

SUCCESS FACTORS FOR A COMPANY LONG-TERM DEVELOPMENT: CASE OF LATVIA

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ABSTRACT

The formation of new companies is considered to be one of the most important sources of new workplaces creation. In United States new companies generate half of all new workplaces in the country [1]. Therefore, in Latvia it is particularly important to encourage new businesses' formation and development in order to achieve both economic growth and improvements in employment. It is also questioned by authors of the paper why Latvian many start-ups are short-lived? Why in Latvia not so much success stories compared to other countries - for example Estonia, Scandinavia and United States (in proportion to the size of the economy or population). It is noted several possible causes: lack of access to finance to start-up business, quality of education programs, lack of access to infrastructure and other factors.

Authors of the article will study the factors that positively influenced the development of enterprises, named as „success factors”.

Keywords: entrepreneur, success factors, development of a company, growth.

1. INTRODUCTION

The formation of new enterprises is regarded as one of the most important sources of creating new jobs. For instance, US start-ups account for a half of all new jobs [2]. US companies that survive on average by the year seven increase the number of employees by 60 %, whereas companies that survive in Europe increase the number of employees by about 10 %–20 % [3]. The foundation of Latvian and EU economy is formed of micro-, small, and medium enterprises (SME). They account for 98.8 % of all companies [4]. SME face various difficulties in starting entrepreneurship and managing to keep it alive. The biggest challenge for SMEs is the limited availability of various resources (financial, human resources, etc.). Furthermore, if compared with the bigger companies, a smaller number of European SMEs achieve innovations. The situation is deteriorated by structural hardships, such as, lack of managerial and technical skills, and at the state level the labour market is

still inflexible. These and other factors adversely affect sustainability of companies. At the same time, there are a range of success factors, which contribute to growth of companies and successful entrepreneurship.

The aim of the study is to determine and group the factors, which positively affect development (hereinafter in the study referred to as “success factors”) and contribute to sustainable development of companies in Latvia.

The authors justify this choice with the fact that data about companies, which manage to successfully develop are available less frequently than data about “failure factors”, i.e. about companies, which have ceased to exist. The determination and analysis of such success factors will help the developers and implementers of various state education and lifelong learning programmes in their work, as well as assist start-ups and existing companies to analyse and pinpoint their strengths. The same applies to other non-entrepreneurship spheres (such as, non-governmental organisations, etc.), where timely attention must be paid to promoting development.

The authors have set forth **a thesis** to perform the study: irrespective of the sphere and sector of the enterprise's operations and independent of its size (within the context of SMEs), there is a set of factors. The use of these factors promotes successful entrepreneurship and development of the company.

The theoretical and methodological groundwork of the study is formed of scientific articles, monographs, regulatory enactments and researches, conference materials, internet resources, expert opinions published in Latvia and abroad. In the research generally accepted qualitative and quantitative data analysis methods of the economic science were employed, among them, statistical data processing, data grouping, and inductive-deductive data analysis methods. The scientific study employs surveying, observation study method, as well as comparative, and analytical methods, which are used by the authors to compare and analyse facts and assess solutions to specific issues. Microsoft Excel and QDA Miner programs were used for processing and analysing the study results. Authors of the article use tables and figures created with Microsoft Office to ensure visual clarity of the study.

2. LATVIAN ENTREPRENEURSHIP OVERVIEW

Overall, an upwards trend can be observed in Latvia as regards the formation of new companies, as shown by statistics about newly registered economic operators for the time period from 2002 until 2013 (See Table 1).

Table 1
New and eliminated companies in Latvia, 2002-2013 [5]

Year	Number of all new companies	Number of all eliminated companies	Balance
2002	4713	3598	1115
2004	9450	4701	4749
2006	13172	2486	10686
2008	11251	3401	7850
2010	13345	6296	7049
2012	16706	1114	15592

The rate of growth in the number of start-ups companies is positive (see Table 1), excluding the years of global economic recession, which adversely affected also the Latvian micro and macroeconomic situation. The dynamics of liquidated companies has been uneven, however, over the last few years, a positive trend is observed, namely, the number of liquidated companies is reducing. A positive balance remains for the study period - the number of start-ups companies exceeds the number of eliminated companies. It points to a positive trend in Latvian entrepreneurship development.

The authors would like to draw attention to the fact that the table and figures show data about the existing Latvian entrepreneurship forms, therefore, to provide a better outlook, they distinguished between entrepreneurship forms which can bring profits, because according to the laws of the Republic of Latvia, public and non-governmental organisations are non-profit organisations (See Table 2).

Table 2
Economically active statistical units in Latvia 2009- 2012 [6]

Type of entrepreneurship	Year			
	2009	2010	2011	2012
Self-employed persons	45279	49063	47878	51535
Individual merchants	8242	8142	8000	7657
Commercial companies	63172	65629	72708	79777
Peasant and fishermen farms	11916	13133	13192	12574
Total	128609	135967	141778	151543

Total growth of the number of companies, % compared to the previous year starting from 2009 is 5.7 % in 2010, 4.3 % in 2011, and 6.9 % in 2012. In Latvia, similar to the EU, SMEs make up the biggest part in the total number of companies. Micro enterprises make up the biggest part in the group of micro, medium, and small enterprises, and their number keeps increasing with every year (see Table 3).

Economically active statistical units in Latvia by size [7]

Unit by size	Year			
	2009	2010	2011	2012
Micro	115939	123924	129394	138628
Small	10254	9732	9970	10436
Medium	2065	1956	2033	2079
Large	351	355	381	400
Total	128609	135967	141778	151543

The increase in the number of companies in practically all company groups is observed each year, which points to positive growth trends of Latvian economy.

Over the last four years, an annual increase in turnover of companies has been observed, furthermore, in the last two years, companies have generally closed a year with positive profits, which also points to economic growth – common profit after taxes 957.7 milj. EUR in 2011, and 1078.7 milj. EUR in 2012 [8].

Global Entrepreneurship Monitor (GEM) 2012/2013, indicates that, while Latvia has achieved a high early stage entrepreneurship rate, there is still potential for improvement. A gap exists between entrepreneurial intentions and actual participation in entrepreneurial activity. The Total Early-stage Entrepreneurial Activity) rate (13 %) is only slightly more than half the entrepreneurial intentions rate (22%). According to the GEDI index, Latvians seem to be particularly weak in opportunity perception and recognition and non-fear of failure (despite the positive trend for both of these indicators observed in 2012) [9].

This can be at least a partial explanation for the existing gap. Latvian early-stage enterprises are among those with strong international orientation and high growth ambitions, but the level of innovativeness among Latvian early-stage entrepreneurs remains an area for further improvement. The entrepreneurial gender gap and low rate of participation in entrepreneurial activity of the group aged 55-64 are areas of potential improvement and contribution to entrepreneurial activity and competitiveness of the national economy. One out of every four early-stage entrepreneurs in Latvia still has “necessity motivation”. The rate is higher compared to the EU GEM average (20%). Moreover, it is still substantially higher compared to the Latvian pre-recession level of necessity-driven entrepreneurship (15% in 2007). In general a strong cyclical component is evident in Latvian entrepreneurial activity and aspirations. Commercial and Physical Infra-structure and Cultural and Social Norms are areas positively evaluated by national experts. National Policy (Regulations), R&D Transfer and Internal Market Dynamics are those requiring immediate attention [10].

Overall, Latvian business development is affected by several factors – starting with the economic, socio-political situation in the country, the global market condition, and ending with the individual knowledge of a company’s management and staff, their motivation to start a business, business aptitude, among other factors. The factors that affect the development of entrepreneurship environment can be relatively grouped by their features of impact on environment—macro environment impact factors and micro environment impact factors. These groups, for their part, consist of direct and indirect impact factors. In the article, the authors will not consider the business aptitude of individuals, which has been a very popular object of study and a subject in social studies over the last few years.

3. GROWTH OF A COMPANY

Each company goes through several stages of development—beginning with the establishment of a company and ending with closing of operations. There are multiple theories and opinions as regards a company's life cycle. One of the founders of the company life cycle theory T. Levitt distinguishes between four development stages—introduction, growth, maturity, decline [11]. This theory has been used as the basis and developed by a number of scientists. For instance, I. C. Adizes distinguishes between the following company development stages—Courtship, Infancy, Go-go, Adolescence, Prime, Stability, Aristocracy, Early Bureaucracy, Bureaucracy, Death [12]. Bersin divides the cycle into the stages of formation, rapid growth, maturity, decline, revival or termination of operations [13]. A. M. Ahmed believes that a company transforms from an infant company to a transforming or dying company [14]. Whereas Darrell Zahorsky determines seven company development stages: Seed Stage, Start-Up Stage, Growth Stage, Established Stage, Expansion Stage, Decline Stage, Exit Stage [15].

Regardless of the theoretically described number and name of company's life cycle stages, the authors conclude that company development, similar to the life cycle of goods, can be described with a bell shape line. The study authors consider the second or the Growth stage of company development after a company is established is an important stage to study because in this stage, according to the researchers, the company theoretically "has overcome the start-up issues and the business has made it through the toddler years and it is now a child" [16]. Revenues and customers are increasing with many new opportunities and issues. Profits are strong, but competition is surfacing. Demand begins to accelerate and the size of the total market expands rapidly. It might also be called the "Take off Stage" [11].

The authors consider the second stage of company development to be very important because during this stage the company grows from "a start-up company" into "a new company" and has already stabilized and is developing rapidly. The organization experiences rapid growth, this growth can be in multiple different directions, founders – over excited by their success – can bring their company to the "brink", many of the new products and ventures being pursued are unprofitable, there are few policies, almost no rules and the founder makes all decisions [11]. During the growth stage, the company develops the need for arranging processes, control, systematization, etc. Adizes sets two main abilities of a company: *flexibility* - ability to effectively flex and adapt to change; *controllability*: ability to efficiently control organizational efforts. As a company develops, flexibility of the organization falls, whereas controllability grows. Adizes regards the point of intersection of both abilities as the Prime state, at which the company can control the processes without losing flexibility. The company starts achieving this condition at the end of the growth stage, and they must strive to maintain the Prime state for as long as possible [15].

Upon summarizing the case studies performed by the authors, it is concluded that during the growth stage it becomes important for the company to engage in strategic planning, which can help arrange, improve, as well as control processes. The authors assume that the majority of company's development strategies, which are found in scientific writings, are aimed at large companies. Taking into account the fact that, similar to the majority of EU countries, the foundation of the economy is

formed of SMEs, then managerial and decision-making strategies that are suitable for the specifics of these companies are important for them. Therefore, in the study, the authors of the article address specifically this problem.

The authors believe that during the growth stage the manager / owner must pay particular attention to the team. It is proven also by a number of scientific theories. For instance, Sahlman believes that people are just as important as opportunities and deals [18]. Timmons in his model includes three more important cornerstones, which describe the entrepreneurial process – opportunity, resources and team [18].

The authors support the opinion of the scientists, and emphasize the important role of human resources in a company not only during the Growth stage, but also for the overall development of a company. There are undoubtedly a range of other factors that affect a successful development of a company.

4. FACTORS THAT POSITIVELY INFLUENCED THE DEVELOPMENT OF COMPANIES

As a result of study of scientific, business literature, and information, incl., studies of leading economists and specialists, the authors have determined a range of factors that influence successful development of companies. Thus, R. Peacock as a result of a study conducted more than ten years ago categorised the following success factor groups: management efficiency, aspects of owner-manager conduct, company's characteristics [19]. The classification of factors includes also features distinguished by other scientists, such as manager's experience in the specific sector or market, education level, experience in entrepreneurship, reasonability of the decision to start a business, goal-oriented nature, etc. Entrepreneurship experience is the factor of influence according to several studies covering the topic. Lack of entrepreneurship experience is considered a risk factor (in the study by the authors Delmar and Shane (2006) about Sweden; in the study by the authors Rotefoss and Kolvereid (2005) about Norway) (references to these important studies are given in the M. Gelderen, R. Thurik, P. Patel study about the Netherlands) [20]. M.K. Mason in his studies about the USA concludes that the success factors are: the owner's attitude, the ability to be objective, willingness to engage help, when necessary, power sharing, and managers' experience. Another very important factor mentioned by the afore enumerated authors is the extent of invested effort, because failures occur, if insufficient work has been invested [21].

Several studies show that the presence of a business plan is a positive factor, however, at the same time A. Osterwalder believes it useful to develop a business model rather than a business plan. According to Osterwalder, a business model describes the reasoning of how an organization creates a value, how it delivers it to clients, and how it acquires a value [22]. Having determined the possible success factors, it is necessary to determine, how successful development of new companies will be measured. The authors A. Cedere and A. McKelvie savā in their study identified the following three key factors: the number of created jobs, attracted investments, value added in a form of services rendered to clients or in a form of goods (turnover), which, at the same time, serves as an indicator describing the value added for the company (though profits would be a more accurate parameter) [23].

William Bygrave believes that a company's success is most directly related to its manager-entrepreneur. He summarized the important characteristics of successful entrepreneurs in 10 D's:

- dream – entrepreneurs have a vision and the ability to implement their dreams;

- decisiveness – they make decisions swiftly, their swiftness is a key factor in their success;
- doers – once they decide on a course of action, they implement it as quickly as possible;
- determination – they implement their ventures with total commitment;
- dedication – they are totally dedicated and work tirelessly;
- devotion – entrepreneurs love what they do;
- details – the entrepreneur must be on top of the critical details;
- destiny – they want to be in charge of their own destiny;
- dollars – getting rich is not the prime motivator, but the measure of success;
- distribute – entrepreneurs distribute ownership of the business with key employees [24].

Jeffrey Timmons believes that successful entrepreneurs feature common traits:

- work hard and are driven by intense commitment and determined perseverance;
- optimistic outlook;
- strive for integrity;
- burn with competitive desire to excel and win;
- dissatisfied with the status quo and seek opportunities to improve almost any situation;
- use failure as a tool for learning;
- eschew perfection in favour of effectiveness;
- believe that they personally can make a difference [18].

The authors of the article point to that several scientists and specialists link a company's success with an entrepreneur's personal competences, experience, various abilities, characteristics, etc. However, there are other important factor groups describing a successful entrepreneurial process. Having analysed sources of scientific and business literature, as well as several studies on the topic of success factors affecting entrepreneurship, the authors of the article reached a conclusion that the Timmons model is best at describing and depicting the success factors influencing the entrepreneurial process and what they entail (See Fig. 4)

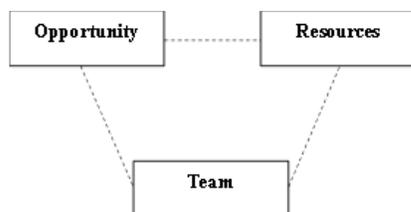


Fig. 4 Timmons Model of the entrepreneurial [25]

Timmons says: “at the heart of the process (Fig 4) is the opportunity. Not all ideas are opportunities, their recognition and evaluation is crucial but the important characteristics of good opportunities are that there is an understanding market demand for the product or service because of its value-added properties, and that it will generate money either as a profit or as a means of creating self-sufficiency for not-for-profit organizations [25].

Resources need to be understood and utilized wisely. For the entrepreneur, at the early stages they are scarce so the entrepreneur needs to minimize and control them as opposed to

maximize and own. The entrepreneurial team is a key ingredient for success. Key elements of resources that need to be understood are team members. Meanwhile, the team requires determination and persistence, tolerance of risk, ambiguity and uncertainty, creativity, team focus of control, adaptability, opportunity obsession, leadership, communication. The tool which integrates the three together is the business plan” [24].

5. SUCCESS FACTORS OF LATVIAN COMPANIES

Studies conducted in Latvia also produce a similar tendency of a strong link between a company's success and the entrepreneur him/herself. Thus, in a Swedbank entrepreneurship competence study, the main traits were determined, which, according to the opinion by Latvian inhabitants, must describe a person, who wishes to begin a business venture. The courage to take risks is the most important quality for starting a business (48 % respondents), confidence (45 %), and intuition (42 %) were the most frequently mentioned traits. However, the willingness to make profit ranked second to last on the list of desirable qualities in an entrepreneur important for starting a new business.

Another Survey [26] carried out in December 2011 points to the following factors, which could affect business development: an open market (not oversaturated) with relatively low barriers and niche market with development potential; availability of resources that have become scarce in other markets, such as land, timber and low-cost labour; the business culture and mentality congenial to that of the European countries; a multitude of interesting business projects, enterprises that have performed well before investment, well-established production traditions; interesting developments, enterprises with great potential.

In survey mentioned also positive Latvian business environment trends:

- the activity of local companies is increasing, hence the willingness to attract investment and expand business;
- local entrepreneurs are engaging in development of investment projects and founding of their own investment funds;
- the quantity and quality of business ideas offered to investors is increasing;
- cities and municipalities are employing an increasingly proactive approach to attracting investment and strengthening of cooperation with a view to promote regional growth and development.

According survey „foreign investors” views on Latvian entrepreneurs:

- low self-assessment, indulging in self-criticism;
- open to new ideas, motivated to gain new experiences;
- cooperation-oriented, flexible, practical;
- increasingly aware of the need to adopt long-term strategies and to improve the business environment;
- on certain occasions there is a lack of professionalism and knowledge about business relations;
- sometimes attitudes towards foreign investors can be perceived as arrogant;

Foreign investors' perception (the image thereof is dominated by): sound management skills, self-criticism, openness, practical approach, arrogance, lack of knowledge [27]. The authors of the article draw attention of Latvian entrepreneurs to the fact that they must think globally, they must be aware of the fact that the consumer purchasing ability is not restricted to the Latvian market. The companies, which will

take the step to expand their geographic business boundaries, will definitely gain success, because entrepreneurs have all the competences for further development and expansion of their business. Moreover, company founders and owners must take into account that, as a company develops, its team also must develop, developing and improving their business etc. knowledge.

Success factors of Latvian companies

To find out the factors that affect the success of a start-up company in business, the authors of the article have performed an empirical pre-research with the aim of finding out the factors and conditions affecting the creation of a company, as well as their successful start-up and the transition into the stage of “a new company”. The pre-research is based on the survey conducted by IDAL “Success code” [28]. The survey dealt with twelve of the most successful companies in Latvia representing various sectors (creative industry, IT fields, representatives of the production and other fields), with the owners and/or managers whereof in-depth interviews were conducted. The surveyed companies have competitive products, which are sought after in Latvian and foreign markets; stable and growth-oriented financial indices pointing to successful entrepreneurship of the companies.

As a result of the survey, several factors were identified related to the role of generation and development of an idea, clients and communication with them in business processes, the importance of the company’s founders and team, etc.

To examine data validity, the authors of the article used a data analysis performed with QDA Miner [29] statistical analysis software. *The methodology*: authors explores coding retrieval tools for extracting coded segments associated with specific codes or code patterns and identifying coding co-occurrences, coding sequences and assessing relationships between coding and numerical or categorical properties. Out of specific factors specific key words could be determined (depending on their weight) in the software during the analysis. According to identified key words, factors were found in the whole text corresponding to these key words. As a result, the factors grouped by the authors of the article were grouped and hierarchically arranged depending on their importance. The factor groups are:

1. the idea (factors related to the idea);
2. the team – people (excluding the manager-founder)
3. the manager-founder;
4. clients and the market.

The authors agree to this grouping because in company development it is vitally important to have an idea to begin the business with and to capture the market; the manager (founder), who is able to excite with the idea as well as to convince and lead the team. And the team itself, believing in the product and able to sell it on the market. Finally, a company cannot exist without the clients, their feedback and purchases.

The authors of the article grouped together success factors obtained as a result of the study, based on the Timmons Model [24] dividing them into three groups – *Opportunity, Team and Resources*, because this is the model intended for start-ups.

Factor group “Opportunity”.

Totally authors of the paper detected sixty two factors in group “Opportunity”, main of them are:

- an idea that renders practical good, an idea at the foundation of entrepreneurship;
- at the basis of good products—synergy of technologies on the basis of overlapping sectors;
- the founder’s motivation to create a company derives from the stance - willingness to be independent, make decisions, be responsible for them;

- readiness to renew and transform even a carefully developed initial financial plan;
- awareness that, possibly, the first project might fail and is not profitable, but the obtained experience at least partially make up for the investments and time;
- persistence in obtaining financing and calculating the costs for attracting one client;
- choice of control mechanisms and their adaptation according to the company’s specifics, actual needs etc.;
- precaution during the initial stages, because expansion is mostly financed from internal resources;

Factors, related to knowledge about the market:

- market research in all stages of the product life cycle, starting with the appearance of the idea;
- adaptation of the initial planned model of company’s operations to market fluctuations and its improvement;
- diversification of the client portfolio;
- knowledge of differences in international market cultures, behaviours, and other aspects;
- it is not the pace that matters in entrepreneurship – it is the rhythm that matters;

Factors, related do entrepreneurial skills and abilities:

- enjoying the entrepreneurship processes despite hardships;
- love is transformed into energy, but energy—into money. If you like it, then energy is automatically generated and you can lead the way forward as the flagship, inspiring people around you;
- sometimes, the most important thing is to decide what “not to do”, in order to avoid spoiling what you have;
- continuous improvement of the company turning into a day-to-day work and routine;
- the idea “must be fed”—collect information, think about it.

Factors, related to communication and modern technology using:

- the company’s website and free online communication tools providing a quality content about the product;;
- taking advantage of favourable geographical location, which must be emphasized to potential cooperation partners;
- productive and successful communication with stakeholders, for which preparations are due;
- language and other skills important for the sector and the market;
- following the 24-hour rule (reply within 24 hours);
- well-organised communication with export markets to confirm that export and the potential client is a priority for the company;
- regular updates of versions of technologies, thus increasing the value that the client gains by using the products;
- diversification of aim monitoring; ensuring transparency of the control process, using electronisation and process centralisation;
- recording electronic invention methods, client suggestions, etc.

Factor group “Team”.

Totally authors of the article identified 31 factors, main of them are:

- the presence of a leader who can motivate his team to achieve a common goal;

- various employee types ensuring effective entrepreneurship processes;
- before starting own business, trying out various roles and gaining entrepreneurial experience and practical knowledge when working at other companies (paid work etc.);
- position of an industry expert—knowing the sector and availability of contacts in the industry;
- theoretical, academic, and practical high level knowledge (higher education—MBA);
- further self-education, by using the acquired academic knowledge base;
- selfless idea generators in the team, sharing their ideas, because not everybody is capable of generating ideas;
- ensuring clear communication in the team and each participant understanding their role in the team;
- during the development stage, the most important functions in a company should be ensured using internal resources instead of outsourcing;
- the team size providing the most important competences to the company, which mutually complement each other;
- the manager in his/her development should not forget sales tricks and methods, because “the bigger and fatter fish” still must be caught by the captain;
- awareness and understanding about the company as a participant in the global market place;
- overcoming obstacles that are not related to skills, but rather to the psychological aspect (the typical Latvian temperament—lack of self-esteem and confidence, fear of trying and risk of failure);
- the founder or idea owner can best define the company’s course of development and aims, because the idea and/or the company has been created as a result of specific emotions and needs, they are the initial inspiration and drive for implementation. In a company with a smaller number of employees, it is the owner/founder who also helps others “conjure up” the vision of a bright future;

Factor group “Resources”:

- guaranteed positive cash flow;
- use of various financing sources (short-term loans; risk capital funds; “business angels”; awards of business plan competitions; family, relatives, friends, financing for the development of the idea, pre-seed capital, bank credits, stock exchanges);
- being aware of differences between accounting and financial planning;
- detailed cash flow planning, by balancing income with expenses and bearing in mind peculiarities of a tax system;
- maintaining as few fixed costs as possible;
- acknowledging the income potential, necessary finances before return on investment, and overall project profitability.

In grouping the factors, the authors of the article would like to maintain that for entrepreneurs, the first two factor groups are important. It could be explained with the fact that all companies, regardless of their considerable achievements on markets, are recently established. During the start-up stage, it is the idea that is the most important, which is then materialized into a product. The factor group “Opportunities” include factors that are related to the idea, a product, market opportunities, etc. Furthermore, all companies are SMEs, in which the team and

team-related aspects play an important role. Companies are aware of re-source importance and necessity, but due to the fact that they are in the development stage, precaution is observed when attracting bigger financial resources—companies choose to rely on their own potential during this development stage. The same applies also to other resources.

The article authors point to that resources and financing sources are necessary, which, as a result of analysis, were not estimated as important. Therefore, the authors will perform further factor analyses in the upcoming studies to group and classify success factors affecting long-term development of business.

CONCLUSIONS

The economy of Latvia, just like other EU countries, is based on SMEs. The number of SMEs increases in Latvia each year. Moreover, the financial indices of SMEs over the last few years have improved. All of these facts point to economic recovery after the global crisis.

As start-ups develop, there are several factors that determine their successful operations.

Several scientists and specialists, when performing studies about business success, point to the importance of the company founder’s role, characteristics, abilities, knowledge, etc., their mandatory participation in all business processes, in particular during the initial stages. The team also has an important role and only the founder can form that team. Team members must be creative, flexible, and competent, because start-ups have very limited resources, including human resources.

The empirical pre-research survey conducted by the authors allowed identifying several factors affecting a company’s long-time development. According to an analysis performed by QDA Miner, the factors were divided into four groups. The authors of the article performed factor grouping based on the Timmons model, because the model is intended for start-up companies. The authors point to that the factors described and grouped in this article will serve as the grounds for further studies, in which the authors are to perform factor classification.

The said factors are mutually related and must be considered as a whole and not separately.

The thesis set forth by the authors is proven with the study on success of Latvian companies, determined by various factors identified by the authors of the article.

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