

Entrepreneurship Barriers, A Case Study of Small and Medium Enterprises in some Typical Sectors, Evidence from Vietnam

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Abstract

The research objective is to analyze the motivation, the process of approaching and the ecosystem of startup capacity development. Since identifying barriers and propose guidelines on how to approach the startups in accordance with the context of Vietnam. We methodologically coined these “motivation” and “barriers” and analyzed them in that order. Then examined entrepreneurship literature and built on variants of its theoretical insights to describe conceptual frameworks of how entrepreneurship focus firms motivation deal with the barriers implications of the variables. Our frameworks also show how firms contextually and reactively through barriers in line with the variables. The survey sample was conducted on people who are 28 Vietnamese startup entrepreneurs covering main 4 sectors in the year 2016 and 2020. The findings illustrated that the quality of entrepreneurship has significant improvement, however, start-up individuals are not equipped necessary elements to start a business and it easily leads to failure. Meanwhile, the start-up ecosystem is quite completely formed but has not created a positive effect. Since then, the study has given the guidelines which help individuals/enterprises build engines, suitable start-up approaches to the business environment of Vietnam, at the same time, it also recommend policies that help form components and connect them in the eco-system to develop start-up capacity which is accordance with the context of Vietnam.

Key-words: Frame Approach for Starting a Business, Starting a New Career on the available Basis, Start-up Ecosystem.

1. Introduction

In recent years, the entrepreneurship in Vietnam has been improved, the number of newly established enterprises tends to increase, many activities which motivate and support startup

businesses are found, as well as policies to assist enterprises are more and more completed. However, the startup enterprises' quality of operation is still not high, the number of innovative startups is not numerous, very few startups in Vietnam are able to develop their business network on a global scale. Adoption of the 4.0 Industrial Revolution, have created many opportunities for startups; also created new pressures for competition. To proactively capture opportunities from integration, will require a substantial boost in start-up operations. Since 2016, the Prime Minister's Resolution 35/NQ-CP of 16 May 2016 on the support and development of enterprises until 2020 sets the target by 2020: "Building a Vietnamese enterprise with a competitive capacity, sustainable development, and a whole country will have at least 1 million active enterprises, including large-scale enterprises, with wealthy resources". To make the above-mentioned business's development goals in reality, it will require a lot of integrated approach from the Government policy to create a favorable environment to support start-up and enterprises to have more innovation; as well as the startup himself should grasp a suitable approach to discover and develop the ideas of starting a business. In Vietnam, starting a business is a subject which is mentioned regularly, several universities have formed teaching curricula for university students and several short-term training programs such as those of Kraus et al. (2019; Iakovleva et al. (2011); Ries (2011). Generally, these documents mainly focus on the principle of operating the business, not focus on how to explore the business ideas of individuals or organizations. Materials for business start-up training have not yet been able to provide the framework for a business startup following Vietnam's trading environment. The start-up capacity is set up by many factors such as incentives, the approach to project implementation, and the ecosystem. There is no comprehensive examination of these above factors to recognize the advantages and disadvantages, as well as the characteristics of the start-up environment in Viet Nam. Thus, no guidance was provided to individuals/enterprises to provide adequate start-up and start-up approaches to appropriate start-up; as well as recommendations to develop policy mechanisms to create ecology systems to develop competence for the start-up as appropriate for the Vietnamese context. From the reasons above, it is essential to undertake a comprehensive examination of the motivations, ways of approaches, and ecosystems to provide guidelines for the development of start-up capacity to suit the Vietnamese context, which is also the goal of this study. First of all, the theoretical review to determine the shape taking process, the factors affecting incentives, the way to start-up project development works on two new start-ups and start-up on the available foundation. Next, survey and classification status of barriers on the motivation and way to approach and develop the start-up's projects in Vietnam to identify suitable characteristics, mistakes needed to be blamed, expectations from the supporting policy of start-up companies. On that basis, putting forward guidance to help start-up create

incentives and the approach to start up conforms to Vietnam's business environment. Besides, policy suggestions help to form the components and build up a connection between them in the ecosystem to develop the start-up capacity fit into the Vietnamese context.

2. Materials and Methods

2.1. Materials

Entrepreneurship Literature

Previous studies have proved the important contribution of the start-up spirit to the development and prosperity of a country. Some of the typical theories of Entrepreneurship are as follows: Schumpeter's Theory of Innovation (1943); Max Weber's Theory of Social Change (1978); The Uncertainty-Bearing Theory of Knight (1957); Casson Theory (1982); Kirzner's View on Entrepreneurship (1982); Drucker's View on Entrepreneurship (1985); Baumol's View on Entrepreneurship (1990). Infact, starting a business is to start the operational process of an enterprise. At the beginning, Weber (1978) advocated a sociological explanation for the growth of entrepreneurship in his theory of social change. He felt that religion had a profound influence on the growth of entrepreneurship. The religious belief and ethical value associated with the society plays a vital role in determining the entrepreneurial culture. However, Knight (2005) considered the entrepreneur bears the uncertainty involved in the enterprise and the level of uncertainty in business can be reduced by applying the technique of consolidation. The total level of uncertainty can be reduced by pooling individual instances. Schumpeter propounded the well-known innovative theory of entrepreneurship focusing on invention and innovation. While invention refers to creation of new materials and innovation refers to application of new materials into practical use in industry. This option is quite suitable for Vietnam context. The startup spends investment resources to operate the business system and take responsibility for the success or failure of the business process (Hisrich, 2011). In a general sense, starting a business is not just an individual's start-up but a new investment, additional investment to develop the business career of the business (Shane, 2000). A business with many start-up activities will be at risk and accompany with them is the ability to grasp business opportunities with the expectation of making more profits in the future (Johnson, 2005). Start-up spirit brings creativity, technological innovation, business methods, it also creates many jobs, thereby contributing significantly to the economic development of the country. For instance, the research by (Reynolds, 2007) has shown the dynamic start-up spirit is a major motivation of economic growth in

both the United States and Western Europe. A country with a high start-up spirit, gradually form many mechanisms to help business owners raise capital (Allen & Stearns, 2004).

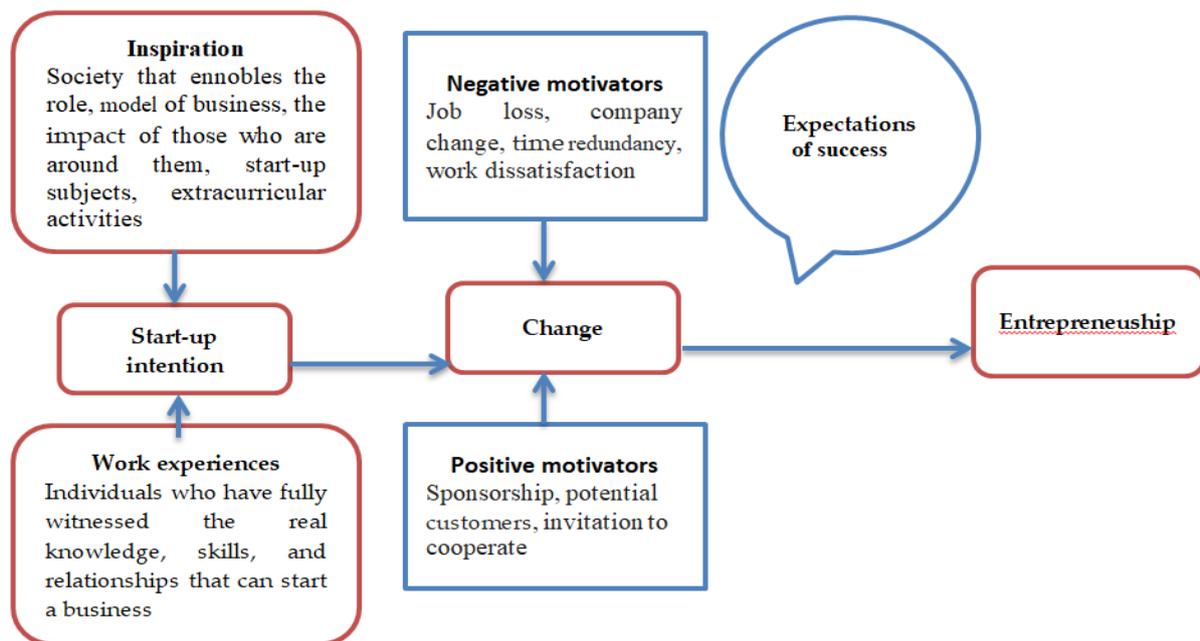
Governments meet the expectations of start-up spirit by creating a mechanism to create many organizational operations with the mission of supporting the entrepreneurs, including state management agencies to motivate the spirit, develop business ideas, incubation of startup activities through methods to form technology models which are transferred to enterprises, and support bait capital, connecting the startup ecosystem; as well as encouraging non-governmental organization to form and operate with the mission of startup incubation (Ceci & Iubatti, 2012). Besides creating mechanisms that form start-up support organizations, governments also create annual events to honor individuals/startups such as entrepreneur's day in the countries. Many factors impact the start-up spirit of a country, first of all is the economic institution which is demonstrated through the policy of establishing ownership, freedom of business, and institutions supporting start-up projects. These are the necessary conditions to motivate start-up spirit (Stevenson & Jarillo, 2007; Landström & Springer, 2005). Eligibility is the system of macroeconomic and microeconomic policies ensuring equality in the competition so that the enterprises can freely create business ideas (Afschar & Fossen, 2013). According to Schumpeter (1949), new ideas of successful inventions of entrepreneurs can replace all or a part of the structure of the industry. The creativity of a business depends on building a human resource to create and design management systems capable of acquiring knowledge of the enterprise (Prive, 2012; Drucker, 1985). This ability help countries expand production capabilities. In a nutshell, startups will contribute to bringing prosperity to every country. On the other hand, as the economy develops, it will motivate the start-up process through improving economic institutions and creating elements of the business environment to support the start-up process. Start-up spirit firstly depends on the business environment of the country, which above all is economic. Next is the management ability and level of business intelligence The model of motivating the start-up spirit is generalized as following process.

The Process from Forming Motivation to Start-up Actions

Many different studies are indicating the factors that constitute different startup motivation. According to Ajzen (1991) theory of reasonable action, the tendency of personal behavior is affected by three factors including value, attitude, expectation. Similar to start-up behaviors, according to Shapero & Sokol (1982); Shook, et at (2003), the business opportunities. Start-up intention is a process that orients planning and implementation of a business creation plan (Bhave, 1994; Nasudin

& partners, 2009; Killip, et al., 2018). The individual's desire to startup may come from a society that ennoble the role, a business model, and the impact of the people around them; the courses for the startups, activities outside of school; inspiration comes from companies, lecturers (Nasudin et al., 2018; Begley & Tan, 2001), Liñán & Chen, 2009; Choi & Shepherd, 2007) and personal work experience has gained a full range of knowledge, skills and start-up relationships (Landstrom, 2007; El-Khasawneh, 2008; Choi, & Shepherd, 2007). To transform start-up plans into startup action, requires life changes, creating factors that motivate startups. There are two groups motivating factors include: negative factors such as job loss, company change, time redundancy, work dissatisfaction and positive factors such as (Sponsorship, potential customers, invitation to cooperate), themselves have a passion and have prepared all the necessary conditions (Giudicic, et al, 2018; Shook, et al, 2003). The change, combined with the expectations about success possibility, will lead to an individual's start-up actions (Shook, Priem & McGee, 2003).

Figure 1 - The Process from Forming Motivation to New start-up Actions (Source: The authors' elaboration based on the literature, 2020)



The Way to Approach the Start-up

Several different types of research summarize the way to approach to start-up for two groups. In particular, is a new start-up and starting up on the available platform (starting a business of

enterprise). The research provides guidance for a new start-up in two directions including access to the process, and access to factors affecting the result of starting a business.

A typical way for the world's process approach can be mentioned like the U.S. Small Business Administration (SBA) providing 10 business steps: (1) Write a business plan; (2) Assistance and training; (4) Select the financial option; (5) Making the decision on Business Structure; (6) Registration of Enterprise Name; (7) Registration for Tax code ; (8) Tax registration; (9) Procedures & Licenses; (10) Employee Hiring. Or Bizlive' s study (1994) introduced six steps to start up from scratch: (1) Market Research; (2) Set up specific financial objectives; (3) create a website and regularly update content; (4) Build a list of potential customers; (5) Launch a sellable product or service; (6) Turning into practice right away.

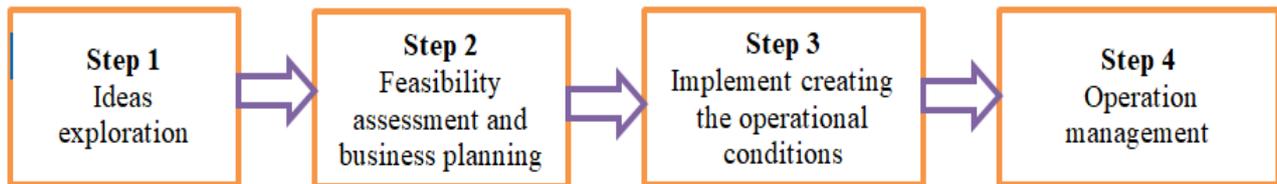
In Vietnam, Muraya et al (2019) introduced the Smartup model - Smart Start providing the steps: (1) Start-up ideas; (2) Set up Business Plan; (3) Strategy for Sustainable Development; (4) "exit" for company strategy. The center supports youth entrepreneurship initiated the start-up process and guided university students to start-up with a 6-step process: (1) Self-evaluate; (2) Good idea; (3) researching on competitors; (4) Business Planning; (5) Find an Advisor; and (6) Business Registration. While research shows different ways to approach, the general characteristics of the start-up process approach are to point out steps to help individuals explore ideas and turn them into actions. Also, Vu Quynh Nam, Dinh Tran Ngoc Huy (2021) said that it is necessary to train and propagate about the experiences of some young startup models in the area; set up startup groups and clubs at all levels, from commune / ward levels to support young people with startup knowledge for each specific field.

Another way to approach is approaching among the factors which have a great impact on the success or failure of the start-up. One of the representation is the study of Nesta (2010), mentioned 3 key aspects of creating a startup company, including: (1) had an obvious idea, (2) customers, and (3) the selling price was higher than the cost but the customer still accepted. As for Ramfelt & his partners (2014), they supposed that the major element of starting a business must be good business ideas. Acknowledging how to discover, protect, and exploit intellectual property; Determining the foundation values for the activities; Having a clear statement of duty. Similarly, Ries (2011) introduced the model The Lean Startup refers to the factors that importantly influence the success or failure of start-up companies including vision and context, product development, marketing and sales, expanding scale, partnerships, distribution, design the organizational structure.

The most consolidated approach would probably to be the combination of the two above approaches (process consolidation and factor influences), which means it is necessary to outline a

step-by-step approach to start-up; in each step, there is a need to address how to lead to success, as well as how to reduce failure. Can generalize the approach to starting a business consists of 4 basic steps and the requirements of each step are as follows: (1) Ideas exploration, the ideas need to identify customers, products/services, technology, and business operating model. The key factor to success is the need to combine personal advantages with opportunities recognition, challenges from the business environment; (2) Feasibility assessment and business planning: Analyzing the possibility of the project on the legal, positional, market, product, technological, management-operation, financial, risk aspects; then build a detailed implementation plan to fully prepare the elements to put the project into operation; (3) Implementation of creating conditions, carry out the necessary preparation for operation: (i) organization, legal; (ii) construction of facilities; (iii) establish the relationship; (iv) implementing customer attraction tactics. The important factor of this step is to ensure the whole organization, legal procedures, production business establishment, sample products, achieve cooperation; (4) Operation: The most important thing is building a team, complete a production business organization, and method of leadership. Management in a start-up company should ensure the principles: "Make small first-big later"; "Pilot first-replicate later"; connect with partners; focus on strategies to attract customers quickly.

Figure 2 - New Start-up Approach (Source: Authors' synthesis from theoretical review, 2020)



Policies that Motivate and support Startup

In the start-up ecosystem, there is a system of start-up enterprises and organizations, individuals who mutual support in a particular range. According to the experience of countries, organizations in the ecosystem together carry out the mission of motivating, supporting, and incubating startups. Motivational activities to impact start-up motivation such as organizing contests, honoring wealth and contribution of entrepreneurs, inspiring are often implemented by the organizations and schools relating to the recommended program of the government. The popular policies of support and incubation in the world are based on the principle of creating a favorable business environment, minimizing barriers to joining the industry, and supporting and incubating

startups. Popular support programs include support for access to credit, financial institutions; financial support through tax policy, support for interest lending; enhance the technological capacity; to support the site of production; to promote, to expand the market, to consume the product. In addition to the supporting policies promulgated above, governments usually develop and implement specific support programs such as start-up support program, creative start-up program, creative innovation program, program which support the formation of clusters of sectoral association, supporting and counseling programs to raise the capacity of the startup.

3. Research Methods

To deal with the research objective above, qualitative method of studying is used with deep interviewing techniques of start-up enterprises in Vietnam (with less than 3 years of operating time) has started successfully and failed to discover the origin of the motivation formation, the start-up approach lead to success, failure. Criteria for determining success or failure are based on the business results of the early years of the business. When considering the incentives, the study explores the intention of the startups who are individuals who came from university for the last two years and individuals engaged in hiring for five to ten years from university graduation. Next is quantitative technique to describe the state of the motivation, and approach of starting a business in Vietnam, then identified the barriers as a basis to provide instructions, tips on identifying and forming suitable motivation; starting to approach suitable career; as well as recommended about the mistakes to avoid. These enterprises surveyed in the sample primarily operate in the field of service/trade (68%) and in agricultural/forestry production (25 percent) with small-scale labor (mainly from 10 to 50 employees). Similar surveys were done by authors in 2016. In the comparison of the results of these two surveys was to assess the effectiveness of start-up policies during 2016-2020 intentionally. To analyze the boosted policy practically, support and incubation startups, the establishment mechanisms, and connection of ecosystems; the deep interview methodology with those who are responsible for state management of the business operation, the basis for the policy of providing support for starting in Vietnam. It then serves as the basis for the proposition of policies for motivating, supporting, nurturing, and formulating an ecosystem to develop the business capacity of the startups for the Vietnamese context.

Table 1 - Startup Entrepreneurs in the Survey Sample

Field of activity	The scale of labor (people)			Total
	Less than 7 labor	From 7 to 12 workers	From 12 to 45 workers	
Industrial/manufacturing	0	1	0	1
Construction	1	4	0	7
Service/trade	17	65	6	78
Agriculture/Forestry/fisheries	7	20	0	31
Others	3	1	1	8
Total	28	91	6	125

Source: Authors' survey from Vietnamese Entrepreneurs in 2016 and 2020.

4. Analysis of the Motivation for Start-up in Vietnam

4.1. Motivation for a New Start-up

When considering the overall process of starting a business, initially the motivation is not only the factor motivating the process meaningfully but also the one for orienting the start-up activities. The incentive to start-up comes from the experienced circumstances of the starter in influencing perceptions and behavior of start-up. The results of the 2020 survey indicated that the main motivation for a start-up is the thirst for enrichment, the passion is much greater than in 2016; the illusion of the startups in terms of the successful models also decreased. However, the percentage of people with inexperienced business tends to increase is a warning. However, in the transition *from* turning intention *into* decision-making, the negative motivator factor *tends to decrease*, the positive factor tends to increase. The 2020 survey found that up to 60 percent of individuals starting their business asserted that the main factors contributing to start-up are the result of jobs loss, time redundancy, dissatisfaction with work (this figure for 2016 is 80 percent); the positive factors, such as funding, potential clients, an invitation for cooperation were raised to 70 percent (45 percent in 2016). This finding shows that the majority of enterprises in Vietnam are becoming increasingly steady.

While doing research on who is able to start a successful career by being equipped with the reinforced knowledge, the fulfill skills as students who were in the final year in universities, people who graduated and are underemployed. The findings of the survey show that students' intention of starting up was improved (in 2016 only 10 percent of students thought they tended to start up, and by 2020 these increased to 20 percent).

Table 2 - Comparison of Viet Nam's Start-up Motivation in 2016 to 2020

Table 2 - Comparison of Viet Nam's start-up motivation in 2016 to 2020 Elements of start-up motivation	Rate (%) which the startups were surveyed	
	2016	Năm 2020
The intention of starting a business:		
- Thirst for enrichment	90%	100%
- Business model	40%	32%
- Working experience	90%	70%
Factors to change:		
- Negative motivators (Job loss, company change, time redundancy, work dissatisfaction)	80%	60%
- Positive motivator (Sponsorship, potential customers, invitation to cooperate)	45%	70%

Source: Authors' survey from Vietnamese Entrepreneurs in 2016 and 2020.

4.2. Analysis of Vietnam's Approach to Start-Up

In general, it appears that there are four steps in the new approach to initiation including (1) Identifying ideas; (2) Evaluating the feasibility and business planning; (3) Deploying and forming conditions; (4) Operating. The findings of the survey of the start-up enterprise approach are summarized as follows:

For the idea recognition step: Most business ideas that come from the recognition of market demand account for a 90% share in the sample; then, the site is suitable for start-up (at a rate of 70%); other factors, such as an advantageous input factor, take advantage of the preferential policies of the state, use of new technologies; self-competitiveness in the industry has new opportunities that are selected by many firms, but not at a high rate in the survey sample. In order for an idea to be feasible, in addition to correctly identifying opportunities, one should associate its own advantages with identifying opportunities. The findings of the study show that the start-up project which succeeds at first mostly follows this principle. On the contrary, they have no advantage, and or the opportunities are still under a potential form very easily lead to failure. This result is also similar to familiar studies the author performed in 2016.

Table 3 - Comparison of Business Performance between the different Way to Approach the Opportunity (Unit counted: %)

Approach to identifying opportunities	Huge profit loss	Insignificant profit loss	Breakeven	Insignificant dividend	Desired dividend
Conduct ideas from opportunities identification that have no advantage in themselves	36%	60%	4%	0%	0%
Conduct ideas from opportunities identity and advantages of themselves	6%	15%	24%	35%	20%

Source: Authors' survey from Vietnamese Entrepreneurs in 2016 and 2020

Evaluating the feasibility and business planning: When having an idea of starting up, the next step for beginners is to assess the feasibility of the ideas and develop detailed implementation plans to take initiative and to adequately control the risks in development issues. The findings of the study indicate that there is a strong link between the preparation of the plan and the results of the start-up. Most of the businesses which have good results are these businesses have a good preparation for the business plan, initiate the work in the operation of the project. In contrast, companies that started without detailed business plans will suffer low sales revenue, many losses, and is in the face of the risk of closing (Table 3). However, many firms face difficulties in developing business plans, especially difficulties in predicting and formulating income plans and the detailed cash flow in and out (in the ratio of 80 percent); difficulties in predicting risks to have solutions to deal and resolve (with a rate of 70%).

Table 4- Comparison of Business Performance between a Business with a Business Plan and a Non-detailed Business Plan
(Unit counted: %)

Approach to identifying opportunities	Huge profit loss	Insignificant profit loss	Breakeven	Insignificant dividend	Desired dividend
The start-up project was rated quite completely and the detailed business plan	4%	16%	21%	35%	24%
The start-up project is not yet feasible and the business plan is indefinite	31%	24%	19%	16%	10%

Source: Authors' survey from Vietnamese Entrepreneurs in 2016 and 2020.

Implementing the creation of conditions: To ensure successful start-up projects from the very first days of operation, the startups need to prepare in advance the necessary conditions such as establishing good relationships networks with sponsors, experts, customers, suppliers; as well as fully prepare in term of organization, sample products, media tactics to attract customers immediately. The result of the study shows that enterprises which are well prepared for the above - mentioned preconditions have better-operating results than enterprises that are not well prepared. The purpose of preparation to ensure the whole organization, tape procedures, production and business establishments, sample products, achieving cooperation, to quickly increase sale revenue, seeking for profits from the early days of starting a business, thereby creating motivation to continue maintaining and developing the company The most common mistake in this step is the lack of qualified preparation that puts the business into operation, this can lead to the difficulty in lasting for a long time.

Table 5 - Comparison of Business Performance between Enterprises with Good Preparation and the Ones with not good preparation

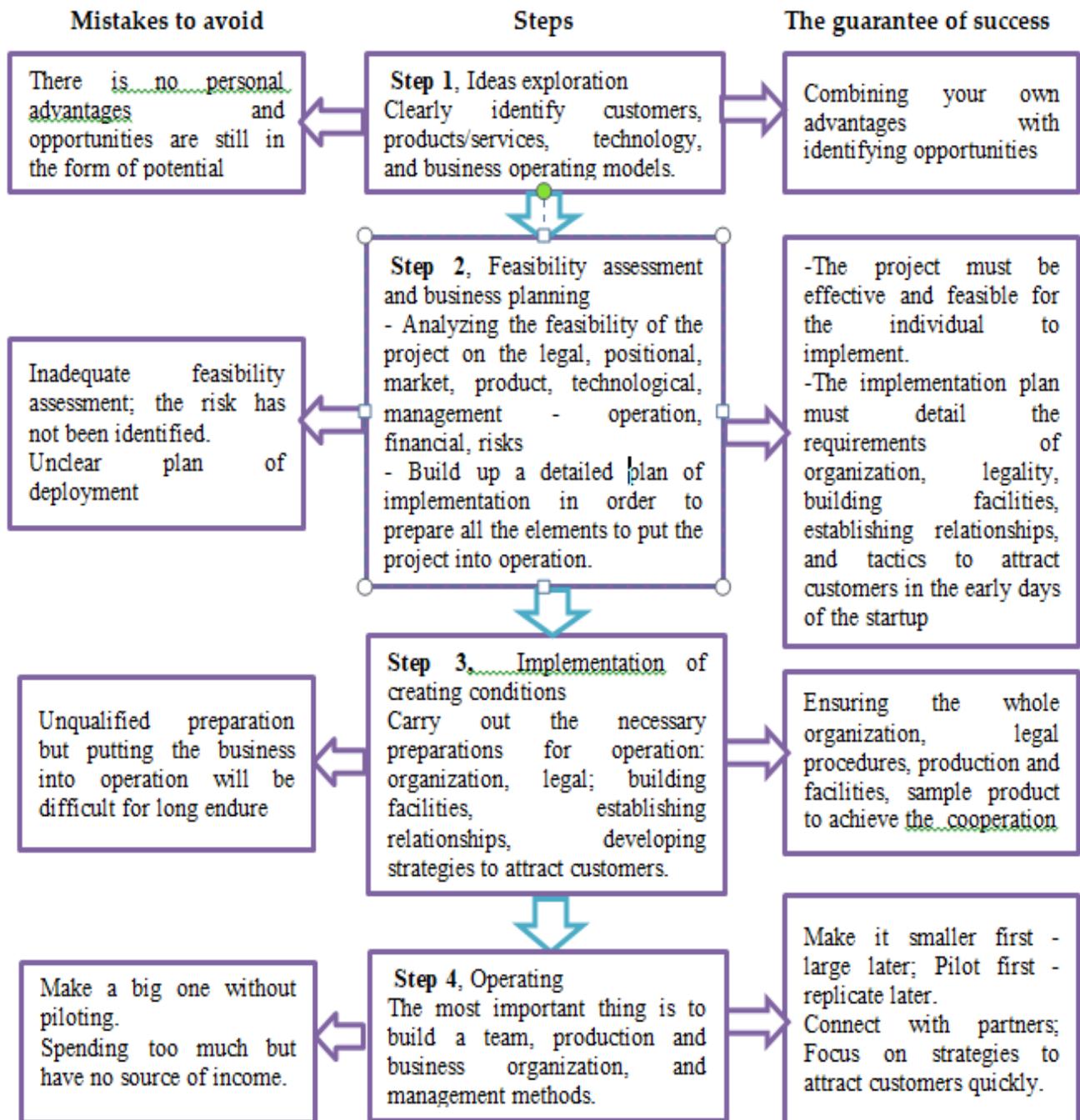
Approach to identifying opportunities	Huge profit loss	Insignificant profit loss	Breakeven	Insignificant dividend	Desired dividend
Established a good relationship network with the customers and suppliers before the operation of the project	7	16	20	34	23
Have not established good relationships with customers and suppliers before the project comes into operation	20	31	29	14	6
Well prepared in terms of organization, sample products, media tactics to attract customers before the business goes into operation	5	14	25	29	27
Not well prepared in terms of organization, sample products, media tactics to attract customers before the business goes into operation	18	22	34	15	11

Source: Authors' survey from Vietnamese Entrepreneurs in 2016 and 2020.

Operating a start-up business: The survey results showed that in the early stage of operating a start-up business often faced many difficulties such as (1) few people hear of their name so do not try to gain trust from their partners (an unknown supplier should accept the purchase of the input factor at a high price; it is difficult to persuade customers); (2) Have not consolidated the employees' belief, they often fluctuate in their personnel; (3) Prediction and formulating income plans and cash flow in and out in detail, which should result in being inactive when arising additional costs; (4) Anticipate risks to take countermeasures and handle risks to take countermeasures and handle them; (5) Lack of information on the appropriate cost structure in the area of starting up, making it difficult to determine the appropriate amount of spending; (6) Too many things to invest but not generate early revenues that would easily lead to bankruptcy.

To overcome these obstacles, it requires enterprises to operate on the principle of "start-up begins from low-cost investment to draw experience, if successful step by step increases the scale" with the motto of spending the right quantitative to expect to bring a solid revenue; enlist partner's capital for business; implement media and marketing at low cost but focus on buyers; consolidating customer service. The most common mistake in operating a startup is to make a big one without piloting (50% of businesses admit it); spending too much but receive no revenue (80% of businesses admitted these mistakes).

Figure 3 - Review the Real Status of Approaching New Startups in Vietnam from 2 Studies in 2016 and 2020 (Source: Authors' synthesis from theoretical review, 2020)



Analyzing Ecosystems to support Startups in Vietnam

In order to nurture the spirit and motivate the successful start-up process, the role of the ecosystems in support of starting a business is very important. The start-up ecosystem consists of the mid-role of supporting startups from the input, production to output with specific programs, and

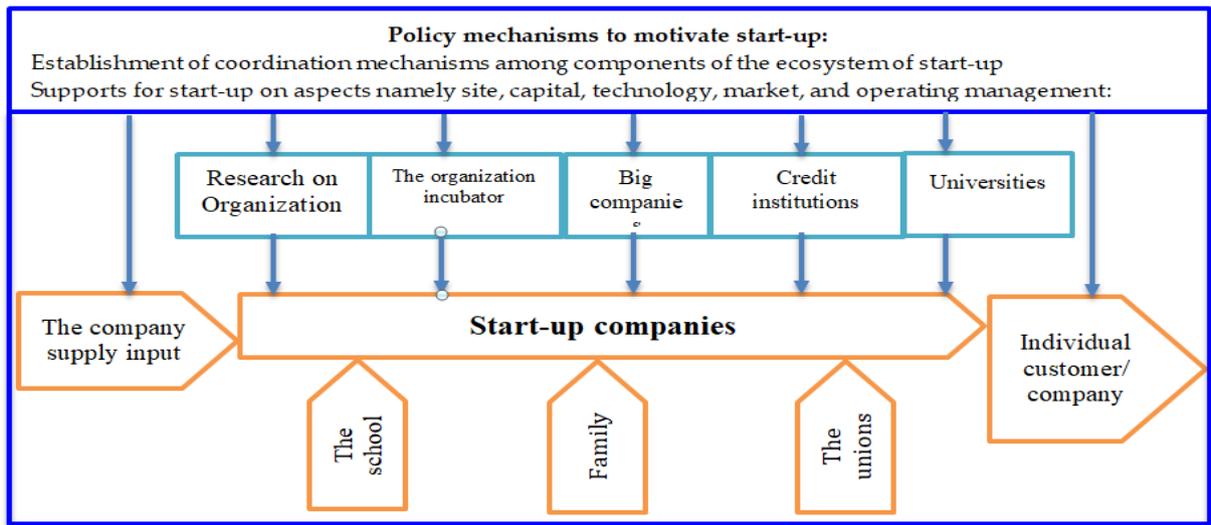
consistent support that needs to be institutionalized. The results of the deep interview showed that in Vietnam, the start-up ecosystem is gradually formed on three aspects: to arousing spirit, incubation of startups, supporting policies. Accordingly, the current start-up ecosystem in Vietnam has five main subjects including investors; incubators, and organizations that motivate business; the business community supports startups; start-up competitions for university students; start-up enterprises in the form of science and technology enterprises.

For the activity of arousing startup spirit: implemented mainly through startup contests, startup programs are broadcasted in television stations, and broadcast successful start-up models. However, the spirit of startup not only comes from media activities about the model of starting a business but also need to be aroused in the living environment, in the learning process, the family of each individual from childhood. As analyzed above, parents often direct their children to study so that they can find a stable job, but very few parents teach their children to take risks and accept failures to develop a mastery career. As for the education system: people who are at the high school level is not equipped with business knowledge like other countries in the world, at this level people are taught the principle of economics and business; at the university level, there are also very few start-up subject training schools, instead, many schools create job skills and many universities evaluate the success of training based on the percentage of students who find a job.

For incubation activities: Vietnam has too few organizations operating towards supporting and incubation for developing business ideas such as venture capital funds, business incubators (as analyzed above). Start-up incubators in Vietnam are primarily formed based on a voluntary spirit with donations from sponsors, but incubation activities often do not follow the right methods, mainly to support bait capital, not connecting the start-up ecosystem. In Ho Chi Minh City, there is a model of the progressive start-up ecosystem, it is Quang Trung Blanket Park, which operates with the mission of incubating startups, but this place is mainly supported in terms of the site for startups, also has not created the connection and operational support for startups.

For start-up support policy: In Vietnam, there are many similar policies under the name of support for small and medium enterprises. These policies are scattered in many different texts. However, the general limitation of preferential policies is the condition of access, especially red tape. No organization has acted with the mission of supporting and advising businesses to access policies.

Figure 4 - Ecosystem model of the start-up in Vietnam (Source: Authors' synthesis from theoretical review, 2020).



The majority of successful start-up projects perform well in the ideas formation stage, assess the possibility, business planning, prepare the necessary conditions to apply in operation and operational management, unsuccessful projects usually make mistakes in the ideas formation, unclear business plan, the preparation of conditions before being put into operation is not thorough, operational management often makes many mistakes.

5. Conclusion

5.1. Start-up Guidelines are Suitable for the Business Environment in Vietnam

Research in 2020 compared to the one in 2016 shows that start-up barriers are as common as the following:

Start-up motivation: the process of forming the motivation comes from the intention to start a business (influenced by two factors of inspiration and personal experience) that motivate change (influenced by two positive and negative factors) leading to expectations about startups. Through practical testing, it shows that the motivation comes from the circumstances that startups experience, impacting on the perception of startup behavior, which is the thirst for enrichment, intense passion, conditions of themselves (relationship, experience, ability to manage), and inspired by entrepreneurial role models. Although the decision to start a business was influenced by negative motivating factors that decreased compared to 2016, there is still a high rate. The majority of startups with low qualifications, compulsory conditions to start a business more than the cherished subjects, are fully equipped with the conditions of knowledge and skills to start a business.

Start-up method: the start-up method of the new object comes from: (1) Exploring the idea, (2) Evaluating the feasibility and business plan, (3) Implementing to create conditions, (4) Operating through the examination of the steps to approach the start-up in Vietnam suggests that successful projects have a focus on elements of each step of the process as follows: (i) The idea of merging self-advantage to an opportunity identification, (ii) The implementation plan must detail requirements for the preparation of organization, legal, infrastructure, the establishment of relationships, and strategies to attract customers at the early days of the business; (iii) in the development and creation of necessary conditions shall ensure the overall organization, red tapes, physical facilities, and sample products, and the accomplishment of cooperation; (iv) in the operation of the start-up project must ensure the principles of "Make small first - big later"; "Pilot first - replicate later", connect with partners, and focus on strategies to attract customers rapidly in start-up days. On the contrary, the unsuccessful projects usually converge following mistakes : (i) ideas which come from the non-advantage and or the opportunity is still in the form of potential, (ii) incomplete assessment of feasibility, not identifying the risk, the implementation plan is unclear; (iii) not prepared the necessary conditions, but put the business into operation; (iv) make big right away without piloting, spending too much but not bringing back the revenue.

Start-up ecosystem: In Vietnam, startup ecosystem, the components of the startup ecosystem have been formed, but connecting those components to form an ecosystem to support startups is not good. Although start-up support policies are quite adequate in terms of financial support, site, technology, legal, they still discrete, have not created a positive effect to support start-up activities.

5.2. Orientation and Generation of Start-up Incentive

The incentive to start up on its own cannot be created but should be targeted and created on the family, school, society, and the role of policy mechanisms. The general principle in creating a large number of startups is to motivate positive factors for individuals/businesses to fully equip start-up conditions with the spirit of creative entrepreneurs, full of enthusiasm. The creation and nurture of start-up motivation for each subject should be noted as follows:

Orientation, creating a new startup motivation: with the characteristic of the process of motivation formation comes from the intention to start a business (influenced by two factors of inspiration and personal experience), motivating change (influenced by two positive and negative factors) that lead to expectations about startups. Therefore, the motivational factor that needs to pay attention to first from the family is sowing children the thought of mastery and know-how to take

risks from childhood. For education, at the high school, it is recommended to teach business models for students to get acquainted gradually, to awaken their potential and soon arouse passion for them. For society, appreciation of the role of entrepreneurs contributing to the prosperity of the country is advisable. For the policy, always creating the most favorable conditions, maximum support for startup ideas is recommended. The focus of orientation activities and motivation creation is to motivate positive factors to motivate highly skilled individuals, well equipped with the knowledge, skills and positive attitude to startup (not as this, most of the startups are at the low level which is the compulsory condition for them to start a business). Model orientation, creating start-up motivation.

Orientation, start-up motivation creation of the enterprise: with the characteristic of the process of motivation formation comes from the factor driving change (influenced by the business environment and product cycle) leading to signs of start-up (such as orders, reduced quality), creating expectations about startups. Therefore, to create a start-up motivation, it is necessary to transparent the business environment and equality in behavior among economic sectors. Policies that create a central motivation to improve an entrepreneur's spirit, enhance business ethics by supporting policies for creative ideas, connecting the startup ecosystem so that businesses can easily identify new start-up signs. For the businesses, they should focus on building a culture of startup and creativity; designing systems that automatically recognize start-up signs; transparency of the accounting system and operational achievements to easily access the implementation of start-up projects; to create and nurture relationship networks to facilitate the implementation of start-up projects. The model of orientation and creation of start-up motivation of enterprises is summed up in figure 3.

5.3. Suitable Start-up Guidelines for the Business Environment in Vietnam

The results of the study show that the start-up approach is different between the two new start-up groups and the start-up of the business. However, the common characteristics of approaching startups come from exploring ideas, planning, preparing the necessary conditions, and operating the startup. The process of approaching startups should note the following guidelines:

Exploring ideas: Start-up ideas play a very important role, deciding largely on the success or failure of start-up projects. A viable idea is usually proposed on the basis of promoting internal advantages, while taking advantage of opportunities, avoiding challenges from the business environment. For individuals, the internal advantage is expressed through knowledge, ability, and passion for the start-up sector; passion is the most important because it is the passion and dedication that helps the beginner to learn and the skill to carry out start-up ideas. For enterprises, the internal

advantage is that the core area, the most understanding human resource for enterprises, is easily linked with the most important partners such as customers, suppliers, investors, etc. in that area the business can take control of the risk.

In order to identify opportunities and challenges, individuals/enterprises start-up should be sensitive to the macro-economic and micro-economic environment. At a macro-level, personal/business startups should be regularly tracking changes in the trend of integration, policy, law, and the variable belonging to the macro-economic as the growth of the industry, inflation, monetary policy (most important parameters is the interest rate) the government's investment stimulus policy (the investment sector was favored by the government). To observe the macro-economic environment, personal/business startups need regular to follow up on reports of macro-economic annually of the professional organization, the industry reports of the company stock. For the enterprise, important macro-figures should be identified, in particular to the industry's performance, for a regular update for the forecast of opportunities and challenges; this makes it easy for enterprises to identify a start-up signal. At the micro-level, businesses need to focus on the reactions and trends of customers, suppliers, competition, hidden rivals, and potential substitute products. Individuals who start up the business should understand fully, systematically help identify the business opportunities well, and therefore need to have experience for a while to gain a deeper understanding. For businesses, the need to establish good information systems to follow the reaction of customers, suppliers, competitors, substitute products; in this sense, the business needs to emphasize investing in the human resources who interacting with the customers.

Planning: The start-up plan consists of two important stages which are analysis of the feasibility and business plan. During the feasibility analysis stage aiming at assessing the feasibility about the legality of the project (business terms,, the preferential policies on tax, interest on loans, site, market support, etc.); market (supply-demand analysis, identification of target customer, designed product in accordance with target customer, thinking of how to introduce products to customers, think how to sell products); determine how to create products such as processes, equipments, layout of sites, buildings (technical analysis) are created; how to operate the project on a model, employment ability, training costs; environmental impact, measures and handling costs; financial efficiency (how much the original investment is, the revenue cash-flow, the cash-flow paid out annually, and the financial effectiveness on NPV, IRR, the annual breakeven point) fulfill prediction of the risks, how to prevent and reduce the losses; and finally, the effect of the project bring to society, how the economy is overall. During the feasibility analysis stage of the two objectives was the project feasibility and effectiveness assessment; the feasibility study report

provides the basis for the business to enlist the agreement of the involved parties, raising capital, licensing. The next stage of feasibility analysis is the development plan aimed at the goal of fully preparing the conditions for the crew and legality; to prepare a facility (sites, buildings, and equipment); to enlist the necessary agreements with customers, suppliers, authorities, and sponsors; and prepare media and sales tricks to ensure sales as soon as the project began to go into operation. During the business plan stage, it is necessary to clarify detailed tasks, arrange execution, allocate resources, and make sure that the entire organization is performing in order to achieve the above objectives

Prepare the necessary conditions for deployment: a project that is ready to go into operation once the elements of the business plan are fully prepared (entire organization, legal conditions; preparation of the infrastructure to enlist the agreement; preparation for the media tricks).

Operation: The characteristics of the management of a start-up company are often much more difficult than a successful one because few people hear of their name so do not try to gain trust from their partners (an unknown supplier should accept the purchase of the input factor at a high price; it is difficult to persuade customers), even though they have not reinforced confidence in their employees, so they often fluctuate in their personnel. At the same time, there is too much investment in the first stage (fixed assets and circulating capital), but the return source is uncertain (due to unfamiliar customers), and it is difficult to fully anticipate the risks, as well as the ability to handle the risks, is too low. Besides, the startup companies are also difficult to use the measure of "appropriation", nor to boldly increase the sale on credit to increase revenues because of limited resources. In this regard, important activities in the management of a start-up company include (1) Prediction and formulation of an in-out cash-flow income plan; (2) Determination of the quantity of investment; (3) Control of Expenditure; (4) Good management on working capital, especially inventory items.

The findings of the study show that the weakest points in the management of start-up company nowadays include: (1) Lack of Prediction and formulation of an in-out cash-flow income plan, thus lead to inactive when arising additional costs; at the same time, the company lacks conditions to use the countermeasure and risk treatment. (2) Lack of information on the appropriate cost structure in the area of start-up, such as the same type of business as other enterprises, if fixed costs are higher or higher rates of change, will certainly not be competitive. (3) The investment capital exceeds necessary but does not create the revenue source so it is easy to go bankrupt. (4) Excessive expenditure leads to insufficient capital, but can not bring in revenue (this is the most common error). (5) Too much investment in inventory exceeding the need then meets difficulties in

manage working capital. Therefore in start-up management, it is necessary to pay attention to the development of income plan and in-out cash flow in detail to avoid being active in addition to excessive cost. Because the resources of the startup are very limited, if arising beyond the expected level, it will be difficult to manage due to unsure reinforced trust with banks, suppliers, customers are not as high as a successful company. Next, caution in determining the investment dosage should also be noticed: according to the principle of small investment first - large later; pilot before scaling later (however, must know the investment has a long-term vision). At the same time, good expenditure controls are limited to the maximum range of cost items that are unlikely to result in revenue (as explained further in exchange); Good management of working capital, especially the inventory item; Partnerships must be known to form a chain and the company plays a strong coordinating role in the term of using the provider's capital to do business rather than the risk of increasing working capital at the start of the business. The framework for starting a business in accordance with the business environment in Vietnam is generalized as follows:

5.4. Policy suggestions for the formation of a start-up ecosystem

In order to motivate startups towards motivational creation and incubation of start-up ideas, policies should aim to create a full range of components of the start-up ecosystem including organizations that arouse spirit, incubators, organizations that support startups' activities for input activities, production, and output. Creating a full range of organizations in the start-up ecosystem is only a necessary condition, the eligibility condition is that the state must establish a mechanism for coordination between components of the startup ecosystem as proposed by Dien (2016). At the same time, develop policies to support startups in terms of site, capital, technology, market, operating management. Activities that create motivation, incubation startups should be supported by programs and projects associated with comparative advantages of the country and each region in the country.

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