**HIGHER SCHOOL OF MANAGEMENT AND DIGITAL ECONOMY**

# HSMDE

Dissertation Submitted in Partial Fulfillment of the Requirements for a **« Master- Startup »** Degree

**Specialty: Audit and Management Control**

**THEME:**

## Unveiling the Dynamics of Startups: An In-depth Analysis of the Entrepreneurial Ecosystem and Challenges in Algeria

## CASE OF: Algerian startups

**PROJECT:**

**QuiDo**


**Submitted by**

Mrs. Amiri Maroua Safaa

**Supervised by**

Dr. Kouadri Norhene


**Academic year : 2022 / 2023**

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## *Dedication*

In the Name of Allah, the Most Gracious, the Most Merciful.

First of all i dedicate this thesis to my beloved parents, who have been the source of endless love, support, and encouragement throughout my academic journey. Their unwavering belief in me and their sacrifices have paved the way for my success. I am forever grateful for their guidance, prayers, and the values they instilled in me.

To my dear grandparents from my dad, whose wisdom and blessings have enriched my life, I offer my heartfelt appreciation. To the loving memory of my dear departed grandparents from my mom , Though they are no longer with us in this world, their love continues to inspire me

I express my heartfelt appreciation to my dear brothers : Nizar , Nasro , Slimane and sisters : Amira , Rihab, Lina , Malika , Fatima and Mbarka who have been my pillars of strength, my confidants, and my cheerleaders. Your encouragement, understanding, and belief in my abilities have been invaluable.

To all my respected family young and old, your continuous support and encouragement have played a significant role in shaping my academic and personal growth.

To my friends, who have listened to my ideas, provided valuable insights, and offered their constructive feedback, I am truly grateful. Your presence has been a source of motivation and inspiration, pushing me to strive for excellence.

In all humility, I acknowledge that every success and achievement is ultimately from Allah, and I pray that He accepts this humble dedication and blesses each and every one of my loved ones mentioned here with His boundless blessings and eternal happiness.

## *Acknowledgements*

I begin by expressing my gratitude to Allah, the Most Merciful, for granting me the opportunity and blessings to undertake this academic journey. It is through His guidance and grace that I have reached this point.

*"He who does not thank people does not thank Allah."*

Therefore, I would like to extend my heartfelt appreciation to all those who have contributed to the completion of this thesis.

First and foremost, I would like to express my profound gratitude to my esteemed teacher, mentor, and supervisor, Dr. Kouadri Norhene. Your immense knowledge, guidance, and unwavering support have played a pivotal role in shaping my research and enriching my academic capabilities. Your dedication and commitment to my academic growth are truly invaluable, and I am deeply grateful for your continuous guidance throughout my project. Words cannot adequately convey my appreciation for all that you have done for me.

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**Abstract**

This thesis offers a comprehensive investigation into the landscape of start-up innovation in Algeria, with a specific focus on the challenges and obstacles faced by entrepreneurs. The research journey begins with a detailed introduction to start-ups and the entrepreneurial ecosystem, providing a solid foundation for understanding the intricacies of this dynamic field.Subsequently, an in-depth examination of the global and Algerian startup ecosystems is presented, shedding light on the key characteristics, trends, and developments in these respective contexts. The core focus of the thesis then shifts towards uncovering and analyzing the challenges that hinder start-up innovation in Algeria. A robust theoretical framework is employed to comprehend the multifaceted nature of these obstacles and to explore potential strategies for promoting and sustaining entrepreneurial growth.

Additionally, a meticulous field study is conducted, enabling the identification and validation of the specific challenges faced by start-ups operating within the Algerian landscape. This empirical research contributes to a more accurate understanding of the realities encountered by entrepreneurs in the country. Furthermore, the thesis evaluates the impact of Resolution 1275 on student engagement in start-up activities. While the implementation of this resolution has generally heightened awareness and generated increased support among students, the research highlights a discrepancy between awareness levels and the actual willingness of students to venture into start-up endeavors.

**Key words :** Entrepreneurial ecosystem , Startups, Ministerial decree 1275.

**الملخص :**

تقدم هذه المذكرة رؤية شاملةً حول الشركات الناشئة في الجزائر ، مع التركيز بشكل خاص على التحديات والعقبات التي يواجهها رواد الأعمال. تبدأ رحلة البحث بمقدمة مفصلة للشركات الناشئة والنظام البيئي لريادة الأعمال ، مما يوفر أساسًا متينًا لفهم تعقيدات هذا المجال الديناميكي. بعد ذلك ، يتم تقديم دراسة متعمقة للأنظمة البيئية العالمية والجزائرية للشركات الناشئة ، مما يلقي الضوء على الخصائص والاتجاهات والتطورات الرئيسية في هذه السياقات المعنية. ثم يتحول التركيز الأساسي للأطروحة نحو الكشف عن التحديات التي تعيق بدء الابتكار في الجزائر وتحليلها. يتم استخدام إطار نظري قوي لفهم الطبيعة متعددة الأوجه لهذه العوائق واستكشاف الاستراتيجيات المحتملة لتعزيز نمو ريادة الأعمال والحفاظ عليه.

بالإضافة إلى ذلك ، يتم إجراء دراسة ميدانية دقيقة ، مما يتيح تحديد والتحقق من التحديات المحددة التي تواجهها الشركات الناشئة في الجزائر. يساهم هذا البحث التجريبي في فهم أكثر دقة للواقع الذي يواجهه رواد الأعمال في الدولة. علاوة على ذلك ، تقيم المذكرة تأثير القرار 1275 على مشاركة الطلاب في أنشطة المشاريع المبتكرة و الشركات الناشئة . بينما أدى تنفيذ هذا القرار إلى زيادة الوعي بشكل عام وخلق المزيد من الدعم بين الطلاب ، يسلط البحث الضوء على التناقض بين مستويات الوعي والاستعداد الفعلي للطلاب للمغامرة في مساع يهذا المجال.

**الكلمات المفتاحية** : بيئة ريادة الأعمال ,الشركات الناشئة ,القرار الوزاري 1275

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**List of abbreviations**

**ANADE :**Agence Nationale d'Appui et de Développement de l'Entreprenariat

**ASF :** Algerian Startup Funds

**CNAC :** CAISSE NATIONALE D'ASSURANCE CHOMAGE

**DGRSDT :** Direction Générale de la Recherche Scientifique et du Développement Technologique

**E-Cap** :Entrepreneurship Capacity

**GDP** : Gross Domestic Product

**GSEI** : Global Start-up Ecosystem Index

**I-Cap** :Innovation Capacity

**R&D investment** : Investing in Research and Development

**SV** : Silicon Valley

**VCs** : Venture Capitalists

## Contents

# PART 01:

## Unveiling the Dynamics of Startups: An In-depth Analysis of the Entrepreneurial Ecosystem and Challenges in Algeria

## CASE OF: Algerian startups

# General Introduction

Algeria is a North African country rich in natural resources such as oil, gas, and minerals. It boasts a young population with a high percentage of skilled and educated people. The Algerian government has long acknowledged the need of economic diversification and has highlighted entrepreneurship and innovation as vital drivers of long-term prosperity.

The start-up ecosystem in Algeria is still in its nascent stages of development. It is characterized by a growing number of entrepreneurial ventures across various sectors, ranging from technology and e-commerce to social enterprises and sustainable solutions. Algerian start-ups are driven by a desire to address local challenges and contribute to the country's economic growth.

Algeria, with its advantageous geographical location, plentiful resources, and youthful, educated population, provides a suitable environment for start-ups. Algeria's government has launched measures and regulations aimed at encouraging and developing entrepreneurship, such as the formation of incubators, financing programs, and administrative procedure simplification.

However, there are several kinds of challenges and impediments to the growth and success of start-ups in Algeria. Limited access to finance and financial resources, bureaucratic difficulties, a need for stronger support infrastructure and ecosystem, and a lack of an established entrepreneurial culture are some of the hurdles that may face entrepreneurs. Overcoming these challenges will need collaborative efforts from a variety of stakeholders, including the government, investors, support groups, and prospective entrepreneurs.

While the Algerian start-up ecosystem is still evolving, it holds significant potential to contribute to economic growth, job creation, and technological advancements. Understanding the general context of the Algerian start-up ecosystem provides a foundation for analyzing its strengths, weaknesses, and opportunities for development. By fostering a supportive environment that addresses the specific needs of start-ups, Algeria can harness the potential of its entrepreneurs and drive innovation across various sectors, ultimately leading to sustainable economic development and diversification.

## 1. The importance of the topic:

The topic of uncovering challenges and identifying obstacles for start-up innovation in Algeria holds significant importance for several reasons:

- The research fills a knowledge gap and provides new insights into start-up innovation in Algeria.

- It offers valuable information for scholars, researchers, and students interested in the Algerian start-up ecosystem.
- The study addresses real-world challenges faced by start-ups, providing actionable insights for policymakers, investors, and support organizations.
- The findings can inform policy development and strategy formulation to create an enabling environment for start-up innovation.
- The research contributes to the development of the entrepreneurial ecosystem by identifying barriers and creating tailored support mechanisms.
- It has socio-economic impact, driving job creation, economic diversification, and technological advancements.
- By promoting economic diversity, the research aligns with Algeria's goals of expanding beyond traditional industries.
- It plays a role in nurturing a culture of innovation and entrepreneurship in Algeria which is one of the sustainable development goals.

**2. The reasons for the choice of the topic:**

The reasons for choosing the topic of uncovering challenges and identifying obstacles for start-up innovation in Algeria can be summarized as follows:

- To gather information about the challenges faced by entrepreneurs and startups in Algeria in order to gain insights and cater to their needs and pain points through the development of our own startup .
- Understanding the entrepreneurial environment in Algeria by examining challenges and obstacles faced by start-ups.
- Identifying and proposing solutions to rectify mistakes and shortcomings in Algeria's support for start-ups.
- Analyzing the challenges and obstacles to support the effective implementation of Resolution 1275 and promote innovative projects.
- Learning from successful countries' experiences in start-up innovation to adapt and apply relevant approaches in Algeria.
- Tapping into existing curiosity and interest in entrepreneurship, offering readers insights into the challenges faced by start-ups in Algeria.
- Generating enthusiasm and value for the research work by providing valuable insights into start-up innovation in the country.

### 3. The aim of the research:

- ✓ Identify the specific challenges and obstacles that hinder start-up innovation in Algeria, such as limited access to funding, regulatory complexities, inadequate support infrastructure, and cultural barriers.
- ✓ Familiarize with Popular Terminology: Gain knowledge and understanding of the terminology commonly used in the field of start-ups, such as innovative projects, start-up companies, and entrepreneurship.
- ✓ Draw from Successful Ecosystem Environments: Learn from the experiences and best practices of successful start-up ecosystems around the world.
- ✓ Explore the Algerian Entrepreneurial Environment: Gain a comprehensive understanding of the entrepreneurial environment for start-ups in Algeria.
- ✓ Analyze Perceptions of the Field: Understand and analyze the views, perspectives, and attitudes of individuals towards the field of start-up innovation in Algeria.
- ✓ Learn more about people's vision about Resolution 1275 regarding innovative projects for students who are about to graduate

### 4. The research problem:

The research aims to explore the challenges and obstacles faced by start-up innovation in Algeria. It further investigates the current state of the entrepreneurial environment for start-ups, identifies the main barriers to growth and success, and examines how these challenges impact the overall start-up ecosystem in the country. Additionally, the study evaluates the impact of Resolution 1275 on start-up development in Algeria and assesses the level of awareness and understanding among students regarding the resolution and its role in encouraging their involvement in start-up activities.

**Main Research Question:**

**What challenges and obstacles do start-up innovations encounter in Algeria?**

**Secondary Questions:**

- ➢ What is the current state of the startup ecosystem and entrepreneurial environment for start-ups in Algeria?
- ➢ What is the level of awareness and understanding among students regarding Resolution 1275 and its implications for their involvement in start-up activities, and to what extent has it encouraged students?
- ➢ Does gender influence various aspects of entrepreneurship?

### 5. Research hypotheses:

**Hypothesis 01 :** Start-up innovation in Algeria faces challenges and obstacles such as limited access to funding, regulatory complexities, lack of supportive infrastructure, limited market opportunities, and difficulties in attracting skilled talent.

**Hypothesis 02:** The current state of the startup ecosystem and entrepreneurial environment in Algeria is promising, with increasing government support, growing investment opportunities, and a rising number of entrepreneurial initiatives.

**Hypothesis 03 :** Students in Algeria possess a moderate level of awareness and understanding about Resolution 1275 and its implications for their involvement in start-up activities, leading to a positive impact on their engagement in start-up endeavors.

**Hypothesis 04** : There is a significant relationship between gender and various aspects of entrepreneurship, such as project ownership, participation in Resolution 1275, confidence in the success of entrepreneurial ideas.

### 6. Literature review:

To date, there is no published scientific work available that specifically addresses the implications of Resolution 1275 in Algeria. As a relatively new development, the scholarly research pertaining to this specific issue is currently unavailable. However, there are existing studies that explore the Algerian startups ecosystem in a broader context in addition to the refferences cited in our thesis; such as the article elaborated by Mrs. Drouiche and Menai titled "Start-up financing in Algeria between reality and expectations" and the article titled "The startup in Algeria: Characteristics and obligations" elaborated by Mr. Djikhidel, Mr. Doua, and Mr. Merrad; and the article entitled "Start-up and support ecosystem in Algeria" elaborated by Mr. Tahri.

### 7. The methodological approach:

We incorporate in this study both descriptive and analytical methods : The descriptive method is used in the first chapter to introduce the concept of startups and explore the entrepreneurial ecosystem. It provides a detailed description of these topics.

The analytical method is employed in the second and third chapters. The second chapter analyzes the global and Algerian startup ecosystems, examining their unique features, current state, and challenges. The third chapter utilizes a theoretical framework and a field study to analyze the challenges faced by startups in Algeria. Data from surveys, interviews, and focus group discussions are analyzed to identify and understand the specific obstacles hindering startup growth.

For the practical side of the thesis, two research methods were employed to gather data. First, qualitative interviews were conducted with individuals who had innovative project ideas. This qualitative study allowed for in-depth exploration and understanding of their experiences and perspectives and the obstacles they faced

Based on the insights gained from the interviews, a questionnaire was developed for a quantitative study. This questionnaire aimed to gather information on the actual challenges and problems related to the topic. The quantitative study provided a broader perspective by collecting data from a larger sample size, allowing for statistical analysis and generalization of findings.

By combining qualitative interviews and a quantitative questionnaire, the research was able to capture both rich, qualitative insights and quantitative data, providing a comprehensive understanding of the challenges and problems .

**8. Research work plan:**

The first chapter titled "Unveiling the Realm of Startups and the Entrepreneurial Ecosystem" It introduces the concept of startups, explaining what they are and their key characteristics. It also explores the entrepreneurial ecosystem, which is the environment in which startups operate.

For the second chapter we deal with the overview of the global startup ecosystem, looking at successful examples and trends. It then focuses on the Algerian startup ecosystem, examining its unique features, current state, and challenges , titled "Overview of the Global and Algerian Startup Ecosystems"

The last chapter is presented as an answer to the problematic , It aims to uncover the challenges faced by startups in Algeria. This is done through a theoretical framework that explains common challenges and the factors influencing startup innovation. A field study is conducted to gather data from startup founders and stakeholders, identifying specific obstacles hindering startup growth.

# Chapter 01 : Unveiling the Realm of Startups and the Entrepreneurial Ecosystem

**Introduction :**

In the past few decades, the entrepreneurial ecosystem has become one of the main forces behind both economic expansion and innovation. It is a dynamic and complex network of people, groups, and resources that collaborate to promote the growth and achievement of new and innovative companies. Researchers and politicians alike are very interested in figuring out the essential elements that make startup ecosystems successful since doing so has the potential to spur economic development and open up fresh opportunities for business owners and investors. A growing amount of study has recently aimed to investigate the many components that successful startup ecosystems are made up of. These components may include capital, talent, infrastructure access, policies and regulations that are supportive. Furthermore, the value of a strong culture of innovation and risk-taking cannot be understated since it is essential for fostering an atmosphere in which business owners feel empowered to explore innovative ideas and take big risks.

Even while entrepreneurial ecosystems are receiving more attention, we still know very little about how they operate and what variables influence their success. As a result, several methods for investigating startup ecosystems have been developed, ranging from qualitative case studies to quantitative analysis of significant amounts of data. New tools and approaches are expected to emerge as the discipline develops, furthering our grasp of this important facet of the modern economy.

Overall, research into entrepreneurial ecosystems is a fascinating and quickly expanding field. We can promote economic growth and open up new opportunities for business owners, investors, and communities by having an in-depth understanding of the elements that make these ecosystems successful.

## Section 1 : Startup Basics: Unpacking the Concepts Behind Startups

### 1.1. Exploring the Historical Aspects of Startups

To clearly define the definition of the term, it is best to look a little in the history of economic facts and go back to its origin. How did the word start-up come about? And what is the first start-up born in the world?

At the end of the 20th century, in the United States, dynamic firms specializing in ICT appeared, giving birth to great digital inventions that were successful worldwide:

− In 1939, in the Californian city of Palo Alto, the creation of the computer giant HP (Hewlett-Packard) was recorded, under the initiative of David Packard.

− In 1976, it was Steve Jobs' turn to launch his computer concept, alongside his friend Steve Wozniak. Together, they developed and designed the very first Apple computer, and at the same time, created their company known under the same name. It was during the same period that Microsoft, one of the biggest competitors, developed.

− In 1997, one of the most famous Web search engines was born in the Californian town of Menlo PARK. The two friends Larry Page and Sergey Brein will design Google which will be registered on September 15, 1997.

− Other large firms still appeared in the mid-1990s and the beginning of the 2000s, such as: Amazon in 1994 and Facebook in 2004.

Start-up is the name given to these firms which were at the origin of a promising economic revolution in the field of innovation and technology, the term is inspired by their strong growth, it begins to spread on the continent American, and through the advent of the bubble-com phenomenon, it finally becomes famous in the world.

Silicon Valley [1]is the place that had concentrated all its successes, an emblematic place located in California more precisely in San Francisco. With the advent of other firms, Silicon Valley is becoming a benchmark strategic technology park.[2]

Faced with a general problem of definition, the notion of start-up is often the victim of confusion today. In fact, the start-up is a company that has affinities that make it quite special by comparing it to other firms, something that escapes certain definitions. A large part of

[1] Silicon Valley : originally derived from the region's large number of silicon chip manufacturers

[2]MEBTOUCHE Nawel, *Start-ups.DZ: conceptual lighting, and* creation , Revue d'études en sciences de l'information et de la communication Vol02 , No.02 PP 111 – 123 (Octobre 2022)

the definitions presented on standard research sites and economic dictionaries are defective, insofar as they do not highlight the essential characteristics of the start-up

To bring together all the ambiguities that reign around the definition of start-ups, we conducted an experiment with the general public to detect confusion, these were the answers:

**− A start-up is a young or newly created company:**

Let's start with a distinction that should be obvious but is often overlooked: not every newly founded company is a startup. Millions of companies are started every year in the US. Only a tiny fraction are startups. Most are service businesses[3]

**− A start-up is a small company that develops a small project:**

Often underestimated at the beginning, small well-developed projects end up becoming large projects that revolutionize the lives of their carriers as well as the world around. As for the question of size, the latter can be justified in relation to the number of employees mobilized, a start-up is often the business of a small team which develops its idea. The human resources needs of a start-up are often minimal compared to a traditional firm.

**− A start-up is a box where we work differently:**

The organization of work within a start-up differs from that of traditional firms. For strategic needs, the start-up uses a well-chosen small team, as well as new work concepts such as Cooworking (teamwork) or brainstorming, for this the workspaces are arranged in a linear fashion. to strengthen the exchange of ideas and stimulate the creativity of the group, and ensure their comfort after long hours of work.

**− A start-up is an innovative company:**

This is a common point of confusion about what start-ups are. Innovation is not a purpose but a means. With the goal of serving their customers both at the highest level of quality and at scale, innovation often happens to be a strategy to bring these two goals together.

**− A start-up is a technology company:**

Technology is sometimes confused with innovation. In reality, technology is not just a matter of start-ups: large groups use it just as much, but with the aim of improving what already exists rather than seeking new strategies.

The size, work organization, volume of the project . All these elements reflect a certain reality of start-ups without, however, pinpointing the essential. Technology and innovation

[3] Paul Graham, *Start-up growth* [Online article] , the official website of YCombinator www.paulgraham.com , accessed 24/03/2023

are catalysts for the start-up, essential means to succeed in deploying its strategy on a scale; mastering them is often a necessary condition for success but not a sufficient condition

### 1.2. Definition of a startup

Many definitions can be found in the literature on startups, however authors from Silicon Valley remain the main reference. Without claiming to be exhaustive, we quote the following definitions:

− A human institution designed to deliver a new product or service under conditions of extreme uncertainty. (Eric Ries)[4]

− A startup is a temporary organization designed to search for a repeatable and scalable business model that can be industrialized and allows for exponential growth. (Steve Blank)[5]

− Company designed to grow fast (Paul Graham)

Steve Blank's definition is the one that seems to bring together the most experts, from which we can pull a great deal of the main characteristics of a start-up. Steve Blank highlights the word growth, which today is a key word that must imperatively appear in the true definition of a start-up. This is what also gives meaning to the name chosen for this very particular type of company called “START-UP”.

In the etymological sense, the term start-up is an anglicism which results from the combination between “start” which means to begin, and “up” which translates the idea of a growth or a rapid evolution.

The start-up is a company like no other. Apart from the legal status, a start-up differs in many respects from a traditional company. We are faced with two types of structures which do not work in the same way, which do not have the same dynamics or the same objectives.

On the first side, we have a structure whose one of the challenges is to have efficient processes, allowing us to deliver the best possible service with optimal functioning. On the second one we have a structure that explores, experiments, in order to find what has value for the client, how to deliver this value to him, and how to earn money while doing it. The fundamental difference is that a company is organized to execute and optimize a business model that works, whereas a start-up is organized with the aim of finding a business model stimulating growth and innovation.

[4] RIES (Eric), The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses , Crown Publishing Group , United States , 2011 , P.23

[5] https://www.entrepreneurship.org/learning-paths/startups (24/03/2023 at 00:12)

We can therefore define a start-up as being a company that is in the first phase of its operations, initiated by its founders around an innovative idea or a problem with a potential for opportunity and significant impact.

### 1.3. The characteristics of a start-up

The startup appears as a form of business that can represent new characteristics and new operating principles. Here are the different characteristics of a startup:

#### 1.3.1. Temporary:

A startup is not made to remain so all its life. Being a startup is not a goal in itself. A startup is a particular phase, and the main objective is to get out of it. It's about, as the famous Silicon Valley entrepreneur Peter Thiel says: "to go from Zero to One, to transform an idea into a business, to find a new way of rendering a service, of creating value". [6]

#### 1.3.2. Search for a Business Model :

Being a startup means bringing value to customers with a product or service that no one has ever done before. And the challenge for a start-up is to find and build the Business Model that goes with it.

A Business Model which is not modeled on an existing structure, and which is not necessarily obvious when the structure is launched.

There, it is necessary to not confuse between Business Model (the whole of the model, the mechanisms, which allow the company to generate income) and Business Plan

The business plan is a written document that formalizes a business project. It constitutes the second phase of the creation of a company which is carried out after the evaluation of the project and can also be used during the development of new activities in a pre-existing company.

#### 1.3.3. Industrializable / Reproducible:

This means that a start-up is looking for a model that once it works (i.e. you make money and you know how you make it), can be done on a larger scale, in other places, or be made by others. The most telling example is that of Airbnb or Uber, which are deployed city by city based on a recipe that works (even if of course it sometimes has to be adapted to local contexts).

#### 1.3.4. Scalable (for exponential growth):

The other characteristic of a startup is its scalability. The fact of having a model where the more the number of customers increases, the more the margins are great. The first customers

[6] THIEL (Peter) , Zero to one: notes on startups, or how to build the future, Crown Publishing Group , United States , 2014 , P.09

cost more than the following ones, and so on. It is this scalability and the fact that the model is repeatable that allows startups to grow so fast and so far, in a short time, compared to a more traditional company. So it's not because your company is cool, that the employees wear sneakers and hoodies, or even because there is a table football in the break room, that you are a startup. Working in digital is not enough either.

Rennes in France, for example, we often see Media watch, which is a web strategy consulting agency, or Niji (a company entirely dedicated to the digital transformation of businesses) cited as start-ups (because they are growing rapidly and are "in the digital"), but this is not the case. Their business is indeed based on the sale of services. Which means that the more clients and missions they have, the more they have to recruit (almost proportionally). Mediaveille and Niji are not looking for a Business Model so, and they are not scalable. They're not start-ups and that's okay. These are very beautiful Rennes boxes which create jobs, help to make the local ecosystem attractive! So being a startup is not an end in itself! If you want to be an entrepreneur, don't try to create a startup at all costs, or want to be one, just because it's trendy.

Create the best structure that will address the problems you want to solve. And don't forget to find a business model along the way!

### 1.4. Startups vs. SMEs: Understanding the Differences

According to the definition of Larousse, an SME is « une entreprise d'importance petite et moyenne, dans laquelle le chef d'entreprise assume personnellement et directement les responsabilités financières, techniques ,sociales et morales de l'entreprise, quelle que soit la forme juridique de celle-ci. » this means : a small or medium-sized business in which the owner personally and directly assumes the enterprise's financial, technical, social, and moral responsibilities, regardless of its legal form."

A start-up according to Fridenson , is a structure that meets four conditions: strong potential growth; the use of new technology; the need for massive funding; the presence on a new market whose risk is difficult to measure[7].

These particularities are perhaps the main differences between a start-up and an SME:

- A start-up is not characterized by its size or its number of employees. For example, Twitter (which is 10 years old and has nearly 4,000 employees) is no longer a start-up. However, the company has still not found its balance point - it has not defined a profitable business model,

[7] Fridenson, P. (2012). L'actualité du livre. *La sélection de l'expansion management review* **.** L'Expansion Management Review, vol. 145, no. 2**, 6-8.**

and many economists still refer to it as a startup. Therefore, the fundamental difference between a start-up and an SME is the business model: indeed, the SME applies a defined business model while the start-up seeks its business model.

- A start-up is generally not structured by an organizational chart and is strongly focused on a team spirit conducive to creativity.

- A start-up is in a temporary phase and is set to evolve and transform into an SME/multinational.[8]

### 1.5. Types of Start-ups :

#### 1.5.1. Lean Start-up

When it comes to start-ups, the term "lean" does not refer to a small or start-up with no financial resources; rather, it has its roots in Toyota's lean manufacturing process. The main thing is getting rid of activities that don't work or have no value. Customer needs should be the focus of all activities. Eric Ries, the approach's founder, asserts (2018): "Startup success can be engineered by following the process, which means it can be learned, which means it can be taught."

Lean Startup is a set of tools and principles (build, measure, and learn) designed to test potential solutions in order to reduce potential risks. Reis says that one of the biggest first hurdles is that many entrepreneurs think about and shape their ideas for a very long time (months or even years) without talking to potential customers or clients. Because customers do not fully comprehend the product or service itself, businesses or start-ups fail to meet customer needs when they launch their products.[9]

#### 1.5.2. Steve Blank Approach

The reality is that while we have only one word for "startup," there are six varieties. The founders who start these are all "entrepreneurs." But there are significant differences between the people, funding and strategies involved. Not understanding those differences can screw up your chance of success.

[8] Aicha BEKADDOUR, *Start-up et écosystème d'accompagnement en Algérie*, ANNALES DE L'UNIVERSITE DE BECHAR EN SCIENCES ECONOMIQUES Volume: 70 / N°: 03 (2020), p532-547

[9] EISENMANN(T),RIES(E),DILLARD(S), *Hypothesis-Driven Entrepreneurship: The Lean Startup* , HARVARD BUSINESS SCHOOL Vol 9 (JULY 10, 2013) Page 812-095

- **Lifestyle Start-ups: Work to Live Their Passion**

Continuous learning, work enthusiasm and living a suitable lifestyle for it.

On the California coast where Steve Blank lives as he said, lifestyle entrepreneurs are like surfers, teaching surfing lessons to pay the bills so they can surf some more. Lifestyle entrepreneurs live the life they love, work for no one but themselves and pursue their personal passion. The Silicon Valley equivalent is the journeyman coder or Web designer who loves the technology and takes coding and U/I job because it is a passion.

- **Small-Business Start-ups: Work to Feed the Family**

The vast majority of entrepreneurs and start-ups in America today are still small businesses. This category includes grocery stores, hairdressers, consultants, travel agencies, e-commerce, carpenters, plumbers, electricians, etc., who are all self-employed.

Small-business entrepreneurs work as hard as anyone in Silicon Valley. They hire local employees or family. Most are barely profitable. Most small businesses are not designed for scale, the owners want to own their business and feed the family. Their only available capital is their own savings, what they can borrow from relatives and banks. Small-business entrepreneurs don't become billionaires and don't make many appearances on magazine covers. But in sheer number, they are infinitely more representative of "entrepreneurship" than entrepreneurs in other categories and their enterprises create local jobs.

it is all the opposite of what Graham defined and the capital limited.

- **Scalable Start-ups: Born to Be Big**

Entrepreneurs in Silicon Valley and venture capitalists strive to create scalable startups. Recent examples include Skype, Twitter, Facebook, and Google. The founders have always held the belief that their vision can change the world. In contrast to small-business owners, they are interested in creating equity in a company that will eventually be publicly traded or acquired, resulting in a multimillion-dollar payoff.

Scalable startups attract investment from similarly irrational financial investors, venture capitalists, because they require risk capital to fund their search for a business model. The brightest and best are hired by them. The search for a scalable and repeatable business model is their responsibility. In order to propel rapid expansion, their focus on scale necessitates additional venture capital.

- **Buyable Start-ups: Acquisition Targets**

These businesses intend to sell their products to larger businesses for millions of dollars, avoiding the traditional venture capital investors.

The time and money required to build Web and mobile apps have decreased dramatically over the past five years. With $100,000 to $1 million, you can reach product/market fit and a million customers. Many of these startups use crowd or angel funding to avoid traditional VCs. Even though they might be able to create a business worth a billion dollars, the "swing for the fences" liquidity goals are less pressing when there are no traditional venture capital investors and nosebleed valuations. It is likely that a larger company will purchase this type of startup for $5 million to $50 million. The investors and founders take home millions, but not billions.

- **Social Start-ups: Drive to Make a Difference**

Any type of founder can achieve the same level of ambition, passion, and impact as social entrepreneurs. However, in contrast to scalable startups, their objective is not to capture market share or generate wealth for the founders but rather to improve the world. They could be nonprofit, for-profit, or a combination of the two.

- **Large-Company Start-ups: Innovate or Evaporate**

Life cycles for large businesses are limited. These cycles have also become shorter over the past ten years. Lean startup practices are not just for scalable and buyable startups, as is becoming increasingly apparent.

Organizations have gone through the beyond 20 years expanding their proficiency by driving down costs. However, it is no longer sufficient to concentrate merely on improving existing business models. Nearly every large company is aware that it must also constantly innovate to combat ever-increasing external threats. Businesses need to keep coming up with new business models to stay in business and grow. This difficulty necessitates entirely new abilities and organizational structures.[10]

### 1.5.3. Unicorn Start-ups

Unicorns are the name given to a select group of new businesses. Why the unicorn? Because these start-ups have a valuation of more than $1 billion, their rarity is important. In 2013, Aileen Lee identified 39 unicorn businesses, which led to the creation of the initial list of unicorn startups. There are currently two distinct lists of unicorn startups. [11]

The first one, which was published by the magazine Fortune and included 174 businesses, placed transportation platform Uber in the top three spots, followed by Chinese Smartphone manufacturer Xiaomi and lodging platform Airbnb. Fortune, 2018) The second list, which was created by Insights and includes 237 unicorns, places Uber first, followed by Didi Chuxing—

[10] https://www.wsj.com/articles/BL-232B-1094 ( 26/03/2023 at 23:45)

[11] Minsun Lee**,** Dae-il Nam**,** *Unicorn Startups Investment Duration, Government Policy,Foreign Investors, and Exit Valuation***,** Asia-Pacific Journal of Business Venturing and Entrepreneurship Vol.15 No.5 pp.1-11(2020)

also known as the "Chinese Uber"—and Xiaomi, with Uber achieving a valuation of 70 billion USD [12]

What distinguishes unicorn startups? First and foremost, almost every Unicorn has disrupted a sector or industry. Airbnb features the element of sharing economy, while Uber changed individuals propensities how they call taxi. Second, they do not rely solely on a single competitive advantage because their activities are ongoing. They are aware that continuous improvement and innovation are essential to success. In addition, Unicorns operate in a variety of fields, so it would be accurate to say that they are all technological start-ups. However, the majority of them (87 percent) are based on software, while the remainder are based on hardware or another product or service. Last but not least, more than 60% of businesses concentrate on the B2C market segment. The reason is straightforward: simplify the procedures and make them affordable for customers.

However, the National Bureau of Economic Research's study asserts that almost half of the 135 companies used in the study should not be valued at more than $1 billion USD. Companies agreed on special conditions for new investors, such as new share classes with extended votes or veto rights, to achieve the unicorn status, which is regarded as prestige status. [13]

### 1.6. Life Stages of Start-ups:

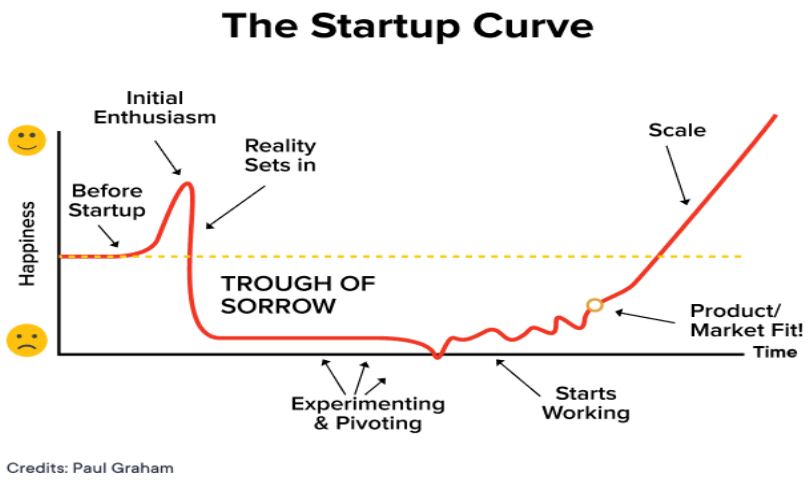
Paul Graham explained that the rapid growth of start-ups sets them apart from other businesses. But in reality, it's so hard because they often have to overcome a variety of obstacles in order to reach the top. Additionally, a lot of relevant literature has different views on the number of stages a start-up goes through. Salamzadah says there are three stages: the Bootstrapping stage, the Seed stage, and the Creation stage

Andrew Metrick and Ayako Yasuda (2011) at their book called Venture Capital & the Finance of Innovation define 4 stages of growth relevant to companies, which are supported by the venture capitalists. Although the book is mainly relevant for beginners at venture capital sphere, it still can be used as a framework for start-ups as they are in the focus of venture capitalists, the 4 stages are: Seed/Startup Stage, Early Stage, then Expansion (Mid) Stage, and the later stage.

[12] https://www.cbinsights.com/research/team-blog/cb-insights-year-in-review-2018/ (25/03/2023 at 22:00)
[13] VICKI HUFF ECKERT, *Living in a world of unicorns,* strategy+business magazine by PWC JANUARY 17, 2022

Paul Graham uses the following curve to show the stages.

**Figure 1.1:** the stages of start-ups growth




[14]

Source : Thoughtworks (27/03/2023 at 23h40).

Through figure 1, it can be defined 5 stages of start-up growth:

### 1.6.1. **Before start-up stage:**

In this stage, they start with an innovative or new idea on the side of a person or a group, and this idea is studied and extended to which it can be in the reality, and study the market and target customers and regarding financing, they use personal funds, or ask family members and friends for their investment in the idea or ask government subsidies

### 1.6.2. The Start stage:

To get the product or service in front of the market, and they worked on developing and improving them. Thus, the founder seeks to support, as to, were as: accelerators, incubators, small business development centersand the funding is provided by family, friends, and business angles

[14] https://connected.thoughtworks.com/post/behind-the-grind-lessons-from-a-product-leader-episode-1/ (27/03/2023 at 23h40).

### 1.6.3. The enthusiasm stage:

Because the product or service has reached its peak and the activity has grown, there is a lot of enthusiasm here. Also, the idea for the product is made available to everyone, and the pressure and fear of failing, as well as the rise in the number of products offered by other people or the emergence of additional obstacles, push the curve to regress.

### 1.6.4. Glide and climbing stage :

During this phase, the project slows down until it reaches a point that can be referred to as the trough of sorrow or the trough of death. Despite the fact that the enterprising financiers continue to provide financing for the project and the growth rates are so low, the entrepreneur continues to strive for continuous improvement and introduces modifications to the product. As a result, the company begins to reappear and then a new product  better features appears from first product and is marketed in a large scale

### 1.6.5. Growth and ascension stage :

The entrepreneurs' efforts to improve and develop the product or service and move it from its experimental phase to the testing phase and present it to the appropriate market, where there is a probability that 20% or 30% of the target customers use the advanced product and after that will achieve huge profits, are to blame for the start-ups' steady growth and rising curve at this point.[15]

## 1.7. FUNDRAISING

Fundraising is a process that consists of integrating investors into the company's capital in order to obtain sufficient funds. These investors bring money into the company in exchange for a stake in its capital. In exchange for their contribution, the investors receive  shares, real estate or profits made by the company.

### 1.7.1. The fundraising journey :

The last ten years has seen a few persistent trends reshape the manner in which new companies raise investment. We must confront these modifications in order to fully comprehend why modern investments appear as they do:

[15] Soudani Yamina, Mekroud Houssem, *Startups: an opprtunity for economic take-off in Algeria*, Journal of Management, Organizations and Strategy Vol. 4, No. 1 PP 31-47 (2022)

1) INVESTMENT HAS INCREASED MASSIVELY

When it comes to fundraising, there are peaks and troughs, typically brought on by exuberant over-investment that is followed by reactive belt-tightening. However, despite these fluctuations, the fundraising industry as a whole is expanding strongly: Startups are raising more money at higher valuations each year.

2) IF THERE'S A BUBBLE, IT HASN'T BURST

Numerous people have speculated that there is an investment bubble as a result of the rising valuations of companies and the expanding round sizes. However, the data indicate that the current slowdowns have been brief.

3) THE EARLIER THE ROUND, THE RISKIER IT IS

The types of investors who are drawn to a deal and the amounts raised are influenced by perceived risk levels : anticipate that beginning phase venture should draw in risk-loving angels and VCs, and later-stage fundraising to speak to risk-averse monetary establishments.

4) MOST INVESTMENT TAKES PLACE IN THE ENTERPRISE

80% of venture capital investments happen in the enterprise, with the lion's share of those investments going to enterprise software - second only to the burgeoning biotech industry.

5) "SEEDS ARE THE NEW SERIES A"

Startups are expected to put in more effort than ever before for each investment round as a result of this ongoing increase in investment. Even a brand-new term has entered the fundraising lexicon: pre-seed funding.[16]

### 1.7.2. Startup Funding Rounds:

As Paul Graham of the Y Combinator : “Venture funding works like gears. A typical startup goes through several rounds of funding, and at each round you want to take just enough money to reach the speed where you can shift into the next gear. Few startups get it quite right. Many are underfunded. A few are overfunded, which is like trying to start driving in third gear.

I think it would help founders to understand funding better—not just the mechanics of it, but what investors are thinking”.

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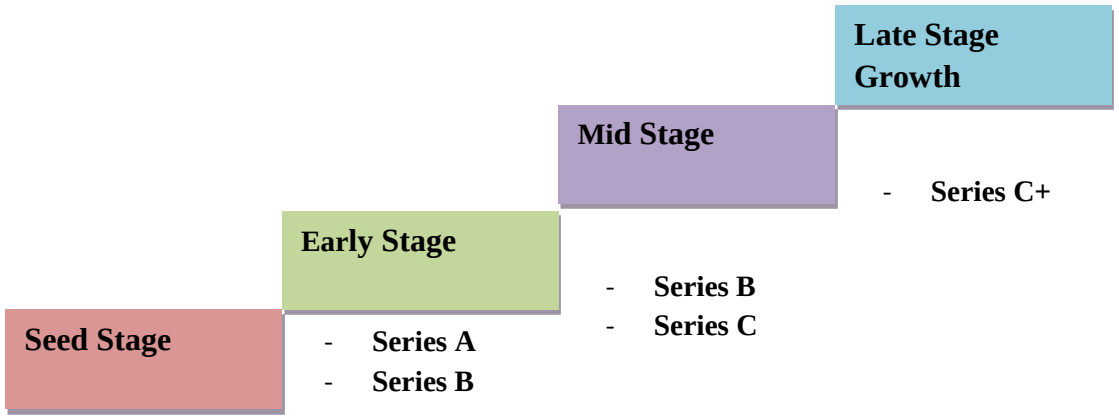
[16] https://medium.com/the-saas-growth-blog/from-pre-seed-to-series-c-startup-funding-rounds-explained-f6647156e28b (06/04/2023 at 23h34).

**Figure 2.1:**The Different Startup Funding Rounds




**1- PRE-SEED:**

"A pre-seed is an early round of financing that is designed to help a company achieve certain intermediate milestones PRIOR to the magic combination of strong PMF + meaningful traction." (Rob Go, NextView Ventures)

Founders typically have access to seed rounds as their first fundraising round. However, "traditional" seed investors have been able to become much more discerning in their investment decisions as a result of the huge increase in the number of startups in a market that is becoming increasingly competitive. This has raised the threshold that must be met in order to obtain "traditional" seed funding.

A typical pre-seed round provides a small investment to a founding team (usually pre-product) to help them meet one or more of the requirements for "true" seed investment: from recruiting a critical team member to developing a prototype product.

Pre-seed financing, which is typically managed by a large number of the same investors who are in charge of seed rounds, serves as a bridge to the subsequent round.

Average Funding Amount: <$1 million

Typical Company Valuation: $1-3 million

Common Investors: Friends and family, early-stage angels, startup accelerators

**2- SEED:**

Capital from a seed round often fuels a startup's move beyond its founding team, funds product development, and in some cases, even facilitates early revenue generation. Expectations of strong Product/Market Fit and some traction (in the form of a growing wait list or month-over-month revenue growth) are wrapped up in seed investment, paving the way for subsequent fundraising. Generally, seed adjusts were the hold of private supporters, yet the

expansion of money rich VC reserves and a colossal scope of new companies to put resources into has drawn in more funding firms into seed round venture

This has created a huge variance in seed sizes: the median angel-funded seed size is around $150,000, but the median VC-led seed size is closer to $1.5 million. The involvement of VCs leads to seed rounds ten times larger than those led by angels - with the largest seed round in 2015 a staggering $10 million.

Average funding amount: $1.7 million

Typical company valuation**:** $3-6 million

Common investors: Angels, early-stage VCs, startup accelerators

**3- Series A :**

Revenue growth is the name of the game in Series A . By this point, a startup should have clear and growing evidence of Product/Market Fit, which means more new customers and more ARPA (average revenue per account) revenue. It's additionally here that SaaS marketing and sales become more significant. Up until this point, growth has typically been fueled by a single channel that is not always scalable. It is necessary to develop new sales and marketing procedures, identify new channels, and comprehend your ideal client in order to maintain rapid growth.

Angels (often referred to as "super" angels) will sometimes invest in Series A rounds, but it's usually the venture capital organisations that dictate this round. The increasing involvement of VCs also means that Series A rounds are rapidly increasing in size (in 2015, ride comparison SaaS Karhoo raised a Series A worth $250 million)

Average Funding Amount: $10.5 million

Typical Company Valuation: $10-15 million

Common Investors**:** VCs, "super" angels

**4- Series B :**

“Series B is hard for a simple reason: suspension of disbelief fades and is replaced by an increasingly cold, hard look at milestones and progress. Series B is the round where the rubber meets the road, where the promise has to be met with numbers and projections.” (Fred Destin, Accel Partners)

Beginning with a promising idea and progressing through leading indicators of Product/Market Fit to early traction and the first signs of revenue growth, the previous rounds have been fueled by relatively tentative signs of progress.

Investors are looking for the next growth stage in Series B: the capacity to implement everything you have learned on a large scale

In practical terms, Series B investment might allow a startup to make expansive hires (across business development, strategic accounts, marketing and customer success), expand into different market segments or experiment with different revenue streams, and in dramatic instances, even buy-out businesses that offer a competitive advantage.

Average Funding Amount: $24.9 million

Typical Company Valuation**:** $30-60 million

Common Investors**:** VCs, late-stage VCs

**5- Series C+ :**

"The late stage...investors are hunting for breakout companies that have serious traction. But there are few companies that breakout, and there is a high supply of capital looking to invest in the companies. The low supply and high demand is driving up the valuations and deal sizes." (Manu Kumar, K9 Ventures)

Large-scale expansion, such as entering a new market (commonly international expansion), or acquisitions of other businesses are fueled by Series C rounds.

A startup can theoretically raise as many investment rounds as it wants after Series C: Some businesses will eventually raise capital through Series D, E, and beyond. Given the moderately low number of new companies that come to this point, there's likewise a gigantic measure of fluctuation in the sums raised, still up in the air dependent upon the situation.

The company is also sufficiently de-risked at this late stage for financial institutions to invest. In financing rounds, these players frequently use enormous checkbooks, resulting in truly staggering round sizes. The "cinematic reality" startup Magic Leap raised an incredible $793.5 million in a Series C funding round in February 2016, making it possibly the largest venture capital funding round ever.

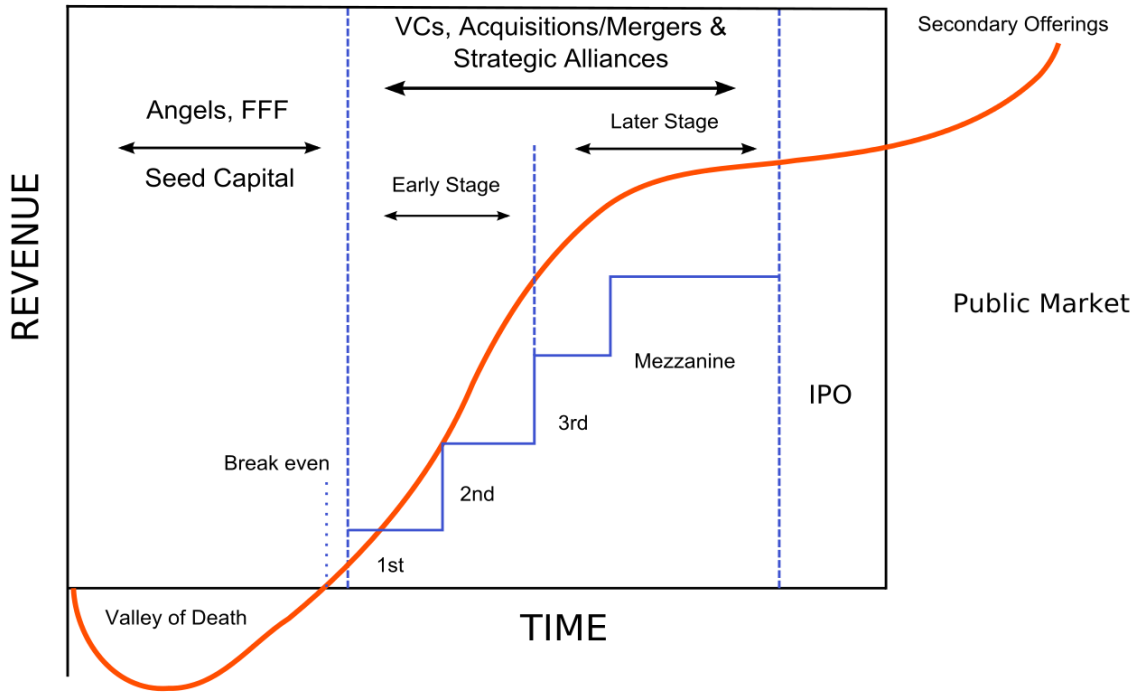
Average Funding Amount: $50 million

Typical Company Valuation: $100-120 million

Common Investors: Late-stage VCs, private equity firms, hedge funds, banks[17]

[17] https://www.cobloom.com/blog/startupfunding?utm_campaign=Repurposed%20Content&utm_medium=startup%20funding&utm_source=medium# (07/04/2023 at 01h00).

**Figure 3.1:**Startup Financing Cycle




**Source :** commons.wikimedia.org

### 1.7.3. Most Common Types of Investors for Startups :

- **Angel Investors** [18]

The majority of startup investors are high-net-worth individuals. These people are frequently referred to as "accredited investors" or "angel investors." The term "angel investor" originates from financiers of Broadway shows in the past century. In most cases, an angel investor is an accredited investor, but this is not always the case. Additionally, not every accredited investor is an angel. Both of these people have the money and the desire to provide funding together. What's more, for some reasons, they are among the most appealing sources of funding for startup founders.

Accredited investors are those with a net worth of $1 million or more in assets (excluding personal residences), $200,000 in income over the past two years, or $300,000 in combined income for married couples. There are a variety of levels and definitions of "high net worth" individuals. The Securities and Exchange Commission's (SEC) definition encompasses all of this.

[18] ALEJANDRO Cremades , The art of startup fundraising , Published by John Wiley & Sons, Inc., Hoboken, New Jersey,Canada ,2016,P.74

Individuals who make early-stage investments in new businesses are known as angel investors. This typically occurs during Series A and seed financing rounds.

They bridge the gap between informal venture capital funds and friends and family. Some contribute only for benefit. Others hope to have an effect with their assets by putting resources into causes and businesses they are truly energetic about.This can range from

sustainable farming to education and healthcare startups.

The amount of money invested by angel investors typically ranges from $150,000 to $2,000,000. In addition to funding, angel investors frequently offer valuable guidance and introductions to entrepreneurs because many of them have held executive positions at large corporations.

Angel-funded startups had a better chance of survival, according to a Harvard study.

Angel investing carries a high level of risk, so it typically does not account for more than ten percent of an individual's overall investment portfolio. Angel investors look for a strong team and a strong market that have the potential to return ten times their initial investment in five years.

Even though the odds of a positive return are less than 50%, data gathered by the Kauffman Foundation indicates that the best estimate for returns from angel investors is 2.5 times their investment, which is very competitive with returns from venture capital.

- **Anatomy of an Angel Investor**

-Benefits

• More limited shutting time

• More simple due diligence

• Don’t usually interfere with day-to-day

• Less forceful in the terms they request

-Burdens

• Their investment amount is smaller than institutional investors

• Dependent on personal network

• Will not set you up for fund-raising money institutionally

-Who Should Choose This Route?

• Those attempting to raise modest quantity of capital rapidly and with few strings attached

• Individuals with an enormous personal network

• Those that would rather not get board individuals

• Those that don't require help setting up governance structures

- **Venture Capital Investors**[19]

Venture capital, also known as VC money, is the most sought-after type of capital by entrepreneurs today. It is provided by businesses that are a part of the private sector and have access to a pool of funds from corporations, foundations, pension funds, and other organizations. It can also be the most challenging to land, requiring the most effort.

The financial and ego boost that come with receiving funding from a large venture capital fund may not be the only benefits. However, it typically necessitates investing in a strong pitch, preparing materials for it, going out into the community to meet people, and spending a lot of time prospecting. For some, this is just a huge and expensive distraction. Others view it as their ultimate objective. It takes time and multiple conversations to obtain VC financing. This kind of equity capital, according to the Small Business Administration (SBA), is necessary for "successful long-term growth for most businesses."

True venture capital differs in that it is provided by organized funds and entities. Angel investors, family offices, sovereign funds, high net-worth individuals, and others' funds are pooled by these organizations. They primarily seek investments with high growth potential in the early stages. Despite the fact that venture capitalists may offer significantly less funding than individual angel investors, these businesses typically aim to invest at least $1 million or more.

According to the National Venture Capital Association, between 600 and 800 of the 2,000,000 new businesses established annually in the United States receive VC funding. In turn, this is said to account for more than 20% of GDP and more than 10% of private sector jobs in the nation.

According to Y Combinator's Paul Graham, there is a significant disparity among VC firms. The largest and most well-known can be more difficult to negotiate with, but even just being associated with them can help propel success. In order to obtain better terms, it may be simpler to negotiate with other lesser-known businesses. However, Graham warns that some businesses may bind founders without providing funding or may associate a venture with negative connotations. Multiple venture capitalists will lend to the most successful startups.

[19] ALEJANDRO Cremades , The art of startup fundraising , Published by John Wiley & Sons, Inc., Hoboken, New Jersey,Canada ,2016,P.78

➢ **Anatomy of a VC**

-Benefits

• Can give huge assets to you in experience and shrewdness

• Will help recognize and arrive at designated exit

• Can assist with revising botches which might preclude you from situating yourself for an exit

-Burdens

• Aggressive in terms they set

• Sometimes supposed value-add may not be adaptable to your industry or organization

-Who Should Choose This Route?

• Near-term exit is primary goal

• Want to leverage industry knowledge—good venture capitalists typically possess hard-earned wisdom and business acumen;

• Need larger investments than angel investors

- **Family Offices** [20]

Numerous startups and entrepreneurs frequently fail to recognize or pay attention to family offices. However, they are such a significant player in the investment industry and capital markets that they successfully lobbied Congress to grant family offices an exemption from the Dodd-Frank Act. According to the Wall Street Journal's article titled "How to Bank Like a Billionaire," family offices are revealed to cost as much as $1 million a year to run, and until recently have been the exclusive domain of the $100-million-plus, high net-worth crowd. This is Rockefeller-level money.

Presently prosperous families with $5 million to $10 million to contribute may take part as a piece of a multifamily office for effectiveness and cost investment funds. This is a large amount of capital that is awaiting investment and is frequently overlooked by others.

According to the author's experience family workplaces generally have a good amount of capital to be invested in high-risk ventures like startups. These types of entities make decisions and move very quickly.

➢ **Anatomy of a Family Office**

-Benefits

• Hybrid between VC and angel investor

[20] ALEJANDRO Cremades , The art of startup fundraising , Published by John Wiley & Sons, Inc., Hoboken, New Jersey,Canada ,2016,P.77

• Offer more cash than angel investors but not as much as institutional firms

• More mission-driven and focused on specific industries

-Burdens

• Won’t prepare you for large institutional round

• Don’t offer much value beyond cash and industry-specific networking

• Relatively unstructured in their process and approach

• Fidelity you can expect can differ widely

Who Should Choose This Route?

• Those looking for the flexibility and casualness of angel investors but want a bigger sum of cash.

## Section 02 : The entrepreneurial ecosystem

### 2.1. The emergence of the entrepreneurial ecosystem concept

Moore (1993) popularized the term "ecosystem" in social science (Malecki, 2018) and suggested considering a firm not as a member of a single industry but as part of a business ecosystem

Song (2019) mentioned some of the pioneering papers that have adapted the ecosystem concept for different literature1 which is summarized below :

- Ecosystem concept was first introduced by Tansley (1935) and gained value after "An evolutionary theory of economic change" by Nelson and Winter (1982)
- Strategy literature (Moore, 1993); Iansiti and Levien, 2004)
- Knowledge ecosystems (Owen-Smith and Powell, 2004)
- Innovation ecosystems (Adner, 2006; Adner and Kapoor, 2010; Autio and Thomas, 2014),
- Entrepreneurial ecosystems (Cohen, 2006; Isenberg, 2010; Feld, 2012; Stam, 2015)
- Digital ecosystems (Boley and Chang, 2007; Weil and Woerner, 2015),
- Platform ecosystems (Gawer and Cusumano, 2008; Rysman,2009)
- Organizational ecosystems (Mars et al., 2012)

The term "entrepreneurial ecosystem" is being discussed extensively by different scholars such as: Stam, , Spigel , Acs as well as practitioners Feld ,Isenberg

When we search the concept of the entrepreneurial ecosystem, we do come across different approaches. As Spigel mentions in the introduction of his book named "Entrepreneurial ecosystems"[21], the main logic of the entrepreneurial ecosystem is that entrepreneurship is a team sport. He continues by arguing that entrepreneurial ecosystems provide two things for entrepreneurs:

- Entrepreneurial resources such as funding, skilled workforce, and entrepreneurial knowledge available to use by entrepreneurs.
- An environment where the resources mentioned above are accessible.[22]

[21] SPIGEL (Ben), Entrepreneurial Ecosystems , Entrepreneurship Footprints series, United State, 2020, P05

[22] Nasib Jafarov, Judit Szakos, *REVIEW OF ENTREPRENEURIAL ECOSYSTEM MODELS*, ASERC Journal of Socio-Economic Studies Volume5, Number 1, (2022) Pages 3-16

## 2.2.. Definition :

"There is not yet a widely shared definition," [23]

This is in part due to the fact that these ecosystems are defined in very different ways, at very different scales, using different research designs and data. Additionally, there are a number of distinct ecosystems, one of which is the entrepreneurial ecosystem

As a result, numerous definitions have been provided (Table 1) .The majority of definitions emphasize the formation of shared cultural values that encourage entrepreneurial activity through the combination or interaction of elements, typically through networks.

**Table 1.1:**Selected definitions of an entrepreneurial ecosystem

| Author | Definition |
|---|---|
| Cohen (2006) | Sustainable entrepreneurial ecosystems are defined as an interconnected group of actors in a local geographic community committed to sustainable development through the support and facilitation of new sustainable ventures. (p. 3) |
| Isenberg (2011) | This entrepreneurship ecosystem consists of a dozen or so elements (which we consolidate into six domains for convenience sake; see the diagram) that, although they are idiosyncratic because they interact in very complex ways, are always present if entrepreneurship is self-sustaining. So although the combinations are always unique, in order for there to be self-sustaining entrepreneurship, you need conducive policy, markets, capital, human skills, culture, and supports. (p. 6) |
| Feld (2012) | The Boulder thesis states that a prosperous ecosystem has four characteristics: (a) it is led by entrepreneurs; (b) it is inclusive where everyone is welcomed; (c) the involved people are committed long term |

[23] Stam, Erik , (*Entrepreneurial Ecosystems and Regional Policy: A Sympathetic Critique* , European Planning Studies, Vol 23. 10, 2015 , P1761

| | |
|---|---|
| | (at least 20 years) to the ecosystem; and (d) there are many opportunities for gathering, that is, a lot of events. (pp. 25–28) |
| Isenberg (2014) | By definition an ecosystem is a dynamic, self-regulating network of many different types of actors. In every entrepreneurship hotspot, there are important connectors and influencers who may not be entrepreneurs themselves. |
| Mason and Brown (2014) | A set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organizations (e.g., firms, venture capitalists, business angels, and banks), institutions (universities, public sector agencies, and financial bodies), and entrepreneurial processes (e.g., the business birth rate, numbers of high growth firms, levels of "blockbuster entrepreneurship," number of serial entrepreneurs, degree of sell-out mentality within firms, and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment. (p. 9) |
| Audretsch and Belitski (2017) | We define systems of entrepreneurship (further ecosystem) as institutional and organizational as well as other systemic factors that interact and influence identification and commercialization of entrepreneurial opportunities. (p. 2) |
| Theodoraki and Messeghem (2017) | The entrepreneurial ecosystem includes three dimensions: actors who form it and their interactions (formal and informal network), physical infrastructure, and culture. (p. 50) |

| | |
|---|---|
| | The entrepreneurial ecosystem may be described as a generic context aiming to foster entrepreneurship within a given territory. …. Therefore, it consists of a horizontal network (customers and providers) and a vertical network (competitors and complementors). …. It also includes organizations supporting entrepreneurs: public or private funding agencies (banks, business angels, venture-capital, etc.); support entities (business incubators, consultants, etc.); research organizations (research centers, laboratories, etc.); and businesses' consortiums (active businesses, associations and trade unions, etc.). (p. 56)<br><br>The entrepreneurial ecosystem seems to be composed of both physical and non-physical elements. The latter includes elements such as regulation and entrepreneurial culture, which are, for instance, connected to geographic specificities. (p. 57)<br><br>24 |

**Source :** Malecki EJ.«Entrepreneurship and entrepreneurial ecosystems»(2018)

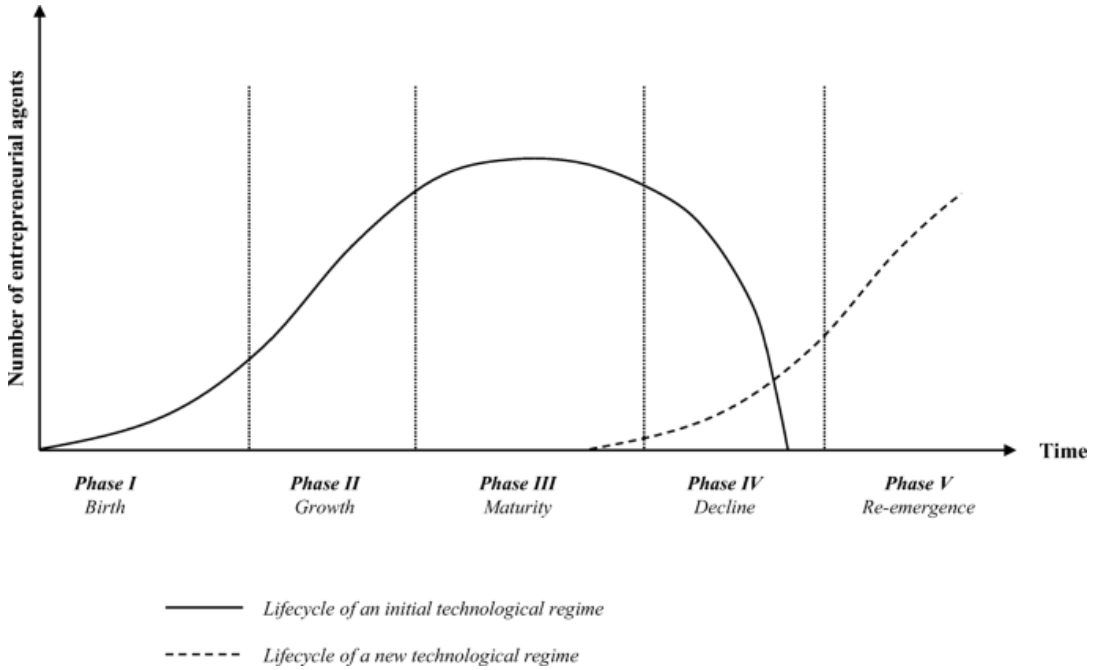
### 2.3.The dynamic lifecycle model of an entrepreneurial ecosystem :[25]

We rely on Vernon's classic concept of industry lifecycles to describe the development of an entrepreneurial ecosystem and thus capture its dynamic nature We assume, for simplicity's sake, that an entrepreneurial ecosystem moves through several phases over time.

We begin with the introduction of an entrepreneurial ecosystem (phase I) , the growth phase (II), the maturity or stabilization phase (III), the decline phase (IV), the subsequent reemergence phase (V). As figure. Shows

[24] Malecki EJ , «Entrepreneurship and entrepreneurial ecosystems» *Geography Compass*. 08 /01/2018
[25] Uwe Cantner & James A. Cunningham & Erik E. Lehmann & Matthias Menter , *Entrepreneurial ecosystems: a dynamic lifecycle model* , Small Bus Econ (2021) 57:407–423

**Figure 4.1:**A dynamic lifecycle model of an entrepreneurial ecosystem




**Source :** Entrepreneurial ecosystems: a dynamic lifecycle model By Uwe Cantner & James A. Cunningham & Erik E. Lehmann & Matthias Menter

**Phase I: The birth of an entrepreneurial ecosystem :**

We follow Alfred Marshall and characterize an idea as the initial point , the "big bang" of an entrepreneurial ecosystem. " if one man starts a new idea, it is taken up by others and combined with suggestions of their own; and thus it becomes the source of further new ideas". An individual's idea, an idea as something virtual with distinctive new qualities, leading to new things with new properties . Even the most innovative ideas do not appear like manna from heaven. New things, properties, and qualities do not appear from nowhere or from nothing; rather, they emerge from things and forces that already exist but are arranged in new ways . What holds for the biggest known ecosystem, our universe, ought to try and hold for each subset of ecosystems, an entrepreneurial ecosystem.

As a result, a new idea is nothing more than a vision of a new arrangement of existing things and forces that give rise to new properties, similar to how letters or notes are arranged to create new songs or poems, or both at once.

In the initial phase, an economic agent—an individual agent—has an idea about how to arrange existing things in a new way and to convert this idea into some societal utility, similar to how we think of a new form or structure with new qualities when we read a new poem or listen to a new piece of music. Such “existing things” may be the effect of spillovers from other sources, like knowledge overlooked or neglected by others or something “which is in the air,”

. When it comes to making an idea useful to society and the economy, this individual has at least two options: either by exploiting the opportunity within an incumbent firm and acting as an intrapreneur or starting a new venture as an entrepreneur

**Phase II: The growth of an entrepreneurial ecosystem :**

The growth phase, in which every component of the entrepreneurial ecosystem begins to become more specialized and geared toward entrepreneurship, is the second stage of our dynamic lifecycle model. A vibrant entrepreneurial scene, resembling an archetypical "entrepreneurial ecosystem" where all the different economic agents, similar to venture capitalists, consultants and lawyers, entrepreneurship policies, incubators, and accelerators are at work and educational institutions start to offer entrepreneurship-specific programs to foster new firm creation and location

Financial capital becomes more readily available, and access to financial capital becomes increasingly less restrictive. Human capital becomes more entrepreneurially minded and successful entrepreneurs begin to function as role models for potential nascent entrepreneurs, leading to a herd behavior effect: being or becoming an entrepreneur .

The first serial entrepreneurs and unicorns—entrepreneurial businesses with a market value greater than a billion US dollars—reflect this phase's evolution of the entrepreneurial ecosystem to include opportunities on a national and international scale.

While new firms continually enter the "entrepreneurial ecosystem" and the former start-up businesses develop, others are leaving the market.

**Phase III: The maturity and stabilization of an entrepreneurial ecosystem :**

The entrepreneurial ecosystem reaches a stage of maturity and stability in the third stage, when there are fewer new entrepreneurial firms entering the market and more firms exiting. At the conclusion of stage two, market entry is not hindered by a lack of access to financial resources as a barrier or restriction. The "window of opportunity" has been widely opened, attracting individuals the creation of new firms with questionable quality , leading to pooling-equilibrium of qualities . Opportunities and networks in the market start to weaken during this phase, increasing the opportunity costs of becoming an entrepreneur or working for an entrepreneurial company. Thus, some ventures mature, becoming more formally structured and bureaucratic, less flexible, and dynamic . The decline in the number of new businesses that are founded and entered the market raises the opportunity cost of self-employment and decreases the opportunity cost of other forms of employment, such as returning back to incumbent and established firms. IPO activities begin to decline, financial capital becomes harder to access, and investor confidence begins to wane: At the same time, established companies increase their

effort to re-integrate entrepreneurial firms, leading to a win-win situation for both, entrepreneurial firms and incumbent firms .

While young and entrepreneurial firms' innovation endeavors are assumed to be more likely to create breakthroughs, these businesses frequently fail to commercialize their innovations. Despite having the financial resources to invest in novel technologies, established businesses frequently lack novel and radical innovations. Granstrand and Sjölander propose dividing scientific labor between entrepreneurial and established firms because startup and entrepreneurial innovation is more radical than that of established firms. In order for takeovers to result in a win-win situation for both parties, such a division of labor implicitly defines their roles as acquisition targets. Not only does being taken over positively reflect and value the previous performance of the top management team, but it also encourages and supports established businesses to acquire young high-tech businesses in order to attract crucial technological resources, resulting in a win-win situation or match for both businesses when the new venture is successfully reintegrated.

The intersection with the regional business ecosystem and the transition from the entrepreneurial to the business ecosystem are reflected in this stage. When compared to the entrepreneurial ecosystem, the performance of the business ecosystems as a subset of the regional economic ecosystem becomes more important. The economic actors who first emerged in the first two stages are still operating, but on a less dynamic and vibrant way, —and become established players within the regional economic ecosystem. Like vegan food once was a characteristic peculiarity of an entrepreneurship subculture, it has now become a main street trend .

**Phase IV: The decline of an entrepreneurial ecosystem :**

The fourth stage involves using opportunities and ideas in a reverse way. Currently, new knowledge and ideas are mostly used by established firms , and the creation of new venture to texploit advantage of opportunities is more of an exception than a rule. New firms enter the market, but resemble more traditional companies than entrepreneurial firms. In any event, when this phase is portrayed by a low rate of market entry , the declining phase of an entrepreneurial ecosystem is not equivalent to a decline of the regional economic system, or regional competitiveness and wealth. Rather, established businesses are now the primary drivers of the regional economic ecosystem, either as a result of entrepreneurial firms maturing and expanding or as a result of incumbent firms regaining their strategic advantage or both.

The establishment of technological standards substantiates the current technological regime, which can be described as "a particular combination of some fundamental properties

of technologies: opportunity and appropriability conditions; degrees of cumulativeness of technological knowledge; and characteristics of the relevant knowledge base" this phase is characterized by the establishment of technological standards. Radical innovations are rare in this phase and incumbent firms rather focus on incremental innovations. This in turn opens up new (unexploited) opportunities for potential entrepreneurs, inducing the basis for a re-emergence phase of an entrepreneurial ecosystem resulting in the genesis of a new technological regime.

**Phase V: The re-emergence of an entrepreneurial ecosystem:**

In the fourth stage, the entrepreneurial lifecycle might come to an end, turning into a business ecosystem with well-established companies, routines, and norms. Hitherto, industrial clusters and clustering districts served as the foundation for dynamic, entrepreneurial regional ecosystems that now tend to emerge.

What lacks is the exploitation of ideas and knowledge outside firm boundaries, coordinated and motivated by the local market forces, there isn't enough entrepreneurial activity.

In a lifecycle, there is also a path known as the "re-emergence,". the "re-emergence" of exploiting other people's ideas and knowledge through entrepreneurship. Expecting similaire mechanisms at work in as in the primary stage, it may be worthwhile for some individuals to exploit ideas outside firm limits, either a spin-off or new venture creation. For this situation, entrepreneurial ecosystem lifecycle begins once more, yet another way. The supporting institutions, networks, routines, and norms had to be established over time in the first stage; however, they are now "in the air," still present, and waiting for a reemergence.

## 2.4.ENTREPRENEURIAL ECOSYSTEM MODELS[26]

There are six published models of "entrepreneurial ecosystem models" that we will discuss about them. Except for the Six+Six entrepreneurship ecosystem model and the innovation-driven entrepreneurship approach , all of the models are well-known.

### 2.4.1. Ecosystem domains

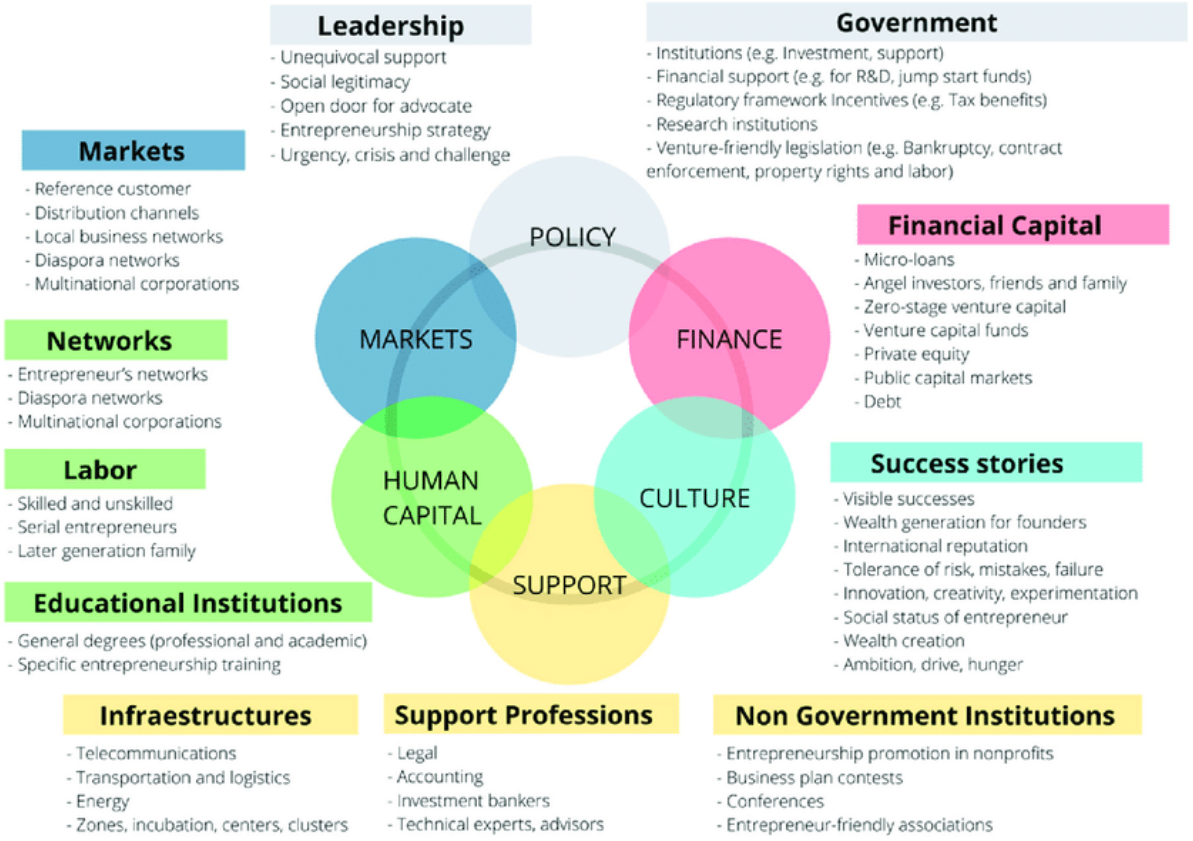
One of the pioneers in the field of an entrepreneurial ecosystem has been Daniel Isenberg, who has conducted research and contributed to the formulation of policies.In his model portrayed in Figure 1, we see a static framework showing that he Entrepreneurial

Ecosystem consists of six domains.

[26] Nasib Jafarov, Judit Szakos, *REVIEW OF ENTREPRENEURIAL ECOSYSTEM MODELS*, ASERC Journal of Socio-Economic Studies Volume5, Number 1, (2022) Pages 3-16

Business actors create extraordinary value for customers and capture extraordinary economic value for themselves when they recombine assets, repurpose existing assets, acquire new assets, or create new assets, according to Isenberg (2016), who challenges the notion that entrepreneurship is synonymous with startups.

**Figure 5.1:**Domains of the entrepreneurship ecosystem.




**Source:** Isenberg and Onyemah (2016, p. 62).

### 2.4.2. World Economic Forum's Ecosystem Pillars

The World Economic Forum researchers developed yet another entrepreneurial ecosystem model. The report makes it clear that the following two questions about entrepreneurial ecosystems have been of utmost importance:

-Question 1 – What do entrepreneurs perceive to be the differences between entrepreneurial ecosystems around the globe in terms of the ready availability of the various pillars that make up an ecosystem?

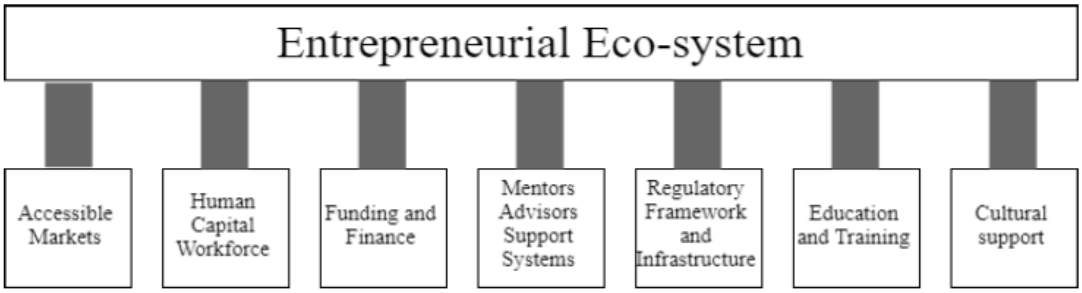
-Question 2 – Which pillars of an entrepreneurial ecosystem do entrepreneurs view as most important to the growth/success of their companies?

The three pillars that play the most important roles in the expansion of entrepreneurial businesses are :

(1) accessible markets, (2) human capital/workforce, and (3) funding and finance.

The eight ecosystem pillars of the World Economic Forum's model of entrepreneurial ecosystems are depicted in Figure 2 : : accessible markets, human capital, funding and financing, support systems, regulatory framework and infrastructure, education and training, major universities, and cultural supports . Major universities as catalysts are an addition to this model, despite the fact that some of these pillars are similar to Isenberg's domains.

**Figure 6.1:**World Economic Forum's model of entrepreneurial ecosystems.

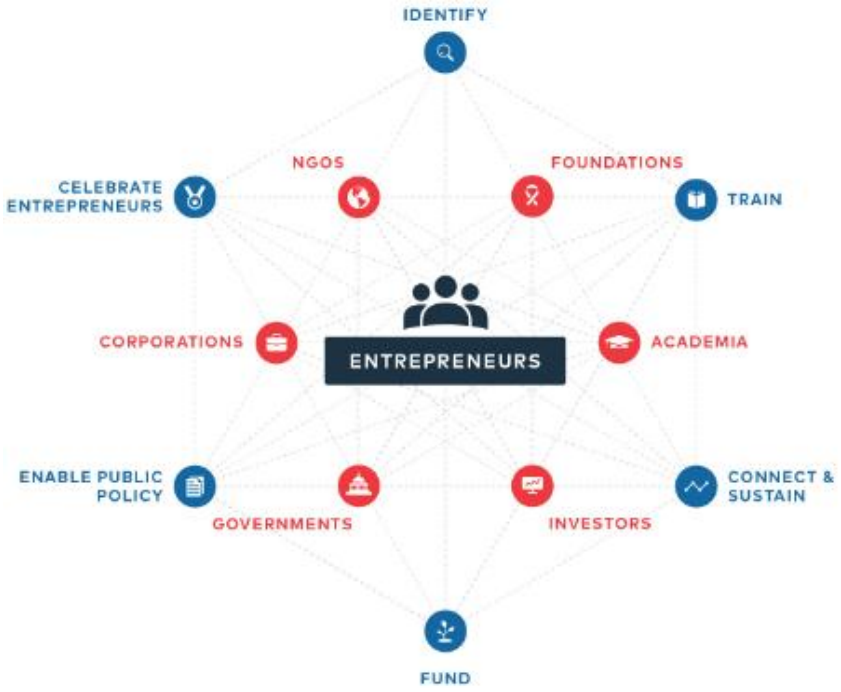



**Source :** World Economic Forum (2013, p. 6)

**3.Entrepreneurial ecosystem model : (Koltai's Model )**

.Koltai's model is comprised of six pillars and six types of actors. The six pillars are: identify, train, connect & sustain, fund, enable, celebrate entrepreneurs, and the six types of actors are: NGOs, foundations, academia, investors, government, and corporations.

**Figure 7.1:**Koltai's six + Six Entrepreneurship Ecosystem Model




**Source:** Koltai (2016, p. 111).

**4.Ecosystem attributes :**

According to Spigel (2017), "entrepreneurial ecosystems are combinations of social, political, economic, and cultural elements within a region that support the development and growth of innovative startups and encourage nascent entrepreneurs and other actors to take the risks of starting, funding, and otherwise assisting high-risk ventures" [27]

[27] Spigel, B & Harrison, R 2018, '*Towards a process theory of entrepreneurial ecosystems'*, Strategic Entrepreneurship Journal, vol. 12, no. 1, pp. 151–168.

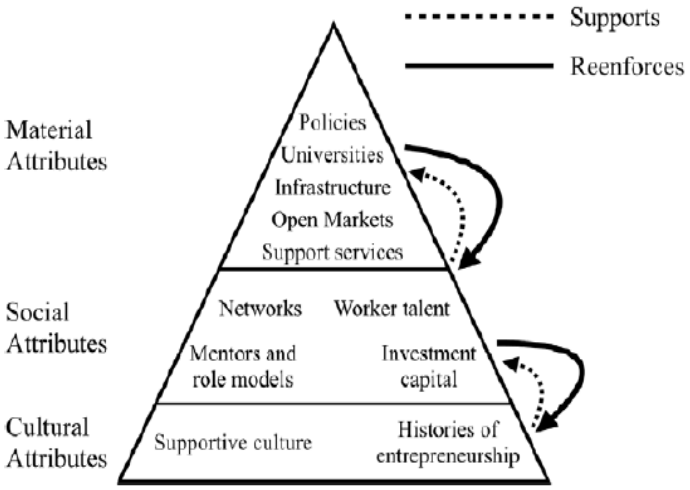
**Figure 8.1:** Spigel's model of entrepreneurial ecosystems


**Source:** Spigel (2017, p. 57).

**5. Innovation-driven entrepreneurship approach :**

Murray and Budden researchers at MIT, developed this model, which employs the "innovation ecosystems" and "entrepreneurship ecosystems" (iEcosystems) frameworks interchangeably. An innovation-driven approach to entrepreneurship places an emphasis on a deeper comprehension of the "system," which can be broken down into four fundamental components (see Figure 5) that contribute to "comparative advantage" and, ultimately, "impact" within an iEcosystem.

**Figure 9.1:** Innovation-driven entrepreneurship model

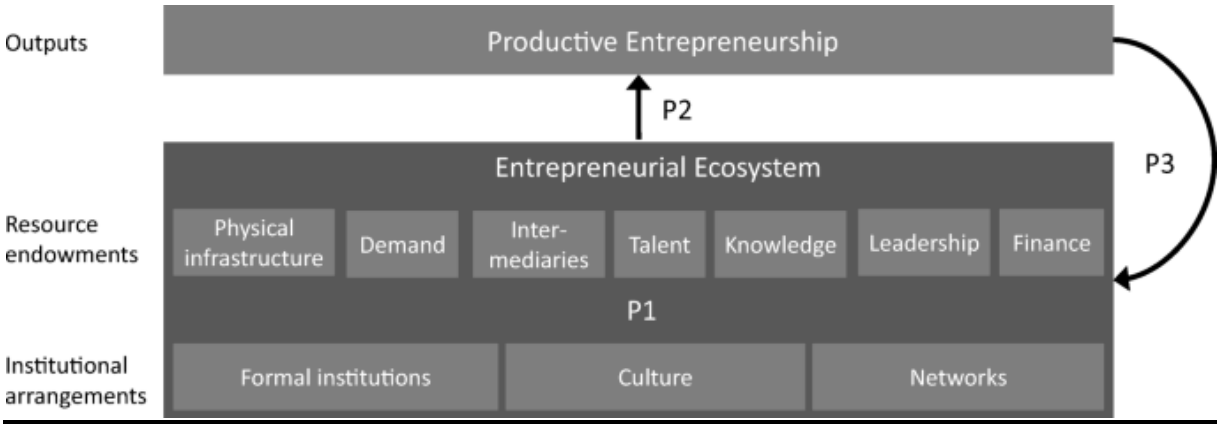



**Source:** Murray and Budden (2017, p. 4).

**6. Entrepreneurial ecosystem model :**

Stam and Van de Ven based their conceptualization on the so-called infrastructure for entrepreneurship. Their entrepreneurial ecosystem concept is based on a social system framework and is comprised of the institutional arrangements and resource endowment elements of the infrastructure.

**Figure 10.1:** Elements and outputs of the entrepreneurial ecosystem




**Source:** Stam and Van de Ven (2021, p. 813).

Stam and Van de Ven base their entrepreneurial ecosystem causal model on three propositions.

1. Co-evolutionary proposition- it emphasizes the co-evolution and mutual interdependence of elements of entrepreneurial ecosystems.

2. Upward causation proposition- it focuses on how the ten elements of the entrepreneurial ecosystem cause productive entrepreneurship which authors refer to as upward causation: structure affecting the agency.

3. Downward causation proposition- it focuses on how successful entrepreneurs become role models and network developers which are considered as positive feedback effects of entrepreneurs on the finance, culture, leadership, and network elements of entrepreneurial ecosystems. Authors refer to this as downward causation: agency affecting the structure.

**Conclusion :**

The entrepreneurial ecosystem has emerged as a major force behind economic growth, technological advancement, and job creation. It is a vibrant and linked network of business owners, financiers, mentors, incubators, and other support groups who collaborate to foster an atmosphere that promotes the development and success of startups. The ecosystem has changed significantly in recent years as a result of globalization and technological advancements, which have created new chances for startups to succeed. However, the startup environment is also quite competitive, and startups have to deal with a lot of difficulties including getting access to capital , finding talent, and complying with regulations.

A strong team, a well-defined business model, a clear understanding of the market, and a well-thought-out execution strategy are all necessary for success in the entrepreneurial ecosystem. Founders also require access to the different players in the ecosystem's resources, which include finance, mentoring, and networking opportunities , which are provided by the various stakeholders in the ecosystem.

Policymakers from all over the world have realized the value of fostering entrepreneurship and innovation since the startup ecosystem is so important to determining the direction of the economy. Governments, business organizations, and academic institutions are working together more to promote an atmosphere that supports entrepreneurs and encourages innovation.

In conclusion, the entrepreneurial ecosystem is a dynamic and complex environment that presents entrepreneurs with both opportunities and challenges. Those who are able to effectively navigate the ecosystem have a better chance of establishing businesses that are both profitable and long-lasting. Success in this sector necessitates a combination of skills, knowledge, and support. The entrepreneurial ecosystem is ready to proceed with its development and advancement, and its effect on the economy and society is probably going to increment in the years to come.

# Chapter 02 : Overview of the Global and Algerian Startup Ecosystems

**Introduction:**

Startup ecosystems have emerged as significant drivers of innovation, economic growth, and job creation in an era of fast technology breakthroughs and global interconnection. These ecosystems provide a fostering atmosphere for entrepreneurs to turn their groundbreaking ideas into successful businesses. While the worldwide startup ecosystem has garnered a lot of attention and research, the Algerian startup ecosystem is a one-of-a-kind case study that needs to be explored and understood.

The global startup ecosystem consists of a diverse network of entrepreneurs, investors, support organizations, and governmental bodies operating across different regions and industries. It has experienced rapid growth due to technological advancements, increased access to capital, and a rising entrepreneurial culture. Key features of the global startup ecosystem include prominent innovation hubs like Silicon Valley, London, and Beijing, which attract talent, investment, and resources, fostering an environment conducive to the success of disruptive startups. Collaboration, knowledge-sharing, and the adoption of emerging technologies further characterize the global startup ecosystem.

The Algerian startup ecosystem, although still evolving, holds significant potential for driving economic growth and addressing socio-economic challenges in Algeria. The country's young population, abundant resources, and strategic geographic location provide a favorable environment for entrepreneurial endeavors. The Algerian government has recognized the importance of startups in diversifying the economy and creating employment opportunities, leading to the implementation of initiatives and policies aimed at supporting the ecosystem. However, the Algerian ecosystem faces unique challenges, including limited access to funding, regulatory complexities, and the need for stronger support infrastructure. Exploring the Algerian startup ecosystem offers insights into the entrepreneurial landscape of the country and the ongoing efforts to harness its potential for growth.

## Section 01: Global Startup ecosystem

### 1.1.The theory of start-up ecosystem:

The ecosystem of start-ups is evolving in a manner distinct from the previous framework as a result of the fourth industrial revolution. AI, the Internet of Things, and 3D printing change the paradigm. And the economy in which information and knowledge are shared is growing, making technology education accessible to individuals. The crowd funding method makes it simple to obtain startup seed money, and numerous businesses that assist maker start-ups in a variety of ways emerge. Steve Blank and Bob Dorf introduced the startup ecosystem concept for the first time in their book "The Startup Owner's Manual: The Step-by-Step Guide for Building a Great Company," distributed in 2012. They argued that a startup must be a part of a larger ecosystem that provides access to resources, networks, and knowledge in order to succeed. Since then , scholars like Brad Feld, who wrote the book "Startup Communities: Building an Entrepreneurial Ecosystem in Your City" in 2012 the startup ecosystem theory has been further developed and popularized, and also by organizations such as the Startup Genome, which offers data-driven insights and analysis on startup ecosystems worldwide.[28]

The idea behind the theory of the startup ecosystem is that newly established businesses with innovative products or services can flourish in a supportive environment that includes various stakeholders such as investors, entrepreneurs, the government, universities, and other institutions. The startup ecosystem is the name given to this environment. Access to capital, a skilled workforce, a supportive regulatory environment, access to infrastructure and resources, and a culture of innovation and risk-taking are all essential components of a successful startup ecosystem, according to this theory.

The startup ecosystem's driving force is entrepreneurs. They come up with novel concepts and create new goods or services that satisfy customers' requirements. Investors provide the necessary funding for these business owners to expand their operations. Education and training, research and development, and other resources are provided by universities and the government to the ecosystem. In addition, incubators and accelerators play a significant part in the startup ecosystem. Startups can get access to mentorship, office space, and opportunities for networking through these organizations. Collaboration and networking among the ecosystem's various stakeholders are emphasized in the startup ecosystem theory. These stakeholders have the ability to create a setting that encourages innovation and entrepreneurship, which in turn

[28] Blank, S., & Dorf, B. (2012). The Startup Owner's Manual: The Step-by-Step Guide for Building a Great Company. K&S Ranch Inc.

drives economic expansion and job creation, by cooperating with one another. In summary, the theory of startup ecosystem posits that startups need a supportive environment to thrive, and that this environment is created through the collaboration and coordination of various stakeholders.

## 1.2.The Ecosystem Lifecycle Model:

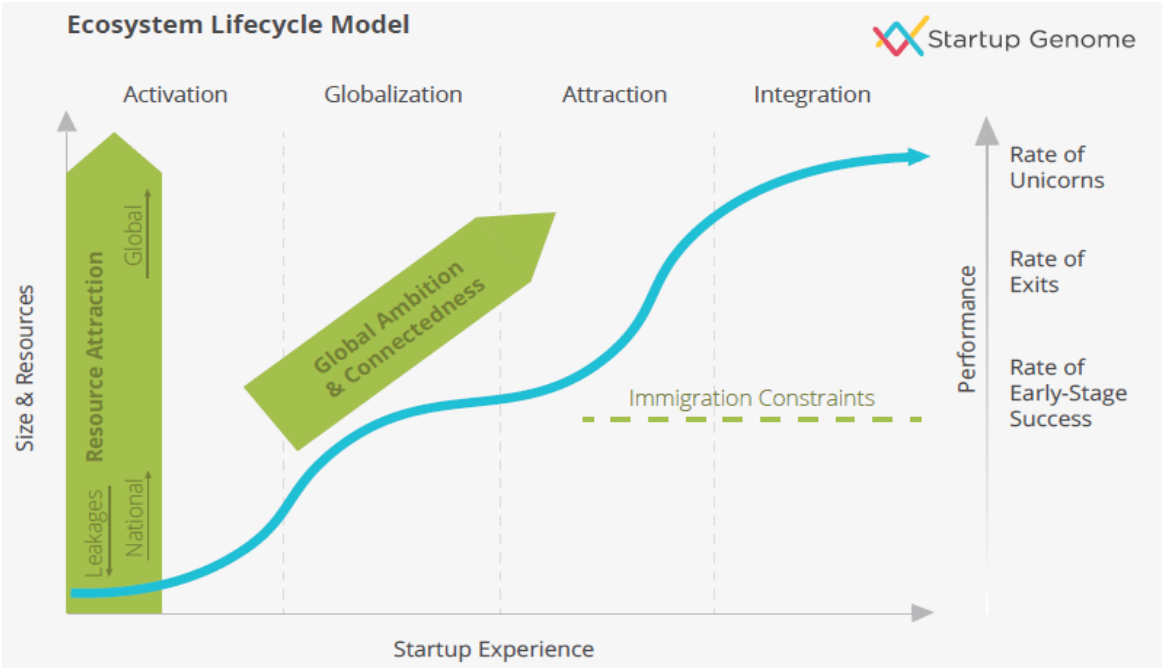
More and more regional and national governments are making investments to try to accelerate the growth of their startup ecosystems in response to the rapid expansion of the global startup revolution.

Governments can use the Ecosystem Lifecycle Model, an objective model, to determine where their ecosystem is at, prioritize its gaps, and define focused action plans that maximize impact rather than disperse their limited resources. We call it focusing policy and program resources on the right issues at the right time

### 1.2.1. **Lifecycle Phase**s:[29]

Experts have attempted to crudely rank EEs utilizing a basic life-cycle model to portray the linear development of EEs into four distinctive phases of activation, globalization, expansion and integration ( Figure . 00) , recommending rather roughly that all EEs will ultimately advance into more rounded and developed ecosystems

**Figure 11.1:** A life-cycle model of entrepreneurial ecosystems.




[29] Startup Genom , *Startup Ecosystem Lifecycle*, Global Startup Ecosystem Report 2017-2019

**Source:** Startup Genome (2017).

**1.Activation Phase :**

**-Characteristics :**

- Limited Startup Experience (founder know-how, experienced investors, advisors and mentors, and community behaviors that support startup success)
- Low Startup Output of fewer than 1,000 Startups

**-Challenges :**

- It is difficult to grow due to resource leakage to later-stage ecosystems and a lack of startup experience.

-Objective:

- Concentrate on boosting Startup Output and Early-Stage Funding .
- Activate entrepreneurial-minded people and cultivate a more connected and cooperative local community.
- Choose one or two startup subsectors, that capitalize on the strengths of the local economy and develop focused programs to accelerate ecosystem growth and create pockets of success that lead to sizable exits.

**2.Globalisation Phase:**

-Characteristics :

- Trigger to this Phase: increased Startup Experience led to the production of a series of regionally impressive "Triggers", usually above $100 million (higher in leading nations)
- Output of 800 to 1,200 startups (depending on population)
- Series of exits Trigger National (or Regional) Resource Attraction (startups, entrepreneurs, talent, investors) from earlier-Phase ecosystems, but still leaks resources to top ecosystems globally

-Objective :

Focus on increasing Global Connectedness with founders of top ecosystems, the Success Factor that defines an ecosystem's scaleup potential, and supporting startups to increase their early Global Market Reach, which realizes an ecosystem's scaleup potential. Urgently address remaining Success Factors gaps.

**3.The Attraction Stage:**

-Characteristics :

- Usually more than 2,000 startups, depending on the population
- Trigger to this Phase: a series of globally impressive "Triggers", usually unicorns and exits above $1 billion (higher in leading nations)
- Billion-dollar Triggers produce Global Resource Attraction
- Very few Success Factor gaps remain

-Objective:

Use Global Resource Attraction to significantly expand the size of the ecosystem and fill remaining gaps, removing barriers to immigration and directing attraction through well-designed policies programs .

**4.Integration Phase :**

-Characteristics:

- More than 3,000 startups
- Global Resource Attraction produces a high and self-sustainable degree of Global Connectedness and flow of knowledge into the ecosystem that sustainably keep its startups integrated in the global fabric of knowledge and able to produce leading-edge business models and the skills necessary to achieve high Global Market Reach

**-Objective:**

Integrate the ecosystem within the global, national, and local flows of resources and knowledge inside and outside of the startup ecosystem, optimizing laws and policies to sustain its competitiveness and growth, and spreading its benefits (e.g. culture, source of competitiveness, capital, innovation) to other sectors of the economy and parts of the nation.

### 1.2.2. Ecosystem Size:

In the United States, extensive research on startup output and density has been carried out by the Kauffman Foundation, a leading source of entrepreneurship and innovation research. Their research shows that economies are stronger and more jobs are created in areas with a higher density and output of startups. They also discovered that entrepreneurial ecosystems tend to be more dynamic and diverse in areas with a high density of startups, which can result in increased innovation and economic expansion.

The terms "startup output" and "startup density" refer to the number of new businesses established in a given region over a given time frame. Startup density is measured in terms of the number of businesses created per unit of population or land area, whereas startup output is typically measured in terms of the number of new businesses created.[30]

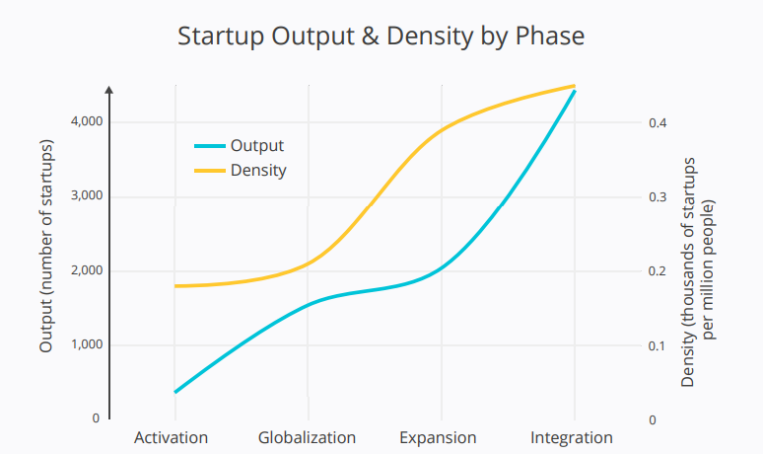
Output and ecosystem Startup Valuation can both convey the concept of ecosystem size. Ecosystem size is a multifaceted concept . Output is the most useful measure of size because it precedes both the growth of other resources, such as talent and capital and a reliable increase in ecosystem performance

At an early phase (e.g. Activation), Output varies according to other factors such as the size of the ecoystem's population. For this reason the concept of density, which is the number of thousand startups per million people, is also useful in framing the size of an ecosystem. The following chart (Figure00) shows how an ecosystem evolves through the lifecycle. This growth in Output is driven by the Resource Attraction described later.

An analysis of density reveals the that highest density—at around two— is found only in Silicon Valley. It is interesting to think of it as an upper limit and combine it to the ranges of Output — 2,000 and more — found in well-resourced, more productive ecosystems It leads to the hypothesis that a metropolitan city with a population lower than one million people will have difculty growing an ecosystem into the Integration phase. Relatedly, the large increase in Output with a lesser increase in Density from the Expansion to the Integration phase is due to the fact that startup ecosystems in larger cities have developed faster and reached the Integration phase earlier than smaller cities. This is related to the relationship between growth and access to resources, which a larger city provides in larger amount.[31]

[30] Chatterji, A., Glaeser, E. L., & Kerr, W. R. *Clusters of entrepreneurship and innovation*. National Bureau of Economic Research. (2014).
[31] Startup Genom , *Startup Ecosystem Lifecycle*, Global Startup Ecosystem Report 2017-2019

**Figure 12.1:** Startup Output and Density




**Source :**Startup Genom

## 1.3.American start-up ecosystem:

Silicon Valley occupies, unsurprisingly and by far, the first place of the ecosystems that create start-ups. It is characterized by its size, the strength of its investors, the presence of experts and mentors, its ambition and its risk-taking. America is inspired by this region to adapt its ecosystem according to the criteria of Silicon Valley. An in-depth study of nearly 20,000 technology startups from around the world was conducted by the company "Startup Genome", resulting in a surprising ranking that places London, New York City and Toronto just behind Silicon Valley.

In an effort to replicate the SV ecosystem, America has developed a national policy of assigning the federal state a role of funder of research agencies rather than strategist. The strategy for innovation (Strategy for american innovation: driving towards sustainable growth and quality jobs), launched in 2009 and updated in 2011, sets out the means to be implemented by the public authorities to promote an economy based on innovation (Innovation being considered the engine of economic growth and competitiveness of the United States, the provider of highly qualified jobs, the guarantor of better health and a better quality of life for Americans). This strategy is based on three objectives:

− invest in the various components of American innovation (higher education, fundamental research, infrastructures adapted to the 21st century, information technologies);

− promote an open and competitive market based on innovation (tax policy and intellectual property favorable to innovation, incentive measures in favor of entrepreneurship);

− promote breakthrough technologies in areas defined as national priorities (clean energies, biotechnologies, nanotechnologies, advanced manufacturing industry, space applications, health).

More than a federal innovation policy, we observe a multiplicity of initiatives and systems that contribute to American innovation.

**A. Universities, the path of technology transfer to companies:**

American universities occupy the entire training-research-innovation continuum: they train human capital, produce knowledge and feed the entire national innovation system. University research is thus the engine of the American innovation system; the strength and independence of research universities are the main strengths of this system. Companies play an essential role in the development of innovation by interacting with higher education establishments. Since the 1980 Law, which redefined intellectual property rights, partnerships between universities and industries have multiplied. Licensing and development structures (technology transfer offices) exist in all universities to transform inventions into business. Nevertheless, it is only a minority of universities that have the majority of research resources and contribute to the bulk of technology transfer. For 30 years, technology transfer offices have enabled a steady increase in the number of inventions, patents filed, start-ups created and products brought to market thanks to university innovations. 26 This valuation model, which adapts to local ecosystems, is in line with economic realities and the transformation of knowledge into value. It is for this reason that the Obama administration is encouraging funding agencies to better support technology transfer in universities and federal laboratories.

**B. Main sources of funding for innovation in the United States:**[32]

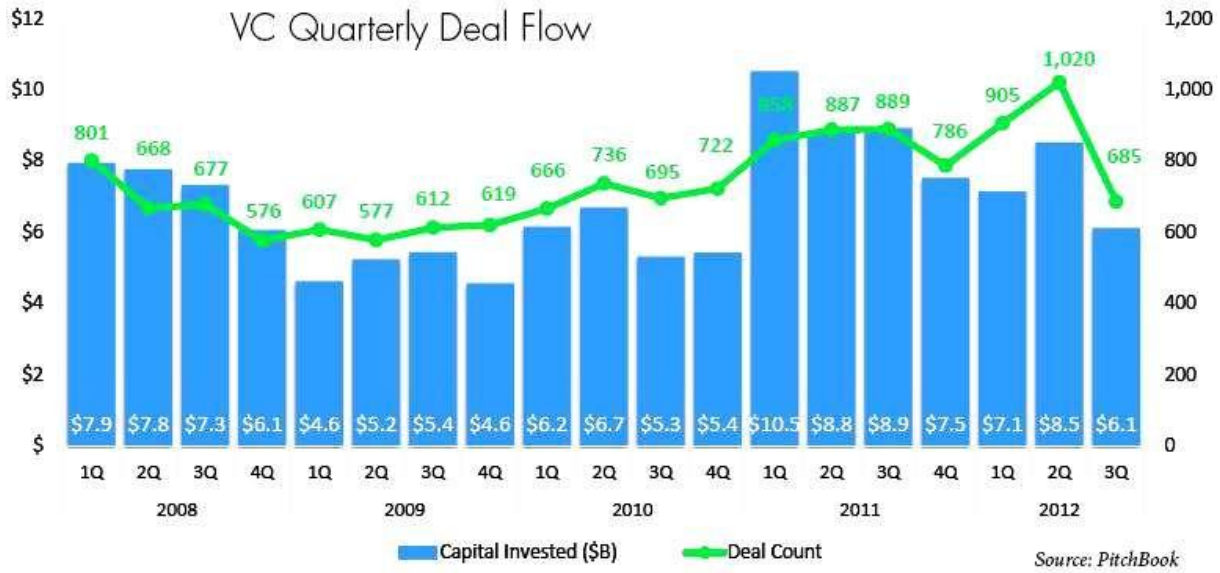
In the United States, funding for innovation is essentially private in nature. Public intervention focuses on two federal programs available to SMIPMEs, which represent modest sums compared to private investments. Whether it's Love Money, also called FFF (FamilyFriends & Fools), business angels, venture capital or stock markets, the United States has effective mechanisms for financing innovation.

Venture capital, born in the United States in the 1930s, has become a veritable industry which determines a good part of the financing of innovation. In 2011, it mobilized 35 billion dollars, making the United States the first country in the world to have such private resources to feed the ecosystem. The abundant liquidity managed by venture capitalists provides an ideal

[32] Florida & Kenney, *« Venture capital and high technology entrepreneurship »*, Journal of Business Venturing, USA (1988).

breeding ground for any original idea, whether it is proposed by an inventive student or any creative person. Venture capital is attracting many tech entrepreneurs to the United States looking to fund their start-ups. The 4 sectors receiving the most funds from venture capital are biotechnology, software, energy (mainly clean technologies) and medical instrumentation

**Figure 13.1:**Venture capital in the United States




**Source :** National Venture Capital Association

**C. The culture of entrepreneurship :**

Entrepreneurship is a specific quality that is more a matter of personality than skills. It is encouraged by American culture's report of failure. Indeed, in the United States, failure is not stigmatized but capitalized as a useful learning factor for the future. If universities are not intended to train entrepreneurs but researchers, they must nevertheless ensure that students who combine creativity and an entrepreneurial spirit can meet appropriate project launch conditions.[33]

To overcome the difficulty of transforming knowledge into innovation, new forms of organization have been developed in order to associate multiple actors from research, training and business. An innovation ecosystem, a network of multiple actors forging the formal and informal links necessary to ensure the circulation of knowledge and its translation into innovation, cannot be decreed. It must be anchored in the different components of a territory.

[33] Centre de recherches américain des start-up, Start-uo Blink « Global Start-up Ecosystem Index 2021 », Rapport 2021.

In America, research and innovation are seen as the means to boost growth and create jobs. Innovation through research is the common objective of academic and private players in this ecosystem, but also of public authorities and to shorten the time between research and implementation, to develop interdisciplinarity, to mobilize private and public capital. and strengthen the links between universities and companies. Within this ecosystem, it is therefore geographical mobility and the fluidity of jobs (transition between companies but also between university and company) that promote the rapid transfer of knowledge, information and practices within start-ups and companies. Students' creative abilities are valued and evaluated by universities. As for the competition between universities and business research centres, it is considered to be a driver of innovation. The American action plan aims to create more and more creative and innovation-friendly cities.

The creative city is a city that favors the deployment of a social dynamic. Giving the capacity to creative ideas to reach the status of project, then of realization and finally of marketing. Two conditions are necessary for a city to be creative: urban diversity and the heterogeneity of populations. Urban diversity means that places of knowledge must rub shoulders with places of production and places of life. Innovative neighborhoods bring together universities, industries, shops and housing. They are hubs where talent and knowledge in technology, business and the arts interact. The heterogeneity of populations implies that creativity does not depend solely on the presence of creative actors. It is also necessary to structure the interfaces which make it possible to facilitate meetings and to build new hybrid couplings between creative people but also between creative people, economic actors, citizen movements, public decision-makers, etc.

The third largest city in the United States, at the heart of the great grain-growing region of the Midwest, Chicago has developed around activities based on agricultural resources and biofuels. Today, it is a major university town, a dynamic and influential research center (where the culture of technology transfer is highly developed) and a major center for architectural creation and design. It therefore meets all the necessary conditions to be considered a creative city. In summary, here are the 5 assets of the United States in terms of innovation:

− A cultural predisposition to innovation and entrepreneurship: self-confidence and in the future, voluntarism, acceptance of possible failure, pragmatism, worship of action and results.

− The excellence of universities, places of basic and applied research.

− The intensity and fluidity of interactions between innovation players (academic and private worlds).

− Effective financing mechanisms (business angels, venture capital, etc.).

− An adapted intellectual property right.

## 1.4..Silicon Valley success :

Silicon Valley's history is a success story that has greatly benefited American growth and has enabled the United States to establish its leadership in a world where knowledge is a major issue of economic competitiveness. It is the paradise of innovation and the cradle of start-ups whose dazzling growth quickly enabled them to conquer the planet. The ecosystem in California is still without equivalent anywhere else in the world. Silicon Valley is the hub for innovative technology companies and start-ups . Over 2,000 tech companies are based there, making it the world's densest concentration.[34] .

Silicon Valley is home to a significant number of the world's driving innovation organizations and new companies, including Apple, Google, Facebook, Intel, Cisco, and numerous others. The region's strong ecosystem of venture capital firms, which provide funding for many of the region's startups, is well-known for its innovative culture and entrepreneurial spirit. The creation of the Internet, the development of mobile computing, and the microprocessor are just a few examples of the technological advancements that Silicon Valley has been at the forefront of. The region continues to be a global hub for technology and innovation, bringing in top talent and capital from all over the world.[35]

### 1.4.1. The Silicon Valley Ecosystem's Key Features :

• Dual ecosystem of large firms and startups

• High financial returns for effective entrepreneurs and startups' early employees

• Worldwide high level HR for all phases of new companies

• Business foundation (law offices, bookkeeping firms, guides, and so forth.)

• Venture capital – most competitive market

• Globally top class universities (Stanford, UC Berkeley, UCSF)

• Human resource clusters anchored around top universities

• A significant role played by the government in determining the course of basic science and technology trajectories

• Industries with a high level of competition and a balance between "open innovation" and secret protection

• High labor mobility at all levels of management and talent

[34] https://medium.com/junior-economist/the-success-behind-silicon-valley-8a17baf842bf ( 18/04/2023 at 02:30 )

[35] https://www.investopedia.com/terms/s/siliconvalley.asp (18/04/2023 at 3:00 )

• A culture of failure acceptance (effective evaluation and monitoring)

• A balance of "open innovation" and intellectual property protection

• A "Technology Pump" of top human resources from all over the world

**1.4.2. The key success factors of the valley ecosystem** :[36]

**- Large firms and Startups exist symbiotically:** To begin with, Silicon Valley has a business environment wherein both large firms and startups exist symbiotically

The ecosystem is made viable in many ways by the presence of both startups and large businesses, which provide markets for the offerings of startups, a source of human capital, and often expertise. Some startups eventually grow to become large firms, spawning new firms as employees leave to startup, fueling a virtuous cycle

**- The high financial returns :** High financial returns can be anticipated for early employees and successful entrepreneurs. Stock options and other pay plans were initially designed to entice employees away from stable jobs at large corporations, and M&A and IPO activity facilitate high returns.

**- Deep human resources pool :** Silicon Valley partakes in a very profound HR pool in which individuals from everywhere the world come to contend. People in Silicon Valley have extensive knowledge of every stage of a startup, from the initial startup to rapid growth to increasing maturity . The first step in starting a business is having a vision. Managing a startup that is growing quickly, a medium-sized business, or a large company usually requires different skills, and Silicon Valley's long history of growing businesses has led to people who have worked there for a long time at certain stages.

**- The supportive infrastructure :** Beyond providing direct financing or services, Silicon Valley's business infrastructure—including law firms, accounting firms, mentor networks, and other aspects—provides entrepreneurs and startups with value. Law offices that represent considerable authority in serving new businesses, for example, are frequently paid provided that the startup is effective, so they do their own screening while taking on new firms as clients. Because they have dealt with a large number of successful startups, they are also able to make deals and serve as business advisors.

**- The most competitive venture capital market :** In addition to the amount, the extra value that venture capitalists provide such as interpersonal networks for startups' initial employees and staff, and introductions to potential customers and buyers of the firm are all important

[36] Kenji Kushida, Stanford University , *A Strategic Overview of the Silicon Valley Ecosystem: Towards Effectively "Harnessing" Silicon Valley ,* SVNJ Working Paper 2015-6

value-added functions they provide beyond financing. Their underlying screening of potential startups, and startups as they develop through different stages gives a critical monitoring mechanism, often with hands-on assistance in managing the company.

**-The extremely competitive industries :** Startups face fierce and intense competition. In addition, despite the fact that they gain a great deal from the "open innovation" practices of large firms , which enable them to sell their products and frequently the company itself to large firms , this benefit is counterbalanced by a high level of secrecy. Startups, on the other hand, frequently exercise extreme caution when it comes to disclosing their business models or technologies to companies that could end up being major competitors. Companies like Apple and Google, for instance, are well-known for keeping their employees from disclosing secrets.

- Globally top-class research universities, Stanford University and University of California (UC Berkeley and UC San Francisco Medical Center) anchor Silicon Valley in scientific and applied research, forming communities of expertise and interpersonal networks that continue to drive innovations in the region. These research universities were instrumental in developing Silicon Valley in the first place, and they derived benefit from being in or near Silicon Valley to remain globally leading universities. The universities provide focal points of human resource clusters.

**- Talent Pool :** Top talent from all over the world have come to Silicon Valley through colleges, firms, and favorable temporary immigration visas. Historically younger than their East Coast counterparts, Stanford and UC Berkeley's faculties were populated by elite immigrants—Europeans, South Asians, and other Asians—who arrived in various waves over the past century.

- The government played a crucial role in the development of Silicon Valley, and it continues to support a significant amount of basic research in the region, despite the fact that many entrepreneurs tend to minimize the role of the government. Some have alluded to it as a“de facto” industrial policy .

**- Labor mobility :** in Silicon Valley it is higher than in other areas of the country, and it is especially high in the IT sector. Large firms battle to hold top notch workers, while startups ingest a great deal of talent, yet end up becoming large firms through growing on their own or getting acquired, then confronting similar difficulty as large firms of keeping employees . Thusly, compensation have risen impressively. In addition, talent at all levels of a company can move around, as demonstrated by the fact that even top management talent, such as Google's top executives, can move to Facebook or become founders of Twitter.

**- The culture of accepting failure :** Silicon Valley is widely known to have a culture of accepting failure as a positive experience if the failure led to important lessons. Underlying this culture is an effective set of mechanisms for evaluating and monitoring entrepreneurs and startups, allowing "successful failures" to become the stepping stone for subsequent successes. Many noteworthy startups, more recently including Dropbox and others, were not the first, but rather the second or third attempt by the entrepreneurs before becoming successful.

1.5. **The ranking of global start-up ecosystems :**

A study conducted by the Global Start-up Ecosystem [37]reveals the ranking of the best start-up ecosystems around the world. The GSEI is built from hundreds of thousands of data points processed by an algorithm, which takes into account several tens of parameters. To produce reliable annual reports, the GSEI uses several sources of data. First, the global crowdsourcing map with tens of thousands of start-up related entities, like Start-up Blink, GSEI also works closely with many global data partners, such as Crunchbase, Semrush and Meetup, to supplement the data in these unique databases. Because of this, Their platform provides us with unique dashboards for all ranked start-up ecosystems.

This study explains the rankings from a regional point of view, by making the distribution of the world's top thousand cities ranked in all regions reflecting the dynamism of the world's ecosystems.

In the following table, we present the number of cities ranked by region and their distribution within the global top 1000 in both 2022 and 2021.

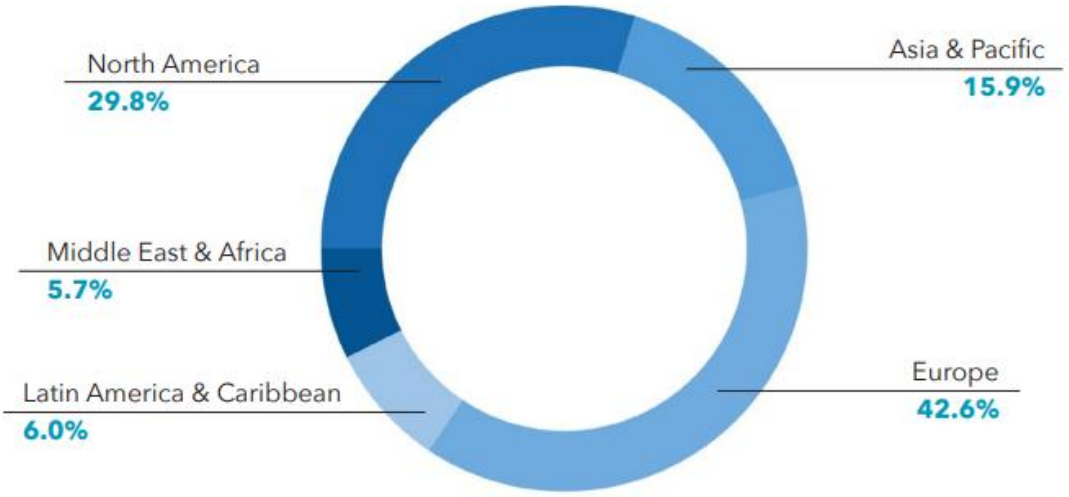
**Table 2.1:** the best-ranked cities across the start-up ecosystem 2021-2022.

| | Number of cities per Tier: 2022 | | | | | | Number of cities per Tier: 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Region | Total | % of Top-1000 | #1–30 | #31–100 | #101–300 | #301–1000 | Total | % of Top-1000 | #1–30 | #31–100 | #101–300 | #301–1000 |
| **North America** | **298** | 29.8% | 12 | 28 | 63 | 195 | **297** | 29.7% | 13 | 27 | 53 | 204 |
| **Asia Pacific** | **159** | 15.9% | 10 | 12 | 31 | 106 | **161** | 16.1% | 9 | 11 | 38 | 103 |
| **Europe** | **426** | 42.6% | 6 | 23 | 84 | 313 | **386** | 38.6% | 6 | 26 | 83 | 271 |
| **Latin America & Caribbean** | **60** | 6.0% | 1 | 4 | 13 | 42 | **82** | 8.2% | 1 | 4 | 12 | 65 |
| **Middle East & Africa** | **57** | 5.7% | 1 | 3 | 9 | 44 | **74** | 7.4% | 1 | 2 | 14 | 57 |
| **Total** | **1000** | | 30 | 70 | 200 | 700 | **1000** | | 30 | 70 | 200 | 700 |

**Source :** Rapport 2022 Start-Up Blink Pro MAP

[37] « Global Start-up Ecosystem Index 2022 »,Rapport 2022.

**Figure 14.1:** The global start-up ecosystem




**Source :** Rapport 2022 Start-Up Blink Pro MAP

**Total Score Ingredients :**

The sum of the three subscores measuring quantity, quality, and business environment determines the overall score for each ecosystem. In the report's Analysis by Subscore section, we can find a specific analysis of the Subscore Results.

The goal of the total score is to be comparative; In addition to serving as a method for sorting and ranking ecosystems, it also provides insight into the absolute gaps between ecosystems.

**1.Quantity Score :**

The core question of the Quantity score is: How many?

In addition to startups, supporting organizations that provide resources, networking, and access to capital are necessary for a robust startup ecosystem. The Quantity score checks activity level of an ecosystem through its stakeholders and other key participants.

Among the elements taken into account for the calculation of the Quantity score are:

- Number of Startups
- Number of Coworking Spaces
- Number of Accelerators
- Number of Startup related Meetups

**2.Quality Score :**

Among the elements taken into account for the calculation of the Quality score are:

Traction of over 100,000 entities in all ecosystems (including traffic, domain authority, and customer base)

- Presence of strategic branches and R&D centers of International Technology Corporations Branches of multinational companies (e.g. WeWork spaces)
- Total private sector investment in thousands of startup ecosystems
- Number of employees per startup
- Number and size of global startup events and conferences
- Presence of Unicorns, Exits, and Pantheon companies
- Presence of Global Startup Influencers
- Global startup events (e.g WebSummit)
- Number of startups backed by accelerators (e.g Y Combinator)

**3.Business Environment Score :**

The third and final factor that affects the rankings is unique because it focuses on general indicators related to infrastructure, the business environment, ecosystem critical mass, and the freedom to operate as a founder of a startup in each country.

The Business Environment score, frequently condensed as just Business score, is chiefly centered around parameters at the nation level, since national infrastructure, policies, and legislation generally affect all cities within a country. A weighted average that takes into account a wide range of factors unique to each nation is the main component of the Business score, as shown in the table below. What's more,

the Business score takes into account a critical mass threshold of activity in a city,

which can make sense of part of the score differential between urban areas in a similar country.

As our policy is to avoid assumptions on the causes influencing the success of an ecosystem, we do our best to avoid indicators that might have an ambiguous influence,

and only take into account those which are clearly negative or positive. For example,

painfully slow internet or massive restrictions in internet use will most likely form an

obstacle to the growth of the ecosystem. On the other hand, we disregard elements like

cost of living, since this can have both positive and negative effects on an ecosystem.

Among the elements taken into account for the calculation of the Business score in each ecosystem are:

- Diversity index
- Internet speed
- Internet freedom R&D investment
- Availability of various technological services (payment portals, ride-sharing apps, cryptocurrency)
- Number of patents per capita Level of English proficiency Top universities per location

**Figure 15.1:** Top START-UP ECOSYSTEMS Countries

| Rank | Country | Rank Change (from 2021) | Quantity Score | Quality Score | Business Score | Total Score |
|---|---|---|---|---|---|---|
| 1 | United States | – | 27.56 | 164.15 | 3.66 | **195.370** |
| 2 | United Kingdom | – | 12.66 | 36.10 | 3.79 | **52.555** |
| 3 | | – | 7.10 | 34.82 | 3.15 | **45.062** |
| 4 | Canada | – | 9.40 | 22.35 | 3.51 | **35.264** |
| 5 | Sweden | +1 | 4.68 | 20.03 | 3.80 | **28.502** |
| 6 | Germany | –1 | 4.96 | 16.84 | 3.53 | **25.334** |
| 7 | Singapore | +3 | 3.98 | 17.18 | 2.24 | **23.408** |
| 8 | Australia | +1 | 5.95 | 12.86 | 3.64 | **22.454** |
| 9 | France | +3 | 4.82 | 12.77 | 3.40 | **20.994** |
| 10 | China | –3 | 1.97 | 16.04 | 2.65 | **20.663** |

**Source :** Rapport 2022 Start-Up Blink Pro MAP

## Section 02 : Algerian Startup Ecosystem

### 2.1. The role of the Algerian state :

Multiple initiatives have been declared by the highest authorities of government for the benefit of start-ups and young project leaders in order to establish an ecosystem suitable to the economy of knowledge and innovation; among these measures we can cite:

**A. The creation of the delegate ministry in charge of the knowledge economy and start-ups:**

Within the framework of the general policy of the government and its program of action, the Minister Delegate in charge of the knowledge economy and start-ups to the Prime Minister proposes the elements of the national policy in the field of innovation. knowledge and start-up economy, through the two decrees bearing the numbers 20-306 and 20-307 dated October 15, 2020, which explain the action plan of the ministry and ensure its implementation in accordance with applicable laws and regulations.[38]

The first decree stipulates that the Minister in charge of the knowledge economy and start-ups is responsible, in particular, for developing plans, programs, and projects for the development of the knowledge economy and start-ups, to ensure their consistency, and to propose the legislative and regulatory framework relating to the knowledge economy of start-ups and support structures. Promote and develop the knowledge economy, start-ups, and the related ecosystem; support the international deployment of national economic operators active in the field of the digital economy and start-ups; work to promote foreign investment in areas of interest to the sector; as well as contribute to the establishment of labels in relation to support structures; these are the main missions assigned to him. The Minister Delegate also sees to the promotion and organization of scientific and technical events in the areas of interest, according to the decree, adding that he also proposes the organization of the administration of the establishments placed under its supervision and ensures their proper functioning within the framework of the laws and regulations in force. In addition, the second executive decree underlines the creation of two directorates within this delegated ministry, namely the directorate of the knowledge economy and the directorate of start-ups and support structures, broken down into sub-directories.

The Knowledge Economy Directorate includes the Innovation Sub-Directorate and the Digital Economy Sub-Directorate, while the Start-ups and Support Structures Directorate

[38] The Algerian Official Journal N° 64 page

includes the Promotion and Development of Start-ups and the Sub-Directorate of Support and Assistance Structures.

**B. the creation of a support and development fund for the Start-up ecosystem :**

On August 01, 2021, an executive decree was signed by the Prime Minister regarding the creation of a support and development fund for the start-up ecosystem in Algeria. The decree, which appeared in the official journal n° 60, designates the fund as the Trust account n° 302-150 in the treasury records. The main authorizing officer for this fund is the delegate minister Yacine Oualid.[39]

The decree outlines the sources of revenue for the fund, which include state grants, revenue from fiscal and parafiscal taxes, as well as donations. The revenue generated from these sources will be used to finance various expenses related to the development of the start-up ecosystem in Algeria. The expenses covered by this special appropriation account include the financing of feasibility studies, the development of a business plan, technical assistance, costs related to the creation of a prototype, training, as well as the incubation of start-ups and promotion of the start-up ecosystem. This indicates that the fund aims to support the entire start-up ecosystem, from the initial stages of idea generation to the eventual scaling of successful start-ups.

The establishment of this fund is a significant step towards promoting entrepreneurship and innovation in Algeria. It provides much-needed financial support for entrepreneurs and start-ups, which can be a key driver of economic growth in the country. With the support of this fund, start-ups can access the resources they need to turn their ideas into successful businesses and contribute to the development of Algeria's economy.

**C. the creation of a public fund intended to finance start-ups : Algerian Startup Fund**

As part of the support and the growth and development of start-ups in the country effort to support start-ups, the Algerian government established a public fund specifically designed to provide financial support to start-ups. This fund, called the Algerian Start-up Fund (ASF), was launched on October 4, 2020, and is headquartered in the same location as the Ministry of Start-ups.

ASF is a public capital investment company that provides financial support to start-ups in the form of equity and quasi-equity investments. The fund was created through a collaboration between the Ministry of Startups and six public banks in Algeria. The goal of the fund is to support the financing of start-ups that have been granted the Startup label.

[39] Direction of Technological Development and Innovation RSDT, "Introduction to the journey of the creation of start-ups", Edition: 2020.

The Algerian government's decision to create a public fund for start-ups reflects its commitment to supporting the development of an innovative and entrepreneurial economic fabric that can generate wealth and create jobs. ASF's unique advantage is that it is dedicated solely to supporting start-ups, and this gives it the ability to offer a longer duration of participation in the start-up (between 5 and 7 years) and an equity investment of more than 49%, which is higher than the rate offered by other start-up investment companies.

Aside from the public fund, there are also several private equity companies in Algeria that support start-ups :[40][41]

-Sofinance : a financial investment, participation, and placement company that was approved by the Bank of Algeria in 2001. Its activities include cash contributions to the equity of companies in creation, development, and restructuring. It becomes an active shareholder and sells its shares at the end of a defined period in the shareholders' agreement.

− El Djazair Istithmar: it is a capital investment company, a subsidiary of two public banks, namely BADR and CNEP bank, its activity covers minority and temporary cash participation in the share capital of a small and medium-sized company. business.

− FINALEP. The Algerian-European financial participation, is a joint stock company bringing together the local development bank, the popular credit of Algeria and the French development agency (28.73%).

- ASICOM. An Algerian-Saudi investment company, was created in 2008, it offers a financing service for all sectors of activity through capital contributions during the creation or acquisition of holdings.

Overall, the Algerian government's efforts to support start-ups through the creation of a public fund and partnerships with private equity companies are aimed at fostering the growth of an innovative and entrepreneurial economic landscape in the country. By providing financial support and resources to start-ups, the government hopes to create a vibrant start-up ecosystem that can generate employment opportunities, boost economic growth, and enhance the country's overall competitiveness.

[40] The Official Platform of the Algerian Start-up Fund "Algerian Start-up fund": www.asf.dz
[41] Dr . Abadi Mohamed,Mairif Asma, *Le capital Investissement: Une Voie de Financement Alternatif, Journal d'études économiques contemporaines n :* 1/2016

## 2.2.legislation and creation procedures of start-up in Algeria :

Start-up is a term that has imposed itself in economic, political and social jargon over the past five years in Algeria, in particular through the establishment of the ministry delegated to the prime minister in charge of the knowledge economy and start-ups. up in 2019 as part of the economic transition aimed at bringing the country out of the rentier economy by promoting the entrepreneurial act and the creation of wealth.

The legislation and creation procedures for startups in Algeria are governed by Law No. 19-04 of August 15, 2019, which was published in the Official Journal No. 50 of August 22, 2019. The law provides the legal framework for the creation, development, and financing of startups in Algeria. The law defines a startup as a "young innovative enterprise that produces goods or services with high added value and that has an important development potential, particularly in terms of job creation and economic growth."[42]

This definition is ambiguous, because it does not allow the public administration and its branches to set up targeted aid actions for start-ups. Moreover, the vagueness is greater because the current definition introduces, on the one hand, the concept of innovation which is in itself a notion with variable geometry whose evaluation is long, uncertain and costly, and on the other hand , the direct link with age (young people), thus limiting the fields of the start up[43] .

The DGRSDT (Direction Générale de la Recherche Scientifique et du Développement Technologique) is the Algerian government body in charge of supporting scientific research and technology development in the nation. DGRSDT has undertaken a number of initiatives and programs to aid in the formation and growth of startups in Algeria. DGRSDT advises the following steps for startup creation:[44]

- Idea Generation: The first step in creating a startup is to generate a business idea that solves a specific problem or meets a market need. This idea can come from personal experience, observation of a problem, or from research and innovation.
- Market Research: The next step is to conduct market research to determine the potential market for your product or service. This involves gathering information about your target audience, competitors, and industry trends.

[42] the official website of the Algerian government at https://www.joradp.dz/FTP/jo-francais/2019/F2019050.pdf (23/04/2023 at 22:53)
[43] Karim Brouri , Start-up génération algérienne, une grande histoire de définition!( https://www.linkedin.com/pulse/start-up-g%C3%A9n%C3%A9ration-alg%C3%A9rienne-une-grande-histoire-de-karim-brouri/?originalSubdomain=fr ) (23/04/2023 at 23:20)
[44] DGRSDT (2020) , Introductions au parcours de la créations d'une start-up , Algérie , P07

- Business Plan: With the idea and market research in place, the next step is to develop a comprehensive business plan. The plan should include details on the business concept, market analysis, marketing strategy, financial projections, and management team.
- Prototype Development: If applicable, create a prototype of your product or service to test and refine it before launching it in the market.
- Funding: You will need to secure funding to start and grow your business. DGRSDT offers various funding programs, such as the National Fund for the Promotion of SMEs (FNPOS), which provides financial support to startups and small and medium-sized enterprises.
- Legal Registration: Register your business with the relevant authorities and obtain the necessary licenses and permits.
- Launch and Growth: Once your startup is up and running, focus on growing your business by expanding your customer base, improving your product or service, and securing additional funding as needed.

DGRSDT emphasizes the importance of innovation and market research in the creation of startups, and provides various resources and funding programs to support entrepreneurs in Algeria. By following a structured approach and utilizing the resources provided by DGRSDT, entrepreneurs can increase their chances of success and contribute to the growth of the Algerian economy.

## 2.3.Labeling Unveiled: Exploring its Significance and Practical Applications

The creation of a special status dedicated exclusively to the start-up in Algeria is a choice that has imposed itself over time, this regulatory framework, allowing it to access facilities (fiscal, parafiscal and other benefits).

The purpose of labeling is to benefit from facilitations in terms of financing, taxation and support .

Executive Decree No. 20-254 published on September 15, 2020 in the Official Journal of the Algerian Republic creating a national labeling committee with the Minister in charge of startups, while also setting the missions, composition and operation of this organization. The national committee is chaired by the Minister in charge of Startups or his representative. He is accompanied by eight (08) representatives of different ministries (finance, agriculture, post and

telecommunications, higher education, industry, fisheries, digital, renewable energies). The mission of this committee is[45]:

- Awarding the “Start-up” label in Algeria to young innovative companies
- Giving the “Innovative Projects” label in Algeria to initiators of innovative projects who have not yet created a company
- Awarding the “Incubators” label
- The study of applications submitted after refusal to award the "Start-up", "Innovative Projects" and "Incubators" labels
- Label “Start-Up” :
- The "Start-up" label is provided to the firm for four years and is only renewed once. The following conditions must be met by firms applying for the label, according to the current regulations:[46]
- The company must not exceed eight years of existence;
- The company's business model must be based on products, services, the business model or any other innovative concept, innovation in all its forms (architectural, disruptive or radical) the innovative character must make it possible to win ultimately a competitive advantage. ;
- The annual turnover must not exceed the amount fixed by the national committee;
- The share capital must be held at least 50% by natural persons, approved investment funds or by other companies with the "Start-up" label;
- The growth potential of the company must be large enough;
- The company must not have more than 250 employees, because this regulatory framework (The label) does not interest companies that are already well established even if they offer an innovative service or product, one of the fundamental differences that separates startups of traditional companies is the temporary nature of their organizations.

[45] GAAN , Comment obtenir les labels ? ( https://www.gaan.dz/startup/comment-obtenir-les-labels--page-98552) (24/04/2023 AT 00:02) “START-UP” label

[46] Ministère de l'économie de la connaissance et des startups , portail électronique des startups , (https://startup.dz/pour-les-startups/ )(24/04/2023 AT 00:10)

The company wishing to obtain the "Start-up" label in Algeria is required to submit an application via the national electronic portal of Startups accompanied by the following documents[47]:

- An extract from the trade register and tax identification cards (NIF) and statistics (NIS);
- A copy of the company's legal statutes;
- A certificate of membership of the national social insurance fund (CNAS) with a list of employees' names;
- A certificate of membership of the national social security fund for non-employees (CASNOS);
- A copy of the financial statements for the current year (accounting balance sheet and income statement, etc.);
- A detailed business plan;
- The scientific and technical qualifications and experience of the company's personnel;
- Any title to intellectual property and any prizes or awards obtained.

The “Start-up” label is granted to the company for a period of four (4) years, renewable once. Companies with the “Start-up” label are granted the following tax benefits:

-Exemption from tax on professional activity (TAP),

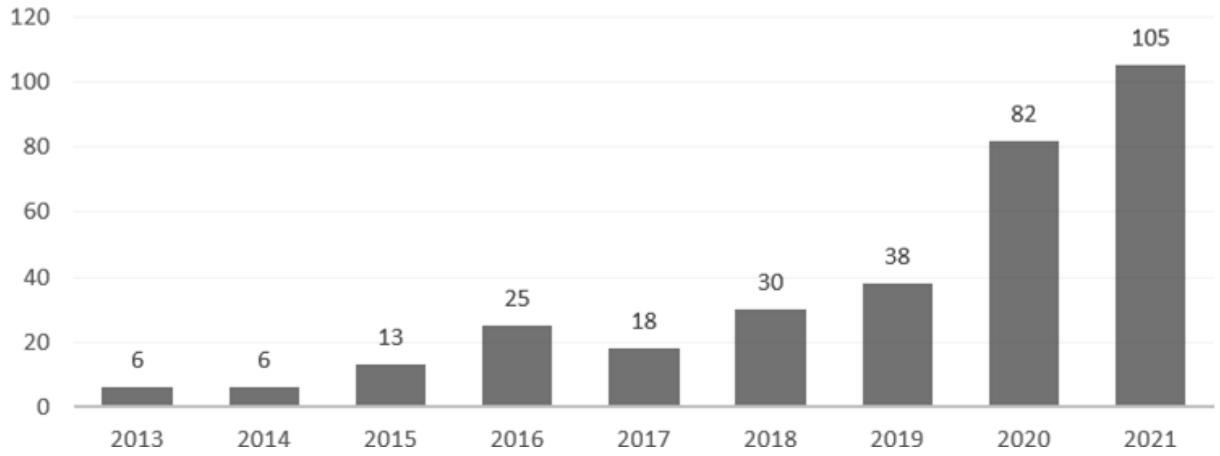
-Exemption from global income tax (IRG) or corporate income tax (IBS) And this for a period of four (4) years, from the date of obtaining the "Startup" label », with an additional year, in the event of renewal.

-Exemption from VAT and subject to 5% customs duties for the equipment acquired entering directly into the realization of their investment projects. (According to article 86 of the finance law 2021 which modifies article 33 of the complementary finance law 2020)

The histogram below shows the evolution of the number of startups created in Algeria from 2013 to 2021:

[47] L’entrepreneur Algérien , Comment obtenir les labels : Start-up , Projet innovant , Incubateur , en Algérie ? , https://lentrepreneuralgerien.com/startup/item/106-commentobtenir-les-labels-startup-projet-innovant-et-incubateur-en-algerie (24/04/2023at 00:54)

**Figure 16.1:** Evolution of the number of startups between 2013 and 2021




**Source:** Ministry of Knowledge Economy and Startups 2022

### a. Label "Innovative Projects"

On the dz startups electronic portal, it is clearly stated that this label is intended exclusively for project leaders who have not yet created their company, thus allowing holders to access the various benefits in the same way as the startup label, and this for a period of two years renewable twice. Thus, any natural person or group of natural people can claim the Innovative Projects label for any innovation-related project in Algeria.

The applicant for the "Innovative Projects" label is encouraged to submit a proposal through the national electronic site, Startups, together with the required documents:

- A presentation of the project and its innovative aspects;
- Elements proving the strong potential for economic growth (business model, business plan, etc.);
- The scientific and/or technical qualifications and experience of the team in charge of the project;
- Any title to intellectual property and any prizes or awards obtained.

## 2.4.Financing structures :

For several years, Algeria has demonstrated a strong commitment to entrepreneurship by implementing various financing schemes to support start-ups and foster their growth. This initiative is part of a broader strategy aimed at stimulating economic growth and generating employment opportunities for Algerians. The establishment of these financing mechanisms represents a crucial milestone in the promotion of entrepreneurship in Algeria. Start-ups often require financial support to initiate their operations and ensure sustainable expansion. The aforementioned financing schemes provide entrepreneurs with the necessary financial resources to thrive in their ventures.

Moreover, Algeria has also introduced crowdfunding initiatives to promote investment in start-ups and entrepreneurial projects. These crowdfunding platforms enable entrepreneurs to raise funds from a wide range of individuals interested in their projects, thereby allowing them to secure substantial amounts of capital without relying solely on traditional financial institutions.

In summary, Algeria has implemented a diverse range of financing mechanisms to support start-ups and foster entrepreneurship. This initiative underscores the Algerian government's commitment to promoting economic development in the country by encouraging the establishment of new businesses and providing entrepreneurs with the requisite financial means to succeed.

### 2.4.1. Actors set up before 2020 : [48]

If we go back beyond the year 2020, we can identify a series of financing mechanisms put in place in Algeria to support entrepreneurship and stimulate economic growth. These structures were developed to provide Algerian entrepreneurs with the financial means necessary to launch and develop their activities :

**A.Public systems: ANGEM /ANSEJ (ANADE) /CNAC:**

In the 1990s and 2000s, the Algerian State set up several public funding schemes to support entrepreneurship. Among these, we can mention ANGEM, ANSEJ (ANADE) and CNAC, which offer financial services adapted to different types of projects, as well as tax advantages and support services at different stages of the project. , subject to the eligibility of project leaders for each scheme.

It should be noted that, from the year 2020, ANSEJ has been officially placed under the supervision of the Ministry of Micro-enterprises, Start-ups and the Knowledge Economy, following an executive decree. published in the official journal. In addition, ANSEJ changed its name to become the National Agency for Support and Development of Entrepreneurship (ANADE), thus opting for a new strategy focused on the economic aspect.

Among the changes made, it should be noted that the condition of unemployment for eligibility has been removed, while students with projects can now benefit from funding. Another important change was recently introduced by Executive Decree No. 22-46 of 16 Jumada Ethania 1443 corresponding to January 19, 2022, which modifies the conditions and the level of assistance provided to young promoters. Thus, article 2 of this decree stipulates that project leaders wishing to benefit from the assistance and support of ANADE must be between the ages of 18 and 55, whereas previously, the age group 40-55 had to go to the CNAC system.

[48] Khelil Sabrina ***, Analyse de l'écosystème des startups en Algérie (Etat des lieux et Perspectives)*** , La Revue du développements et des Prospectives Pour Recherches et études ,**VOL : 07 - N° : 01 – Juan 2022 P293-310**

In other words, the mechanism for creating activities and financing projects assigned to the CNAC is now placed under the supervision of ANADE, which reflects the Algerian government's desire to strengthen the effectiveness of the financing mechanisms. entrepreneurship to stimulate economic growth and employment in the country.

**Table 3.2 :** ANGEM - ANSEJ - CNAC systems (before 2020)

| **Systems ( Devices)** | **CNAC** | **ANSEJ (ANADE)** | **ANGEM** |
|---|---|---|---|
| **Creation date** | **1994** | **1996** | **2004** |
| **Attachment structure** | **Ministry of Labor Employment and Social Security** | **Ministry of Labor Employment and Social Security** | **Ministry of National Solidarity, Family and Status of Women** |
| **Maximum funding threshold** | **10 million DA** | **10 million DA** | **1 million DA** |

Source : Agence Nationale d'Appui et de Développement de l'Entreprenariat , CAISSE NATIONALE D'ASSURANCE CHOMAGE (2020)

**B.The Crowdfunding :**

The startup sector in Algeria is undergoing a revolution thanks to participatory financing systems, also called crowdfunding. This new method of financing allows project leaders who lack financing to realize their dream of entrepreneurship by creating their own business. Concretely, crowdfunding is organized via an online platform that connects project leaders and contributors.

In Algeria, the first crowdfunding initiatives emerged in 2013, with the creation of two platforms, namely TWIZA and CHRIKY, followed later by a third, NINVESTI in 2019. These

platforms aim to support Algerian projects that cannot find financial resources through traditional channels.[49]

Although crowdfunding is becoming more and more common in different countries around the world, it is not yet the case in Algeria. This is partly due to the non-generalization of electronic payment in the country and the absence of a legal framework regulating this new method of financing. These two factors are obstacles to the democratization of crowdfunding in Algeria. However, with the rapid evolution of technology and the growing awareness of the importance of entrepreneurship in the economic development of the country, it is possible that crowdfunding will take off in Algeria in the years to come .

**C.Business Angels:**

Business Angels are investors who not only bring their expertise and professional network, but also the necessary funds to allow startups to continue their development. The sums invested vary from one company to another and depend on the ecosystem and the country in which they operate. In Algeria, individual Business Angels are active, often business leaders, professionals or traders who have succeeded in their careers, or even entrepreneurs who have succeeded in their business. However, there are still no statistics or studies to identify these important players in the ecosystem, to know their volume of investments, the number of operations carried out, the amount of capital invested, the types of Business Angels and invested companies.

In Algeria, there is only one active Business Angels network, namely Casbah Business Angels (CBA), which brings together around ten investors. Although three other structures have been identified, including two based abroad, they direct their investment efforts towards resident Algerian entrepreneurs or those from the diaspora, but offer little visibility on their activities. These structures include Markitor Business Angels, Créateurs d'Avenir and Business Angels Algérie-Diaspora (BAALDI).

It is important to emphasize that Business Angels play a crucial role in the development of startups in Algeria, by offering financing that is often difficult to obtain by other means, particularly in a complex economic environment. They thus help to support entrepreneurship and encourage innovation in the country. However, it is crucial to better understand their role and impact in order to better support them and encourage them to continue their commitment to Algerian startups.

[49] Dabah Mohamed Ridha , Benbraika Abdelouahab ( 2021) , P366 , *Le Crowdfunding comme mécanisme innovant de financement des start-up -Les plateformes Ninvesti et Twiiza comme modèle* **,** Milev Journal of Research & Studies Volume 7 N° 2

**D. Investors:** [50]

There are two types : foreign and local investors

- **Foreign investors:** In recent years, the investment sector in startups in Algeria has experienced a remarkable development. In addition to incubators and accelerators, there has been a significant increase in foreign direct investments in the country from Europe, China and other Arab countries. However, the energy sector remains the main area of interest in these foreign investors, while information technology has so far been outside their area of interest.

The Maghreb Private Equity Fund: It is an investment fund managed by Tuninvest Investments LTD, which has expressed its interest in startups in the computer field. This fund is targeting a total investment of 80 million euros in the form of stocks and investments linked to shares in startups located in North Africa.

- **Local investors:** As for local investors, their current trend is to get more involved in new IT companies. Two notable examples are Jil'Fce and Casbah Business Angels.

**Jil'fce:** is a platform that aims to create a national network of entrepreneurs and provide financial support. Business leaders are willing to invest 1 billion Algerian dinars in startups selected from the first half of 2016.

**Casbah Business Angels:** is a network of business angels which is an initiative of the Algerian diaspora in Silicon Valley in the USA in cooperation with Algerian leaders. Launched in 2012, this network supports businesses in mentoring and monetary investments. Business angels are generally experts in creation, management and business development who invest personally in innovative projects and support business creators by providing them with their know-how and networks.

### 2.4.2. New developments in the start-up ecosystem in Algeria :[51]

Algeria recently adopted a new strategy for entrepreneurship and start-up creation, which includes several important measures to support the sector. One of these key measures is the creation of a delegated ministry in charge of the knowledge economy and start-ups, which was

[50] Aicha BEKADDOUR , Start-up et écosystème d'accompagnement en Algérie , ANNALES DE L'UNIVERSITE DE BECHAR EN SCIENCES ECONOMIQUES , Vol: 70 / N°: 03 (2020), p532-547

[51] Khelil Sabrina ***, Analyse de l'écosystème des startups en Algérie (Etat des lieux et Perspectives)*** , La Revue du développements et des Prospectives Pour Recherches et études ,**VOL : 07 - N° : 01 – Juan 2022 P293-310**

announced at the beginning of 2020. This creation was formalized by the executive decree n° 20-54 of Aouel Rajab 1441, dated February 25, 2020.

According to article 1 of the decree, the Minister of micro-enterprises, start-ups and the knowledge economy is responsible for proposing the elements of the national policy in the field of micro-enterprises, start-ups up and the knowledge economy. It is also responsible for ensuring their implementation, in accordance with the laws and regulations in force.

This new measure aims to strengthen support for start-ups and entrepreneurship in Algeria by giving them greater visibility and a prominent place on the country's political agenda. The Ministry of Micro-Enterprises, Start-ups and the Knowledge Economy will therefore have a crucial role to play in promoting entrepreneurship, encouraging investment and creating jobs. It is expected that this measure will help stimulate innovation and economic development in the country in the years to come.

**1. The start-up ecosystem support and development fund:**

Decree No. 21-303 of 22 Dhou El Hidja 1442, published in the official journal No. 60 on August 1, 2021, sets the operating procedures for special appropriation account No. 302-150 entitled "Support and development of the start-up ecosystem". This account is opened in the archives of the Ministry of Finance and is mainly managed by the representative of the Prime Minister in charge of the knowledge economy and start-ups. The purpose of this fund is to ensure the development of the ecosystem of start-ups in Algeria. The decree also specifies the sources of financing of this fund, which include the State endowment, the products of fiscal and parafiscal taxes, donations and legacies, as well as all other resources and contributions. These revenues will be used to finance expenses related to the fund's missions.

With regard to expenditure, the decree lists the actions that will be financed by the fund. These actions are directly linked to the development and promotion of the start-up ecosystem in Algeria. Expenditure includes providing grants to support young entrepreneurs in launching their start-ups, organizing competitions and events to encourage the creation of start-ups, setting up training and mentoring to help start-ups grow, as well as carrying out studies to assess the evolution of the start-up ecosystem in Algeria.

**- Financing of feasibility studies:**

- costs related to technological feasibility studies;
- Costs related to economic feasibility studies.

**- Financing of the development of the Business Plan:**

- the costs related to the development of the business plan.
- -Financing of technical assistance:
- costs related to the certification of prototyping centers (Fablab);
- the costs related to the certification of the (Data Center).
- -Financing of costs related to the creation of a prototype:
- design, simulation and proof of concept testing;
- the production, testing and validation of prototypes for the benefit of start-ups and labeled innovative projects;
- acquisition of equipment, raw materials and software;
- support costs for carrying out technical work;
- costs related to testing, approval, certification and standardization;
- the financing of prototypes for the innovative project.

**-Financing of training:**

- costs related to the training of trainers;
- costs related to specialized supervision.

**-The incubation of "start-ups":**

- accommodation costs for labeled start-ups;
- incubation costs for labeled innovative projects;
- the implementation of thematic programs for launching and supporting start-ups, in collaboration with economic players.

**-Promotion of the start-up ecosystem:**

- the costs related to the interventions of the experts for the committee in charge of labeling;
- costs related to the promotion and financing of labeled start-ups;
- the costs of filing, at national and international level, for patents, trademarks and their maintenance during the period of validity of the labeling of the start-up and innovative project;
- patent costs within the framework of the cooperation agreement for intellectual property (PCT) and patent extensions for start-ups and labeled innovative projects;
- costs related to the acquisition of databases of patents and other forms of intellectual property;

- the establishment of specific programs for launching and supporting start-ups, according to the technological needs of national companies.

**2.ASF (Algerian Start-up Fund) :**

During the National Conference of Startups entitled "Algeria Disrupt 2020", a new initiative was officially launched to support the most innovative startups in the country: the Algerian Fund for Financing Startups. This initiative, which raised an impressive $7.2 million in its first year, is designed to provide direct funding to promising startups, in exchange for an equity stake in the company. This is a significant shift from traditional methods of funding startups in Algeria, which often relied on bank loans that have proven ineffective in helping start-ups grow and thrive.

The National Fund for the financing of start-ups is the result of a collaboration between several key organizations, in particular the Delegate Ministry of the Knowledge Economy and Start-ups, Sonatrach, the Local Development Bank (BDL), the People's Credit of Algeria (CPA), the External Bank of Algeria (BEA), the National Bank of Algeria (BNA) and the National Savings and Provident Fund-Bank (Cnep-Banque). Together, these partners have worked to develop an innovative and effective funding program that will help Algerian startups access the capital they need to succeed. The investment ceiling of the Algerian Fund for Financing Startups is flexible and varies according to several factors, such as the nature of the project, the sector of activity and the real need for financing. Three levels have been established, offering funding ranging from 2 million to 20 million dinars. ASF will review each project individually to assess commitment and risk, in order to determine the appropriate amount of funding to provide.

Once the funding has been injected, the ASF will become a partner of the company in question and will share in the profits and losses of the company. This means the Algerian Startup Funding Fund is committed to the long-term success of every business it funds and will work closely with startups to help them achieve their goals and grow sustainably. . This is great news for Algerian entrepreneurs looking to innovate and build successful businesses in a changing economic environment.

### 2.5.**Support structures :**[52]

The Algerian government has set itself the goal of stimulating investment in the country in order to promote economic growth and development. To this end, several organizations have been created to support project promoters and offer them financial, technical and administrative assistance. Among the main players involved in this process of supporting business creation, we can cite the National Unemployment Insurance Fund (CNAC), which aims to encourage job seekers to become entrepreneurs by offering them low-interest loans low interest. This initiative not only creates new businesses, but also provides employment opportunities for others.

Similarly, the National Youth Employment Support Agency (ANADE ex.ANSEJ)has been set up to help young entrepreneurs set up their own business by offering them financial support and technical advice. This agency aims to encourage young graduates to set up their own business rather than seek employment in the public or private sector.

The National Microcredit Management Agency (ANGEM) also plays an important role in supporting entrepreneurs by offering them low-interest loans to start or expand their business. This agency is mainly aimed at people with modest incomes who have difficulty accessing traditional bank loans.

In addition, the National Agency for the Promotion and Development of Technology Parks (ANPT) was created to encourage the development of the technology industry in Algeria. It offers financial and technical support to companies wishing to set up in technology parks and develop innovative projects.

Finally, the Fund for the Appropriation of the Uses and Development of Information and Communication Technologies (FAUDTIC) is an organization which aims to encourage the use of information and communication technologies (ICT) in Algerian companies. This fund offers grants and loans to help companies develop innovative projects in the field of ICT.

Overall, these various aid and support organizations play a crucial role in the development of the Algerian economy by encouraging investment and business creation. By offering financial, technical and administrative assistance, they help strengthen the country's entrepreneurial ecosystem and stimulate economic growth.

[52] Aicha BEKADDOUR , Start-up et écosystème d'accompagnement en Algérie , ANNALES DE L'UNIVERSITE DE BECHAR EN SCIENCES ECONOMIQUES , Vol: 70 / N°: 03 (2020), p532-547

### 2.5.1. The incubation and acceleration structures :

Incubators represent structures that offer essential support to Algerian entrepreneurs who wish to create their business or start-up. These structures provide them with an environment conducive to learning and a support network necessary to help them in the key stages of launching their projects. Incubators, whether public or private, planned or active, play an important role in supporting project leaders and start-ups by supervising and hosting them from the start.

It is important to emphasize that incubators are not supposed to finance startups directly. Instead, they prepare them for fundraising and the launch of their activities, directing them to potential funders who might be interested in their project. Incubators are therefore an essential step in the journey of Algerian entrepreneurs. As for the accelerators, they take over from the incubators and continue to support structured startups that are at a more advanced stage. They coach these startups intensively, with the aim of accelerating their business. Acceleration programs have an average duration of 3 to 6 months.

There are several active incubators and accelerators in Algeria, such as ANVREDET, HABAInstitute, ANPT, DarTech, CDTA, Incub Me, Cap, FCE Incubator, ESAA Incubator, as well as business incubators mainly mobile operators , university incubators, and Sylabs and The Pivot accelerators, both of which are private initiatives. It is important to note that the number of incubators and accelerators continues to increase in Algeria, thus testifying to the growing interest in entrepreneurship and the creation of start-ups in particular. These structures are essential players in the entrepreneurial ecosystem in Algeria, thus contributing to the creation of jobs and the economic growth of the country.

1.**Incubation structures:**

When it comes to fostering the creation and development of businesses, incubation structures are key elements of the entrepreneurial ecosystem. These structures are designed to offer entrepreneurs support and assistance throughout their journey of creating and growing a business.

As part of the national strategy for the promotion and development of entrepreneurship, several incubation structures have been set up across the country, including nurseries, incubators and accelerators. These structures are often associated with public institutions such as universities, research centers and ministries, but can also be created by private actors.

- **Business nurseries (incubators):**

The Algerian Ministry of Small and Medium Enterprises (SME) has implemented an ambitious policy to support and accompany young project leaders in the creation of their business. This policy has resulted in the creation of incubation structures called business incubators, which are located in all major cities of the country. This initiative is governed by law n° 03/78 of February 25, 2003 which defines the standard status of these support structures.

The business incubator is a public structure dedicated to the support, reception, accompaniment and support of project leaders. It offers a wide range of logistical, administrative and consulting services to help entrepreneurs develop their ideas and bring their projects to fruition. The duration of accommodation for project leaders varies between 24 and 36 months, depending on the degree of maturity of their project and the support needs they express.

Business incubators offer project promoters personalized assistance at all stages of their project. They help them to draw up their business plan, to seek financing and to solicit the aid and support funds available from financial institutions, wilayas and other organisations. The incubator's advisors bring their expertise in finance, law, taxation, marketing and technology to help project promoters overcome obstacles and develop their business.

Business incubators also organize specific training, events and follow-up sessions to help project promoters acquire the skills needed to create and manage a business. The objective is to support them until they reach the maturity necessary to create their own business and succeed in their project. Thanks to these initiatives, the Algerian Ministry of SMEs encourages entrepreneurship and contributes to the economic dynamics of the country.

In summary, the assistance provided to promoters essentially consists of:

- Host project leaders for a fixed term;
- Accompany project leaders in all procedures with: financial institutions, aid and support funds and wilayas, municipalities and other organizations related to their projects.
- Offer personalized financial, legal, tax, commercial and technical advice;
- Organize all forms of animation, assistance, specific training and follow-up of project leaders until the maturation and creation of their business.

- **Technology park incubators:**

The Algerian government attaches great importance to the use of information and communication technologies for the economic development of the country. In this context, the National Agency for the Promotion and Development of Technology Parks (ANPT) was created

to implement the national ICT development strategy. Technoparks are places of innovation where start-ups can develop in a favorable environment. The ANPT has therefore created several incubators across the country to help young entrepreneurs start their technology business.

The first incubator created by the ANPT was the Cyberparc Sidi Abdallah in Algiers in January 2010. Since then, other technoparks have been created in Ouargla in 2012, in Annaba in 2014 and in Oran in 2017. The ANPT is currently working on the creation of new technology parks in Sétif, Constantine and Boughezoul. These incubators offer innovative project leaders in the field of ICT personalized support to help them realize their idea and create their start-up. They benefit from expertise, administrative assistance, coaching and training tailored to their needs.

The ANPT thus plays an essential role in the promotion and development of ICT in Algeria by creating favorable conditions for technological innovation and encouraging entrepreneurship in this field. Thanks to these incubators, young entrepreneurs have the opportunity to realize their dream and contribute to the digital economy of the country.

- **Academic incubator:**

University incubators are structures that welcome and support innovative projects directly related to research. In developed countries, they have given good results in the structuring of entrepreneurial projects. In Algeria, these incubators have started to be established in universities and grandes écoles. Their purpose is to facilitate favorable conditions (technical, financial, human) for the creation of businesses from projects from public research and PFEs (end -of -studies projects). Indeed, the university's mission is to :

enhance its research results to reduce the gap between the generation of research results and their applications, as well as to bring academic operators closer and socio-economic operators.

Among the incubators dedicated to the enhancement of the results of scientific and technical research in Algeria, we can cite the intilak incubator located at the National Agency for the Valuation of Research and Technological Development Results (ANVREDET) and the FIKRA-Tech FIKRA incubator of the “CDTA” Advanced Technologies Development Center created in partnership with Anvredet. These incubators are responsible for supporting innovative project leaders by providing them with technical, financial, as well as personalized support for the creation of their business. University incubators therefore play a key role in the development of the entrepreneurial environment and the promotion of research results in Algeria.

➢ **Private incubators:**

The start-up ecosystem in Algeria is constantly evolving and is developing more and more thanks to the involvement of different actors, including private incubators. Currently, there are two private incubators in Algeria who play an important role in supporting and supporting young entrepreneurs in the creation and development of their start-ups.

- **The Alinov incubator:**

The first private incubator is Alinov, which was created in February 2009 by the firm "Alliance Consulting 1AC" in collaboration with the International Consulting Network Médaf Co-Development. Alinov is the first private incubator of innovative companies in Algeria and freely offers its services to innovative startups and young business creators thanks to the financial support of the Royal Embassy of Norway in Algiers and the German Foundation Friedriech Naumann for the freedom.

Alinov's main objective of contributing each year to the creation of twenty innovative Algerian start-ups in different sectors such as information and communication technologies, research and development, advice and training, renewable energies, Agriculture and food, environmental protection, tourism and leisure.

- **The Ooredoo incubator:**

The second private incubator is that of Ooredoo, which in 2013 launched the TSTART and ISTART programs to support the creation of local mobile applications and connected objects. As part of these programs, Ooredoo has created two incubators in Algiers and Annaba to encourage young people to create start-ups in the information and communication technology sector (NTIC) such as software, telecoms , the web, computer security, or even green technologies or energy. These incubators offer personalized support, mentoring, training and financing services to help young entrepreneurs make their ideas a reality and transform their projects into high-performance start-ups.

**2.Other private structures and support programs:**

Beyond the incubators, in recent years have seen the emergence of a certain number of private initiatives that play the role of support actors in business creation in various forms.

➢ **Accelerators:** One of these forms is that of accelerators, which are generally private structures created by investors and entrepreneurs to support more mature startups in their development and their quest for profitability. These accelerators target startups which have already marketed their products or services and which are at a more advanced stage of development. In Algeria, there are two private accelerators: Sylabs and The Pivot.

- **Sylabs:** Sylabs was created in 2015 thanks to a private initiative aimed at improving the start-up ecosystem in Algeria. This structure works in partnership with the government, the wilaya of Algiers and other companies such as General Electric to create a favorable climate for the boom in start-ups in the country. Their goal is to provide support and training programs to help start-ups grow and succeed. Sylabs strives to provide both financial and non-financial resources to support start-ups at each stage of their development.
- **The Pivot:** On the other hand, was created in 2018 by the Innopreneurs agency, which specializes in business creation and development advice since 2013. This structure aims to provide training, mentoring, coaching, networking as well as all the needs of a young start-up. It is reserved for start-ups being created or having developed a product or service tested with first customers or users. The Pivot seeks to support start-ups in all stages of their development, providing resources and financial support to help them grow and prosper.

➢ **Algeria Venture ( A-VENTURE) :**

Executive Decree number 20-356 of 14 Rabie Ethani 1442 corresponding to November 30, 2020 was established to create a public establishment of an industrial and commercial nature under the name of "Establishment for the promotion and management of start-up support structures “, by abbreviation “Algeria Venture”. This establishment is governed by the rules applicable to the administration in its relations with the State, but is considered as a trader in its relations with third parties. The minister in charge of start-ups is in charge of its supervision, and chairs the board of directors of the establishment which includes 11 representatives of different ministries, the representative of the company Sonatrach, the representative of the company Algerian start-up Fund , as well as the president of the scientific council of the establishment.

According to article 4 of the decree, the A-Venture is the tool of the public authorities for the implementation of the national policy for the promotion and management of support structures for start-ups. This includes participation in the national strategy for the promotion and management of support structures for start-ups, by sector of activity, as well as the creation of new support structures to strengthen national support capacities for innovation. The establishment is also responsible for developing and implementing annual and multi-annual development programs for start-up incubators and accelerators, in collaboration with the various stakeholders concerned, and for monitoring and evaluating them. . It must also develop

and implement acceleration courses for monitoring labeled start-ups and labeled innovative projects, as well as estimating and validating their needs. In addition, the institution must encourage and support any initiative aimed at promoting and developing innovation and support structures, in consultation with the various sectors of activity. It must also contribute to a technology watch and ensure the publication and dissemination on all media of information relating to technological innovation and entrepreneurship. Finally, the establishment must manage the assets allocated to it and that which it obtains the use of, draw up and monitor the performance contracts relating to the services provided by the support structures for which it is responsible, ensure that they are respected and promote synergies between them.

To accomplish its missions and achieve the objectives assigned to it, according to article 5 of the executive decree, the establishment is authorized to conclude any contract or agreement with national and/or foreign bodies relating to its field of activity. It may also carry out any industrial, commercial, movable and immovable transaction inherent in its activities and likely to promote its development, carry out any financial transaction in relation to the participation in the capital of investment funds dedicated to start-ups, call to any competence or organization for the needs of expertise, supervision and monitoring of start-ups and contract any loan deemed useful for its activity.

**Conclusion :**

The global startup ecosystem has uncovered the variety and dynamic quality of pioneering exercises around the world. We have gained an understanding of the key factors that contribute to a flourishing startup ecosystem , by studying successful examples and trends. Algerian policymakers and aspiring entrepreneurs can draw inspiration and best practices from the global startup ecosystem.

Turning our concentration to the Algerian startup environment, we have recognized its extraordinary elements, present status, and difficulties. Algeria, with its rich normal assets, youthful populace, and government drives, holds extraordinary potential for cultivating pioneering adventures. However, in order to fully realize this potential, a number of obstacles must be overcome. The establishment of an entrepreneurial culture, restricted financial access, bureaucratic obstacles, and the requirement for a more robust support infrastructure are among these obstacles.

In general, the investigation of the global and Algerian startup ecosystems serves as a foundation for comprehending the broader context in which start-ups operate as well as the particular difficulties and opportunities Algeria faces. This information can illuminate strategy choices, speculation methodologies, and backing drives to develop a flourishing and feasible pioneering an entrepreneurial ecosystem in Algeria. Algeria can capitalize on its potential, drive economic diversification, create job opportunities, and foster innovation for long-term prosperity by utilizing the experiences and lessons learned from successful global ecosystems.

# Chapter 03 : Uncovering Challenges and Identifying Obstacles for Start-up Innovation in Algeria

**Introduction :**

The journey of start-up innovation in Algeria is not an easy one. Entrepreneurs in Algeria face numerous challenges and obstacles that can hinder their progress and prevent them from realizing their full potential.

These challenges can range from financial constraints and bureaucratic complexities to a lack of supportive infrastructure and an underdeveloped entrepreneurial culture.

To foster a supportive ecosystem that encourages start-up innovation, it is essential to identify and understand these obstacles.

This research aims to delve into the specific challenges faced by start-ups in Algeria, examining the unique dynamics of the entrepreneurial landscape in the country. By uncovering these challenges, we can gain valuable insights into the root causes and underlying factors that impede the growth and success of start-ups.

## Section 01 : Theoretical Framework: Understanding Challenges and Promoting Start-up Innovation in Algeria

### 1.1.Overcoming Challenges : Constraints Faced by Startups in Algeria

As every company's project , there are a variety of reasons why startups fail to thrive. The constraints cited by the entrepreneurs interviewed that slow down the development of their initiatives are listed below:[53]

- **Market-related constraints:** Algerian startups sometimes overlook this phase, failing to collect all data relevant to the obstacles particular to the markets they aim to target. Market research is consequently required in order to determine all of the elements linked to market participants (clients, rivals, suppliers, etc.) and the expenditures incurred. The founders of the businesses polled feel that all new ideas may be realized without first researching market demands. Customers for the startup's proposition are not guaranteed. This is mostly due to startup owners' lack of understanding of the concept of a startup and the requirement to follow an appropriate innovation process. This constraint acts directly on the initial investment.
- **Legal constraints:** In Algeria, this aspect often presents itself as a constraint for startups who are struggling to regain the social status that suits them. Indeed, before the publication of Executive Decree No. 20–254 in September 2020, startups struggled to find a specific piece of legislation that promotes the creation of innovative startups in Algeria. Furthermore, there is still no true research strategy in Algeria, and scientific production appears to be confined to the background. This review highlights the lack of a national innovation framework designed to bring all of these actors together and push them toward the same innovation policy .
- **Financial constraints ( Limited access to funding) :** This is at the heart of any startup's problems since it may significantly slow down the startup's development, which is meant to be exponential. As a result, the start-up phase is the most important for a business, as it determines if the project leader has the necessary funds to launch his startup. During this stage, the firm need funding to support research and development efforts as well as investments in innovation. In Algeria, the finance plan of a startup's business plan comprises a considerable investment that is difficult to get. Indeed,

[53] ISMAIL Souraya,HARAOUBIA Imad Eddine, *LES STARTUPS EN TANT QUE COMPOSANTE DU SYSTEME NATIONAL D'INNOVATION : CAS DES STARTUPS ALGERIENNES* , Revue des Réformes Economiques et Intégration En Economie Mondiale Vol 15 N°…02, Année 2021 EISSN : 2600-6502

Algerian public financing agencies have yet to offer bank investments tailored to the creative nature of Algerian entrepreneurs classified as venture capital investments .

- **Constraints related to the identification of the innovation process:** Startups view innovation as a project that follows a process. This process is uncertain, since not every idea leads to innovation. As a consequence, the success of innovation is built on a process that includes a series of development and validation phases spanning from the search for new product ideas through product marketing.
- **Lack of entrepreneurial and technical skills:** For the growth and success of startups in any nation, having access to a workforce with both technical and entrepreneurial expertise is essential. Notwithstanding, new companies in Algeria experience critical difficulties in finding and holding talented experts who have the important information and abilities. The requirements they face in such manner come from different variables, including restricted admittance to quality schooling and preparing programs, cerebrum channel, and a bungle between industry needs and the abilities given by instructive educational plans.

First, there is a lack of access to high-quality education and training programs in Algeria that specifically address the requirements of an ever-evolving entrepreneurial landscape for new businesses. The school system essentially centers around conventional disciplines, and there is a lack of particular courses and projects that encourage development, imagination, and business. As a result, graduates frequently lack the necessary practical skills and mentality to succeed in the fast-paced startup environment. This impediment in instructive contributions hampers the pipeline of talented people entering the startup environment.

Furthermore, the lack of skilled professionals in Algeria's startup sector is exacerbated by brain drain. Due to better prospects, higher salaries, and environments that are more conducive to entrepreneurial development, many talented individuals choose to pursue career opportunities abroad. Startups face significant difficulties in attracting and retaining skilled workers who can contribute to their development and success due to this phenomenon of brain drain, which depletes the local talent pool.

Additionally, there exists a mismatch between the skills imparted by educational curricula and the actual needs and demands of the industry. The rapid pace of technological advancements and evolving market dynamics require startups to rely on professionals who possess cutting-edge technical skills and an entrepreneurial mindset. However, the existing educational framework often fails to keep up with these changes, resulting in a gap between the skills acquired by graduates and the skills demanded by startups. As a result, startups in Algeria

struggle to find employees who possess the necessary technical expertise and entrepreneurial spirit to contribute effectively to their growth.

### 1.2.Ministerial Decision 1275: Thesis Start-up - Innovative Project

The Ministerial Decision 1275 of September 27 came within the framework of embodying the policy of the higher education and scientific research sector seeking to evaluate the works and projects completed by students during their training path when preparing graduation notes in the master's or engineer's or doctoral dissertations in various disciplines and faculties. In the framework of the mechanism of an emerging institution certificate or a patent certificate. By accessing the digital platform Ibtikar, which was designated by the Ministry of Higher Education for innovative students and entrepreneurs.

The decision included, according to the Ministry's statement, a detailed explanation of the objectives of this process. This project aims primarily at forming a generation of students imbued with entrepreneurial spirit and entrepreneurial spirit, and creating a new generation of entrepreneurs, who have the desire and inclination towards business management and the establishment of companies and contracting based on innovation. This is with the aim of creating wealth and job positions instead of searching for them, to work towards finding technical, technological or digital solutions for institutions.

According to the decision, obtaining a university degree - an emerging institution requires a set of training programs, in the field of preparing business plans, directed to accompany the registered students to prepare them, which end upon their graduation with the completion of a note that can be transferred to a start-up institution.

In this project, students also receive formative training courses and applied work in field workshops on business models and their management, e-marketing, mining, finance and accounting.

A student who is at the end of his educational path, who has an idea that can be transferred to a start-up, has the right to be accompanied by a university incubator, and to discuss his thesis to obtain a university degree in a start-up, and this project can be completed by a team consisting of small groups, of 1 To 6 students from different majors and faculties, and after discussing their graduation notes by a mixed scientific committee for evaluation and deliberation, consisting of the superintendent, a member of the university business incubator or the house of entrepreneurship, and a representative of the economic and social partners, and at the end of the university study, the student gets a start-up enterprise diploma and a tag - Label- an innovative project.

The University Business Incubators Department is responsible for accompanying the projects marked “Label” as an innovative project, to transform them into startups that have been marked “Label” by the National Committee for granting this mark, in order to register distinguished projects in a national competition for the best startups, and to value these winning projects. With financial support, by the Ministry of Higher Education and Scientific Research and economic and social partners.

## Section 02 : Field Study: Identifying Obstacles Encountered by Start-ups in Algeria

In light of the challenges encountered by startup companies in Algeria, and in conjunction with the recent ministerial decision regarding the establishment of start-up institutions, we embarked on a comprehensive field study. This study aimed to investigate and understand the obstacles faced by emerging companies in Algeria. The study specifically targeted university students, upcoming graduates, and entrepreneurs, with the objective of gaining valuable insights from individuals directly involved in the entrepreneurial ecosystem.

### 2.1. Research methodology

We used a multi-faceted strategy that combined surveys, interviews, and focus group discussions to carry out this field study. We picked a diverse group of participants from across the country's universities and entrepreneurial communities. This permitted us to get a complete and delegate perspective on the difficulties looked by arising organizations in Algeria. The review traversed a while, empowering us to accumulate an abundance of subjective and quantitative information, which framed the premise of our examination.

The field study on the challenges that new businesses in Algeria face shed light on the difficulties that startups in the country face. Emerging businesses face a number of challenges, including a lack of technical and entrepreneurial skills, regulatory and bureaucratic obstacles, a limited market and consumer base, inadequate support infrastructure, and limited access to funding. It is clear from these findings that the government, educational establishments, and private sector need to work together to address these issues and create an environment that encourages innovation and startup growth in Algeria.

As part of our comprehensive research on the challenges and obstacles faced by startups, we conducted a questionnaire targeting university students who were about to graduate, recent graduates, and entrepreneurs. The objective was to gain a deep understanding of the challenges associated with establishing startups in this particular demographic. The questionnaire received an overwhelming response, with a total of 365 individuals providing their insights. In the following sections, we will delve into the details of the study and analyze the collected sample to extract valuable information.

- **Questionnaire Design:**

The questionnaire was meticulously designed to cover a wide range of topics related to the challenges faced by startups targeting university students, graduates, and entrepreneurs. It comprised a combination of closed-ended and open-ended questions, allowing us to gather both quantitative and qualitative data. The closed-ended questions provided respondents with pre-

determined options to choose from, enabling us to perform statistical analysis on their responses. The open-ended questions encouraged participants to express their thoughts and experiences in their own words, offering rich qualitative insights.

- **Sample Selection:**

The method of sample selection described in the provided statement can be referred to as "purposive sampling" or "purposeful sampling." Purposive sampling involves selecting participants based on specific criteria that align with the research objectives. In this case, the sample was chosen from university students nearing graduation, recent graduates, and active entrepreneurs who possess first-hand knowledge and experiences relevant to the challenges faced by startups in their early stages.

The selection process involved a multi-channel approach, collaborating with universities, business incubators, and networking platforms. This approach aimed to reach potential participants who fit the desired demographic and had diverse backgrounds in terms of fields of study and geographic locations. By employing this strategy, the research team ensured that the sample represented a wide range of perspectives and experiences related to the challenges faced by startups in Algeria.

The selection of an appropriate sample size is crucial for ensuring the validity and reliability of research findings. In this study, we collected a sample of 365 responses from a total population of registered individuals under the Ministerial Decision 1275, estimated to be around 2000 people. The chosen sample size of 365 responses was determined based on statistical considerations to provide a representative sample of the population.

One important measure of the accuracy and precision of a sample is the margin of error. In our case, the margin of error is 5%. This means that we can be confident that the results obtained from the sample are likely to be within 5% of the results we would obtain if the entire population were surveyed. A margin of error of 5% is considered acceptable in most research studies, as it provides a reasonable level of confidence in the generalizability of the findings.

By having a sample size of 365 responses and a margin of error of 5%, we can confidently assert that our sample is representative of the larger population of registered individuals under the monthly decree. This ensures that the conclusions and insights drawn from our study can be reasonably applied to the entire population. Additionally, a representative sample increases the external validity of our research findings, allowing for broader generalizations and implications.

It is important to note that the determination of the sample size and margin of error was based on careful statistical calculations and considerations, taking into account factors such as

the desired level of confidence and the variability within the population. These considerations contribute to the overall rigor and reliability of our study's findings.

- **Data Collection and Analysis:**

The data collection process was conducted over a defined period to allow participants ample time to complete the questionnaire. The responses were collected through an online platform, ensuring ease of access for respondents and facilitating data management. The collected data was then subjected to a rigorous analysis process.

Quantitative analysis involved the examination of closed-ended questions, allowing us to quantify participants' opinions and preferences. Statistical tools were applied to identify patterns, trends, and relationships within the collected data. This analysis provided us with valuable insights into the prevailing challenges faced by startups targeting university students, graduates, and entrepreneurs.

Qualitative analysis, on the other hand, involved the interviews and the careful review and coding of open-ended responses. This approach enabled us to extract nuanced insights, themes, and personal anecdotes that shed light on the experiences and perspectives of the respondents. Through this qualitative analysis, we gained a deeper understanding of the unique challenges faced by startups in this demographic, as well as the potential solutions and recommendations.

**2.2. Findings and Implications:**

The detailed analysis of the collected sample revealed significant findings regarding the challenges and obstacles faced by startups targeting university students, graduates, and entrepreneurs. These findings will be presented in a comprehensive report, providing a detailed account of the key challenges identified, along with their implications for startups. By thoroughly analyzing the collected data, we will be able to offer practical recommendations and strategies to address these challenges and facilitate the success of startups in this specific demographic.

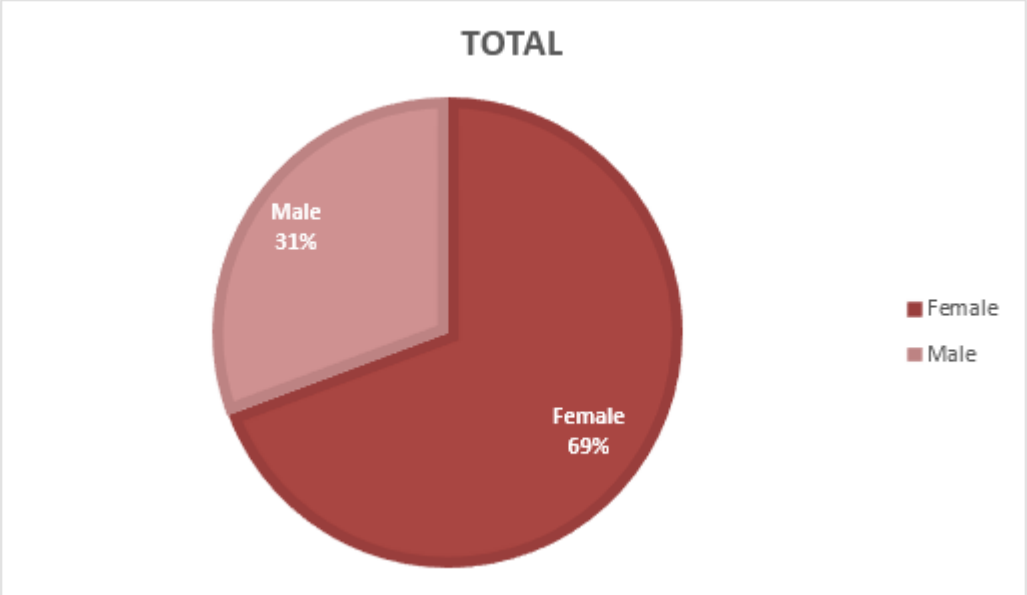
The study conducted through the questionnaire received an exceptional response, with 365 individuals providing their valuable insights. The detailed analysis of this sample will enable us to gain a comprehensive understanding of the challenges and obstacles faced by startups targeting university students, graduates, and entrepreneurs. The findings will contribute to the existing body of knowledge and provide practical recommendations for startups, stakeholders, and policymakers. Ultimately, this research aims to foster a supportive ecosystem for startups and facilitate their growth and success in the targeted demographic.

### 2.2.1. Univariate study

- **Distribution of the sample by Gender :**

Conducting a gender analysis in the study of challenges and obstacles facing startup companies in Algeria provides insights into representation, gender-specific challenges, inclusivity, policy development, and future research needs. By understanding the gender dynamics within the startup ecosystem, stakeholders can work towards creating an environment that promotes equal opportunities and addresses the specific challenges faced by different genders.

**Figure 17.3 :** Distribution of the sample by Gender




**Source :** Developed by the student using the results from Microsoft Excel 2016

The data collected from the survey on the challenges and obstacles facing startup companies in Algeria provides valuable insights into the gender distribution among the respondents. Out of the 365 individuals who participated in the survey, 112 were males, which accounts for approximately 30.7 percent of the total sample. On the other hand, there were 253 females, representing approximately 69.3 percent of the sample.

Understanding the perspectives and experiences of Algeria's startup ecosystem participants is significantly impacted by the survey sample's gender distribution. By dissecting this information, we can acquire bits of knowledge into potential orientation related varieties in the difficulties looked by new businesses and the portrayal of various sexes inside the pioneering scene.

Interpreting the data, it appears that a higher number of females participated in the survey compared to males, with females comprising the majority of the respondents. This suggests that females in Algeria are actively engaged in entrepreneurship and are willing to share their experiences and insights into the challenges faced by startups. The higher percentage of female respondents indicates their presence and influence within the startup ecosystem in Algeria.

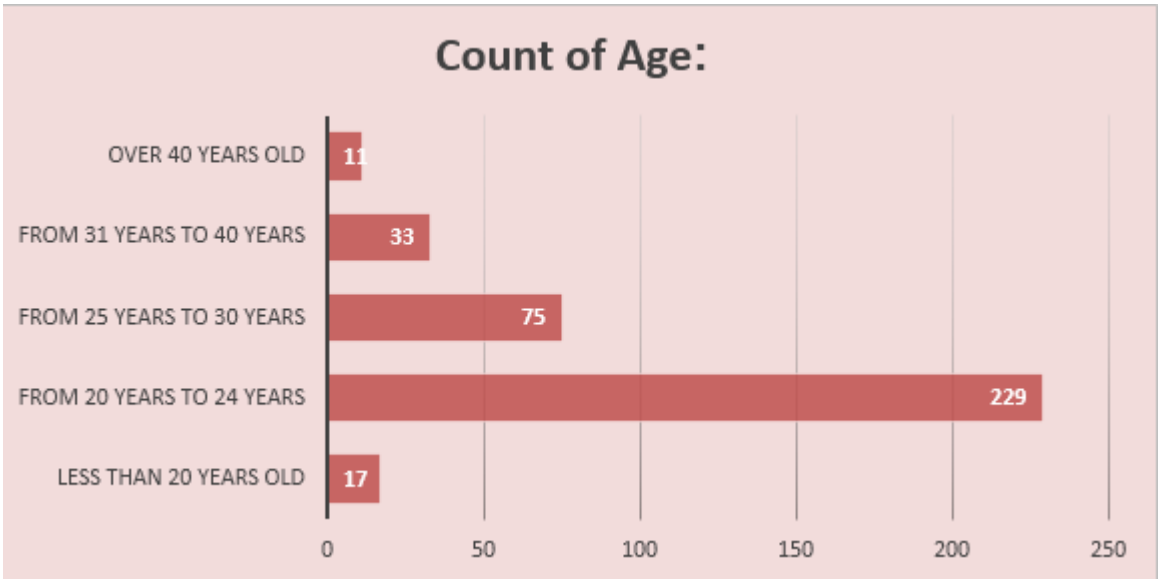
The gender distribution also highlights the importance of considering gender-specific challenges and opportunities within the context of the startup sector in Algeria. It is crucial to understand the unique experiences and barriers faced by both male and female entrepreneurs in order to develop targeted strategies and support mechanisms that can address their specific necessities . Further examination of the information, along side a correlation between the reactions of males and females , can provide deeper insights into any potential gender disparities in the challenges faced by startups. It may uncover specific obstacles that are more prevalent for one gender over the other, enabling policymakers, support organizations, and stakeholders to develop initiatives that promote inclusivity and equal opportunities within the startup ecosystem.

So from all that we can conclude the gender distribution within the survey sample of 365 respondents indicates that females constitute a significant presence among individuals engaged in the startup ecosystem in Algeria. This highlights the need to consider gender-specific challenges and opportunities to foster a more inclusive and diverse entrepreneurial environment. Further analysis of the data will provide valuable insights into gender-related disparities and enable the development of targeted strategies to overcome the challenges faced by startups in Algeria.

- **Distribution of the sample by Age :**

In the study of challenges and obstacles faced by startups in Algeria, analyzing age provides insights into generation-specific challenges, allows for targeted support initiatives, helps identify industry and sector focus, aids in succession planning, and provides a comprehensive understanding of the economic impact of entrepreneurship. By considering the age demographics within the startup ecosystem, stakeholders can develop strategies and policies that cater to the diverse needs and potential of different age groups, ultimately fostering a more vibrant and inclusive entrepreneurial environment.

**Figure 18.3:** Distribution of the sample by Age




**Source :** Developed by the student using the results from Microsoft Excel 2016

The age demographics of persons engaged in entrepreneurship in Algeria are shown by the distribution of respondents in the startup questionnaire and the problems they encounter, particularly those participating in Ministerial Resolution 1275. We can acquire a full grasp of the age groups most oriented toward startups and the possible reasons influencing their participation by arranging and analysing the data.

The analysis revealed that the highest number of respondents fell within the age group of 20 to 24 years, with a total of 229 individuals. This finding suggests that a significant proportion of young individuals, likely students or recent graduates, are showing a keen interest in venturing into the startup field or pursuing independent projects. This trend indicates a shift towards entrepreneurial pursuits among the younger generation, possibly driven by a desire for independence, creativity, and the potential for personal and professional growth.

The second highest number of respondents was found in the age group ranging from 25 to 31 years, accounting for approximately 75 individuals. This indicates that individuals in their mid to late twenties and early thirties are also actively engaging with startups and entrepreneurial endeavors. It is worth noting that this age range often represents a transitional period where individuals have gained some work experience and are exploring opportunities for career advancement and self-employment.

Following the aforementioned age groups, respondents aged between 30 and 40 years constituted a considerable portion of the sample. When combined with the two previous age groups, these three categories represented a significant majority, comprising approximately

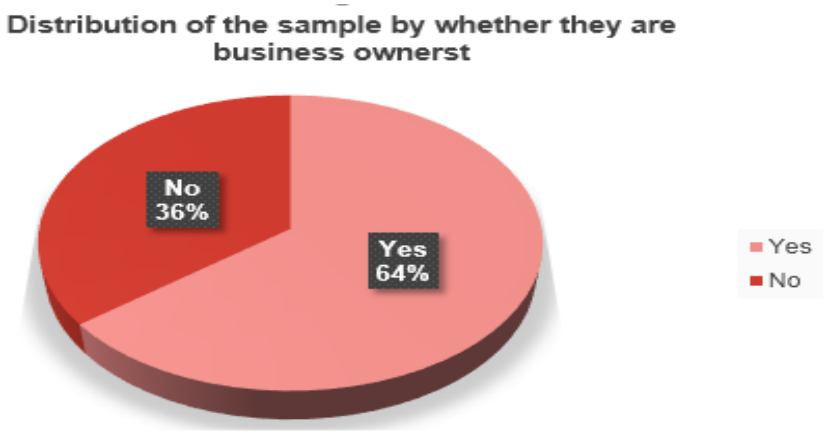
92% of the total respondents. This suggests a strong inclination towards entrepreneurship among the youth demographic in Algeria.

Conversely, the percentage of respondents aged above 40 years was relatively low, estimated at around 3%. This finding implies that older individuals, possibly associated with traditional employment and a sense of security in working for the state, may be less inclined towards startups. It is likely that they prioritize stability and may be hesitant to venture into entrepreneurship due to concerns regarding financial risks, lack of familiarity with the startup ecosystem, or fear of failure.

In conclusion, the age analysis of the questionnaire respondents highlights a prominent trend of youth engagement and interest in startups and entrepreneurial pursuits in Algeria. The data suggests that individuals between the ages of 20 and 31 are particularly drawn to the field, displaying a willingness to embrace the challenges and opportunities associated with entrepreneurship. On the other hand, individuals above 40 years old tend to exhibit a lower level of involvement in startups. This may be attributed to their preference for secure employment and a perceived lack of guarantees within the startup realm. Additionally, it is possible that some individuals in this age group did not participate in the survey due to a lower usage of technology. This information is crucial for policymakers, support organizations, and stakeholders in shaping initiatives and strategies to nurture and support entrepreneurship, with a particular focus on the needs and aspirations of the younger demographic.

- **Distribution of the sample based on Business Ownership Status:**

**Figure 19.3 :**Distribution of the sample based on Business Ownership Status




**Source :** Developed by the student using the results from Microsoft Excel 2016

According to the sample data, 64% of respondents identified themselves as company owners, while the remaining 36% claimed that they were not business owners. This data sheds light on the entrepreneurial scene and the prevalence of entrepreneurship among survey respondents.

The fact that 64% of the respondents identified themselves as business owners suggests a relatively high level of entrepreneurial activity within the surveyed population. This indicates a significant number of individuals who have taken the initiative to start and run their own businesses, reflecting a culture of entrepreneurship and a willingness to take on the associated risks and responsibilities. The 36% of respondents who stated that they were not business owners may consist of individuals who are currently employed in non-entrepreneurial roles, students who have not yet entered the workforce, or individuals who have not yet embarked on their entrepreneurial journey. This group represents a diverse range of individuals who may have different aspirations, career paths, or personal circumstances that have influenced their decision not to engage in business ownership at the present time.

The high percentage of business owners within the sample highlights the importance of entrepreneurship in Algeria and its potential contribution to economic growth, job creation, and innovation. It suggests that a significant portion of the surveyed population has recognized the opportunities and benefits of starting and running their own businesses, and have taken the necessary steps to establish their ventures. Understanding the ratio of business owners to non-business owners is valuable in assessing the level of entrepreneurial activity and the potential impact on the local economy. It also allows policymakers, support organizations, and stakeholders to develop targeted initiatives to foster entrepreneurship, provide necessary resources, and address the specific needs and challenges faced by business owners.

Furthermore, the data on business ownership can provide valuable insights into the motivations, experiences, and perspectives of entrepreneurs in Algeria. By analyzing the responses of business owners, researchers and policymakers can gain a deeper understanding of the factors driving entrepreneurial activity, the challenges faced by business owners, and the support mechanisms that could facilitate their success.

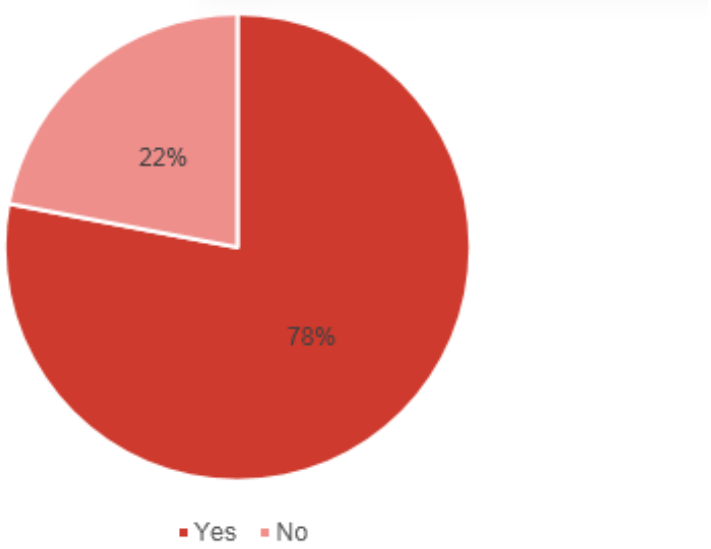
Finally, the fact that 64% of those polled identified themselves as company owners gives useful information into the prevalence of entrepreneurship within the sample. This material throws light on Algeria's entrepreneurial environment and emphasizes the need of cultivating an entrepreneurial ecosystem that supports both prospective and established businesses. Analysis of firm ownership ratios can help to guide policy choices, resource allocation, and

support programs aimed at encouraging entrepreneurship and maximizing its potential for economic development and innovation.

- **Implementation of Ministerial Resolution 1275 :**

After separating whether the respondent was a student who graduated from the three levels (Bachelor's, Master's, Ph.D.) whose answers were 209, we studied the rates of application of the ministerial decision related to startups and innovative projects

**Figure 20.3** :Implementation of Ministerial Resolution 1275




**Source :** Developed by the student using the results from Microsoft Excel 2016

The results showed that a significant majority of the respondents, approximately 78%, answered affirmatively when asked about the application of the ministerial decision in their universities. This finding indicates a high level of acceptance and implementation of the decision among the surveyed individuals. The fact that the majority of respondents are supportive of the decision suggests that the idea of promoting entrepreneurship through the academic system has been successfully integrated into universities. This positive response can be seen as an encouraging sign for policymakers and educational institutions who aim to foster an entrepreneurial mindset among students. The high rate of acceptance indicates that the decision has resonated with the target audience and has effectively conveyed the importance of entrepreneurship as a viable career path and means of innovation.

On the other hand, approximately 22% They said that the decision was not implemented at the level of their universities . While this minority percentage may appear relatively small, it still represents a significant portion of the surveyed population. The dissenting views may stem from a variety of reasons, such as concerns over the practicality or effectiveness of the decision,

perceived barriers or challenges in the implementation process, or individual preferences for other career paths.

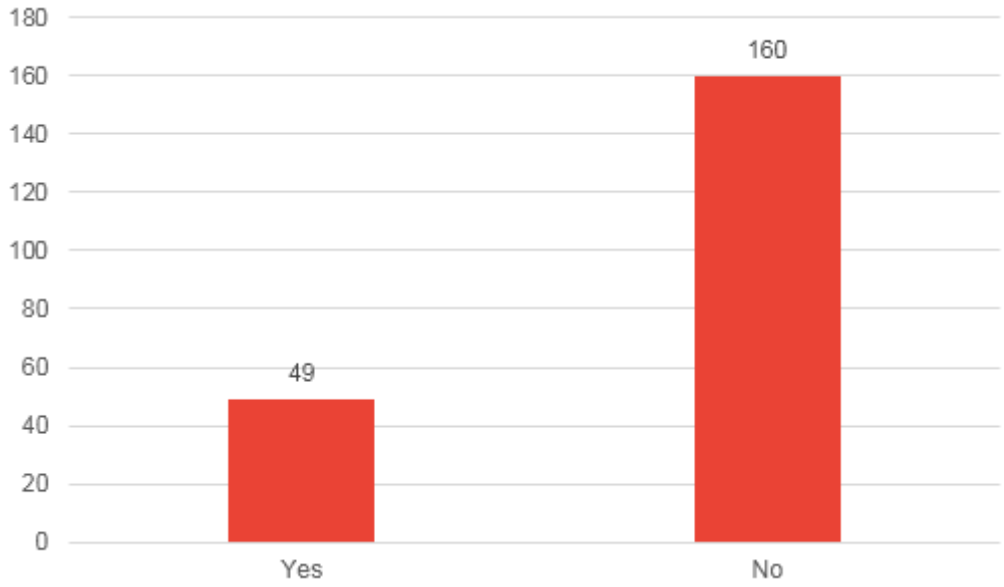
These diverging opinions within the sample provide valuable insights for policymakers and stakeholders. They indicate the need for further investigation and analysis to understand the reasons behind the dissent and to address any potential barriers or concerns that may hinder the full adoption of the decision. By understanding the perspectives of those who oppose the decision, policymakers can refine and tailor their strategies to ensure wider acceptance and engagement in entrepreneurship among students.

In summary, the analysis of the responses revealed that the majority of the surveyed individuals, accounting for approximately 78%, acknowledged and adhered to the ministerial decision related to startups and patents. This indicates a successful integration of the idea of entrepreneurship within the university environment. However, it is essential to consider the opinions of the minority (around 22%) who expressed their disagreement with the decision, as understanding their concerns and addressing any challenges can contribute to a more inclusive and effective implementation of policies related to entrepreneurship in Algeria's education system.

- **Distribution of Participants According to Registration Percentage in Ministerial Resolution 1275 :**

While the execution of the ministerial decision 1275 on startups and patents was well received by responders, it is crucial to highlight that the actual number of participants in the decision was small. Despite the good reaction from those who supported the decision, a large number of people opted not to participate for a variety of reasons.

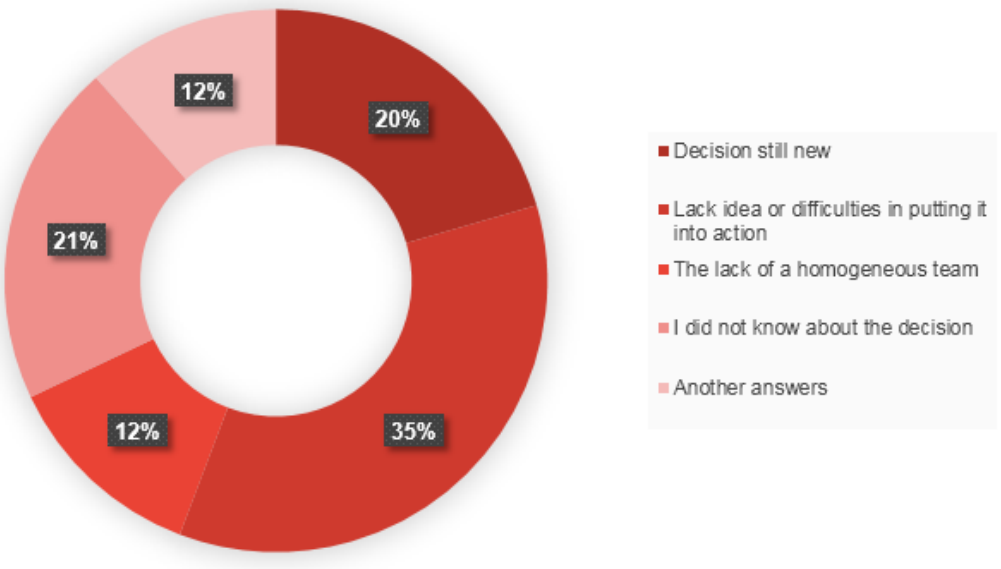
**Figure 21.3 :**Distribution of Participants According to Registration Percentage in Ministerial Resolution 1275




**Source :** Developed by the student using the results from Microsoft Excel 2016

Among the respondents, a total of 156 individuals stated that they did not register in the memorandum of a startup or an innovative project. These individuals provided various reasons for their decision not to participate, which can be categorized as follows:

**Figure 22.3 :** Reasons for not participating




**Source :** Developed by the student using the results from Microsoft Excel 2016

When examining the responses regarding the reasons for not registering in the memorandum of a startup or an innovative project, several key insights can be observed. The responses provide valuable information about the challenges and barriers faced by individuals in engaging with the entrepreneurial ecosystem in Algeria.

The most prominent obstacle, accounting for a significant percentage of 35%, is the lack of an idea or the difficulty of implementing one. This suggests that a considerable portion of respondents face personal challenges in generating innovative business ideas or translating their ideas into actionable plans. This obstacle could be attributed to factors such as limited exposure to the entrepreneurial environment, a lack of inspiration or creativity, or a lack of knowledge on how to develop and execute a viable business concept.

Fear of the decision and the associated risks is another significant factor mentioned by 20% of the respondents. The fear of embarking on something new and untested, particularly in the context of entrepreneurship, can be a strong deterrent for individuals who prefer stability and security over the uncertainties of starting a business. This fear may stem from concerns about financial risks, failure, or societal pressures associated with deviating from traditional career paths.

In addition, a noteworthy proportion of respondents mentioned that they were unaware of the decision altogether. This lack of awareness indicates that there may be a need for improved communication and dissemination of information regarding the memorandum and its benefits. Increasing awareness among the target audience can help address misconceptions, dispel fears, and encourage greater participation in the entrepreneurial ecosystem.

Other responses varied among the participants. Some individuals mentioned that they had graduated before the issuance of the decision, indicating a timing issue where they were not able to take advantage of the opportunities provided. Additionally, some respondents stated that their ideas were not accepted at the university incubators, suggesting a potential need for enhanced support and evaluation mechanisms to foster innovation and facilitate the acceptance of diverse business concepts.

It is also worth noting that a portion of the respondents expressed a lack of belief in the matter, doubting that they would receive adequate support or assistance in their entrepreneurial endeavors. This sentiment highlights the importance of building trust and confidence among individuals in the startup ecosystem by providing tangible resources, mentorship, and success stories that demonstrate the benefits and feasibility of entrepreneurship.

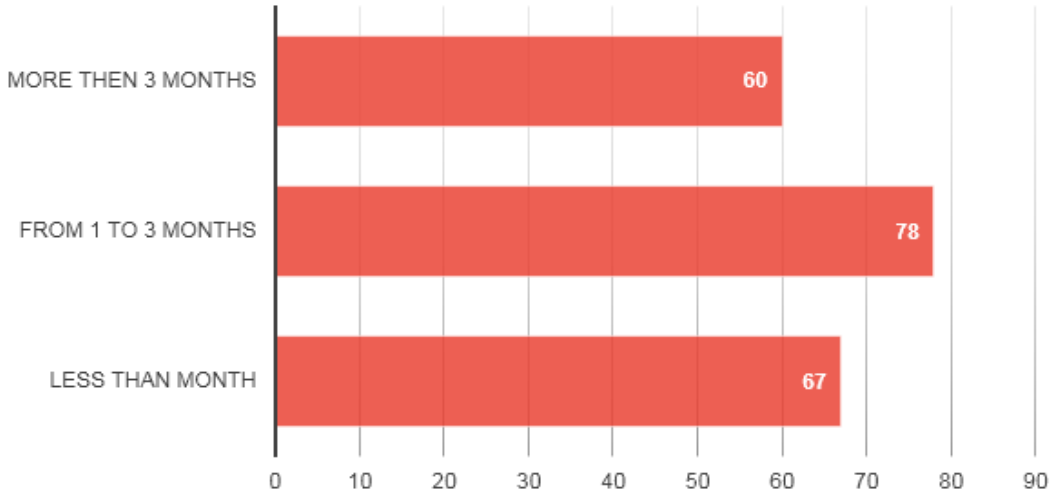
In summary, the analysis of the responses reveals that the main obstacles for not registering in the memorandum of a startup or an innovative project in Algeria include the lack of an idea

or the difficulty of implementation, fear of taking risks, lack of awareness about the decision, timing issues, rejection of ideas in university incubators, and a lack of belief in the support system. Addressing these challenges requires a multi-faceted approach involving the provision of education and training on idea generation and business planning, the reduction of perceived risks through supportive policies and resources, improved communication to increase awareness, and enhancing evaluation processes to ensure fairness and inclusivity in the startup ecosystem.

- **Distribution of the Sample across the Idea Generation and Startup Development Period:**

Upon analyzing the responses of the participants who registered in Ministerial Resolution 1275 and found their startup or innovative project ideas, several insights can be derived. The data provides valuable information about the duration it took for individuals to discover their ideas as the following chart shows :

**Figure 23.3:** Distribution of the Sample across the Idea Generation and Startup Development Period




**Source :** Developed by the student using the results from Microsoft Excel 2016

- Out of the total respondents who registered in the ministerial resolution (205 individuals), the majority, accounting for approximately 38% (78 persons) of the respondents stated that it took them between 1 to 3 months to discover their startup or innovative project idea. This indicates that a substantial portion of participants required a bit more time to brainstorm, explore different possibilities, and refine their ideas. It is plausible that these individuals engaged in thorough research, market analysis, and

consultations before finalizing their concept. This duration suggests a more iterative and deliberate approach to idea generation and validation And whether it existed before or not, because there must be innovative aspects in these ideas

- Around 33% (67 persons), indicated that they found their startup or innovative project idea in less than a month. This implies that a significant number of participants were able to quickly identify and conceptualize their ideas shortly after registering. The promptness in finding an idea suggests that these individuals might have had a clear vision or a pre-existing concept in mind, which they further developed upon their registration.
- Additionally, approximately 29% (60 persons) of the respondents mentioned that it took them more than 3 months to find their startup or innovative project idea. This group comprised individuals who invested a significant amount of time in idea exploration, experimentation, and refinement. The longer duration might have been driven by various factors, such as the complexity of the chosen domain, extensive market research, or the need for a deeper understanding of customer needs and preferences

When considering the timeframes reported by the respondents, it becomes evident that the majority of individuals took more than a month to find their startup or innovative project idea. Combining the responses of those who found their idea within 1 to 3 months (78 people) and those who took more than 3 months (60 people), we observe that a total of 138 participants, representing approximately 67% of the sample, needed a longer duration to identify their ideas.This finding highlights the intricate nature of the idea generation process and the time and effort required to develop a well-formed and viable concept. It suggests that for a significant portion of individuals, the journey of discovering an idea goes beyond an initial burst of creativity or a spontaneous inspiration. It involves extensive research, exploration of market opportunities, iterative thinking, and refining concepts to align them with market needs and demands.

The fact that a considerable number of respondents took more than a month to find their idea signifies the significance of perseverance, dedication, and continuous learning in the entrepreneurial journey. It also underscores the need for aspiring entrepreneurs to invest time and resources in understanding industry trends, customer preferences, and competitive landscapes before settling on a specific idea. The prolonged duration observed in finding startup ideas could be attributed to various factors. These may include the complexity of the industry or market niche, the need for in-depth market research, the identification of unique value propositions, and the consideration of feasibility and scalability. Moreover, the process of idea

development might involve seeking feedback from potential customers, conducting market tests, and iterating on the concept based on the gathered insights.

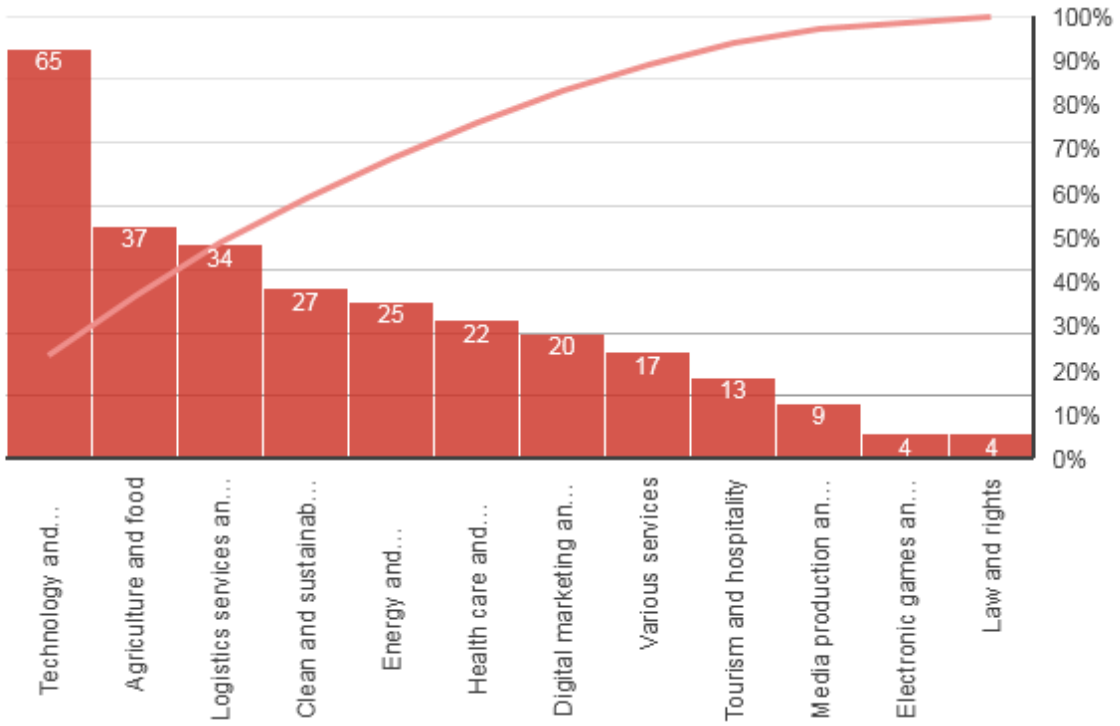
This information highlights the importance of patience and persistence in the entrepreneurial process. It suggests that entrepreneurs should embrace the iterative nature of idea generation, allowing for adjustments and adaptations along the way. Additionally, it emphasizes the value of providing aspiring entrepreneurs with the necessary resources, mentorship, and support networks to navigate the challenges and uncertainties encountered during the idea development phase. Understanding the timeframes involved in finding startup ideas allows policymakers, educational institutions, and support organizations to design initiatives that cater to the diverse needs of entrepreneurs. By acknowledging the time-intensive nature of idea generation, they can offer long-term programs, mentorship opportunities, and access to networks that facilitate idea exploration and refinement over an extended period..

To summarize, the majority of respondents in our survey required more than a month to come up with a startup or unique project concept. This discovery emphasizes the extensive and iterative nature of the idea generating process. It highlights the value of patience, continual learning, and market research in the development of well-formed and viable innovations. Stakeholders may provide targeted assistance to aspiring entrepreneurs as they navigate the arduous and rewarding road of concept discovery by understanding the timeframes involved.

- **Distribution of the sample according to the field of the innovative idea of startup :**

Analyzing the sample distribution based on the field of the creative business concept gives insights into the areas that participants are working on. Here is a well-organized explanation and analysis of the data.

**Figure 24.3:**Distribution of the sample according to the field of the innovative idea of startup




**Source :** Developed by the student using the results from Microsoft Excel 2016

**Technology and Software**: The highest number of respondents, with 65 individuals, expressed their interest in the field of technology and software. This indicates a strong emphasis on leveraging technological advancements to drive innovation and create software-based solutions. Participants in this category likely aim to develop applications, software platforms, or tech-driven products that cater to various industries and sectors.The high number of participants in this category reflects the significance of technology in driving entrepreneurship and economic growth.

**Agriculture and Food:** Following technology and software, 37 participants expressed their focus on agriculture and food-related ideas. This highlights the significance of the agricultural sector in Algeria and the interest in developing innovative solutions that enhance agricultural productivity, promote sustainable farming practices, or introduce value-added products to the market. The participants in this category may aim to leverage technology, precision agriculture, or sustainable farming methods to revolutionize the agricultural landscape.

**Logistics Services and E-commerce:** With 34 respondents, the field of logistics services and e-commerce ranks third in terms of participants' interest. This suggests a recognition of the growing demand for efficient logistics solutions and the increasing importance of e-commerce.

The participants in this category likely aim to develop innovative logistics services, last-mile delivery solutions, or e-commerce platforms that facilitate seamless online transactions.

**Energy and Environment:** Energy and environment garnered the attention of 25 respondents. This indicates a focus on sustainable practices, renewable energy sources, and environmental conservation. Participants in this category likely aim to develop innovative solutions, technologies, or services that promote energy efficiency, reduce environmental impact, or address specific environmental challenges.

**Health Care and Mental Health:** Approximately 22 respondents expressed their interest in the field of health care and mental health. This suggests a recognition of the importance of addressing healthcare challenges and promoting mental well-being. Participants in this category may aim to develop innovative healthcare solutions, telemedicine platforms, mental health support systems, or technologies that enhance access to quality healthcare services.

**Digital Marketing and Advertising:** The field of digital marketing and advertising attracted the interest of 20 respondents. This indicates a recognition of the significance of effective marketing strategies in today's digital landscape. Participants in this category likely aim to develop innovative digital marketing solutions, advertising platforms, or data-driven marketing tools that help businesses reach their target audiences and enhance their online presence.

**Various Services:** With 17 participants expressing their interest in various services, this category reflects a diverse range of innovative ideas that may not fall into specific sectors. The participants in this category may aim to develop unique service-oriented businesses or solutions that cater to specific needs or gaps in the market.

**Clean and Sustainable Industries:** Clean and sustainable industries rank eighth in terms of participants' interest, with 27 individuals expressing their focus in this area. This indicates a growing awareness and commitment to environmentally friendly practices and solutions. Participants in this category may aim to develop clean technologies, sustainable manufacturing processes, or eco-friendly products that contribute to environmental sustainability.

**Tourism and Hospitality:** The field of tourism and hospitality attracted the interest of 13 respondents. This suggests an interest in leveraging Algeria's cultural heritage and natural resources to develop innovative tourism experiences and hospitality services. Participants in this category may aim to create unique travel experiences, accommodation platforms, or tourism-related technologies that contribute to the growth of the tourism industry.

**Digital Media Production and Arts:** Approximately 9 participants expressed their interest in digital media production and arts. This suggests a focus on leveraging creative industries, visual arts, or media production to develop innovative content, platforms, or services.

Participants in this category may aim to create digital media platforms, artistic collaborations, or content production companies that contribute to the media and arts landscape in Algeria.

**Law and Rights:** The field of law and rights attracted the interest of 4 respondents. This indicates a focus on legal issues, human rights, or legal services. Participants in this category may aim to develop innovative legal solutions, legal aid services, or initiatives that promote access to justice and protect individual rights.

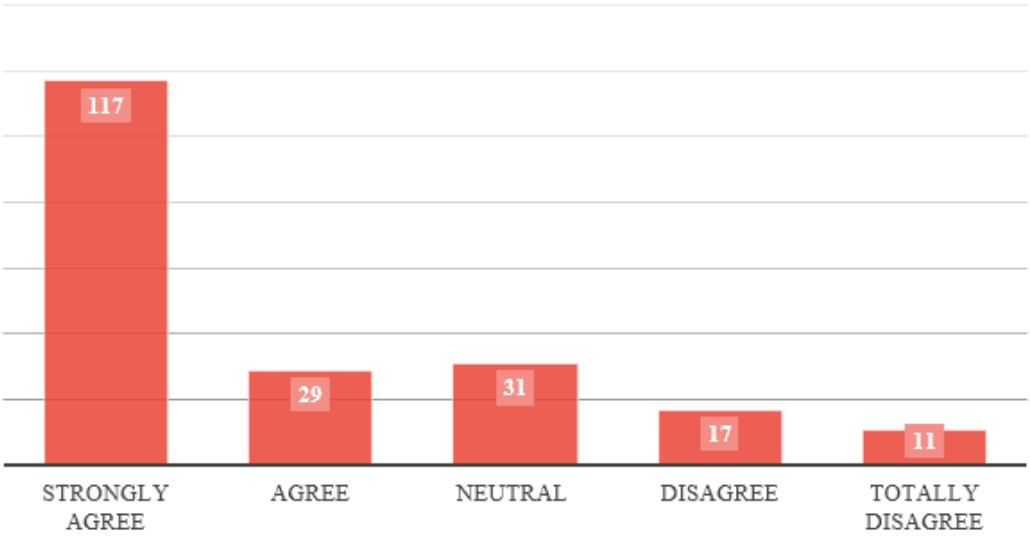
**Electronic Games and Entertainment:** With only 4 respondents expressing their interest in electronic games and entertainment, this category represents the lowest level of interest in the sample. However, it still highlights a niche market and potential opportunities for game development and entertainment-related innovations.

The distribution of the sample according to the field of the innovative idea of startups provides valuable insights into the areas of interest and potential growth in the entrepreneurial landscape of Algeria. It showcases the diversity of sectors and the entrepreneurial spirit among participants.

- **Distribution of the Sample Based on Application Portability and Idea Development:**

When examining the distribution of the sample by the portability of the application and the development of the idea, we further explored the participants' confidence levels in the development and implementation of their projects. The data provides insights into the participants' attitudes and beliefs regarding the feasibility and potential success of their startup ideas. Here is an organized interpretation and analysis of the information:

**Figure 25.3** : Distribution of the Sample Based on Application Portability and Idea Development




**Source :** Developed by the student using the results from Microsoft Excel 2016

The respondents were asked to express their level of agreement or disagreement with the statement regarding their confidence in the development and implementation of their projects. The distribution of responses is as follows:

**Strongly agree:** A significant number of participants, totaling 117 individuals, expressed a strong sense of confidence in the development and implementation of their projects. This suggests that these individuals believe in the viability and potential success of their startup ideas. Their confidence indicates a firm belief in their abilities, the market potential of their projects, and the effectiveness of their execution strategies.

**Agree:** 29 participants indicated agreement with the statement, signifying a positive outlook on the development and implementation of their projects. While their level of confidence might not be as strong as those who strongly agree, they still believe in the potential of their ideas and express optimism about their execution.

**Neutral:** 31 respondents expressed a neutral stance regarding their confidence in the development and implementation of their projects. This indicates a level of uncertainty or mixed feelings about the feasibility and success of their startup ideas. These individuals may have reservations or may require further validation or support to solidify their confidence in their projects.

**Disagree:** 17 participants disagreed with the statement, indicating a lack of confidence in the development and implementation of their projects. This suggests that these individuals have doubts or concerns about the viability, execution, or potential success of their startup ideas. They may perceive significant challenges or obstacles that hinder their confidence in achieving their goals.

**Totally disagree:** The smallest group, consisting of 11 individuals, expressed a complete disagreement with the statement. This suggests a complete lack of confidence in the development and implementation of their projects. These participants may harbor significant doubts or pessimism regarding the feasibility or potential success of their startup ideas. They might perceive their projects as unviable or face significant barriers that hinder their confidence.

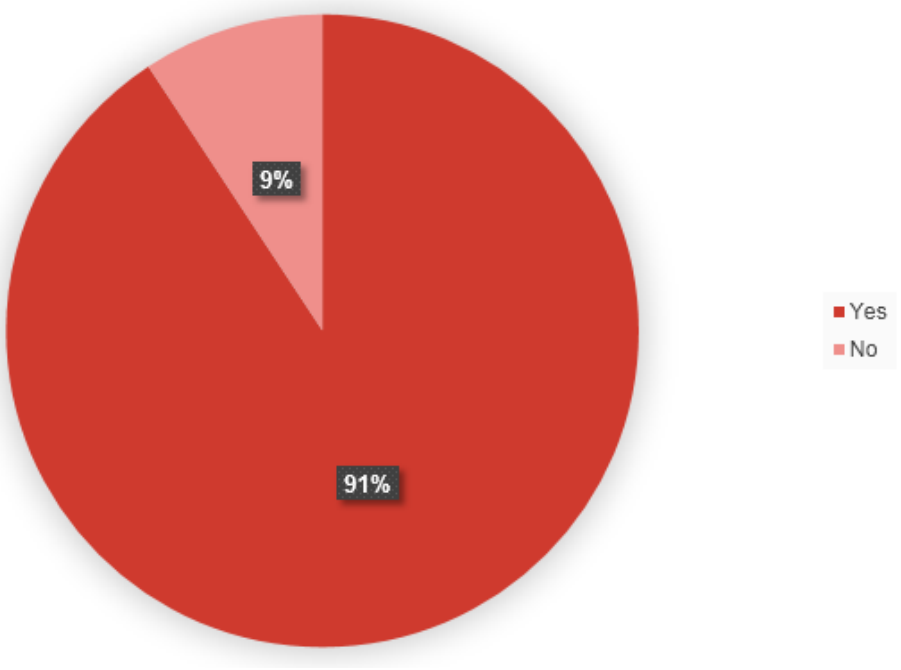
Analyzing the distribution of responses provides valuable insights into the overall confidence levels of the sample regarding their startup ideas. The substantial number of participants who strongly agree or agree indicates a positive outlook and a strong belief in the potential of their projects. However, the presence of respondents who expressed neutral, disagree, or totally disagree reflects varying degrees of uncertainty, skepticism, or concerns among certain individuals. It is important to note that confidence levels can be influenced by

factors such as the stage of idea development, market research, mentorship, access to resources, and personal experiences. Addressing the concerns and doubts of individuals who expressed neutral, disagree, or totally disagree responses can help provide them with the necessary support, guidance, and resources to enhance their confidence and increase their chances of success.

Understanding the range of confidence levels within the sample can help politicians, support groups, and educational institutions customize their programs and activities to entrepreneurs' individual requirements. Stakeholders may assist boost participants' confidence in their startup ideas, establish an atmosphere conducive to innovation and entrepreneurship, and raise the overall success rate of startup firms by offering targeted support, guidance, and resources.

- **Distribution of the Sample Based on the Impact of the Lack of Information and Statistics on Startups in Algeria :**

**Figure 26.3 :** Distribution of the Sample Based on the Impact of the Lack of Information and Statistics on Startups in Algeria




**Source :** Developed by the student using the results from Microsoft Excel 2016

**Lack of Information and Statistics as a Problem (91%):** The high percentage of respondents acknowledging the lack of information and statistics about startups in Algeria as a problem suggests that there is a significant need for accurate and accessible data in the startup ecosystem. The reasons for considering this a problem may include:

a) Limited Awareness: Many people can not get access to complete information regarding startups in Algeria, such as number of startups, their industries, funding opportunities, success stories, and support networks. . This lack of awareness makes it difficult for potential entrepreneurs to make educated judgments or grasp the tools accessible to them.

b) Inadequate Policy Development: Insufficient information and statistics can impede policymakers' ability to develop effective strategies and policies that support the growth and development of startups. Without accurate data, it becomes challenging to identify the specific needs of startups, allocate resources, and design programs that address the key challenges they face.

c) Investor Confidence: Investors play an important role in startup funding, and their decisions are greatly influenced by trustworthy data and statistics. Investors may be discouraged from actively engaging in the startup ecosystem if such data is unavailable, since they may believe it to be risky or unpredictable.

d) Research and Development: The absence of information and statistics hampers research and development efforts in understanding the dynamics of the startup landscape, identifying trends, and conducting in-depth analysis. This limits the ability to generate insights and knowledge that can inform decision-making, policy formulation, and academic research.

e) Networking and Collaboration: Access to information and data is critical for facilitating networking and cooperation among companies, entrepreneurs, incubators, accelerators, and support groups. The lack of data may hinder the formation of meaningful connections, partnerships, and knowledge-sharing opportunities.

**Lack of Information and Statistics not as a Problem (9%):** The small percentage of respondents who did not perceive the lack of information and statistics about startups in Algeria as a problem may have various reasons for their viewpoint. These reasons could include:

a) Personal Experience: Some respondents might have had positive experiences and achieved success in their startup endeavors without relying heavily on existing information and statistics. They may have found alternative ways to gather relevant data or believe that their own networks and resources provide sufficient information.

b) Confidence in Existing Resources: Some respondents may believe that the knowledge and data provided are already enough, or that they have access to credible sources through their professional networks or support groups. They may believe that additional data collection efforts are unnecessary or redundant.

c) Focus on Other Factors: Some respondents may consider other challenges or obstacles, such as funding, market competition, or regulatory barriers, to be more significant in impacting

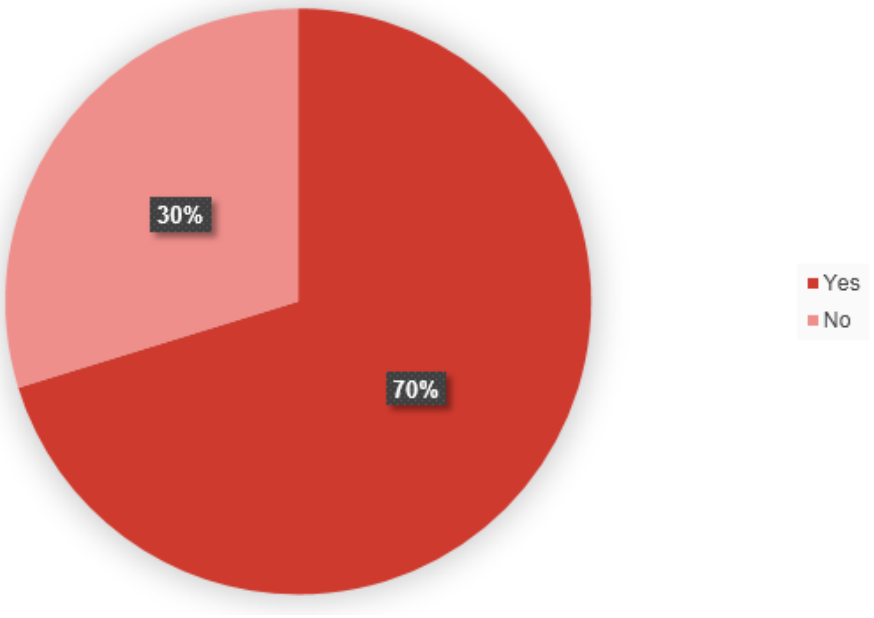
the success or failure of startups. Thus, they may not prioritize the lack of information and statistics as a primary concern.

Overall, the overwhelming majority of respondents expressing concern about a lack of knowledge and statistics concerning startups in Algeria highlights a vital need for comprehensive and easily available data. Addressing this issue may improve decision-making, policy development, investor trust, research, and cooperation within the startup ecosystem, eventually boosting the growth and success of Algerian businesses.

- **Distribution of the Sample Based on the Difficulty in Finding a Team that Meets the Requirements of the Innovative Idea :**

The distribution of the sample regarding the difficulty in finding a team to work with, according to the requirements of their innovative idea, shows that 70% of respondents answered affirmatively, while 30% responded negatively.

**Figure 27.3 :**Distribution of the Sample Based on the Difficulty in Finding a Team that Meets the Requirements of the Innovative Idea




**Source :** Developed by the student using the results from Microsoft Excel 2016

**Difficulty in Finding a Team as a Problem (70%):** The high percentage of respondents acknowledging the difficulty in finding a team to work with according to their innovative idea indicates that this is a significant challenge in the startup ecosystem. The reasons for considering this a problem may include:

a) Skill and Expertise Gap: Finding a team with the appropriate skills and knowledge to implement an innovative idea might be difficult. Startups frequently require people with specific skills in areas like as technology, marketing, finance, and operations. The shortage of such persons with the necessary skill sets might make assembling an effective team problematic.

b) Limited Networking and Connections: Building a team often relies on personal networks and connections. If entrepreneurs have a limited network within their industry or lack access to relevant communities or networks, it becomes more challenging to find potential team members. This can lead to a shortage of qualified individuals who are aligned with the startup's vision and goals.

c) Competition for Talent: In a competitive startup ecosystem, talented individuals are sought after by several firms. Startups may encounter difficulties in attracting and maintaining top employees, particularly when established organizations or well-funded startups may offer more competitive compensation, perks, and prospects for career advancement. This increases the challenge of assembling a team that fulfills meets the requirements of the innovative idea.

d) Cultural Fit and Alignment: Creating a cohesive and aligned team is crucial for startup success. Entrepreneurs often seek team members who share their passion, vision, and work ethic. Finding individuals who not only possess the required skills but also align with the startup's values and culture can be a significant hurdle.

**No Difficulty in Finding a Team (30%):** The smaller percentage of respondents who did not perceive difficulty in finding a team that meets the requirements of their innovative idea may have various reasons for their viewpoint. These reasons could include:

a) Existing Network and Connections: Some respondents may have a well-established network or connections within their industry or professional circles. They may find it relatively easier to identify and recruit individuals who meet the requirements of their innovative idea from their existing network.

b) Market Demand for the Idea: Potential team members may be more motivated to join the business if the unique concept serves a pressing market need or is in a high-demand industry. The attraction of the concept itself might make it simpler to locate people who want to work on it.

c) Skillset Compatibility: In certain cases, the specific skill set required for the innovative idea may not be overly niche or rare, making it relatively easier to find individuals with the necessary qualifications. The compatibility of the skill requirements with the available talent pool can contribute to a smoother team-building process.

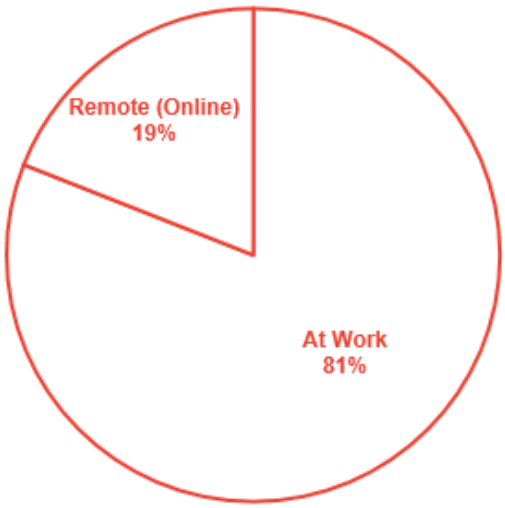
d) Flexible Team Structure: Some entrepreneurs may have a more flexible approach to team formation, opting for alternative arrangements such as partnerships, freelancers, or outsourcing certain tasks. This flexibility allows them to work with individuals who possess the required skills on a project basis, rather than assembling a permanent team.

Overall, the majority of responders who are having trouble recruiting a team that fulfills the needs of their unique idea indicate a key obstacle in the startup environment. This problem is exacerbated by factors like as skill and knowledge gaps, restricted networks, talent competition, and cultural fit concerns. Those who did not suffer difficulty may have benefited from existing networks, market demand for their concept, skill set compatibility, or flexible team arrangements. Addressing team formation difficulties and giving help and resources to entrepreneurs in developing competent teams may greatly contribute to the success of startups in Algeria.

- **Distribution of the Sample Based on the Preference for Remote Work or Workplace Environment :**

Analyzing the data on the preference for working remotely or in the workplace when it comes to running the idea of a startup, we can observe the following order from highest to lowest:

**Figure 28.3 :** Distribution of the Sample Based on the Preference for Remote Work or Workplace Environment




**Source :** Developed by the student using the results from Microsoft Excel 2016

- **At work :** The majority of respondents, 166 people ( 81% ), expressed a preference for working in a traditional workplace setting for running their startup idea . This indicates that a sizable proportion of the sample valued the physical presence and cooperation that come with working in a shared office setting. Face-to-face encounters, real-time communication, and an organized work environment may be prioritized.

**Reasons for the preferences:**

The preference for working at the workplace (at work) may stem from several factors. Some reasons could include:

- Collaboration and teamwork: Working in a physical office setting allows for easier collaboration and face-to-face interactions with team members. It enables real-time brainstorming, problem-solving, and immediate feedback, fostering a sense of unity and teamwork.

- Access to resources: Office spaces often provide access to necessary resources, such as high-speed internet, specialized equipment, meeting rooms, and other facilities that can support the development and implementation of startup ideas.

- Structured work environment: Working in an office can provide a structured and organized work environment, which may be beneficial for individuals who prefer a clear separation between their personal and professional lives.

- Networking opportunities: Physical workplaces offer opportunities for networking and building relationships with colleagues, mentors, potential investors, and industry professionals. These connections can provide valuable support, guidance, and access to resources.

- **Remote (Online) :** A smaller number of respondents, 39 individuals, indicated a preference for working remotely or online when it comes to running their startup idea. This suggests that a minority of the sample prefers the flexibility and freedom that comes with remote work. They may value the ability to work from any location, reduced commute time, and the potential cost savings associated with not needing a physical workspace.

**Reasons for the preferences:**

On the other hand, the preference for remote work (online) may be influenced by different factors, including:

- Flexibility and work-life balance: Remote work allows for more flexibility in terms of working hours and location. It can provide

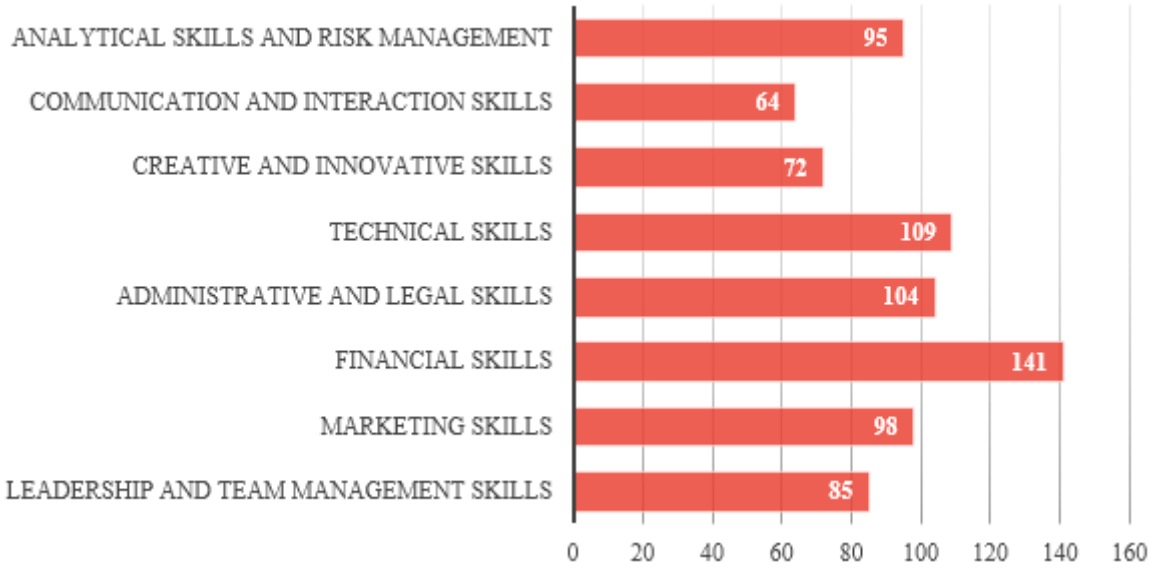
individuals with the ability to better balance their work and personal commitments, potentially leading to increased job satisfaction and improved work-life balance.

- Cost savings: Remote work eliminates the need for commuting, office rent, and other expenses associated with a physical workspace. This can result in cost savings for the startup and may be particularly attractive for entrepreneurs who want to minimize overhead costs.
- Increased autonomy and independence: Working remotely allows individuals to have more control over their work environment and processes. They can design their own work routine, customize their workspace, and have greater autonomy in decision-making.
- It is important to note that the preferences for working remotely or in the workplace can vary depending on individual preferences, the nature of the startup idea, industry requirements, and personal circumstances. Both options have their advantages and disadvantages, and the optimal choice may differ for each entrepreneur based on their specific needs and goals.

- **Distribution of the Sample Based on Skills required for project application :**

Analyzing the data on the skills required for project application based on the sample, we can observe the following order from highest to lowest:

**Figure 29.3 :** Distribution of the Sample Based on Skills required for project application




**Source :** Developed by the student using the results from Microsoft Excel 2016

**Financial skills (141):** The highest number of respondents, 141 individuals, identified financial skills as essential for project application. This indicates the significance of

understanding financial concepts, such as budgeting, financial planning, forecasting, and investment analysis, in the success of startup ventures. Financial skills are crucial for managing the financial resources of a startup, attracting investment, and ensuring sustainable growth.

**Administrative and legal skills (104):** The next highest number of respondents, 104 individuals, recognized the importance of administrative and legal skills for project application. These skills involve understanding regulatory frameworks, intellectual property rights, contract management, and overall organizational governance. Administrative and legal competencies are essential for startups to navigate legal complexities, protect their intellectual property, and ensure compliance with relevant laws and regulations.

**Technical skills (109):** Technical skills ranked third, with 109 respondents highlighting their importance for project application. Technical skills encompass specific knowledge and expertise related to the industry or field in which the startup operates. This can include programming languages, software development, data analysis, engineering, or any other specialized technical knowledge. Having the right technical skills is crucial for the successful implementation and development of innovative ideas.

**Marketing skills (98):** Marketing skills were recognized as important by 98 respondents. Marketing skills involve understanding consumer behavior, market analysis, branding, digital marketing, and communication strategies. Effective marketing plays a vital role in attracting customers, creating brand awareness, and driving sales for startup ventures. Having strong marketing skills helps startups to effectively position their products or services in the market and gain a competitive edge.

**Analytical skills and risk management (95):** The importance of analytical skills and risk management was acknowledged by 95 respondents. Analytical skills involve the ability to gather and interpret data, conduct market research, and make informed decisions based on data analysis. Risk management skills are crucial for identifying potential risks, developing mitigation strategies, and making calculated decisions to minimize uncertainties and maximize opportunities.

**Leadership and team management skills (85):** Leadership and team management skills were recognized by 85 respondents. These skills involve the ability to lead and inspire a team, facilitate effective collaboration, delegate tasks, and provide guidance and motivation. Effective leadership and team management are essential for creating a positive work environment, fostering innovation, and driving the success of startup ventures.

**Creative and innovative skills (72):** Creative and innovative skills were highlighted by 72 respondents. These skills involve thinking outside the box, generating novel ideas, problem-

solving, and adapting to changing market dynamics. Creativity and innovation are crucial for startups to develop unique solutions, differentiate themselves from competitors, and stay ahead in the market.

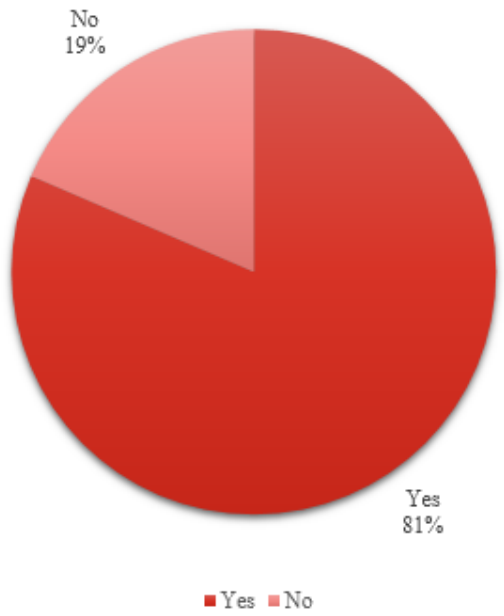
**Communication and interaction skills (64**): Communication and interaction skills were identified as important by 64 respondents. These skills encompass effective verbal and written communication, active listening, networking, and building relationships. Strong communication skills are vital for startups to convey their ideas, negotiate with stakeholders, attract partners or investors, and build a strong network.

Comparing the data, we can observe that financial skills, administrative and legal skills, technical skills, and marketing skills are highly valued by the respondents. These skills are fundamental for the successful operation, growth, and sustainability of startups. On the other hand, skills such as creative and innovative skills, communication and interaction skills, leadership and team management skills, and analytical skills and risk management are also considered important but to a slightly lesser extent. Developing a well-rounded skill set that encompasses these various areas can significantly enhance the chances of success for startup ventures in Algeria.

- **Distribution of the sample according to the desire to enter into a partnership in exchange for a percentage :**

Analyzing the data on the acceptance of the idea of partnering with a financial backer who offers funding and expansion opportunities in exchange for a percentage of the project, we can observe the following:

**Figure 30.3** : Distribution of the sample according to the desire to enter into a partnership in exchange for a percentage




**Source :** Developed by the student using the results from Microsoft Excel 2016

- **Yes (167):** The majority of respondents, comprising 81% of the sample, expressed acceptance of the idea of joining forces with a partner who provides financial support and helps expand their project in return for a share in the project. This indicates that a significant portion of the participants sees the potential benefits of such a partnership and is willing to trade ownership or control for the resources needed to scale their startup.

Reasons for acceptance:

The acceptance of partnering with a financial backer can be attributed to various factors, including:

- Access to funding: Securing financial resources is a common challenge for startups, and partnering with a backer who offers funding can provide the necessary capital to support business growth, product development, marketing efforts, and expansion into new markets.
- Expertise and network: A partner with financial backing often brings valuable expertise, industry knowledge, and a network of contacts. This can provide startups with guidance, mentorship, access to industry connections, and potential business opportunities.
- Shared risk and responsibility: By sharing ownership and control with a partner, entrepreneurs can distribute the risks and responsibilities associated with running a startup.

This can provide a support system and alleviate the burden of decision-making and financial pressures.

- **No (38):** A smaller number of respondents, accounting for 19% of the sample, indicated a reluctance to accept the idea of partnering with a financial backer who would take a percentage from their project. This suggests that a minority of the participants prefer to retain full ownership and control over their project, potentially valuing independence, creative freedom, and decision-making authority.

Reasons for refusal:

The reluctance to accept the idea of partnering with a financial backer can stem from several considerations, such as:

- Maintaining control and autonomy: Some entrepreneurs value maintaining full ownership and control over their project, as it allows them to make independent decisions, shape the direction of their startup, and retain creative freedom.

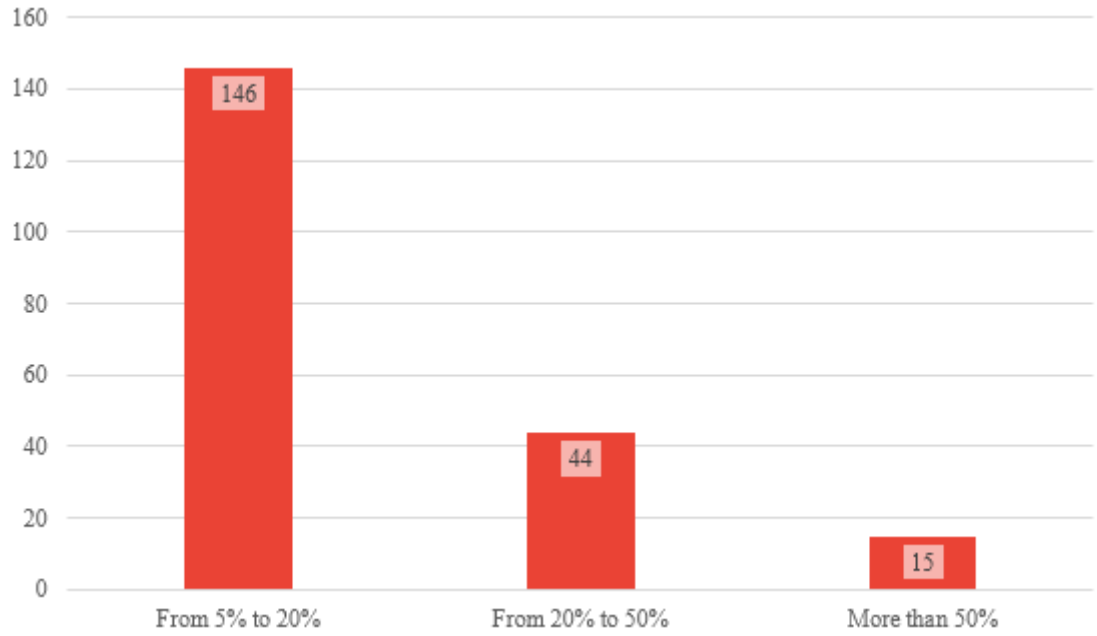
- Long-term financial implications: Giving away a percentage of the project in exchange for funding and support may involve long-term financial obligations and potentially impact future profits. Some entrepreneurs may prioritize preserving a larger share of the financial rewards and growth potential.

- Alignment of values and vision: Entrepreneurs may be hesitant to partner with a backer if there is a misalignment of values, vision, or strategic direction. They may prioritize maintaining a strong connection to their original mission and ensuring that the project stays true to their intended purpose.

It is important to note that the decision to accept or decline a partnership with a financial backer is influenced by a number of factors, including the startup's specific circumstances, the terms of the partnership agreement, the compatibility of the parties involved, and the entrepreneurs' individual goals and priorities. Before making a choice, every entrepreneur must thoroughly analyze their alternatives and assess the potential benefits and negatives.

- **Distribution of the Sample Based on the Percentage People are Willing to Offer in Return for Project Financing The percentage that people are willing to offer in return for financing their project :**

**Figure 31.3 :**Distribution of the Sample Based on the Percentage People are Willing to Offer in Return for Project FinancingThe




**Source :** Developed by the student using the results from Microsoft Excel 2016

- **From 5% to 20% (146):** The majority of respondents, constituting approximately 73% of the sample, indicated a willingness to offer a percentage between 5% and 20% in return for financing their project. This suggests that a significant portion of the participants recognizes the need to share ownership or returns with a financial backer in order to secure the necessary funding for their startup.

Reasons for offering a lower percentage (5% to 20%):

The willingness to offer a lower percentage can be attributed to several reasons, including:

- Negotiating leverage: Entrepreneurs offering a lower percentage may be aiming to retain a significant stake in their project, giving them more negotiating power and decision-making authority in the long run.

- Long-term ownership: By offering a lower percentage, entrepreneurs aim to maintain a larger ownership stake in their project, allowing them to benefit from future profits and potential growth.

- Control and decision-making: Offering a lower percentage ensures that entrepreneurs retain a greater degree of control and autonomy over the direction and operation of their startup, allowing them to make strategic decisions independently.

- **From 20% to 50% (44):** A smaller number of respondents, accounting for around 22% of the sample, expressed a willingness to offer a higher percentage, ranging from 20% to 50%. This indicates that a portion of the participants is prepared to trade a more substantial share of their project for the financial resources needed to support its growth and development.

Reasons for offering a higher percentage (20% to 50%):

- The willingness to offer a higher percentage can be attributed to various factors, including:
- Access to capital: Startups requiring significant funding to launch or scale their operations may be more willing to offer a higher percentage in return for securing the necessary financial resources
- Strategic partnerships: Entrepreneurs may see the value in partnering with a backer who brings not only financial support but also industry expertise, network connections, and resources that can contribute to the success and growth of the startup.
- Risk-sharing: By offering a higher percentage, entrepreneurs can distribute the risks and responsibilities of the project with the financial backer, mitigating their own financial exposure and potential losses.

- More than 50% (15): A minority of respondents, comprising approximately 7% of the sample, stated their willingness to offer more than 50% of their project in return for financing. This suggests that a small number of participants are willing to relinquish majority ownership and control in order to secure the necessary funding, potentially valuing the immediate financial support and resources over retaining a larger stake in the long term.

Reasons for offering more than 50%:

The willingness to offer more than 50% of the project in return for financing is relatively low, but the reasons for doing so could include:

- Urgent need for funding: Entrepreneurs facing significant financial constraints or time-sensitive opportunities may be willing to sacrifice majority ownership in order to secure immediate funding.
- Limited alternative options: In situations where traditional funding sources are scarce or inaccessible, entrepreneurs may be compelled to offer a larger percentage to attract alternative sources of financing.

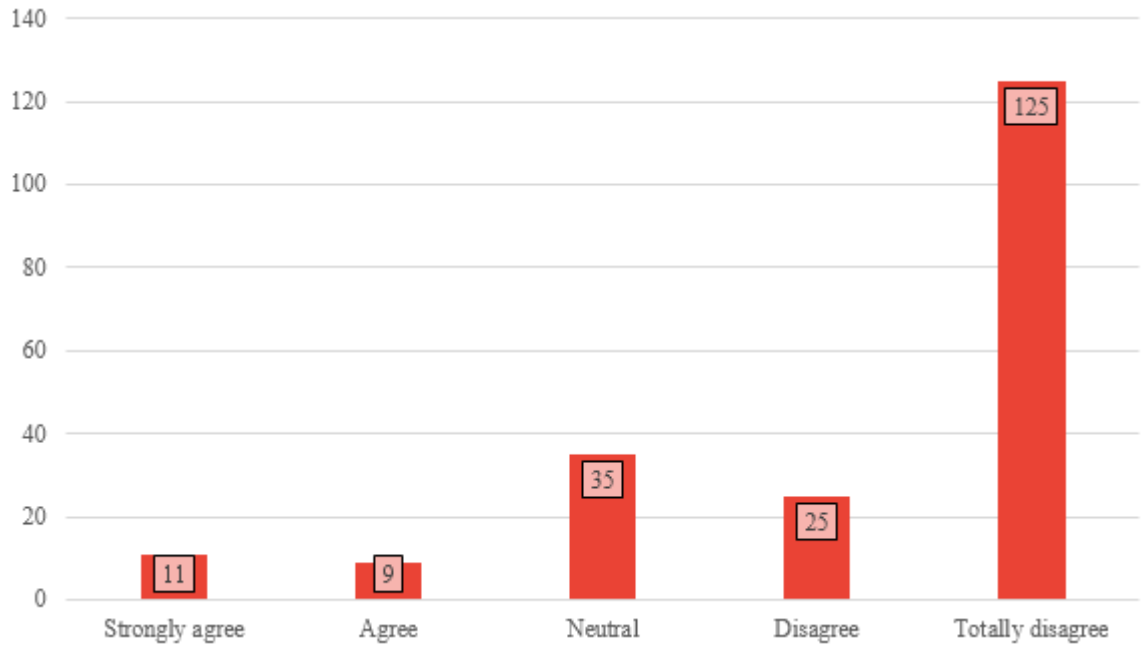
- Strategic value: Offering more than 50% may be driven by the recognition that the financial backer brings substantial strategic value, such as industry expertise, market access, or a strong network, which can significantly enhance the startup's chances of success.

, It's important to note that the percentage offered in return for financing varies based on the specific circumstances of the startup, the perceived value of the project, the negotiation process, and the level of competition for funding. Entrepreneurs should carefully consider their funding needs, the potential benefits of a partnership, and the long-term implications before deciding on the percentage they are willing to offer.

- **Distribution of sample based on the possibility of abandoning the idea and implementing the project in exchange for a job with an income of more than 50,000 DZD :**

The data reveals the respondents' opinions regarding the possibility of abandoning their startup idea and instead pursuing a job with an income of more than 50,000 DZD. Here is the analysis and interpretation of the data:

**Figure 32.3 :**Distribution of sample based on the possibility of abandoning the idea and implementing the project in exchange for a job with an income of more than 50,000 DZD




**Source :** Developed by the student using the results from Microsoft Excel 2016

**Totally disagree:** The highest percentage of respondents, accounting for 46.3% (125 persons), strongly oppose abandoning their startup idea for a job with a higher income. These individuals are committed to their entrepreneurial aspirations and are not willing to compromise their vision for immediate financial gains.

**Neutral:** Approximately 28.7% of respondents are neutral (35 persons) , indicating that they are hesitant or undecided about abandoning their company concept for a well-paying employment. This group may be analyzing the benefits and drawbacks of both alternatives or contemplating the stability and security that a job provides.

**Disagree:** About 17.1% of respondents disagree (25 persons) with the idea of abandoning their startup for a high-paying job. Although not as strong as those who totally disagree, this group still holds reservations about giving up on their entrepreneurial dreams.

**Strongly agree:** Only 3% of respondents strongly agree (11 persons ) with the possibility of abandoning their startup and choosing a job with a higher income. This small percentage suggests that a few individuals prioritize immediate financial stability over pursuing their entrepreneurial ventures.

**Agree:** Similarly, a minimal percentage of 2.5 of respondents agree (9 persons ) with abandoning their startup idea for a job with a higher income. These individuals may have weighed the financial benefits and decided that a stable job is a more desirable option for them at the moment.

In summary, the majority of respondents (71.8%) either strongly disagree, disagree, or are neutral about giving up their company concept for a high-paying employment. This indicates a strong dedication and commitment to their entrepreneurial aspirations, as they prioritize their long-term vision and personal fulfillment over immediate financial gains.

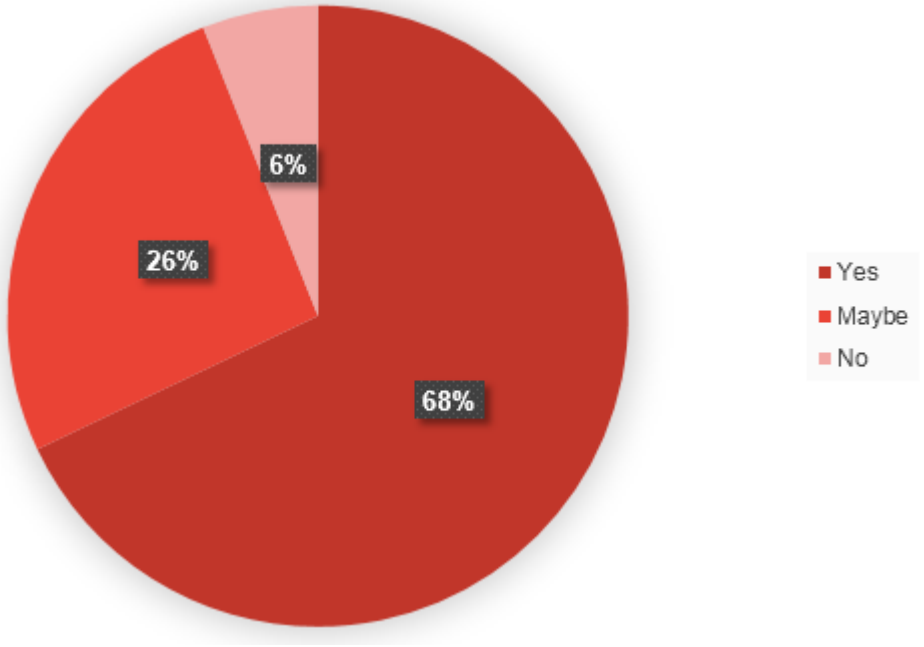
- **Sample distribution according to the interaction with the idea of Freelance :**

In order to understand the level of interaction with the idea of freelance work among respondents, we conducted a survey that included students, project holders, and employees. The sample size for this survey was 365 individuals. By examining their perspectives and experiences, we aimed to gain insights into the prevalence and attitudes towards freelance work in our target population.

- **Respondents confidence in the freelance :**

The data indicates the respondents' level of confidence in engaging in freelance work. Here is the analysis and interpretation of the data:

**Figure 33.3 :** confidence in the freelance




**Source :** Developed by the student using the results from Microsoft Excel 2016

- Yes: The highest percentage, 68% of respondents indicated confidence in pursuing freelance employment. These people are eager to investigate freelancing options, demonstrating a favorable attitude toward the freedom and independence that freelance employment provides.
- Maybe: Approximately 26% of respondents indicated a level of uncertainty or hesitancy about engaging in freelance work. These individuals may have reservations or concerns about the stability and consistency of income, client acquisition, or other factors related to freelance work. They are open to the idea but may require further information or reassurance before fully committing.
- No: The lowest percentage, at 6% of respondents, expressed a lack of confidence in pursuing freelance work. These individuals are not inclined towards freelance opportunities, possibly due to a preference for traditional employment structures, job security, or a lack of interest in self-employment. They may prefer the stability and benefits offered by traditional employment settings.

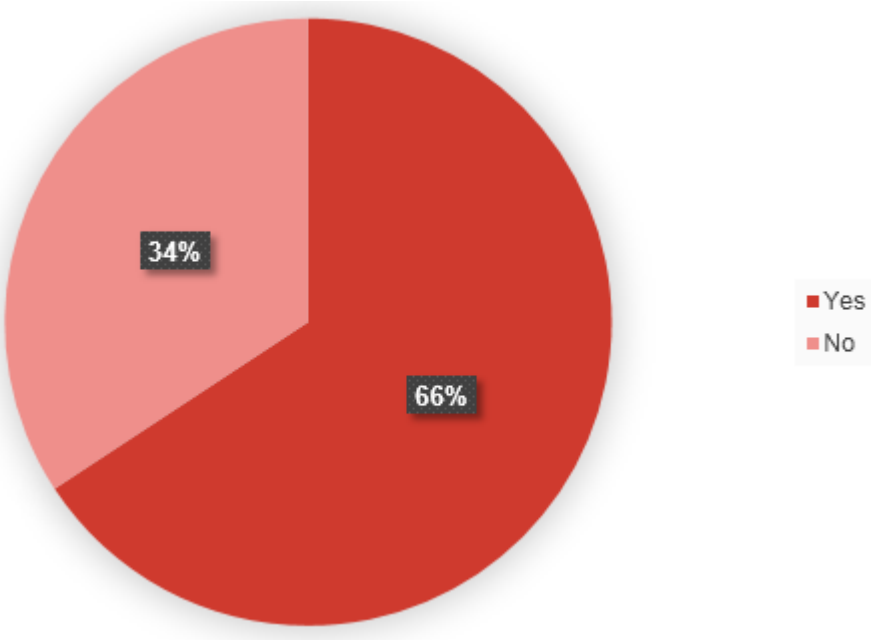
Overall, the majority of respondents (68%) are optimistic and confident about doing freelance work. This reflects an increasing acceptance and interest in the freelance economy, which is motivated by considerations including as flexibility, autonomy, The group expressing uncertainty (26%) suggests that there may be some barriers or concerns that need to be

addressed to encourage a larger portion of the population to embrace freelance work.. The tiny fraction of respondents (6%) who are not confident in freelancing employment may have different job interests or objectives.

- **Distribution of the sample by whether they dealt with Freelace as a customer and how do they rate the experience :**

The data illustrates the sample's distribution depending on whether they have dealt with Freelance as a customer. Here is the data analysis and interpretation:

**Figure 34.3 :** Distribution of the sample by whether they dealt with Freelace as a customer




**Source :** Developed by the student using the results from Microsoft Excel 2016

- Yes : the majority of respondents, 66% (240 people), have interacted with Freelance as a consumer. This suggests that a sizable proportion of the sample has used freelancers to get various services or goods. These responders have most likely recognized the advantages of working with freelancers, such as access to specialized talents, cost-effectiveness, and project deadline flexibility.
- No: Approximately 34% of respondents (125 individuals) have not dealt with Freelance as a customer. This suggests that a considerable portion of the sample has not yet utilized freelance services or products. There could be several reasons for this, such as relying on in-house resources, preferring traditional service providers, or being unaware of the advantages of engaging with freelancers.

When comparing the two categories, it is clear that the vast majority (66%) had already used Freelance as a customer. This demonstrates a growing acceptance and understanding of

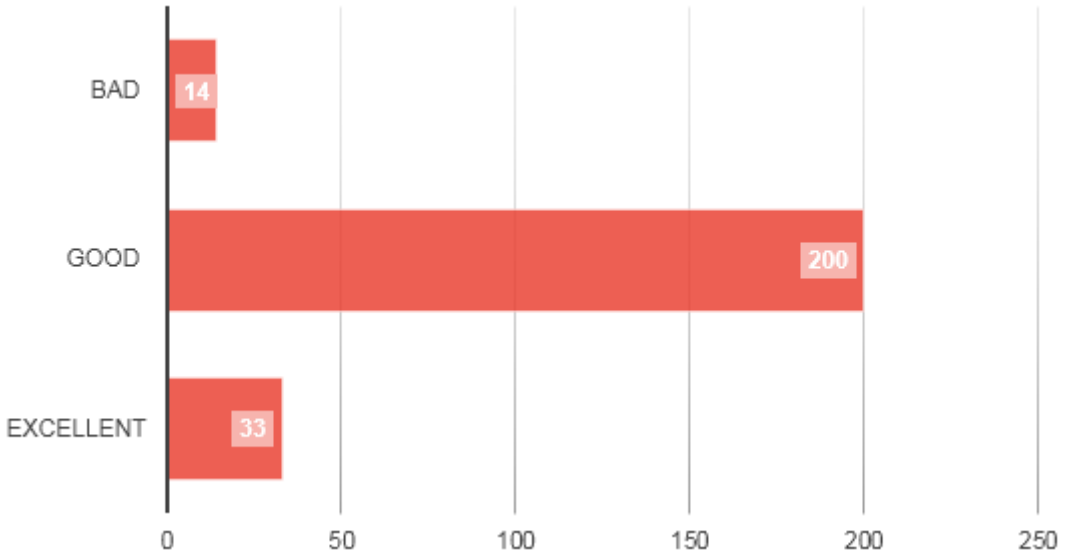
the value that freelancers may provide to organizations and people. The group that has never used Freelance (34%) may benefit from more education or exposure to the benefits of working with freelancers, such as the flexibility, experience, and cost-efficiency they may provide.

Overall, the data suggests that a significant portion of the sample has embraced Freelance as a customer, indicating the increasing popularity and utilization of freelance services in various industries.

- **Their feedback :**

The data represents the distribution of respondents who answered "yes" when asked about their experience in Freelance . Here is the analysis and interpretation of the data:

**Figure 35.3 :** Their feedback about freelance




**Source :** Developed by the student using the results from Microsoft Excel 2016

The data represents the distribution of respondents who answered "yes" when asked about their experience in Freelance. Here is the analysis and interpretation of the data:

- Good: The majority of respondents, comprising 79% (200 individuals), reported having a good experience in Freelance. This indicates that a significant portion of the sample who have engaged in Freelance found it to be a positive and successful venture. They may have experienced financial stability, job satisfaction, and a sense of control over their work and career.

- Excellent: A smaller proportion of respondents, accounting for 13% (33 individuals), reported having an excellent experience in Freelance. This suggests that a subset of the sample has achieved exceptional success in their Freelance endeavors. They may have

established profitable businesses, gained recognition in their industry, and enjoyed significant personal and professional growth.

- Bad: A minority of respondents, constituting 6% (14 individuals), reported having a bad experience in Freelance. This indicates that a small portion of the sample faced challenges and difficulties in their self-employment journey. Reasons for their negative experience could include financial losses, lack of business stability, or inadequate market demand for their products or services.

When comparing the different experiences in Freelance, the majority of respondents (79%) reported having a good experience. This suggests that freelance can be a viable and rewarding career option for individuals who possess the necessary skills, motivation, and market opportunities. The smaller group who reported excellent experiences (13%) highlights the potential for outstanding success in freelance with the right combination of factors, such as a unique business idea, strong execution, and favorable market conditions. However, it's worth noting that a small percentage of respondents (6%) had a negative experience, indicating that self-employment carries inherent risks and challenges that may not suit everyone.

Overall, the data indicates that a significant majority of respondents who engaged in freelance had positive experiences. This underscores the potential benefits and opportunities associated with self-employment, but it also emphasizes the importance of careful planning, market research, and adaptability to ensure success in this entrepreneurial path.

- **Percentage of readiness to spend a portion of the project's income to solve the problems:**

The data represents the distribution of respondents' readiness to spend a portion of their project's income to solve problems. Here is the analysis and interpretation of the data:

**Figure 36.3 :** Percentage of readiness to spend a portion of the project's income to solve the problems


**Source :** Developed by the student using the results from Microsoft Excel 2016

- Yes: The majority of respondents, 95% (347 individuals), indicated a willingness to give a portion of their project's money to issue solving. This demonstrates the sample's strong dedication and desire to invest in overcoming any hurdles or barriers that may come throughout the course of their endeavors. It demonstrates a proactive attitude to issue resolution as well as an understanding of the need of allocating resources for ongoing improvement and growth.

- No: A small minority of respondents, comprising 5% (18 individuals), indicated their unwillingness to spend a portion of their project's income to solve problems. This suggests a contrasting perspective among a few respondents who may prefer to prioritize other areas of their project's financial allocation or adopt alternative problem-solving strategies. The reasons behind their decision to not allocate funds for problem-solving could vary, including financial constraints, risk aversion, or different prioritization of resources.

When comparing the two groups, the vast majority of respondents (95%) stated a willingness to contribute a percentage of their project's profits to fix difficulties. This demonstrates the sample's overall awareness and acknowledgment that investing in problem-solving is critical to the success and sustainability of their enterprises. It denotes a proactive and resourceful mentality in which individuals are prepared to make strategic financial decisions to overcome difficulties and improve the overall performance of their initiatives.

On the other hand, the smaller group who responded negatively (5%) suggests a divergence of opinions or alternative approaches to problem-solving. It is important to note that while a

few respondents may choose not to allocate funds for problem-solving, they might have alternative strategies or considerations in place to address challenges as they arise.

Overall, the data reveals a strong inclination among the sample to allocate a portion of their project's income towards problem-solving. This reflects the recognition of the value of investing in the resolution of issues to ensure the long-term success and growth of their projects. It underscores the importance of a proactive and strategic approach to problem-solving in entrepreneurial endeavors.

### 2.2.2. Bivariate study

the gender should be considered as one factor among many that influence the challenges and obstacles faced by startups. Other factors such as education, skills, access to resources, and cultural context also play a significant role.

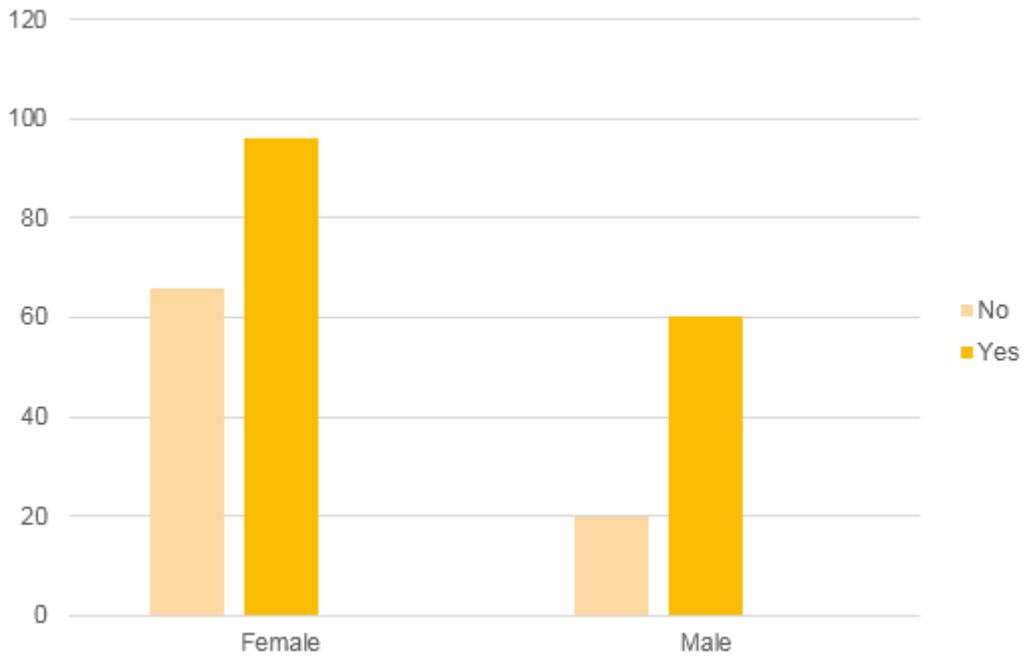
By analyzing the data based on gender, we can gain a deeper understanding of the specific experiences and needs of different gender groups within the startup ecosystem in Algeria.

- **Project holders :**

The number of respondents on whether they were entrepreneurs or not is 242

Based on the data provided, it can be observed that there is a higher number of women who are project owners compared to men.

**Figure 37.3** : Number of women who are project owners compared to men




**Source :** Developed by the student using the results from Microsoft Excel 2016

This trend can be attributed to several reasons:

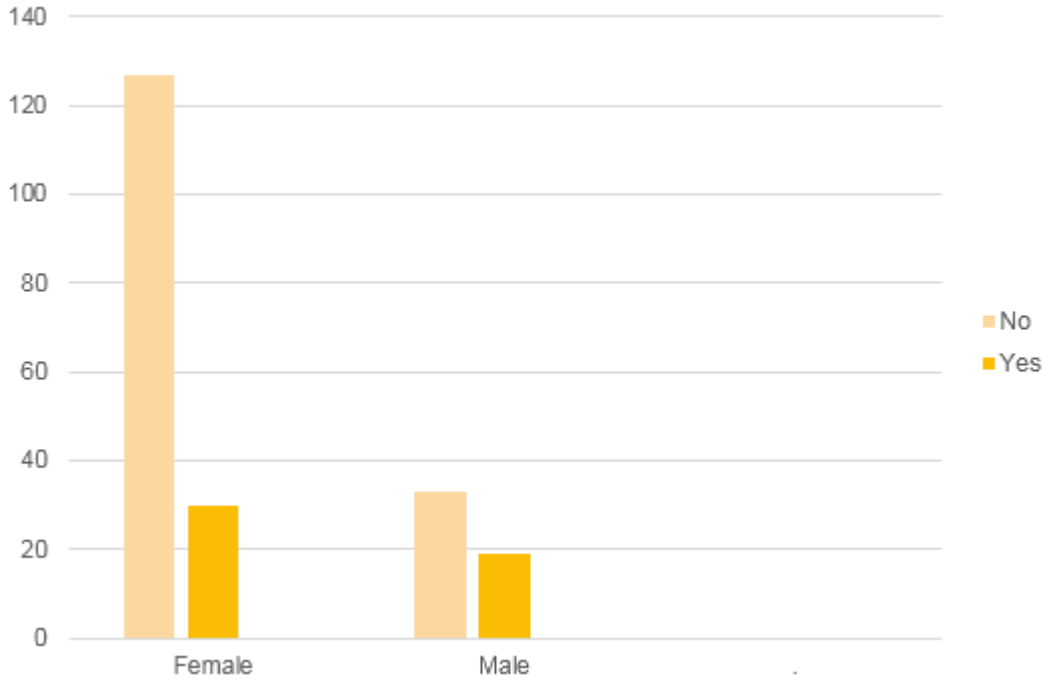
- Higher representation of women respondents: The data indicates that the percentage of female respondents was higher than male respondents. This suggests that there is a greater participation of women in the survey, which may reflect a broader trend of increased interest and involvement of women in entrepreneurship in Algeria.
- Growing feminist entrepreneurship: The larger number of women project owners highlights the development and progress of feminist entrepreneurship in Algeria. Feminist entrepreneurship emphasizes gender equality, empowerment, and the promotion of women's economic independence. The increasing number of women taking up entrepreneurial roles indicates a positive shift towards women's economic agency and their active participation in the business sector.
- Supportive ecosystem: The presence of a supportive ecosystem that encourages and facilitates women's entrepreneurship could contribute to the higher number of women project owners. This ecosystem may include initiatives, programs, and policies that specifically target women entrepreneurs, providing them with resources, mentorship, and access to networks, which ultimately enhance their chances of starting and succeeding in their projects.
- Changing social norms: It is possible that there has been a gradual change in societal attitudes and norms regarding women's roles in business and entrepreneurship. Increasing recognition of women's capabilities and contributions in the entrepreneurial domain may have encouraged more women to pursue their own projects and become project owners.

The increased number of female project owners, along with a greater proportion of female respondents, implies that feminist entrepreneurship is gaining traction in Algeria. This indicates a positive shift towards greater gender equality and inclusivity in the entrepreneurial landscape. It also highlights the importance of providing support and opportunities for women entrepreneurs to thrive and contribute to the economic growth and development of the country.

- **Distribution of the sample according to the students involved in Resolution 1275 :**

Based on the provided information and the graph, it can be observed that both male and female students, based on the sample being studied, did not participate in Resolution 1275, which supports the establishment of startups and innovative projects as a graduation thesis .

**Figure 38.3:** Male and Female students involved in resolution 1275




**Source :** Developed by the student using the results from Microsoft Excel 2016

This can be attributed to several reasons:

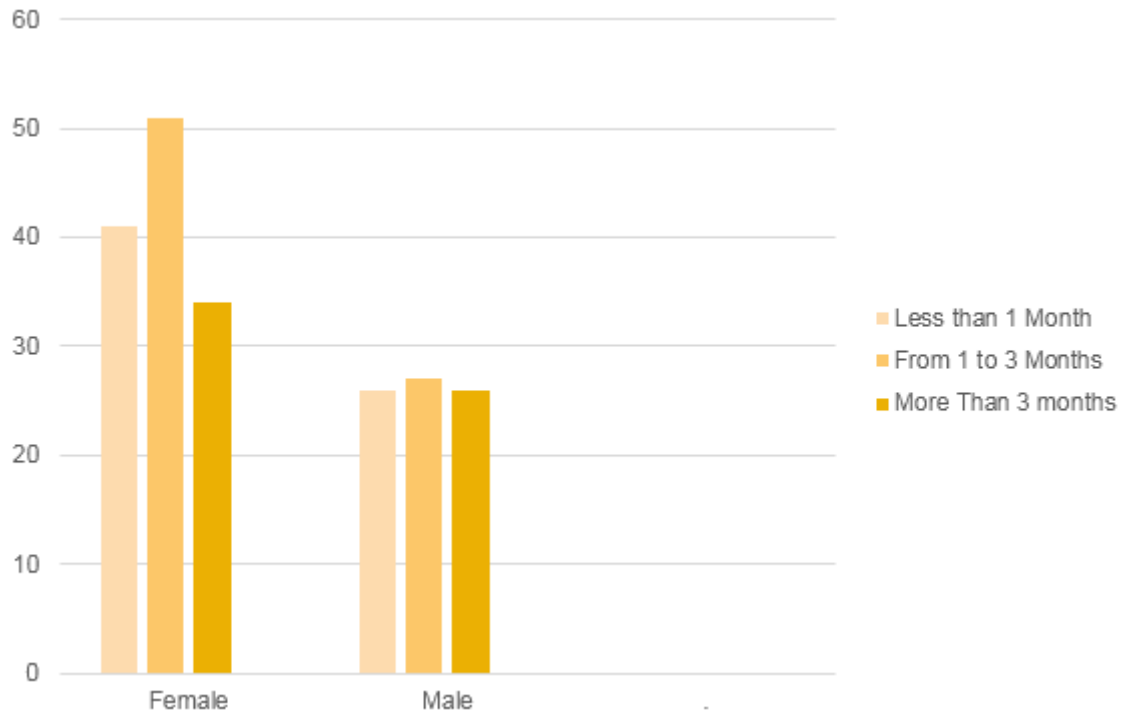
- Newness of the resolution: The fact that the resolution is in its first year implies that it is relatively new. This could contribute to the hesitation or reluctance of students, both male and female, to join the program. New initiatives often face initial skepticism or caution as individuals may be uncertain about the outcomes or potential risks involved.
- Risk aversion: Starting a startup or an innovative project involves inherent risks and uncertainties. Students, regardless of their gender, may be apprehensive about taking on these risks, especially if they are still in the process of completing their studies or transitioning into the job market. The fear of failure or the unknown may deter them from joining Resolution 1275.
- Lack of awareness: It is possible that some students, both male and female, are not fully aware of Resolution 1275 and its benefits. Insufficient communication and outreach efforts may have resulted in limited knowledge and understanding of the program among the student population, leading to a lower participation rate.
- Graduation requirements: Some students may have other graduation requirements or priorities that they consider more important than participating in the resolution. They may be focused on academic achievements, securing job opportunities, or pursuing further studies, which could take precedence over starting a startup or an innovative project.

In general, limited involvement in Resolution 1275 among both male and female students can be ascribed to issues such as the resolution's newness, risk aversion, lack of awareness, and conflicting graduation requirements. Addressing these variables through good communication, support systems, and highlighting success stories of former participants may assist enhance student interest and involvement in future efforts.

- **Idea generation time :**

Based on the provided information, we can observe differences in the duration of finding the idea between the male and female categories.

**Figure 39.3 :** Idea generation time




**Source :** Developed by the student using the results from Microsoft Excel 2016

Here are the interpretations and possible reasons for these findings:

- Male Category:

Convergence in duration: It appears that there is a convergence among males in terms of the time it took them to find their ideas. This suggests that there might be a common understanding or approach among male respondents in identifying suitable ideas for their startups.

Longer duration for finding the idea: Combining the categories of finding the idea from one month to 3 months and more than a month, we see that a larger number of males took a relatively longer time to find their ideas. This indicates that they were actively searching for

unique ideas that were not readily available in the market. They might have focused on developing innovative concepts with added value, which required more time and effort to refine.

- Female Category:

Majority found the idea in 1 to 3 months: For females, the majority of respondents reported finding their ideas within a period of one to three months. This suggests that they were able to identify viable ideas within a relatively shorter timeframe.

Some took more than three months: Another category of females reported taking more than three months to find their ideas. This might indicate that they encountered challenges or complexities in the process, requiring additional time for research, refinement, and validation. Few found the idea in less than a month: Lastly, there were individuals among females who found their ideas in less than a month. This suggests that a smaller subset of females had a clear vision or inspiration for their innovative projects from the early stages.

- Possible explanations for these results:

Different strategy: It's possible that men and women approach the process of coming up with ideas in different ways. Males may place a higher value on original and market-disrupting ideas, resulting in a longer search for novel concepts. On the other hand, females might concentrate on concepts that are attainable, practical, and can be put into action relatively quickly.

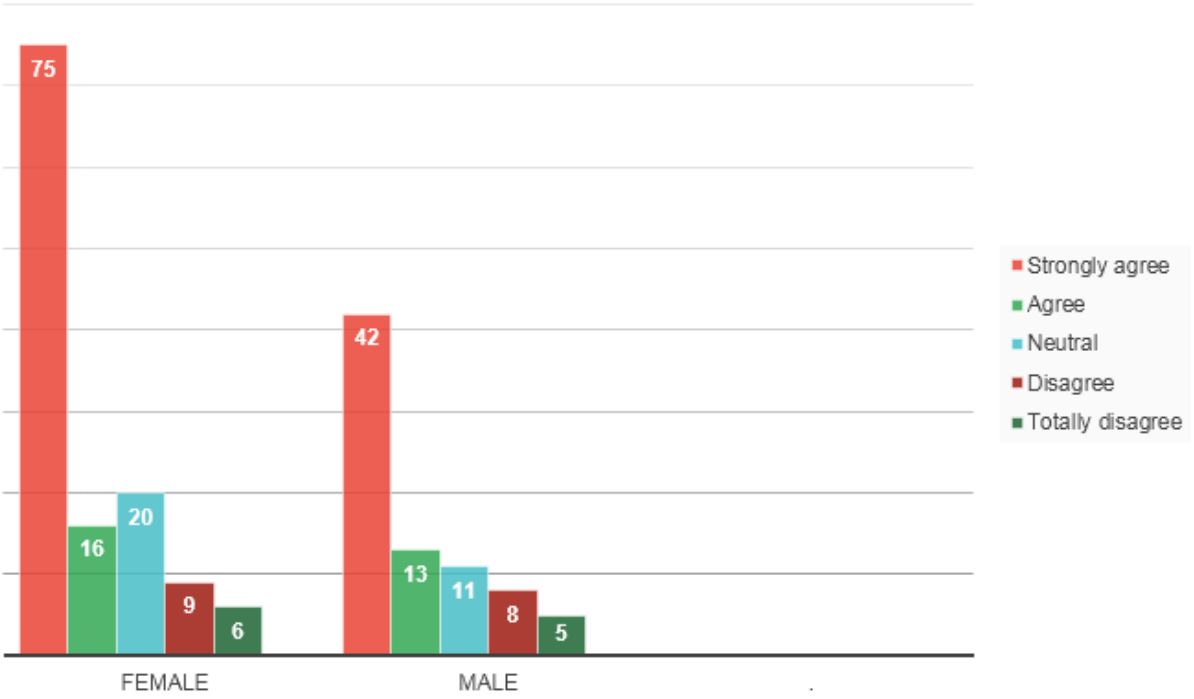
Diverse approaches to research and investigation: Different research and exploration methods may be used by men and women, which may affect how long it takes to find suitable ideas. This could be a result of personal experiences, market research, idea validation, or networking.

Preferences and priorities in life: The length of time it takes to come up with ideas can also be affected by preferences, interests, and priorities. Factors like accessible assets, emotionally supportive networks, and individual inspirations can change among respondents, prompting contrasts in the time expected to distinguish creative thoughts.

- **Confidence in the success of the idea :**

The statistics show that both females and males exhibit a considerable level of confidence in the success of their ideas. However, there are some differences in the distribution of responses between the two genders.

**Figure 40.3:** Confidence in the success of the idea ( Male / Female )




**Source :** Developed by the student using the results from Microsoft Excel 2016

- Female Category:

Strongly agree: The highest percentage of females strongly agreed with the success of their ideas (approximately 63%). This indicates a high level of confidence and belief in the potential success of their innovative projects.

Agree: A smaller percentage of females (approximately 14%) agreed with the success of their ideas, showing a slightly lower level of confidence compared to those who strongly agreed.

Neutral: Around 18% of females had a neutral stance, neither fully confident nor doubtful about the success of their ideas. This could indicate a need for further validation or clarification before forming a strong opinion.

Disagree: A small proportion of females (approximately 8%) expressed disagreement with the success of their ideas, suggesting some doubts or concerns about the feasibility or viability of their projects.

Totally disagree: The lowest percentage of females (approximately 5%) completely disagreed with the success of their ideas. This indicates a lack of confidence or belief in the potential of their innovative projects.

- Male Category:

Strongly agree: Among males, a notable percentage (approximately 57%) strongly agreed with the success of their ideas. This indicates a relatively high level of confidence and conviction in the potential success of their innovative projects.

Agree: A smaller proportion of males (approximately 17%) agreed with the success of their ideas, indicating a slightly lower level of confidence compared to those who strongly agreed.

Neutral: About 14% of males had a neutral stance, neither fully confident nor doubtful about the success of their ideas. This suggests a need for further validation or clarification before forming a stronger opinion.

Disagree: A small percentage of males (approximately 10%) expressed disagreement with the success of their ideas, indicating some doubts or concerns about the feasibility or viability of their projects.

Totally disagree: The lowest percentage of males (approximately 6%) totally disagreed with the success of their ideas. This implies a lack of confidence or belief in the potential of their innovative projects.

In comparison to male respondents, a greater proportion of female respondents expressed strong agreement with the idea's success. This suggests that a greater number of females have unwavering faith in their innovative ideas' potential for success. The explanations for this higher certainty level among females could be credited to variables like strengthening, acknowledgment of their thought's true capacity, a steady climate, expertise improvement, and their capacity to conquer difficulties.

Then again, while the level of males areas of strength for communicating is lower than that of females, it is as yet a huge extent. This suggests that men also have a significant amount of faith in the viability of their ideas. Similar to females, male confidence may be fueled by the ability to overcome obstacles, develop one's skills, and recognize the potential of an idea.

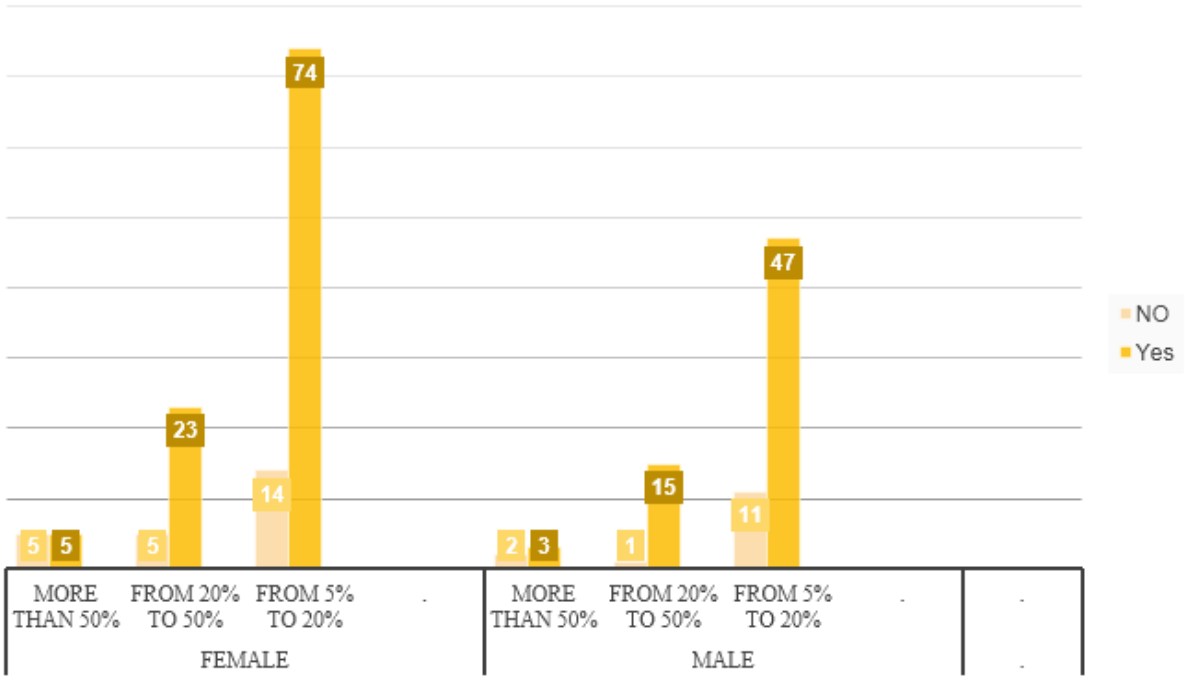
It's worth noting that there is also a segment of respondents in both genders who expressed agreement, neutrality, or disagreement with the success of their ideas. These variations in responses could be influenced by individual experiences, the level of preparation, market research, access to resources, and personal perceptions of risk and uncertainty.

Overall, the statistics show that both men and women have confidence in their creative ideas, though there are slight differences. This demonstrates how crucial it is to cultivate an entrepreneurial ecosystem that empowers people of all genders to confidently pursue their ideas and provides them with the resources and support they need to succeed.

- **Partnership :**

The statistics provide insights into the acceptance of partnership among females and males, as well as the percentages they are willing to offer to their partners in exchange for problem-solving support related to their projects.

**Figure 41.3 :** Partnership among females and males and the percentages they are willing to offer




**Source :** Developed by the student using the results from Microsoft Excel 2016

For females, out of a total of 126 respondents, 102 expressed their willingness to accept a partnership, while 24 declined. This indicates that a significant number of females are open to collaborating with partners to enhance their project's success. The reasons behind this willingness may include the potential for shared expertise, resources, and support, the desire to mitigate risks and challenges, and the belief that partnership can lead to better problem-solving and decision-making.

When it comes to the percentages females are willing to offer their partners, there is a range of responses. 5 respondents were willing to offer more than 50% of their project's ownership, while 23 were willing to offer between 20% and 50%. Additionally, 74 respondents were willing to offer between 5% and 20%. These varying percentages reflect the individual considerations and negotiation dynamics between project owners and potential partners. The reasons behind these percentages could be influenced by factors such as the perceived value of

the partner's contribution, the project's potential for growth, the level of financial investment required, and the overall risk-reward balance.

For males, out of a total of 79 respondents, 65 expressed their acceptance of partnership, while 14 declined. This indicates that a considerable number of males are also open to collaborating with partners for the benefit of their projects. The reasons for their willingness may align with those of females, including the recognition of the value of partnerships, the potential for shared resources and expertise, and the desire to overcome challenges and enhance project success.

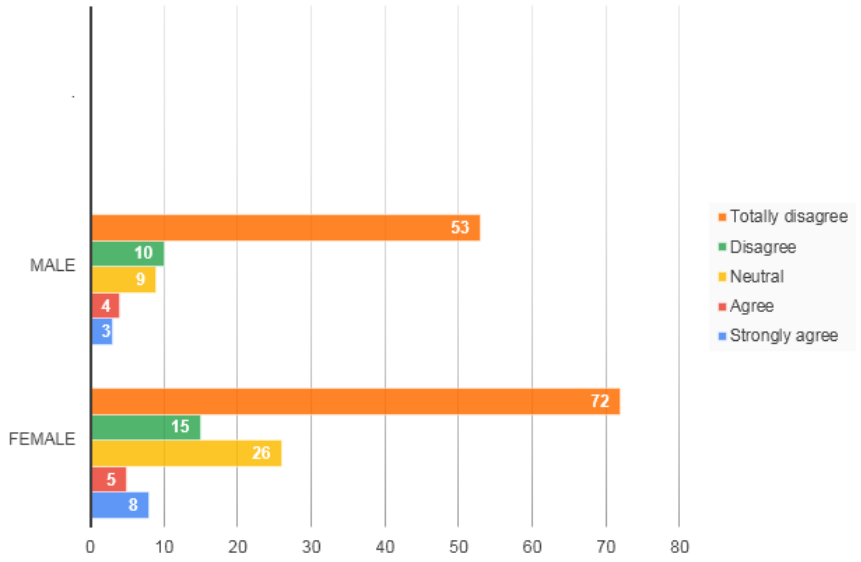
Regarding the percentages males are willing to offer their partners, there is a similar range of responses. 3 respondents were willing to offer more than 50% of their project's ownership, 15 were willing to offer between 20% and 50%, and 47 were willing to offer between 5% and 20%. These percentages reflect the individual considerations and negotiation dynamics, similar to the reasons mentioned for females.

As a whole, the figures show that both men and women are open to collaboration and are eager to share ownership of their projects with their partners. Individual circumstances, project specifics, and the perceived value of cooperation can all influence their selections.

- **Possibility of abandoning the startup idea for an income exceeding 50,000 DZD :**

When comparing the responses of females and males regarding the possibility of abandoning their startup idea for an income exceeding 50,000 DZD, we can observe some differences :

**Figure 42.3:** Possibility of abandoning the startup idea for an income exceeding 50,000 DZD ( Male / Female )




**Source :** Developed by the student using the results from Microsoft Excel 2016

Among the female respondents:

| | |
|---|---|
| Strongly agree | 6,35% |
| Agree | 3,97% |
| Neutral | 20,63% |
| Disagree | 11,90% |
| Totally disagree | 57,14% |

Among the male respondents:

| | |
|---|---|
| Strongly agree | 3,80% |
| Agree | 5,06% |
| Neutral | 11,39% |
| Disagree | 12,66% |
| Totally disagree | 66,46% |

From these percentages, it is evident that a higher percentage of females (57.14%) strongly disagree with abandoning their startup idea compared to males (66.46%). This suggests that females, as a group, exhibit a slightly stronger commitment to their entrepreneurial aspirations. Conversely, a slightly higher percentage of males (9.49%) express agreement or strong agreement with the possibility of abandoning their startup idea compared to females (10.32%).

The reasons behind these responses can vary. Some individuals may have a strong passion for their startup idea and a clear vision of its success. Others may be driven by the potential for personal and professional growth, the desire to make a significant impact in their chosen industry, or the fulfillment they derive from entrepreneurial pursuits. Additionally, factors such as the level of confidence in the income stability of alternative job opportunities and the perceived value and potential of the startup idea may also influence these responses.

It is important also to note that these differences may be influenced by various factors, including individual motivations, risk tolerance, personal circumstances, and cultural or societal norms. Therefore, it is crucial to consider the unique context and circumstances of each respondent when interpreting these findings.

### 2.2.3. Chi-square test:

The chi-square test is commonly used to analyze the relationships between two categorical variables in a bivariate analysis. It helps determine whether the observed differences between the observed frequencies and the expected frequencies are statistically significant.

By analyzing the data through chi-square test, we aimed to uncover any potential associations between gender and the other variables under consideration and to determine if there are any significant differences between genders in terms of entrepreneurship.. These variables might include factors such as entrepreneurial intentions or attitudes towards entrepreneurship .

To achieve this objective, we conducted chi-square test on the variables using the XLSTAT software, which allowed us to obtain valuable insights and draw meaningful conclusions.

**H0: There is no relationship between gender and the other variable.**

**H1: There is a relationship between gender and the other variable.**

According to the chi- square test results of the following table we can conclude that the variables: Project holders, Participation in Resolution 1275, Confidence in the success of the idea; Acceptance of partnership; Possibility of abandoning the startup idea for an income exceeding 50000DA ; are dependent on the target variable 'gender'. However, the variable Idea generation time is independent.

**Table 4.3 :** The result of the chi-square test.

| Variable | p-value | Decision |
|---|---|---|
| Project holders | 0.001 | The null hypothesis is rejected. |
| Participation in Resolution 1275 | 0.009 | The null hypothesis is rejected. |
| Idea generation time | 0.195 | The null hypothesis is accepted. |
| Confidence in the success of the idea | 0.004 | The null hypothesis is rejected. |
| Acceptance of partnership | 0.007 | The null hypothesis is rejected. |
| Possibility of abandoning the startup idea for an income exceeding 50000DA. | 0.003 | The null hypothesis is rejected. |

**Source :** Developed by the student using the results from XLSTAT.

1. Project holders: The variable 'Project holders' shows a significant association with the target variable 'gender'. This suggests that the gender of individuals may influence their likelihood of being project holders.

2. Participation in Resolution 1275: The variable 'Participation in Resolution 1275' exhibits a statistically significant relationship with the target variable 'gender'. This indicates that gender may play a role in determining the level of participation in Resolution 1275.
3. Confidence in the success of the idea: The variable 'Confidence in the success of the idea' demonstrates a significant dependence on the target variable 'gender'. It implies that gender may impact the level of confidence individuals have in the success of their entrepreneurial ideas.
4. Acceptance of partnership: The variable 'Acceptance of partnership' is found to be dependent on the target variable 'gender'. This suggests that gender might influence individuals' inclination to accept partnership opportunities.
5. Possibility of abandoning the startup idea for an income exceeding 50000DA: The variable 'Possibility of abandoning the startup idea for an income exceeding 50000DA' is significantly associated with the target variable 'gender'. This implies that gender may influence the decision of individuals to abandon their startup idea if they have the opportunity for higher income.

**Conclusion :**

In conclusion, this chapter examined various aspects related to startups and innovative projects in Algeria. The findings revealed a significant interest among the sample population, consisting of students, project holders, and employees. The majority of respondents demonstrated a positive attitude towards entrepreneurship and the implementation of Ministerial Resolution 1275, which supports startups and patents. However, there were challenges encountered, such as the difficulty in finding ideas, lack of information and statistics, and concerns about taking risks.

The study highlighted the importance of fostering a supportive environment for startups, including providing access to information, promoting awareness of entrepreneurial opportunities, and offering financial and mentoring support. It was also observed that female participants showed a higher inclination towards entrepreneurship, indicating the positive development of feminist entrepreneurship in Algeria. To further enhance the startup ecosystem, it is crucial to address the identified challenges and provide targeted support. This includes facilitating idea generation, promoting collaboration and partnerships, and ensuring access to necessary skills and resources. Additionally, efforts should be made to bridge the gender gap and promote equal opportunities for both male and female entrepreneurs.

Overall, the findings of this chapter underscore the potential for growth and innovation in the Algerian startup landscape. By addressing the identified challenges and fostering an enabling environment, Algeria can nurture a thriving ecosystem that supports the development and success of startups and innovative projects

## General conclusion :

In conclusion, this graduation thesis aimed to investigate the challenges and obstacles faced by start-up innovation in Algeria. The research questions revolved around the current state of the entrepreneurial ecosystem , barriers preventing growth and success, the impact on the start-up ecosystem, the implementation of Resolution 1275, and the level of awareness among students regarding the resolution and if there is a significant relationship between gender and various aspects of entrepreneurship.

Through a comprehensive analysis, it was found that start-up innovation in Algeria faces numerous challenges and obstacles. Limited access to funding, regulatory complexities, lack of supportive infrastructure, and limited market opportunities emerged as key hindrances. Additionally, inadequate access to funding and investment, limited networking and mentorship opportunities, lack of skilled workforce, and risk aversion were identified as the main barriers to start-up growth and success. These challenges and obstacles have a significant impact on the overall start-up ecosystem in Algeria, impeding its growth, sustainability, and contribution to economic development.

Resolution 1275, however, has positively influenced the desire and curiosity of students in the start-up field, leading to increased awareness, support, and opportunities for entrepreneurial activities, particularly among students.

The discussions and analysis provided support for **the first hypothesis.** Start-up innovation in Algeria faces challenges and obstacles such as limited access to funding, regulatory complexities, lack of supportive infrastructure, limited market opportunities, and difficulties in attracting skilled talent. The challenges mentioned align with the common issues faced by start-ups in Algeria, as highlighted in the research.

**Hypothesis 02** suggests that the startup ecosystem and entrepreneurial environment in Algeria are promising, driven by increasing government support, growing investment opportunities, and a rising number of entrepreneurial initiatives. Analysis of relevant factors confirms this hypothesis, revealing a positive outlook. The government has implemented supportive policies, investment interest is on the rise, and entrepreneurial activity is thriving. Overall, the evidence suggests a promising landscape for startups and entrepreneurship in Algeria.

It is evident that the level of awareness and understanding among students regarding Resolution 1275 varies, with factors such as education and exposure playing a role. But The statistics and discussions have indicated that there is a lack of willingness among students to take risks and engage in start-up activities, it suggests that there may be a discrepancy with **Hypothesis 03.** The hypothesis stated that the implementation of Resolution 1275 has generally increased students' awareness, support, and opportunities for entrepreneurial activities, leading to a positive impact on their engagement in start-up endeavors. However, based on the presented statistics and interpretations, it seems that the majority of students are not inclined to take risks and pursue start-up ventures. This misalignment suggests that further examination and analysis are needed to understand the reasons behind students' hesitation and to determine the actual impact of Resolution 1275 on their involvement in start-up activities.

While further research is needed for stronger validation, these initial indications support the hypothesis, emphasizing the potential of Resolution 1275 in fostering entrepreneurial engagement among Algerian students.

**The fourth hypothesis** proposes a significant relationship between gender and various aspects of entrepreneurship, such as project ownership, participation in Resolution 1275, and confidence in the success of entrepreneurial ideas. Preliminary findings indicate a statistically significant association, with women demonstrating greater significance than men in these aspects. Women show higher levels of project ownership, increased participation in Resolution 1275 initiatives, and greater confidence in the success of entrepreneurial ideas. Further research is needed to deepen our understanding of this relationship and explore the underlying factors contributing to these differences. Nonetheless, these initial results support the hypothesis, highlighting the importance of empowering women in entrepreneurship to foster inclusive and diverse entrepreneurial ecosystems.

The research findings highlight the need for further attention and support from policymakers and stakeholders to address the identified challenges and obstacles. Efforts should be made to enhance access to funding, streamline regulations, develop supportive infrastructure, and expand market opportunities for start-ups in Algeria. Additionally, fostering networking and mentorship programs, promoting entrepreneurship education, and raising awareness about Resolution 1275 among students will contribute to a thriving start-up ecosystem in the country.

By unveiling the realm of startups and the entrepreneurial ecosystem, providing an overview of the global and Algerian startup ecosystems, and uncovering the challenges and obstacles faced by start-up innovation in Algeria, this thesis provides valuable insights for

academia, policymakers, and aspiring entrepreneurs. It contributes to the existing knowledge on the topic and lays the foundation for future research and initiatives aimed at fostering a vibrant start-up ecosystem in Algeria.

**Recommendations:**

- Enhance Access to Funding: Policymakers and stakeholders should prioritize initiatives aimed at improving access to funding for start-ups in Algeria.
- Streamline Regulations: Policymakers should work towards simplifying and streamlining regulations related to business registration, taxation, intellectual property, and labor. This will reduce administrative burdens on entrepreneurs and encourage the establishment and growth of start-ups.
- Develop Supportive Infrastructure: Infrastructure plays a vital role in facilitating the growth of start-ups. There is a need to develop and strengthen supportive infrastructure such as incubators, accelerators, co-working spaces, and research and development centers. These facilities provide essential resources, mentoring, and networking opportunities for start-ups, fostering their success and sustainability.
- Expand Market Opportunities: Efforts should be made to expand market opportunities for start-ups in Algeria. This can be achieved through initiatives such as promoting domestic and international market access, encouraging collaboration between start-ups and established companies, and supporting market research and development activities.
- Empower Women in Entrepreneurship: The findings highlight the significance of gender in various aspects of entrepreneurship. It is crucial to empower and support women entrepreneurs by creating targeted programs, mentorship initiatives, and networking platforms.

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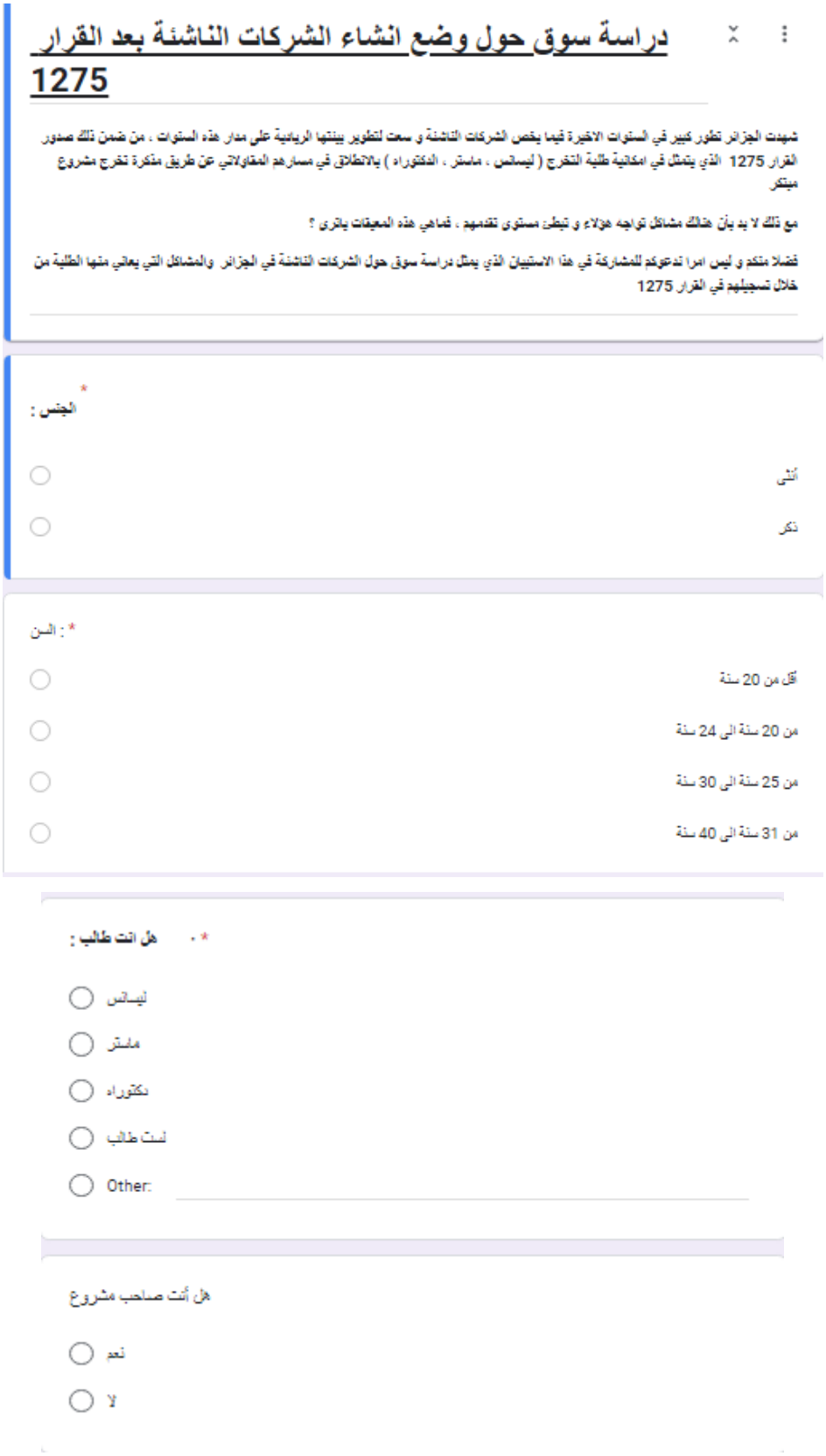
## Appendices :

## Appendices 01: Questionnaire



**دراسة سوق حول وضع انشاء الشركات الناشئة بعد القرار 1275**

شهدت الجزائر تطور كبير في السنوات الاخيرة فيما يخص الشركات الناشئة و سعت لتطوير بيئتها الريادية على مدار هذه السنوات ، من ضمن ذلك صدور القرار 1275 الذي يتمثل في امكانية طلبة التخرج ( ليسانس ، ماستر ، الدكتوراه ) بالانطلاق في مسارهم المقاولاتي عن طريق مذكرة تخرج مشروع مبتكر

مع ذلك لا بد بأن هناك مشاكل تواجه هؤلاء و تبطئ مستوى تقدمهم ، فماهي هذه المعيقات يارى ؟

فضلا منكم و ليس امرا تدعوكم للمشاركة في هذا الاستبيان الذي يمثل دراسة سوق حول الشركات الناشئة في الجزائر والمشاكل التي يعاني منها الطلبة من خلال تسجيلهم في القرار 1275

الجنس : *

- انثى
- ذكر

السن : *

- أقل من 20 سنة
- من 20 سنة الى 24 سنة
- من 25 سنة الى 30 سنة
- من 31 سنة الى 40 سنة

هل انت طالب : *

- ليسانس
- ماستر
- دكتوراه
- لست طالب
- Other:

هل أنت صاحب مشروع

- نعم
- لا

الاجابة بنعم

نرجوا منكم اتمام الاسئلة الأخير من فضلكم .

* كم أخذ منك وقتا لايجاد فكرتك النهائية بدون تغيير

- أقل من شهر
- من شهر الى 3 اشهر
- اكثر من 3 اشهر

كيف تأكدت من عدم وجود فكرتك في السوق الجزائرية :
سؤال اختياري

Your answer

* في أي مجال فكرة مشروعك المبتكر

- [ ] التكنولوجيا والبرمجيات
- [ ] الصناعات النظيفة والمستدامة
- [ ] الخدمات اللوجستية والتجارة الإلكترونية
- [ ] التسويق الرقمي والإعلان
- [ ] الرعاية الصحية والصحة النفسية
- [ ] السياحة والضيافة
- [ ] الطاقة والبيئة
- [ ] الزراعة والغذاء
- [ ] الألعاب الإلكترونية والترفيه
- [ ] الإنتاج الإعلامي والفنون
- [ ] Other:

* أعتقد ان فكرتي جيدة جدا و قابلة للتطبيق والتطوير

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| موافق بشدة | ○ | ○ | ○ | ○ | ○ | غير موافق تماما |

* هل نقص المعلومات و الاحصائيات حول الشركات الناشئة في الجزائر سبب لك مشكلة ؟

- نعم
- لا
- ربما

* هل واجهت صعوبة في ايجاد فريق للعمل معك حسب متطلبات مشروعك ؟

- ◯ نعم
- ◯ لا
- ◯ ربما

* ماهي المهارات المطلوبة التي تحتاجها لتجسيد مشروعك ؟

- ☐ المهارات القيادية وإدارة الفريق
- ☐ المهارات التسويقية
- ☐ المهارات المالية
- ☐ المهارات الإدارية والقانونية
- ☐ المهارات التقنية (لتطوير وتصميم المنتج أو الخدمة التي تقدمها الشركة واستخدام التكنولوجيا في تسهيل العمليات الداخلية)
- ☐ المهارات الإبداعية والابتكارية
- ☐ المهارات الاتصالية والتفاعلية
- ☐ المهارات التحليلية وإدارة المخاطر
- ☐ Other: _____

* هل ترى أن هناك نقص في الارشاد و التوجيه و التكوين بالمهارات اللازمة

- ◯ نعم
- ◯ لا

* هل تفضل فكرة العمل مع فريق العمل

- ◯ عن بعد ( اونلاين )
- ◯ في مكان العمل

* هل تقبل فكرة الدخول مع شريك يوفر المال مع اخذ نسبة لتمويل مشروعك أو توسيعه ؟

- ◯ نعم
- ◯ لا

* ما هي النسبة التي أنت مستعد لعرضها مقابل تمويل مشروعك وتوسيعه :

- ◯ من 5 الى 20 بالمئة
- ◯ من 20 الى 50 بالمئة
- ◯ اكثر من 50 بالمئة

* اذا وجدت عملا بدخل يفوق 50000 دج سأتخلى عن فكرة تجسيد شركتي

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| موافق بشدة | ◯ | ◯ | ◯ | ◯ | ◯ | غير موافق تماما |

في أي جامعة تدرس (مع ذكر الولاية ) :

Your answer

* في أي كلية ؟

Your answer

* هل تم تطبيق القرار 1275 الخاص بالشركات الناشئة بالجامعة الخاصة بكم ؟

- نعم
- لا

* هل انخرطت ضمن هذا القرار :

- نعم
- لا

* كيف ترى تطور الفريلانس (العمل الحر ) في الجزائر :

- ممتاز
- جيد
- حسن
- سيء

* هل تثق بالعمل الحر ؟

- نعم
- لا
- ربما

* هل سبق لك و أن كان لك تعامل مع العمل الحر ( فزيون )

- نعم
- لا

اذا كانت الاجابة نعم كيف تقيم تجربتك :

- ممتازة
- جيدة
- حسنة
- سيئة

* هل انت مستعد لتخصيص جزء من ارباحك من اجل التخلص من المشاكل التي تواجهك ؟

- نعم
- لا

**ترجوا منكم ترك الايميل الخاص بكم للاطلاع على اي جديد في مجال الشركات الناشئة :**

Your answer

**هل لديك اي اضافات او توصيات تقدمها لنا ؟**

Your answer

# PART 02 :

# Quido’s Technical Sheet

# Contents