Batna2 University 2nd year C.C Computer Sciences

ENTREPRENEURSHIP

courses

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CHAPTER I

Topic 1: The company: definition, purposes and classifications

1. Definition:

A company is an economic and legal unit whose main function is to produce goods and services for sale on a market.

A company's activity can be divided into two distinct phases:

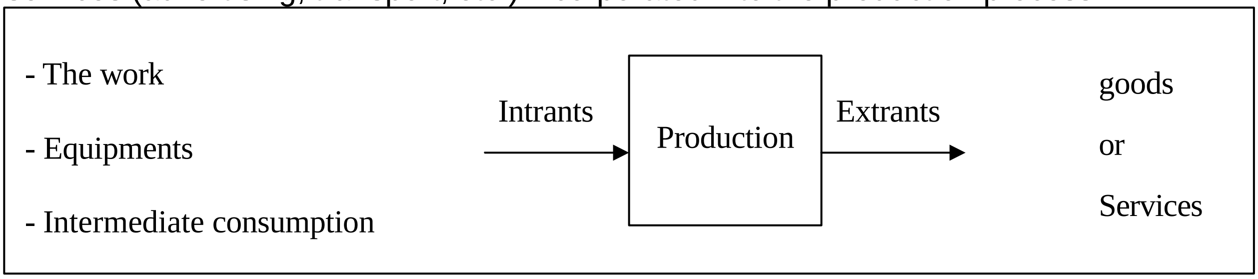
- the activity of production, i.e. the creation of goods or services
- the activity of distributing wealth in return for goods or services.

a. The company as a production unit:

Through the production operation, the company transforms input flows (Intrants or Inputs) into output flows (Extrants or Outputs).

Inputs can be divided into three categories:

- The work provided by the company's staff
- Technical capital: buildings, equipment, etc.
- Intermediate consumption, i.e. raw materials, semi-finished products, energy ..... or services (advertising, transport, etc.) incorporated into the production process.



b. The company as a unit of distribution:

The counterpart of the company's production activity takes the form of sales. The proceeds from these sales must enable the company to:

- pay for the factors of production;
- pay its social security contributions and taxes
- generate a surplus to secure its future.

Once the wealth has been created, the company distributes the remuneration to the agents who participated in the production. In this way:

- employees receive wages;
- the country, the social security system (CNAS, CASNOS, CNR) receive taxes (IRG, TAP, IBS) and social security contributions;
- lenders receive interest
- capital providers receive dividends;
- the company keeps retained earnings for itself.

2. The purposes of the company

2.1. The concept of purpose

The aims, or missions, of a company are the reasons why it is accepted by its environment. They are more durable goals than objectives, with imprecise deadlines.

They answer questions such as “what do we want to become?” and “what are our motivations?”. Goals contribute to the cohesion of the company and guide strategic decisions.

2.2. The different types of purpose

A. Economic objectives

There are three of them:

- to produce and distribute goods and services to enterprises or consumers;

- to ensure the survival and growth of the company, except in the case of certain companies that are set up for a specific, temporary purpose;

- to make a profit.

B. Human objectives

These concern both the ambitions of managers (e.g. prestige) and the fulfilment of employees: good working conditions, employee well-being, participation in management, etc....

C. Social objectives

They may coexist with other objectives in most companies, but for some they are the primary objectives: public service or national independence are the main objectives of public companies.

3. Classification of companies

There are several ways of classifying a company. These include:

- classification according to economic nature

- classification according to size

- legal classification.

3.1. Classification according to economic nature

This classification can be made according to three aspects:

- classification by sector

- classification by type of operation carried out

- classification by branch of activity.

A. Classification by sector

A distinction is made between:

1- The primary sector, which includes all businesses that use natural resources as their main source of income. This includes agriculture, livestock farming, fishing, etc.

2- The secondary sector, which includes all companies whose activity involves transforming raw materials into finished products, and therefore includes all industries.

3- The tertiary sector, which includes all companies providing services. Its composition is very heterogeneous, as it includes everything that does not belong to the other two sectors, namely: distribution, transport, leisure, credit, insurance, hotels, etc. ....

B. Classification according to the type of operations carried out

Business operations can be classified into 5 categories:

1- Agricultural operations: these are operations in which the natural factor predominates.

2- Industrial companies: carry out operations to transform materials into finished products.

3- Commercial companies: distribute goods and act as wholesalers (i.e. buying large quantities directly from the manufacturer and selling large quantities to the retailer) or semi-wholesalers (intermediate stage between the wholesaler and the retailer) or retailers who sell directly to the consumer.

4 - Service providers: provide two types of service:

- production services sold to other companies: research companies, advertising agencies, etc.

5- Financial companies: carry out financial operations, i.e. the creation, collection, transformation and distribution of monetary and savings resources. They include banks.

C. Classification according to branch of activity:

Unlike the sector, which groups together a variety of activities, the branch groups together only companies that manufacture, on a principal basis, the same category of goods, companies in the pharmaceutical industry, industry, etc.

Companies in the same industry have the following in common:

- use of the same techniques

- use of the same raw materials

- common interests in certain areas: this enables them to group together some of their activities and to create common services, in particular research, purchasing or sales, or joint subsidiaries.

3.2. Classification according to size

Companies come in different sizes. Depending on their size, companies range from simple workshops to large-scale enterprises.

A. Number of employees: this criterion distinguishes between:

- Very small businesses (VSEs), which employ fewer than 5 people;

- small enterprises (SE) with between 5 and 10 employees;

- medium-sized enterprises (ME) with between 10 and 100 employees (this number can go up to 500);

- large companies with more than 500 employees.

B. By turnover

Turnover gives an idea of the volume of a company's transactions with its customers. A company's importance can be defined by the volume of its transactions. This criterion is important for the following reasons:

- It is used to assess the development of companies and to rank them in order of importance according to their turnover.

- For the company,

- It is a management tool: changes in sales enable the company to measure the relevance of its sales methods. For example, a fall in sales is often interpreted as a significant indicator of a company's poor health.

- It is used for comparative purposes, as it enables the company to position itself in relation to other companies in the same sector.

3.3. Legal classification

This classification distinguishes between:

A. Public sector companies

1- Public companies: these are companies that are wholly owned by the State, which holds all the capital, management and decision-making powers.

2- Semi-public companies: these are companies controlled by the public authorities: choice of investments, price levels, employment policy, etc., but in which private individuals participate in financing and/or management.

B. Private companies

We distinguish between:

1. A sole proprietorship that is wholly owned, managed and directed by a single person.

2. A company is a contract by which two or more people agree to pool their assets or their work, or both, with a view to sharing the resulting profits.

3. Cooperatives bring together people who wish to pool their savings and skills to meet specific needs (housing, consumption) without seeking profit.

Topic 2: Entrepreneurship

1. Definitions:

A. Entrepreneurship is an action or set of activities focused on innovation, which involves giving currently available resources the capacity to create new value while assuming the associated risks, in exchange for a certain amount of satisfaction.

B. Entrepreneurship is the phenomenon associated with entrepreneurial activity, the human action of undertaking to manage value by creating or developing economic activities through the identification and exploitation of new products, processes or markets. **(OECD, 2012).**

2. Entrepreneurship schools:

A. The school of psychological characteristics: Fayolle (2005) summarises the thinking of this school by indicating that entrepreneurs have unique psychological characteristics (values, attitudes and needs) that guide them in the entrepreneurial process. For example: the need for achievement, independence, risk-taking, imagination, self-confidence, etc.

B. The managerial school: Entrepreneurs are organisers of the wealth creation process. They are people who organise, manage and assume risk. Bruyat (1994) says that the entrepreneur is someone who perceives opportunities and creates an organisation to exploit them.

C. The school of leadership: The entrepreneur is someone who knows how to lead teams and guide people towards the achievement of assigned objectives. They have the ability to adapt their style to people's needs. Entrepreneurs play a role in motivating, directing and leading their staff.

3. Entrepreneurial approaches:

A. Business opportunity: For Anglo-Saxons, particularly Americans, the term has been in use since the 1990s.Professor Stevenson Haward of Harvard University explains that entrepreneurship is a term that encompasses the recognition of business opportunities by individuals or organisations, their follow-up and their realisation. According to Coster Michel, entrepreneurship is a phenomenon of the emergence and exploitation of a new opportunity creating economic and social value resulting from the initiative, innovation and changes of the entrepreneur interacting with his environment.

B. Organisation creation: Aldich Henadz, Chisman, Shama and Thornton have developed this concept by considering that entrepreneurship extends to becoming a process of organisation creation, i.e. a set of activities by which the entrepreneur combines informational, material and human resources, etc., in order to create an organisation.

C. Value creation: Entrepreneurship is a dynamic process of creating additional wealth by individuals who take great risks and make a professional commitment to provide value to a product or service. This is the relationship between the individual and value. According to Boberthirt, he defines it as: the process of producing a valuable new product by devoting the necessary time and effort to it, while assuming the associated risks of all kinds (financial, psychological, social). In exchange, we obtain material and moral satisfaction.

D. Creativity model: Entrepreneurship and creativity are two closely related activities. According to some, innovation is what distinguishes entrepreneurs from managers, and according to Marchesnay and Julien, Druker, innovation is a prerequisite for value creation, whether technological or organisational.

4. The dominant paradigms in entrepreneurship:

There are several dominant paradigms in entrepreneurship. Here are some of them:

A. Paradigm of the heroic entrepreneur: This paradigm focuses on the entrepreneur as an exceptional individual with unique skills and a bold vision. It considers that entrepreneurial success is primarily attributed to the traits and actions of the entrepreneur himself.

B. Opportunity paradigm: This paradigm emphasises the search for and exploitation of business opportunities. It considers that the entrepreneur identifies and seizes market opportunities to create value.

C. Resource paradigm: This paradigm emphasises the importance of the resources available to the entrepreneur. It considers that access to specific resources, such as financial capital, social networks and technical knowledge, is essential for entrepreneurial success.

D. Institutional paradigm: This paradigm emphasises the influence of institutions and social norms on entrepreneurial activity. It considers that rules, laws and cultural values shape the behaviour of entrepreneurs and determine the opportunities and constraints they face.

These paradigms offer different approaches to understanding and studying entrepreneurship, and they can co-exist and complement each other in research and practice in this field.

5. Entrepreneurial situations:

Entrepreneurship through: Necessity

Opportunity

A. Creation from scratch (**ex-nihilo**): this is the purest form of entrepreneurship. Examples: Technopreneurship or creation of technological companies, creation of green companies....

B. Spin-off creation: this consists of helping an employee in an independent activity.

C. Creation through franchising: franchising is a commercial and legal agreement whereby a company called the franchisor undertakes to provide a second company called the franchisee with know-how, training and ongoing assistance in return for remuneration.

D. Company takeover: a process whereby a natural or legal person, the buyer, acquires ownership of an existing company or business and takes over the general management functions. (Fayolle, 2004).

Topic 3: The Entrepreneur

1. Definitions:

A. A person who takes charge of the execution of a task.

B. From an economic perspective, an entrepreneur is anyone who runs a company on their own account, using the various factors of production (natural agents, capital, labour) to sell products or services.

2. Characteristics and typologies of action-oriented entrepreneurs:

A. S.I.G. Profile: Sustainability, Independence and Growth.

B. G.A.S. Profile: Growth, Autonomy and Sustainability.

C. Schumpeter's typology, according to the conditions of innovation:

I. Lower Research and Development costs.
II. Reduce marketing risk.
III. Make fewer mistakes.
IV. Improve existing technology.
V. Erect barriers to entry, in particular by protecting inventions with patents.
VI. Build a strong image and develop brand awareness.
VII. Dictate the law by pulling the market in the direction it wants to go (by influencing the preferences of potential customers).
VIII. Acquire key skills early on.
IX. Attract talent by offering stimulating challenges.

D. Norman Smith's typology (according to the conditions of creation):

I. THE ARTISAN: Characterised by a low level of training and no experience, particularly in the field of management, he has technical skills and is involved in activities that are not very innovative.
II. THE OPPORTUNIST: Considered to be more experienced, particularly in management (he may have been a manager or engineer), he has matured his project linked to an innovation opportunity and benefits from solid support.

E. Depending on the profile of the manager:

I. THE TECHNICIAN: Aims to showcase his or her professional skills by focusing on the conditions under which the product is manufactured. (Engineers).
II. THE MANAGER: Focuses on management problems, often because of his management training or professional experience (administrative executives).

F. Marchesney's typology (1996), based on the logic of action:

Three socio-economic aspirations of the entrepreneur:

I. The longevity of the business (the concern to pass the business on to someone else).
II. Independence: ownership of capital and autonomy in decision-making.
III. Independence: ownership of capital and autonomy in decision-making

3. Main entrepreneurial characteristics:

I. Desire for achievement
II. Search for power
III. Autonomy
IV. Self-confidence
V. High level of energy and dynamism
VI. Perseverance despite obstacles
VII. Stress tolerance
VIII. Able to cope with competition
IX. Action-oriented
X. Innovative
XI. Ability to design projects, conceptualise and project into the future.

4. The main motivations of entrepreneurs:

Allain Fayolle (2004), contrary to popular belief, states that entrepreneurs most often put forward the following motivations:

I. The need for fulfilment
II. The need for independence (being your own boss)
III. The need for recognition
IV. The quest for power
V. Passion
VI. The challenge
VII. Enrichment.

CHAPTER II

Topic : Entrepreneurial Process

1. Definition:

The entrepreneurial process is a set of steps or phases that an entrepreneur must go through in order to launch a company or a new business activity.

Although each company is unique and may follow a different path, the entrepreneurial process can be described in six general stages:

I. Identifying a business opportunity :

The first step in the entrepreneurial process is to identify a business opportunity. This may be an idea for a product or service that meets a need or a gap in the market.

II. Drawing up a business plan :

Once the business opportunity has been identified, the entrepreneur must draw up a detailed business plan that describes how he or she intends to realise the opportunity. The business plan should include information on the target market, competitors, marketing and sales strategies, costs, financial forecasts, etc.

III. Obtaining finance :

After developing a solid business plan, the entrepreneur must find sources of financing to get the business off the ground. This may include investors, lenders, government grants, etc.

IV. Company creation :

Once the financing is in place, the entrepreneur can set up his company and implement his business plan. This often involves renting a workspace, hiring employees, purchasing equipment and supplies, etc.

V. Launching the company :

When the company is ready to operate, the entrepreneur can launch the product or service onto the market.This may involve advertising campaigns, promotional events, special offers, etc.

VI. Managing the company :

Once the company has been launched, the entrepreneur must manage it on a day-to-day basis. This may include managing finances, managing employees, monitoring the competition, adapting to changes in the market, and so on.

The entrepreneur must also continue to innovate and improve their product or service to remain relevant in the market.

2. Business opportunity :

A business opportunity is a commercial idea or possibility that can be exploited to generate profits. It may be a new demand in the market, a gap in an existing market or an innovation that meets an unmet need. Business opportunities can be found in various fields, such as technology, health, education, agriculture, etc.

To identify a business opportunity, the entrepreneur must be able to observe and analyse market trends, consumer needs, technological developments, demographic changes and other relevant factors.

It may also be useful to listen to feedback from potential customers or observe the activities of competitors to find untapped opportunities.

Once a business opportunity has been identified, the entrepreneur should assess its viability by developing a detailed business plan that describes how he or she intends to realise the opportunity.It may be necessary to carry out market research, feasibility studies and work with professionals to validate the idea before going ahead with setting up the company.

2.1. Choosing the project idea

Generally speaking, the search for an idea for a product or service to be used in the creation of a business can be carried out in three directions: everyday life, economic life or professional life.

I. Everyday life: by looking at everyday life, it's easy to come up with the idea for the project you want to set up. For example, you can identify certain needs that can be met by introducing products or services that are not on the market, or copy a successful idea that has been implemented by a friend, neighbour or relative.
II. Economic life: consulting national and international journals and magazines can be a source of ideas for new opportunities. Ideas that can be transposed from one country to another, as they are or adapted, depending on the context in that country.
III. Working life: this is the third possible source for identifying entrepreneurial ideas, since observing one's working environment can lead to the discovery of products or services that complement those marketed by one's boss. Similarly, an idea for an entrepreneurial project can be found in the following four ways:

a) Marketing a product or service that already exists on the market.
b) Developing a new product or service.
c) Acquiring a franchise.
d) Taking over a company.

The table below shows the advantages and disadvantages of each option

Option	Advantages	Disadvantages
Marketing of a product or service already on the market	- Availability of statistics on the product or service. - Possibility of improving what already exists.	- Risk of being copied. - Risk of market saturation.
Development of a new product or service	- Benefits of novelty. - Low cost.	- Possibility of poor market response. - Lack of figures for the product or service.
Acquiring a franchise	- Advantage of the franchisor's experience and reputation. - Saves time. - Quick to set up.	- Dependence on the franchisor (prices, supplies, etc.). - Franchising may be rejected by the market. - High costs (entry fees, royalties, etc.).
Taking over a company	- Saves time. - Business already operational.	- Risk of change in attitudes of partners (bankers, suppliers, customers, etc.). - Possibility of inheriting a bad brand.

2.2 Methodology for researching and validating business creation ideas

The idea research process comprises 4 stages:

I. Selection of a research focus

You can draw on :

- professional know-how
- your personality
- opportunities
- problems encountered

II. The search for ideas

Creativity techniques are applied to the chosen line of research:

a) Brainstorming

Brainstorming consists of spontaneously producing as many ideas as possible on a given subject (minimum 5 participants, ideally 8-12):

- without restraint
- without worrying about whether the ideas are realistic at first ;
- without any criticism or justification.

b) Fault finding

This technique consists of :

- listing all the defects, disadvantages or weaknesses of a product or service ;
- classifying them according to selected criteria
- finding solutions to improve or eliminate these unsatisfactory elements.

c) Consumption space

- To find new ideas for products or services, you can also use a table called "Consumption space". This tool can be used to define an existing, saleable product or service according to all its commercial criteria.
- Changing one of the parameters can then give rise to :
- a new product or a new activity ;
- a product or service modified to adapt it to another Market.

“This technique can only be used on the basis of an existing product or activity.”

d) Differentiation

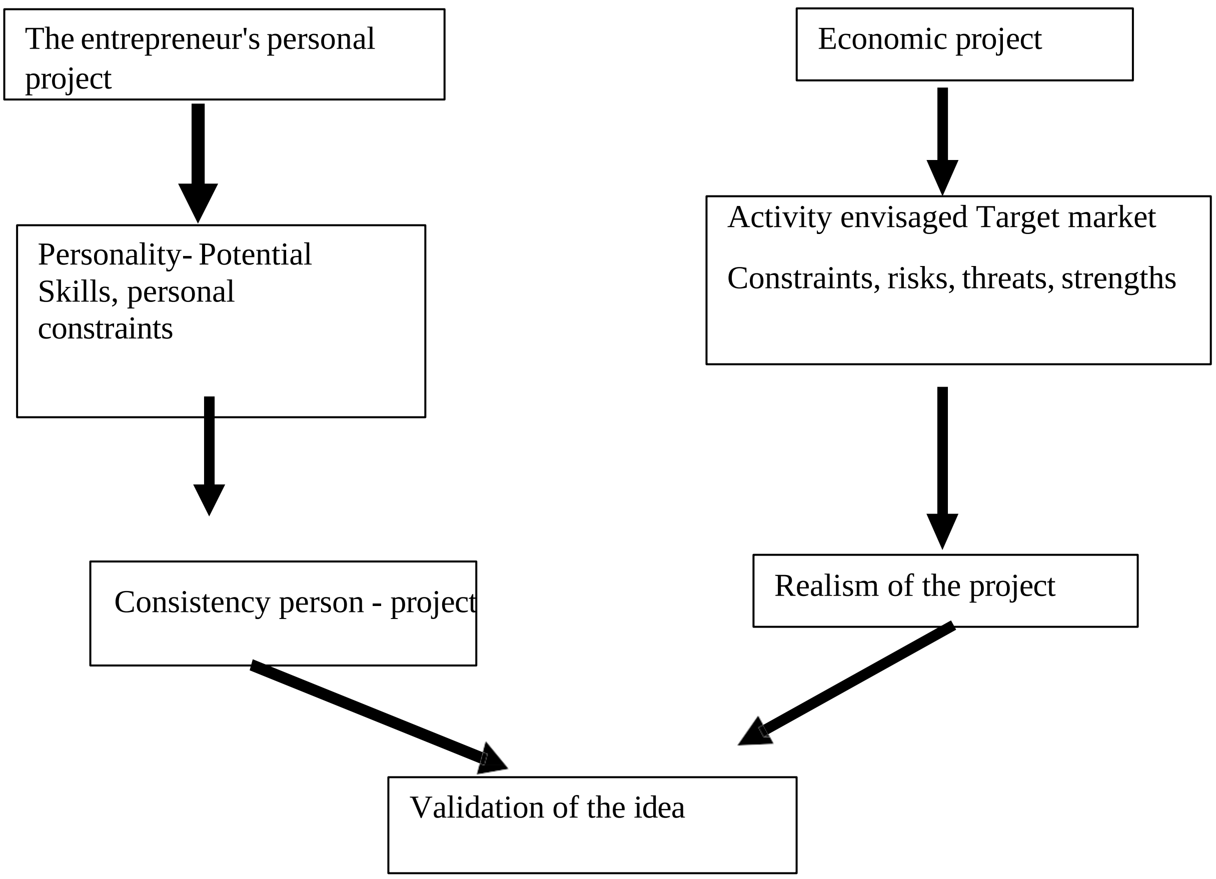
Differentiation gives a product/service or a commercial offer a character that distinguishes it clearly from competing offers.

III. Selecting certain ideas

The selection of certain ideas is made through an objective and subjective analysis of the realism of the ideas taking into account:

- essential skills
- financial, human and technical resources
- the legal context
- the time available

IV. Final conclusion on the validation of the retained idea



3. Drawing up a business plan

Drawing up a business plan is an important stage in the entrepreneurial process, as it enables the entrepreneur to describe in detail how he or she intends to realise the business opportunity and to convince stakeholders such as investors, lenders and potential partners of the viability of the project. Here are the key elements that every business plan should include:

I. **Executive summary:** The executive summary is the first section of the business plan and should provide a clear and concise overview of the business, its business model, target market, competitors and overall strategy. It should grab the reader's attention and persuade them to read on.

II. **Description of the company:** This section should provide information on the company's history, long-term objectives, mission, vision, values and organisational structure.

III. **Market analysis**: This section should provide information on the company's target market, market trends, competitive strengths and weaknesses, and growth opportunities. It should also include information on customer needs and how the company intends to meet them.

IV. **Products and services:** This section should provide information on the products or services that the company will be offering, their characteristics, advantages and differentiators from competitors' products and services.

V. **Marketing and sales strategy:** This section should provide information on the company's marketing and sales strategy, including how it intends to reach its target market, distribution channels, pricing strategies and promotional tactics.

VI. **Operational Plan :** This section should provide information on how the company intends to produce and deliver its products or services, as well as the operational processes required to execute its business model.

VII. **Financial Plan:** This section should provide information on the company's financial projections, including projected financial statements, cash flow, working capital requirements and return on investment. It should also include information on the company's sources of finance and cost control mechanisms.

3.1. Market analysis :

Market analysis involves gathering and analysing information in order to identify the characteristics of a market.

Market analysis enables us to determine whether the project idea is feasible and whether it is likely to make a difference to competitors.

The market analysis must answer the following questions:

- Who will my customers be (size, socio-professional category, age)?
- How can my company capture market share?
- What are the strengths of my product or service?
- How will my product or service be marketed, and in what form?
- What are the regulations governing the sector, or even the product or service to be marketed?

- Who are the current and future competitors for my product or service?
- What sales figures can I expect?
- What strategy do I need to put in place to achieve it?
- What are the human and material resources required to generate sales?

3.1.1 The main areas of market research are :

- the product or service environment ;
- the target market
- the competition ;
- suppliers
- segmentation and marketing strategy
- evaluation of sales forecasts.

I. The product or service environment

This is a study of the sector of the product or service to be produced or marketed. This study provides an insight into the regulations governing the profession and market trends.

II. The target market

The company's customers must be clearly identified: individuals, retailers, local authorities, wholesalers, manufacturers, etc.

The quality/price ratio must be precisely determined in order to encourage customers to buy the company's product or service.

The target market must not depend on a single customer, but include a variety of customers, otherwise the company's fate will be in its own hands (the company will fall victim to its whims).

III. Competition

In-depth knowledge of competitors enables us to identify :

- their strengths and weaknesses (production and marketing capacity, sales methods, product characteristics, etc.) ;
- their pricing policies (sales promotion policy, prices charged, etc.) ;
- conditions granted to customers (payment terms, delivery times, after-sales service, etc.).

NOTE: This information can be obtained from chambers of commerce, trade associations and from the competitors themselves, their customers and their suppliers.

IV. Suppliers

The company's future suppliers should not be chosen solely on the basis of price, but also on the quality of their products.

As with customers, you should never choose just one supplier. You should select several suppliers, making sure that they will support the company in difficult situations (financial difficulties, exceptional orders, etc.) and that they will meet the company's supply deadlines.

3.1.2 Market research methodology

The following three tools are used to carry out market research:

1. Documentary research using information sources and channels: direct contact, newspapers and magazines, websites.
2. Qualitative research to obtain quality information on a sector of activity: semi-direct interviews, focus groups, etc.
3. Quantitative research to better target the preferences of a market player, in particular customers: questionnaire survey, tasting test, test market.....

3.2 Drawing up a marketing strategy

The development of a marketing strategy is based on three points:

- Market segmentation
- Targeting market segments
- Positioning the company

3.2.1 Market segmentation

Analysis of information from the market (identification of customers, selection of suppliers, study of competitors and the environment in which the company will operate) will enable clear choices to be made regarding segmentation and the components of the marketing strategy.

Segmentation consists of identifying the market segments that will enable the project owner to make the most of his opportunity. To segment the market, you can use criteria such as customer categories, needs, usable technologies and distribution channels. For each market segment identified, its volume and size must be determined.

3.2.2 targeting

Targeting is done both quantitatively, by specifying the number of potential customers, and qualitatively, by identifying their needs and behaviour.

Priority must be given to targeting those segments with the greatest growth potential and whose needs require a product and/or service offering that is central to the project team's skills.

In order to select one or more segments, the project leader must be able to answer four questions:

1. Is the volume of customers in the segment(s) identified large enough to sustain the business? What does it represent in terms of potential turnover?
2. Do these customers have a real need to satisfy? If so, which one(s)?
3. Is the market mature enough? Is there real potential for growth? What could my turnover be tomorrow?

4. Do I have the financial, human, technical and technological capacity to meet their needs?

3.2.3 Positioning

Having identified and targeted one or more customer segments, the designer needs to clarify his position in the market. Positioning is the second stage in developing a marketing strategy. Positioning is the image that a company wants to project to its customers and competitors. It enables the company to differentiate itself from its competitors.

In order to position a company, it must take into account the positioning of its competitors and the expectations and needs of its customers,

3.3 The marketing mix

The marketing mix refers to the combination of parameters that determine the offer. There are four parameters:

- the product
- price
- distribution (sales)
- communication.

-The first two (product and price) are designed to meet demand. In simple terms, they are what the company offers its customers.

- The other two (distribution and communication) are designed to increase sales and publicise products or services.

3.3.1 The product or service

The product (or service) can be defined in two ways:

1. in the traditional sense: what is sold to customers,
2. in its commercial approach: a means of meeting consumer expectations and needs.

3.3.2 Selling price

For the customer, the price is perceived as a means of differentiation between several companies offering a similar product or the same brand.

For the company, the price enables the product to be positioned within a range on the market. It is also one of the first elements that will enable the company to measure the appropriateness (or inappropriateness) of its commercial policy with customers.

Entrepreneurs generally tend to set their prices taking account only of production and distribution costs. This is because this method is so easy to use.

However, it is important to remember that a company operates in a market. The entrepreneur must therefore take into account the prices of competitors and the pricing expectations of customers.

To set the right price, you need to know your customers, your competitors and your costs.

3 methods for setting prices :

- According to the company's costs
- According to the competition
- According to demand

1. **according to costs**

The product's selling price must cover all costs and generate a margin. Costs include:

a) direct costs (fixed or variable)
    - purchase of goods and/or raw materials
    - remuneration (employees, contractor), use of sub-contractors, maintenance of equipment and tools, depreciation of machinery, etc.

b) indirect costs (fixed or variable)
    - market research, advertising, commissions, etc.
    - general and financial costs (rent, electricity, insurance, etc.), research and development costs, etc.

2. **depending on the competition**

This is where the product or service is very similar to what already exists on the market. There are 3 possible approaches:

- Sell at the market price: it will be difficult to break into the market if there is no positioning.
- Sell for more
- Sell for less

3. **Depending on demand**

When launching a new product, the promoter must take into account the "psychological" price, which is indicated by the customer when he is ready to buy the product.

In the case of a new product launch, the promoter must take into account the "psychological" price, which is indicated by the customer when he is ready to buy the product or obtain the service. To set this price, potential customers can be asked two types of question:

- above what price do you think the product or service would be too expensive?
- below what price do you think the product is of mediocre quality?

3.3.3 Distribution

The distribution policy chosen by the company should enable it to put in place the best means of delivering its products and/or services to customers, while facilitating and optimising sales.

To make such a decision, it is necessary to have a good knowledge of :

1. existing (and competing) distribution networks
2. the resources (financial and human) available to the company,
3. the type of customers and their expectations.

3.3.4 Communication

The primary objective of communication is to make the company and its products known. Communication materialises the company's positioning, i.e. the image that the company wants to give of itself and its offer to its competitors, customers and partners. To communicate effectively, you need to

- construct a simple, clear message, and ensure that it is "repeated",
- set precise, measurable objectives,
- never give out false or misleading information,
- And above all, choose the right communication media to reach your customers.

4. Obtaining financing :

Obtaining financing is an important step in the entrepreneurial process, as entrepreneurs often need capital to finance the launch and development of their business. There are several sources of finance available to entrepreneurs:

I. **Investors**: Investors can be individuals, venture capitalists, investment funds or business angels. They invest money in the business in exchange for a stake in the company or a return on investment.
II. **Lenders**: Lenders can be banks, credit unions or financial institutions.They lend money to the company and often require security for repayment, such as a mortgage or personal guarantee.
III. **Government grants:** Governments often offer grants to support entrepreneurs in specific sectors, such as technological innovation, agriculture or research and development.
IV. **Equity crowdfunding**: Equity crowdfunding is a method of financing that allows large numbers of investors to contribute small amounts of money to fund a project or business.

NOTE: To obtain financing, the entrepreneur must present a solid and convincing business plan to potential investors or lenders. The business plan must demonstrate the company's financial viability, growth prospects and risk management strategies. The entrepreneur must also be prepared to negotiate the terms of the financing, such as the interest rate, the amount of the investment and the terms of repayment.

5. Business launch:

Launching the business is a crucial stage in the entrepreneurial process. It involves carrying out all the preliminary steps, including identifying opportunities, drawing up a sound business plan, obtaining finance and putting in place the infrastructure needed to run the business.

Here are some key steps to follow to launch a successful business:

I. **Register the business:** It is important to choose the legal form of the business and register it with the relevant authorities.
II. **Establish an online presence:** In today's digital world, having an online presence is crucial. It is therefore important to create a professional website and set up profiles on the relevant social networks.
III. **Putting a team in place:** It is important to recruit a team of competent professionals to manage the different functions of the business, such as finance, marketing and operations.
IV. **Set up operational processes:** It is important to set up effective operational processes to ensure that the business runs smoothly.
V. **Acquire customers :** It is crucial to acquire customers right from the start of the business. This can be done using a variety of marketing and sales strategies.
VI. **Grow the business:** Finally, it is important to monitor the performance of the business and adapt to changes in the market to maintain long-term growth and success.

NOTE: Launching a business is an ongoing process and the entrepreneur must be prepared to adapt to change and evolve in line with the needs of the market. This requires flexibility, creativity and perseverance to succeed as an entrepreneur.

CHAPTER III

Thème : Etude de cas sur l'entrepreneuriat : Start-up YASSIR

1. Introduction :

The beginnings of the Yassir company can be traced back to a complete Algerian experience, thanks to its founders and the development of its programmes. The credit for its creation goes to two friends, Mehdi Yatou and Nour Eddine Taibi. The company began operations in January 2017 and presented its beta version of the Yassir app for transport in July 2017. As for the commercial version, it was launched in September 2017 and named 'Yassir', in reference to transport facilitation on the one hand, and the notion of travel on the other. Initially, its business was focused on providing an innovative transport service that could be used via a smartphone, anywhere and at any time, enabling anyone to book a driver and travel in complete safety. Its motto is 'Happy driver, happy passenger' and it focuses on the following principles:

- Yassir stands out for its simplicity of use, where all the customer has to do is download the application onto their phone, while the drivers have their own version of the application.
- The service is available around the clock, whenever and wherever the customer needs it.
- Offer the best fare, taking into account traffic density, quality of service, distance and time of journey.
- Provide a quality service by reducing waiting time for the customer and the driver, offering a safe service and improving communication between the driver and the customer.

The Yassir application acts as an intermediary between the customer wishing to travel in a given city and the driver wishing to provide this service. Yassir concludes agreements with the drivers and provides them with training, then takes a 26% commission on each service provided. It should be noted that these drivers are free to choose their working hours. This commission includes duties, fees and taxes paid by Yassir on the basis of agreements with the local authorities and the Ministry of Labour.

2. Company growth and development:

Today, Yassir is regarded as an example to follow in the field of start-ups in Algeria, particularly in the field of technology, due to its continuous growth since its creation, as shown by the data in the following table:

YEAR	2017	2018	2019	2020	2023
NOMBRE D'EMPLOYES	6	80	200	350	+500
NUMBER OF REGISTERED DRIVERS	300	5000	12.000	40.000	+130.000
NUMBER OF APPLICATION DOWNLOADS	1000	500.000	1.8 million	2.1 million	+8.0 million
TURNOVER	3 million dinars	12 million dinars	-	-	Towards146 million $ In 2029
PRESENCE	1	12 Algerian wilayas	17 Algerian wilayas	25 towns in 7 countries	+50 towns in 9 countries

The data in this table clearly shows Yassir's rapid growth, both in terms of the number of customers, which has risen from around one thousand to over two million in less than four years, with a growth rate of over 20% per week, and in terms of market expansion. After starting out in a single city, the Algerian capital, it has expanded to become a global company, confirming its presence in eight other countries, such as: Canada, France, South Africa and Tunisia ..., and continues to expand with its activities and the creation of subsidiaries related to e-commerce, product delivery and fast food, as well as the creation of an Internet platform for film production..

3. Offered services:

According to Yassir's official website, the company has grown to offer a variety of services targeting different customers via dedicated apps, including the following:

- **'Yassir Go'** represents the basic passenger transport service with the freedom to choose the driver and set the price in advance, where the company acts as an intermediary between the customer and the driver.
- **Yassir Express'** offers distribution and delivery services for various products, with the company acting as an intermediary between the customer and the various shops.
- **Yassir Market'** is another application for direct purchases, where the company guarantees product quality, a nationwide delivery service and offers several payment options.
- **Yassir Business'** is designed for professionals, enabling them to organise and manage their work-related travel in a professional manner.
- **Yassir Telemedicine'** is an application developed as part of the fight against the COVID-19 crisis, in collaboration with general practitioners and specialists who answer customers' questions via this application on a voluntary basis. This reduces the need to travel to clinics, except when necessary, by identifying the specialist doctor required thanks to the professional information provided by these doctors.

4. Yassir's success factors :

Yassir's key success factors could include:

I. **The scientific and personal characteristics of Yassir's founders:** Mehdi Yatou and Nour Eddine Tayebi founded Yassir in 2017. Both were outstanding students, ranked among the top of their class, in the field of technology. They graduated from the École Nationale Polytechnique d'Alger in 1998, while Mehdi Yatou obtained a doctorate in mechanical engineering in Canada and Nour Eddine Taibi completed his higher education in the United States and obtained his doctorate from Stanford University (in the Silicon Valley region). The two friends share the same passion and strategic vision for using technology to serve society. They are also characterised by their perseverance, determination, patience, initiative and optimism**.**

II. **The relationship between the Yassir founders and entrepreneurship:** The migration of the two friends and their work in Anglo-Saxon countries steeped in entrepreneurial culture had a positive impact on their way of thinking and their vision of entrepreneurship, particularly for Nour Eddine Taibi, who gained pioneering business experience in the Silicon Valley region, considered to be the world's leading technology hub. The two friends' scientific skills and knowledge, as well as their personality traits, have enabled them to withstand and succeed in a difficult entrepreneurial environment, without having to seek partners or external funding. Nour Eddine says: ‘The biggest problem with entrepreneurship in Algeria is the entrepreneur himself, not just the obstacles associated with funding and bureaucracy. The most important aspect is the mentality, culture and behaviour of the entrepreneur in Algeria**.**

III. **A fertile business market:** The market for digital products in Algeria is still young, promising and dynamic, and this is due to Algeria's recent efforts to move from a physical to a digital economy. This situation offers profitable business opportunities for those who can exploit them, which Yassir has managed to do, and which has been one of the factors in its success.

IV. **Rapid response to society's needs:** This is reflected in Yassir's innovative expansion into the provision of medical consultancy services in response to the COVID-19 crisis and lifestyle changes that have increased reliance on online communications and interactions. Yassir was quick to exploit this opportunity, taking advantage of the growing demand for the use of technology and the acceleration of digital transformation. This has demonstrated Yassir's flexibility and ability to continuously detect and respond quickly to market and consumer needs. This is one of the characteristics of start-ups and one of the factors in their success**.**

V. **A clear vision and well-defined objectives:** to focus efforts and mobilise the company's resources.

VI. **A competent and motivated management team:** capable of taking strategic decisions and guiding the company towards success.

VII. **A thorough understanding of customers' needs and expectations:** and the ability to provide high-quality products or services that meet these requirements.

VIII. **The adoption of innovative technologies:** to improve operational efficiency and offer innovative solutions to its customers.

IX. **Prudent and effective financial management:** to ensure the profitability and continued growth of the company.

X. **Corporate culture**: a culture of excellence, innovation and continuous improvement.

XI. **Commitment to social and environmental responsibility:** demonstrating an awareness of societal issues and a willingness to make a positive contribution to the community.

CHAPTER

IV

Theme 1: Social Entrepreneurship

1. Definition:

Social entrepreneurship is the action taken by an entrepreneur to find innovative solutions to social problems. This term refers to a social economy enterprise or a non-profit organization that has a strong social mission. To engage in social entrepreneurship, it is not necessary to create a non-profit organization. However, this term does not refer in any way to the legal form of the company.

Note: A for-profit business can participate in social entrepreneurship.

2. The social entrepreneur:

The social entrepreneur is the one who creates a business and devotes his or her economic and financial skills to the good of the local community. However, it is necessary to generate added value to cover all the costs of the social enterprise, and thus maintain it in a competitive market in the long term.

"Social entrepreneurs are innovators with a strong new idea, a combination of visionary spirit and creativity in solving real problems, with a strong moral fiber and being completely possessed by their vision of change." - David Bornstein, Ashoka.

3. The birth of the social entrepreneurship movement:

The terms "social entrepreneurship" and "social entrepreneur" only appeared recently, around the 1990s. It's a thought movement that inspired the business world in the United States, when social companies tried to come together.

The movement then spread around the world, and revolutionized the social economy of many countries. But this reasoning is actually older. As early as the Middle Ages, many people wanted to provide solutions to social difficulties, hence the appearance of mutual insurance companies or guilds.

Regarding social entrepreneurship, the fact of associating these two seemingly opposite words represents a real economic challenge:

- "Entrepreneurship" to indicate the use of all economic performance and the individual know-how of the entrepreneur to achieve a positive result.
- "Social" to insist on the importance of solidarity, public utility and consideration of current societal imperatives. Social entrepreneurship is therefore the conduct of an entrepreneur who sets up an efficient and profitable economic activity in order to serve his fellow man.

4. Social enterprise owners:

Social enterprise owners can target social issues, such as:

- reduce barriers to employment for disenfranchised groups or individuals
- Eliminate homelessness in the community;
- reduce the impact of the business or sector on the environment;
- improve health outcomes for community members

5. The difference between social enterprises and non-profit organizations:

Social enterprises and nonprofits may have similar goals, but the way they are structured and funded differs. Social enterprise owners are business owners who can make a profit, share dividends and attract investors. Non-profit organizations, as the name suggests, cannot profit from their activities and are therefore often funded by donations, grants, or public funds.

6. The difference between social enterprise owners and other entrepreneurs:

Social entrepreneurs are distinguished by their goals. Ordinary business owners typically focus on creating business value or profits, while social enterprise owners seek to create social value, which is a benefit to society or the community.

7. Steps to create a social enterprise:

To create a social enterprise, you must follow the same steps as creating a traditional company **(Chapter 2).**

However, before embarking on social entrepreneurship, it is essential to clearly define the social objective of your business. It must be sufficiently precise and understandable by future customers, but also by the investors you are going to solicit. Then, you will be able to:

- Work on your product or service offer idea to achieve your social goal;
- Develop your business plan: even if the primary goal of social entrepreneurship is not to generate wealth, your project must be viable and profitable to be able to pursue your objective;
- Finding funding: this can be a crowdfunding campaign, a fundraising campaign and/or a bank loan;
- Create your company;
- Promote your company and make it known: communication is essential to gain visibility and introduce your entrepreneurial project to the various players.

Note: Regarding the creation of your company, this type of entrepreneurship can be exercised in any type of structure (SPA, SARL, EURL, Association, etc.)

Theme 2: Examples of Social Entrepreneurship

I. The GRAMEEN Bank "bank of the villages":

Grameen Bank is a bank specializing in micro-credit. It was officially established in 1983 by Muhammad Yunus in Bangladesh. It has nearly 2,564 branches and works in more than 81,367 villages. Since its inception, it has disbursed $4.69 billion in loans and has repayment rates of nearly 97%.

The founder of the bank is Muhammad Yunus, a doctor of economics from Vanderbilt University in the United States. The idea came to him during a terrible famine in Bangladesh in 1974. The US$27 loan (without the risks of "pawn shops") to a group of 42 families allowed them to create small items for sale. Yunus believed that offering such loans available on a large scale could improve the poverty of rural Bangladesh.

The Grameen Bank was born from the ideas of Muhammad Yunus. The bank began as a research project by Yunus associated with the Economic and Rural Projects of the Bangladesh University in Chittagong, in order to test its method of credit and banking services offered to poor rural areas. In 1976, the village of Jobra and other villages surrounding the University of Chittagong were the first to benefit from the services of the Grameen Bank. The bank was a huge success and the project, with the help of the government, was extended in 1979 to the district of Tangail (north of the capital Dhaka). The bank's success continues and spreads to other parts of Bangladesh. In 1983, it was transformed into an independent bank by the Government of Bangladesh and was inaugurated with the Minister of Finance as guest of honour.

At the beginning of the 21st century, the bank continued to grow across the country, and continued to offer small loans to the rural poor. Its success has inspired similar projects around the world.

These principles form the basis of microcredit as well as the management of "self-help groups", which operate in more than 43 countries. Money is lent to a group of 5 people, and it is no longer possible for the group to borrow again if one of the five people fails. This creates a group dynamic in terms of responsibility (so that other members of the group can borrow again), thus increasing the economic viability of the Grameen Bank.

In a country where few women access credit through traditional banks, Grameen Bank has focused on women. In fact, they represent 97% of borrowers. A World Bank study has shown that microcredit allows women to have better access to resources and better participation in decision-making. Other economists believe that the link between micro-credit and women's liberation is less important, however. From other points of view, the Grameen Bank is also quite remarkable, its repayment rate exceeds 98%. However, according to the Wall Street Journal, a fifth of the repayments were at least 1 year late in 2001. The Grameen Bank defends itself by stating that more than half of the borrowers in Bangladesh (nearly 50 million) have been lifted out of poverty thanks to their loans. In concrete terms, all school-age children are in school, all members of a family eat 3 meals a day, have sanitary facilities, a rainproof house, have access to drinking water, and are able to repay 300 taka per week (about 3 euros).

The Grameen Bank is owned by poor borrowers. The bank is 97% owned by borrowers and 3% by the Government of Bangladesh.

7.34 million borrowers, 97% of whom were women. The number of borrowers has more than doubled since 2003; At that time, it had only 3.12 million members. A similar growth can be observed in the number of villages covered. As of October 2007, the bank had 24,703 employees, with 2,468 branches covering 80,257 villages, compared to 43,681 villages in 2003. Since its creation, the bank has granted 347.75 billion Tk in loans, (4.3 billion euros); Tk 313.11 billion (€3.9 billion) was repaid. The bank claims a recovery rate of 98.35%, compared to 95% in 1998.

The organization and its founder were awarded **the Nobel Peace Prize** in 2006.

II. SALAH ATTIA and Tefhna Al-Ashraf:

Salah Attia is an Egyptian agricultural engineer and businessman from the village of Tefhna Al-Ashraf in the centre of Mit Ghamr, Al-Daqahliya governorate.

The story of Engineer Salah's experience began with the participation of nine young men who met during their period of military service. In 1974, they agreed to set up a poultry farm after the end of their military service, at a cost of two thousand pounds. When drafting the company's contract, they decided to allocate 10% of the profits to charity and called it "the largest partner's share." When they saw that the profits were much greater than expected, they decided to increase the share of the "greatest partner" to 20% of the profits for the next cycle, thanking God for the great success achieved. The result of the next production cycle was unusual, so they decided to increase the "biggest partner's" share to 30% of the profits for charity. The great success was repeated in the next cycle, so they increased the share to 40%, and so on, the increase continued until it reached 100% in a total of ten farms.

It is impressive to see how much engineer Salah Attia has accomplished to serve his community. He carried out many actions, ranging from the establishment of religious institutes to the founding of an Al-Azhar University in his village of Tefhna Al-Ashraf. In 1984, engineers Salah Attia and Salah Khedr met with the village mayor to begin the construction of a comprehensive Islamic center in the village. They have established six Al-Azhar religious institutes for the different levels (primary, preparatory, secondary), divided into three for boys and three for girls. Then, he built a railway station, followed by the establishment of a faculty of law and Islamic law, then a business school for girls, a faculty of foundations of religion, and finally a faculty of education in Tefhna Al-Ashraf.

It also built a religious institute in the village of Al-Sanafin, under the Minya Al-Qamh centre in Al-Sharqia governorate. He began to form a committee in coordination with the villagers to collect donations. He was the first donor, even though this village was not under his governorate. He left the village only after collecting all the donations and starting the construction of an institute for boys and girls in the village. Then, it expanded to the creation of specialized committees for The bank has grown significantly between 2003 and 2007, in October 2007 it had retired agricultural engineers, to study how to increase crop productivity, a committee for young people to occupy their free time, and an educational committee composed of retired school inspectors to improve the level of education in the village.

These activities resulted in the establishment of a charitable fund for Muslims in the village of Tefhna Al-Ashraf to collect and distribute zakat, as well as the establishment of reconciliation committees to establish social peace among the villagers. In addition, he established several factories and turned them into waqfs to fund charitable projects in his village.

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