages for the startup ecosystem into advantages provide an opportunity to start a fast-growing business in a globalized Europe.

At the heart of the ambitious policy of creating a European ecosystem of startups is the idea of globalization, which was originally a leading factor in Europe. (12-13) Despite the economic differences in the conditions and ecosystems in European countries, it is believed that the factors that determine the successful implementation of entrepreneurship in a country are three - the individual characteristics of the entrepreneur (human qualities such as willingness to take risks, the need for achievement, desire to work or start a business, different skills, education, etc. that distinguish entrepreneurs from the rest of society), second are the economic factors, which are largely a motivator for the development of entrepreneurial activity, third is the functioning of institutions (16-17). In most cases, startups are businesses designed to start, grow, start earning, the next step in the process is often buying from a larger company. According to Cronan, the purpose of startups is not to make huge profits, but to grow enough to be sold to a larger organization. Although startups are relatively small companies, they have well-defined markets and complement other large companies (14-15). Conditionally categorized by growth, startups are divided into those that aim to scale quickly and need a much larger amount of venture capital and those that scale and are characterized by the fact that they have several sources of funding that are necessary because of the many research structures incorporated in the enterprise.

According to Giardino (16), startups are a type of company that is defined as an organization focused on creating high-tech and innovative products, with little or no history, aimed at aggressively expanding their business in emerging markets.

CONCLUSION

Startups are very young companies that have not yet developed their potential and this is the key to this type of entrepreneurial initiative. Their development in recent years associates the concept with innovative products / services not previously offered on the relevant market, as well as scaling, going beyond the borders of the country from which they originate. Due to the lack of history of these new companies and the fact that they offer innovations with an uncertain future, startups are considered a risky type of entrepreneurship due to the lack of certainty about the longevity of the business, as well as its acceptance by consumers.

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