

# Research on the Common Characteristics of Successful Startups

Mao Hongtao

School of Management, Hubei Business College, Wuhan, Hubei, China

870108587@qq.com

**Keywords:** *start-ups, success, commonalities*

**Abstract.** Entrepreneurial success is a small probability event, and it is not easy to successfully start a business. The article studies successful entrepreneurial companies and their entrepreneurs at home and abroad and finds that they have something in common. For example, the entrepreneur's innovative vitality, ability to grasp market opportunities, value creation, and customer focus are all important characteristics of successful entrepreneurship.

## 1. Introduction

There are many successful entrepreneurial enterprises, which are distributed in different industries and different fields, showing diversity; entrepreneurial enterprises and entrepreneurs in different eras have different characteristics of the times. Summarizing these entrepreneurial and successful enterprises, it is found that although they are in different times and different industry fields, they have some things in common. It is found through research that successful companies have many similarities in terms of opportunity grasp, resource integration, and value creation. These studies provide a guide for future entrepreneurs to start a successful business.

## 2. Seize the opportunity to lead

Xiaomi can be regarded as one of the most successful Chinese companies in recent years. It has grown from a small MIUI forum to a top 500 company. This is the sum of the sweat and tears of millions of Xiaomi people. Around 2010, Xiaomi's mobile phone was born with the slogan "Fever for fever", all of which are very natural and follow the trend. At that time, smart phones were still luxury products. Any smartphone would cost more than 3,000 yuan. When the Xiaomi mobile phone of 1999 yuan appeared, it is no exaggeration to say that the traditional mobile phone industry began to shake from the day of the first generation Xiaomi conference. Because of their laziness and lack of initiative, they gave Xiaomi a chance to rise. It can be said that the rise of Xiaomi has a very large component caused by the times, which may be what Lei Jun has called "the pig on the tui." If Lei Jun were asked to do it again now, he would not be able to get a second Xiaomi, and even Ma Yun would not be able to create a second Alibaba. It can be seen that grasping the opportunity window and following the market trends are vital to the success of entrepreneurship.

## 3. Creative integration of resources

No amount of resources in any enterprise is limited. Enterprises should not only have resources, but also have the ability to make full use of external resources, so that social resources can better serve the development of the enterprise. Some enterprises can also produce products without factory buildings, without machinery and equipment, or even without their own employees. Of course, it is not true, but it makes full use of social resources and conducts virtual research and development, virtual marketing, virtual transportation, and virtual distribution (referring to equity and options). Some companies separate their brains and bodies. They only have people who organize production, and only a few offices, but they use external land, factories, social technicians, managers, labor, and raw materials to produce a large number of products. Therefore, in the marketing planning process, we must always remind ourselves to broaden our horizons and make full use of a wide range of social resources. According to the different ways of integrating resources between enterprises,

resource integration can be divided into three forms: vertical integration, horizontal integration, and Platform integration.

**Vertical integration.** Vertical integration is the combination of two or more manufacturers in a value chain to form a community of interests. It is committed to integrating industrial value chain resources and creating greater value. For example, in the traditional way of doing business, a florist buys flowers from a florist and sells them to customers. This has been the case for decades. However, this does not mean that it is the best way to do business. A flower shop in the United States has abandoned the traditional way of operating and formed a strategic alliance with flower farmers and courier companies. The flower shop is a flower ordering center. Customers come here to order flowers (can be ordered through the Internet or by phone). The flower shop records the type and quantity of flowers ordered by the customer, as well as the address and time the customer wishes to be delivered. At the same time, the information about the type and quantity of flowers required by the customer is sent to the flower grower, and the flower grower is notified to prepare the flowers. Then, send the information such as the type and quantity of flowers ordered by the customer, and the address and time the customer wishes to be delivered to the courier company, which will obtain the flowers from the flower farmer, and then send it to the customer. By cooperating with the courier company, the flower shop integrates the transportation resources of the courier company and turns the traditional two-party cooperation into a three-party alliance. The new strategic alliance greatly expands the business volume, and each participant gets more income: flower farmers can sell more flowers, courier companies get more business, and flower shops get more orders, and at the same time Save transportation costs. Customers can also enjoy more flower choices and convenient home delivery services, which are not available to traditional flower shops.

**Horizontal integration.** Horizontal integration is to focus on a certain link in the value chain, and explore which resources to use and how to combine these resources in order to most effectively form this link and improve the effectiveness and value of this link. It is different from vertical resource integration. Vertical resource integration is to treat different resources as different links in the value chain. It emphasizes that each enterprise must find its own position, do the things that have the most comparative advantage, and coordinate each other. The different tasks in the links create the maximum value of the value chain together. Horizontally integrated resources are often not within the industry chain, but outside the industry chain, and more refer to related integration, such as the integration of resources between Gree Electric and research institutes.

**Platform integration.** Regardless of vertical or horizontal resource integration, the company considers itself as a part of the integrated resources, and considers how to combine other resources to obtain the best results. The platform-based resource integration is different. It considers that the enterprise as a platform integrates the resources of the supply side, the demand side, and even the third party, and at the same time increases the revenue of the two parties or reduces the transaction costs of the two parties. Make a profit. Alibaba is a typical example of building a platform to integrate resources. It integrates information from suppliers and demanders to create an information platform. Suppliers and demanders can use it to exchange information and communicate the presence or absence to achieve the best transaction results, while Alibaba makes a profit by charging service fees. Examples of similar successes include Ctrip and exhibitions.

#### **4. Focus on Value Creation**

The Martha Stewart website sells all household items at higher prices. For example, it sells a certain brand of iron on the website for \$ 125, but it may only cost \$ 90 in other malls. When asked about this difference, a company spokesperson explained that their company added value to customer service by providing usage guidance. After clicking the iron online, you can learn how to iron your shirt. Is the customer paying for these suggestions, or is it convenient to order online, or is it paying for a Stewart brand license? The answer may be one or all of them. In the new economic era, value is increasingly attached to these intangible things.

For products, customer value comes first. If customers are dissatisfied, they have no value. Value chain thinking requires people to think of economic activity as a whole, no matter what link or

position you are in. If you want to start a fast food company that has good French fries like McDonald's, then you can't apologize to your customers that the purchase of potatoes from farmers without proper storage has affected the taste of the fries. No matter what link or who has the problem, the customer only cares about the quality of the fries that they want. As a result, McDonald's had to try to ensure that all the potatoes provided to them must meet McDonald's quality standards.

## **5. Take Advance Action**

Funds, technology, talents, equipment, and information are indispensable factors for the success of an enterprise. Not only that, but also "advanced thinking and management". Knowing the people first, one step ahead of others, can seize business opportunities, seize the opportunity of market victory, and seize market commanding heights. All the world-renowned companies are famous in front of others and have brilliant performance.

Preparing for the future, forecasting the situation and looking ahead. If an enterprise can take early preparations, conduct market surveys carefully, analyze the development of the industry, grasp changes in the international economic environment, and make accurate estimates and judgments of future hotspots and selling points based on this.

Opportunity, never come again, make decisive decisions. Opportunities are rare for individuals and businesses, and they are fleeting. When business opportunities come, companies must make decisions quickly, make bold decisions, seize opportunities, and make advance decisions. Hamer, a world-renowned oil king, relied on decisive decisions and seized business opportunities many times during his half-century of his business life, making him a millionaire.

Advance planning. An enterprise must have a long-term development plan. If the plan is prepared and prepared early, things will be done successfully. Opportunities and business opportunities have always been prepared for people and businesses who are prepared.

Action ahead. After gaining insight into business opportunities, enterprises should quickly take measures and take action in advance to seize others and occupy the high ground of the market. One step ahead, one step ahead, one step ahead. This is the operating principle of the market economy. Especially under the economic downturn, it is even more important to operate ahead of time and develop potential new markets. Only in this way can companies always stay ahead of market positions. Only by seizing business opportunities and creating business opportunities can you grasp the market and put yourself in an invincible position.

## **6. Entrepreneurial Spirit of Constant Innovation**

Entrepreneurs must have an entrepreneurial spirit. Schumpeter, the management master, emphasized that innovation is an important characteristic of entrepreneurs. The innovative characteristics of entrepreneurs are mainly reflected in the entrepreneurial spirit. Entrepreneurship is defined as the pursuit of opportunity, value creation, and growth in an innovative and unique way by an individual or a group through an organized effort. It is a behavioral process that focuses on an innovative activity. The main meaning is innovation. It is that entrepreneurs use resources more effectively through innovative means to create new value for the market. Scholars at home and abroad have conducted in-depth research on the entrepreneurial spirit from the perspective of psychology. The understanding of the entrepreneurial spirit can be summarized as follows: First, if an individual exhibits innovative, risk-taking and aggressive behavior, then he has an entrepreneurial spirit; Second, entrepreneurship is the process of concentrating a unique series of resources to create new values in order to develop opportunities. It is believed that entrepreneurship is reflected through creative creation. Third, entrepreneurship is also a unique feature of entrepreneurs in terms of personality, such as opportunity capture. Ability, high achievement motivation, internal control source, etc.

Entrepreneurship can generally be divided into individual entrepreneurship and organizational entrepreneurship. The so-called individual entrepreneurial spirit refers to the use of personal power,

guided by personal vision, to engage in innovative activities, and then create a new enterprise; while the organizational entrepreneurial spirit refers to the pursuit of commonality within the existing organization with group power. Vision, engage in organizational innovation activities, and then create a new look for the organization. Entrepreneurship includes two aspects: the first aspect is the spiritual level, which represents a "innovation-based way of doing things and thinking"; the second aspect is the substantive level, which represents a "explore opportunities, organize resources to build a new company, to provide new value to the market. "Therefore, entrepreneurship is the driving force behind the formation, development and growth of new businesses. In recent years, China's innovation has continued to develop, and there are also good platforms. Tencent Chongchuang Space has provided many resources for entrepreneurs. The 2019 Forbes China Innovation Summit was held in Chengdu, and the "Forbes China Most Innovative Enterprise List 2019" was released at the meeting. The list covers 12 major areas including retail, logistics, online education, cloud computing, smart home, and financial technology. Among them, Xiaomi Technology and Haier, as representatives of smart homes, were successfully selected based on the reasons for "Energy-enabling lifestyle" and "Smart home refined operation".

## **7. Customer-Oriented**

Customer-oriented refers to that the company's various tasks are customer-centric, and meeting customer needs as the goal and direction of all work. Only the customer's loyalty can ensure the long-term development of the enterprise. To retain customers, it must do the following:

In the "Customer Operational Full Methodology", it takes a long time to find orders, negotiate orders, and sign orders before entering the after-sales link. "After-sales" is the beginning of your close relationship with the customer, not the end of your relationship with the customer. Therefore, After signing the contract with the customer, we must truly serve the customer, strive to exceed customer expectations, and truly add value to the customer.

Attaching importance to customers' consumption and application experience is the era of experience economy. Rather than focusing on "Customer Satisfaction", it is better to focus on "Customer Dissatisfaction" or "Customer Complaint Rate". Finding the cause of dissatisfaction and solving it is the best way to improve customer satisfaction. And to find out the "dissatisfaction" of the customer, we must interact with the customer in good faith, instead of doing superficial articles like most automobile 4S shops we usually visit every year.

The famous management scientist Peter Drucker once said: Customer demand is the center and starting point of the entire activity of an enterprise. The ultimate purpose of an enterprise engaged in commodity production and commodity exchange and marketing is to promote customers to buy and meet certain needs of customers. "Customer-oriented" is to fully meet the needs of the customer-oriented marketing concept throughout the enterprise's entire process, so as to achieve the purpose of improving customer satisfaction.

"Satisfaction" refers to the feeling state formed by a person by comparing the perceived effects of a product and a service with his expectations. "Customer satisfaction" is a psychological activity that is the result of the customer's needs being met. Pleasure. Customer satisfaction is the best indicator of the company's future profits, so customer satisfaction is of paramount importance to the company. Only good service is the most effective way to improve loyalty, build long-term relationships with customers, and retain customers.

## **8. Summary**

Ma Yun once said that "100 people start a business and 95 people will die." Obviously, entrepreneurial success is a small probability event. To become successful entrepreneurs, we must not only learn from the lessons learned, but also grasp the common laws from them and try to take as few detours as possible. Entrepreneurship management is a systematic combination, and it is not a certain factor that can lead to the success of an enterprise. The system that determines the success of continuous entrepreneurship must include innovation vitality, seizing opportunities, value

creation, and customer orientation. Integrate resources and form teams through such a system. The fundamental characteristic of entrepreneurial management is innovation. Innovation is not necessarily invention and creation, but is more a recombination of existing technologies and factors. Entrepreneurship is not an unlimited risk, but a rational control of risk. A set of effective cost control measures and a strong implementation plan will lead to a lack of competitiveness; entrepreneurial management emphasizes entrepreneurship of employees at different levels in the team rather than single-handed entrepreneurship.

### **Acknowledgment**

This article is a research paper on the teaching application of entrepreneurial management courses.

### **References**

- [1] Li Jianzhong. Research on Constructing a New National Innovation System [J]. Journal of Southwest University for Nationalities (Natural Science Edition), 2019,4505: 545-550.
- [2] Shen Yueying. Factors Affecting Entrepreneurs' Long-term Success in Running Enterprises [J]. Economic Research Guide, 2019, 20: 10-11.
- [3] Chen Yangyang, Ge Jing, Peng Jianjuan, Xu Nan. Research on the Recovery Process of Entrepreneurial Failure——A Multi-Case Exploration Based on Chinese Context [J]. Research and Development Management, 2019, 3104: 40-50 + 126.
- [4] Zhang Ying. Research on Resource Integration Mechanism of Cross-border Innovation Alliance [D]. Harbin University of Science and Technology, 2019.
- [5] Ma Tiannv. Research on the Mechanism of Entrepreneurial Orientation on the Performance of New Ventures [D]. Jilin University, 2019.
- [6] Shen Yueying. Factors Affecting Entrepreneurs' Long-term Success in Running Enterprises [J]. Economic Research Guide, 2019 (20): 10-11.
- [7] Zhenghe Island. Zhang Ruimin: There is no successful enterprise, only the enterprise of the times [J]. Commercial Culture, 2019 (18): 66-73.
- [8] Huang Xianren. The Way of Enterprise Management Success: Six Force Model [J]. Business News, 2019 (03): 54-59.
- [9] Zhou Jun. Analysis of the Causes of Enterprise Success [J]. SME Management and Science and Technology (1st Issue), 2018 (07): 28-29.
- [10] Zhang Li. Research on the impact of entrepreneurial elasticity on successful entrepreneurship [D]. Beijing Jiaotong University, 2015.