

**ПРЕДПРИЕМАЧЕСТВО И СТАРТИРАНЕ НА БИЗНЕС В Р.  
МАКЕДОНИЈА**

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**ENTREPRENEURSHIP AND STARTING UP BUSINESSES IN R.  
MACEDONIA**

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**Abstract**

*The clear vision of what it means entrepreneurship and recognition of the role of the entrepreneur is very important to start the entrepreneurial process, as doing small business requires motivation, commitment, responsibility, skills and above all confidence. When these attributes will be connected to each other increases the level of preparedness of prospective entrepreneurs to enter into a business. In economics, entrepreneurship combined with land, labor, natural resources and capital can produce profit. It is a process of identifying opportunities in the market place, arranging the resources required to pursue these opportunities and investing the resources to exploit the opportunities for long term gains. In fact, entrepreneurship is a tool to transform the personal and organizational visions into plans and plans into reality. The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. Entrepreneurship is concerned with making dynamic changes in the process of production, innovation in production, new usage for materials etc. It is a mental attitude to take calculated risks with a view to attain certain objectives. It also means doing something in a new and better manner. The most obvious example of entrepreneurship is the starting of new businesses. It is always associated with innovation and involves allocation of resources in the points where they give greater effect.*

**Keywords:** *entrepreneurship, entrepreneur, small business, innovation, entrepreneurial process*

**JEL Codes:** *L26, M13, O3*

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## **1. Introduction**

The process of discovering opportunities and risk taking manner towards the same in accordance with the available resources in the enterprise, many authors and businessmen defined as entrepreneurship. A person that is part of this process and which is responsible those things be caused, undoubtedly, is an entrepreneur. Entrepreneurship as a practice and science had changed the political, social, technological, economic, financial and educational structures of the world's leading economies.

The famous economist Joseph Schumpeter equalizes entrepreneurship with innovation. He identifies the entrepreneur as an individual who introduces new combinations, i.e. innovation. Entrepreneurs create new industry, which cause structural changes in the economy, while old industries are exposed to the "creative destruction".

Always, at the base of entrepreneurship pushed innovation as an economic phenomenon that moves the world's supply. Entrepreneurship itself is characterized by freedom of management, diffusion of a multitude of ideas and organization for implementation of innovations in the market. The importance of entrepreneurship in producing innovation can confirm the model of governance that have small businesses and is increasingly more acceptable and applicable by the large successful companies in the world. This phenomenon mostly means the freedom of the individual employee within the company, with the ultimate goal - production of innovative new products and services (Meng & Roberts, 2006, pp. 18-22).

Entrepreneurship rests on a theory of economy and society. The theory sees change as normal and indeed as healthy. And it sees the major task in society - and especially in the economy - as doing something different rather than doing better what is already being done (Drucker, 2006). Contemporary entrepreneurial economy is focused on designing specific values for customers and advantages over the competition, so entrepreneurial management is not already space for copying or imitation of something seen, but for creating new visions.

Entrepreneurial economy and entrepreneurship are governed by the play of ideas to millions of people who are willing to work and think, regardless of working time and space. It is realized, taking into account the general economic

rules or principles of economics, law and government law and the market economy dominated by the legal ownership.

Learning and innovation represent the characteristics of the national economy that are temporally and spatially, in constant dynamic change their fundamental needs for competitiveness, tied to the outlook of the global environment. Over the next few decades will ask a series of strategic issues related to specific corporate development, affecting the process of globalization and play a significant role in the global offer of products and services (Longencker, Moore, Petty, 2000, p. 261). Moreover, it believes that small and medium enterprises directly depend on the development of the system they uphold.

Entrepreneurial economy and modern management more than anything before, discovered through high-tech, cultural influence - civilizational changes in the world, especially in terms of changes in lifestyle and employment of manpower. They are the largest holders of innovations and technological developments in the world market. At the core of entrepreneurship is innovation of products and processes (Minniti, 2007, p. 89).

## **2. The essence of entrepreneurship**

Entrepreneurship is a new cultural and civilizational paradigm, which is based on thought-created advantages over the competition, as well as extremely committed work of people who possess a natural inclination towards joint ventures for making new ideas.

The business does not allow too much uniformity and stereotypes. Therefore, the only way for that to successfully conceive a need to create a clear vision, which is in line with the skills and interests of entrepreneurs.

Starting own business should be supported by a good supply of the market. Just a new product that is both useful and innovative for the consumer brings unparalleled business growth.

The essence of entrepreneurship consists of the following three characteristics:

- Innovation,
- Taking risk and
- Independence of action.

**Innovation** is the prime mover in the establishment of a business, precisely because of the idea that only brought entrepreneur yourself and for forming the same. It consists of the available opportunities to discover new markets, a new type of organization, technological innovations, introduction of new products or services, discovering new materials and the introduction of new working methods.

**Taking risk** in entrepreneurial thing accelerator of the business because it gives excitement and operational independence. Hence the entrepreneur tends to be a gambler, not a person who does not accept risks.

**Independence of action** as a feature of entrepreneurial work, allowing the entrepreneur to act as an independent initiator of controlled changes in the enterprise. To succeed in this, he relies on personal power and leadership ability.

This conceptual approach to entrepreneurship model best explains the main features of what it takes to be an entrepreneur on how to start a business and all necessary steps should be taken in addition to it.

### **3. Becoming an entrepreneur**

The road to success of entrepreneur is often long and lonely - many hours of work, massive amounts of stress and a huge amount of personal sacrifice. So, from where originated the need to become an entrepreneur and start up a business?

- **To survive:** Around the globe, many people become entrepreneurs in order to survive. They have no job prospects, or little means to earn a living. Therefore, entrepreneurship for many is the only alternative.
- **To realize a dream:** Many entrepreneurs (in all industries) pursue entrepreneurship to fulfill their personal dreams. They have something to prove to the world and to themselves. They have the mental and intellectual capacity, the drive and the resourcefulness to invent and to create differentiating ventures.
- **To make a difference:** Making a difference as an entrepreneur can be very rewarding - as all great entrepreneurs will ubiquitously agree. However, making a real difference perhaps is also the hardest to thing to do and most challenging. It requires a different kind of mindset. It is not about just making money, or becoming famous, or inventing new things.

In changing world, the definition of entrepreneurship has evolved as the need to “make a difference” has never been greater.

Guided by the fundamental ethical principles in the business, the entrepreneurs should first be prepared to take three basic steps:

- 1) **Find resources:** By making, maintaining and leveraging contacts, in both the short and long term, for mutual benefit, entrepreneurs find ways to exploit opportunities despite adversity.
- 2) **Manage risk:** They accept and take responsibility for calculated risks. Great entrepreneurs are focused, learn from their mistakes, and move on without regrets. Their risk perhaps is far greater than an average person — but they are hardly gamblers.
- 3) **Create ‘wealth’:** The definition of wealth, capital, and value has forever changed. Money is no longer the only currency nor is the valuation of a company the only measure of wealth. Beyond financial value, entrepreneurs need to create ‘wealth’ with knowledge, sustainable assets, and social impact.

Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace (Business Dictionary, 2017).

#### 4. Characteristics and skills which should have the entrepreneurs

David Butler in his book “Enterprise Planning and Development” writes “The entrepreneur is a complex combination of interacting factors”. He explains the features that should have the entrepreneurs (Butler, 2006):

- ✓ **Personality:** in terms of possessing resilience, tenacity, opportunity spotting, and risk taking.
- ✓ **Attitude:** having awareness of the importance of customer focus, the application of creativity and imagination, defined personal standards and values, the perception of enterprise as a positive activity.
- ✓ **Skills:** such as the ability to network, to think strategically, to gain access to resources, business knowledge and acumen, interpersonal skills and people management capabilities.

- ✓ **Motivation:** personal drive and ambition, the desire to make an impact, the need for achievement or self-satisfaction, a desire for status, to create and accumulate wealth, and social responsibility.

Butler continues, “the presence, combination and interaction of these factors will determine both the way in which an entrepreneur engages in enterprising activities, and ultimately the degree of success that will be achieved” (Butler, 2006).

The process of entrepreneurship requires specific knowledge, skills and abilities. Before "swam in the waters" of a small business, you have to be 100% sure of what you own, i.e. to assess their strengths and to learn about the needs of consumers. In any case, the most important entrepreneurial skills related to (Parhizgar& Parhizgar, 2008, p. 52):

- **Vision and flexibility** - the entrepreneur must be a leader of vision, a person who dreams of "clear dreams" of establishing the successful initiative. Entrepreneurial leader must have a dream and to remove all obstacles to the forwarding of that dream to others in the organization, especially those with striking positions. However, while entrepreneurs are visionaries, their sleep is generally based on experience in the business. What they realize is that their dreams can come true, if they take action to turn the idea of working in an acceptable proposal.
- **Action-orientation** - Entrepreneurs immediately begin work, working more than they spent time planning the development of ideas in detail. Often, they await approval to begin the implementation of their ideas. Instead, they sought to continue the development of their own ideas, even in his spare time. Unlike managers, delegating responsibilities to subordinates, entrepreneurs, through their own effort directly involved in numerous tasks that are related to the entrepreneurial project and prevail because of their affinity to turn their visions into reality.
- **Commitment** - The traditional system for product development can be compared to entrepreneurship for one simple reason because he is too bureaucratized as to enable or encouraging commitment. The traditional manager will separate marketing and technology, vision and action from other responsibilities in separate operating activities, which may reject entrepreneurial commitment, responsibility and excitement that inspire total commitment. In some cases, this commitment can be

extreme to such an extent that would have put the priority projects and the very people who are involved in the idea. Here we are seen to work on time, without having to meet people's needs.

- **Perseverance in overcoming failure** - Entrepreneur must persevere in the period of frustration and matching difficulties that inevitably arise during the creation of new initiatives. Only through perseverance new initiative will be created and brought into the phase of commercialization. It is important that entrepreneurs see failure as an experience by which we will study, an interim step, through which the idea can be improved.
- **Setting goals that can alone solve** - Entrepreneur often sets personal goals for the project, rather than corporate objectives related to short-term needs, such as, for example, procedures for izvestuvanje. This goals often associated with high personal standards. If an entrepreneur gets little satisfaction adhere to the standards set by others.

## **5. Entrepreneurship and starting up businesses in R. Macedonia**

In order to examine the views and opinions of entrepreneurship in R. Macedonia been done research on this theme through conducted survey. The survey covers 200 adults up to 45 years, which belong to different gender, national, religious, educational and professional structure.

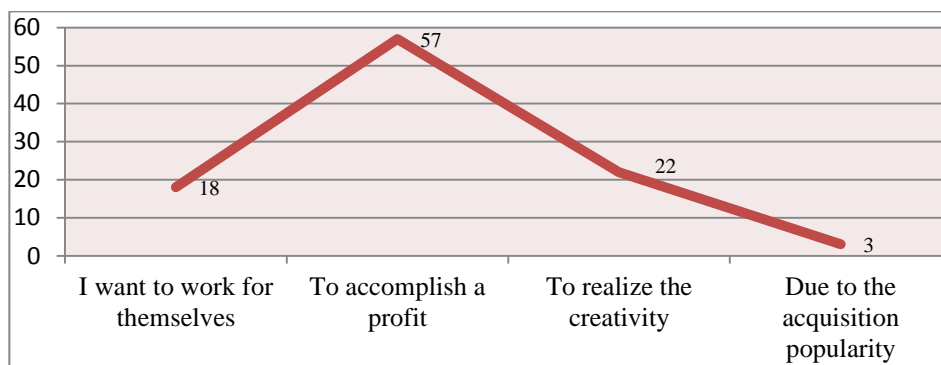
In terms of interest in starting a small business, 145 of them gave a positive answer, while 55 respondents at the beginning of the survey responded negatively.

Through the survey it was found on the perceptions of respondents about their willingness to start own business, and attitudes related to the factors that influence the success of the business, the required characteristics of entrepreneurs, funding sources and small businesses alike. The results are shown in the charts, which graphically can be seen collectively processed answer questions.

The questionnaire used in the survey contains 12 questions. Among them 10 provided several solutions, of which only one is rounded, and 2 questions require assessment of default features, touching upon the subject of research in this paper.

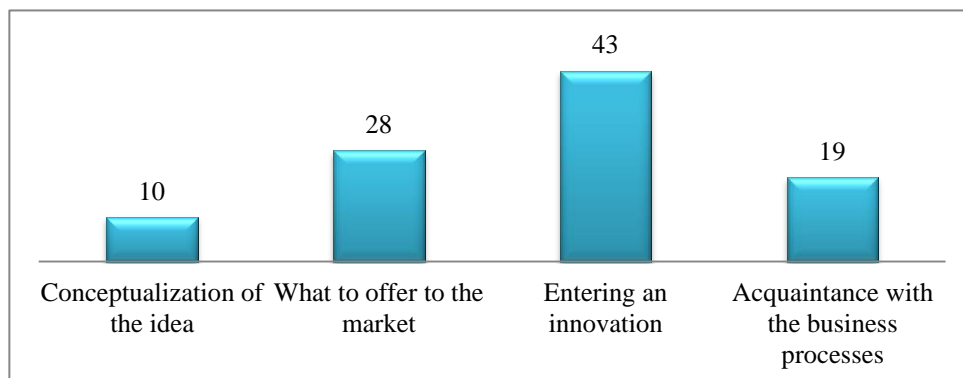
Initially, the research indicates the most common reason for starting own business. The majority or 57% would start own business because of profit. A smaller number of those who would do because of the opportunity to demonstrate their creativity, the ability to be masters themselves, and only 3% would when starting their own business to gain popularity in the society.

*Figure 1. The reason for starting your own business*



43 %, i.e. the majority of respondents as a key problem in starting their own business, they see how to offer innovation in the market, and the smallest number - 10% as the main problem emphasize the conceptualizing of the idea.

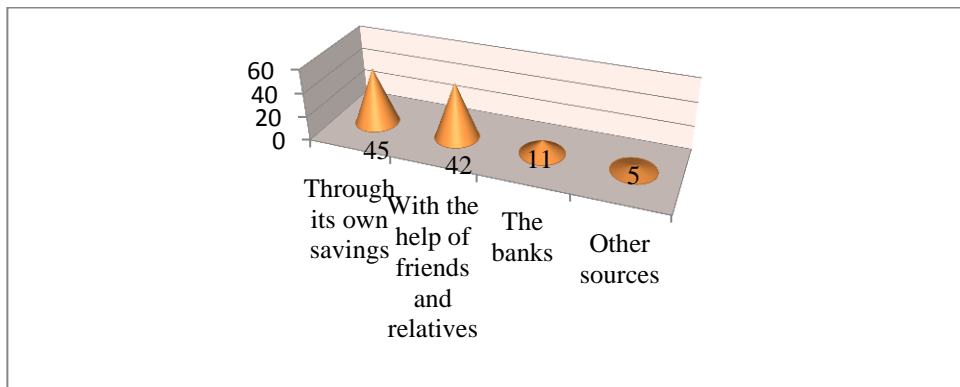
*Figure 2. The key problem in starting own business*





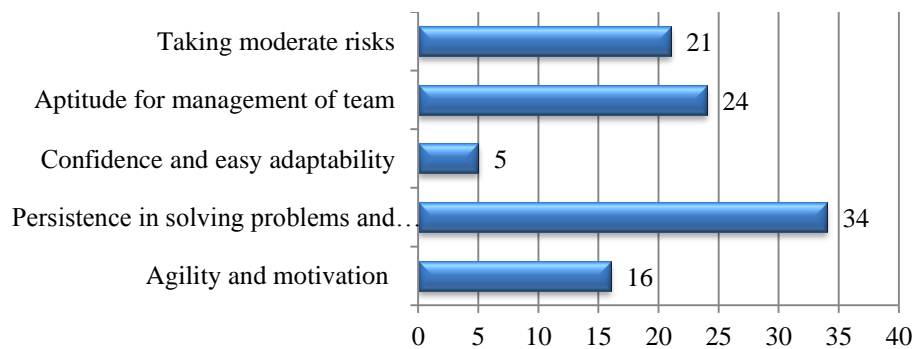
The next question concerns the way in which we could provide the initial funding for their business. The results suggest a low percentage (9%) of respondents as a source watching banks. They still do not have full confidence in these financial institutions. It is almost identical percentage of respondents who would provide finance through their own savings (45%) compared to those who would provide finances from relatives or friends, whose percentage is 42%.

Figure 3. Provide the necessary finance to start a business



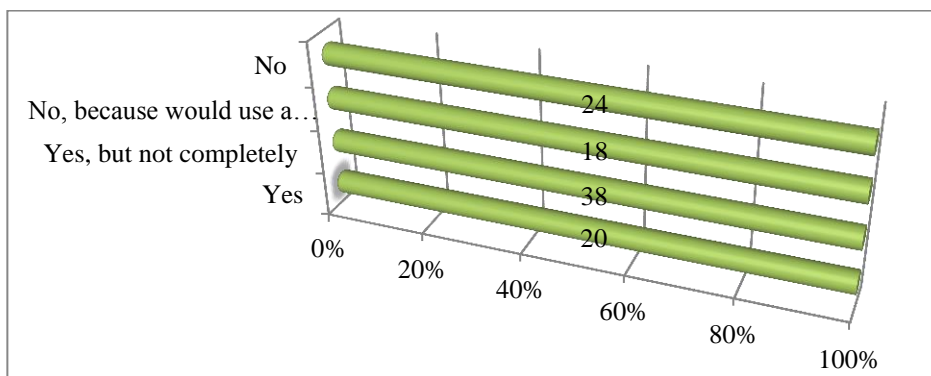
Persistence to solve problems and acceptance of failure is a key feature that should possess entrepreneurs, according to the answers of respondents (34%). The lowest percentage of respondents believe that confidence and easy adaptability are important features that should have the entrepreneur (5%).

Figure 4. The characteristic that most need to possess a successful entrepreneur



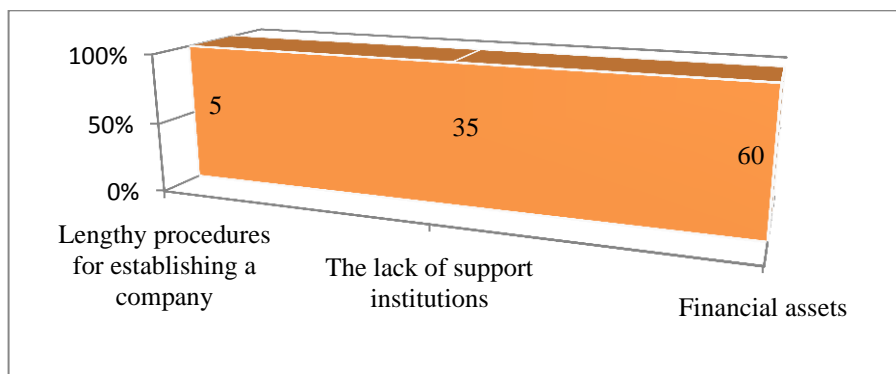
As to the question in terms of knowledge of the business plan preparation, 38% responded partially know to prepare a business plan, 24% did not know how to prepare, 20% know how to compile, while 18% would use a professional service its preparation.

*Figure 5. Knowledge about preparation of business plan*



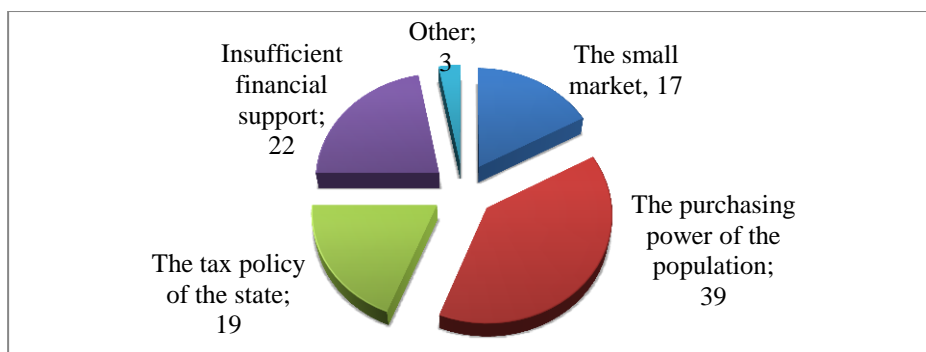
In the next issue, the research tends to perceive perception in terms of the barriers to starting their own business. 60% of respondents as the biggest barrier to see the provision of funds, 35% considered as an obstacle to emphasize the lack of institutions to support small business and the smallest number (5%) that the procedures for establishing them see as a barrier.

*Figure 6. The barriers that hinder the start of a new business*



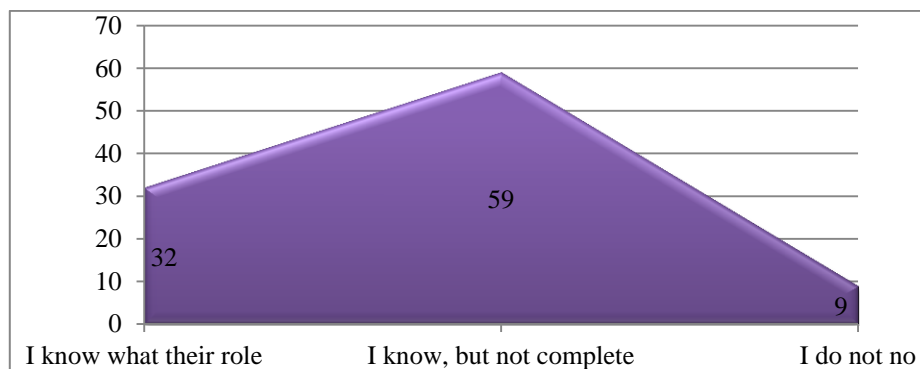
In addition the research is a perception of the respondents regarding the problems faced by the current owners, the success of their small business. The largest number of respondents (39%) believe that the purchasing power of the population is a key issue. The second problem that respondents perceived a lack of financial support, which reported 22%.

Figure 7. The problems of entrepreneurs during managing of a small business



Most respondents or 59% partially know what represent business angels, 32% know and 9% do not know what their role in entrepreneurship.

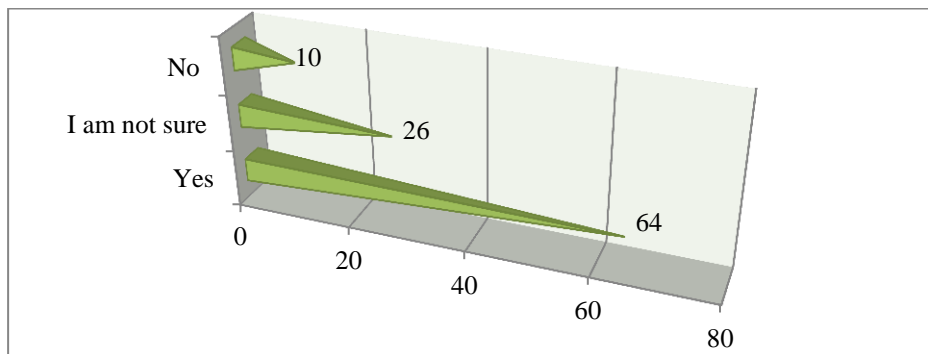
Figure 8. The role of business angels



The next question comes to realize the confidence of potential young entrepreneurs in terms of business incubators. A high percentage of respondents

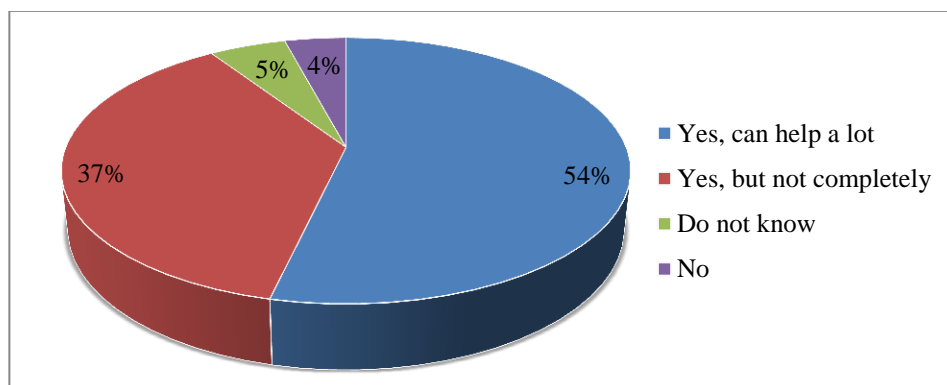
(64%) said they would have applied for support from the business incubators as a basis for starting their own business.

Figure 9. Applying for support of business incubators



As clarification to the previous question, the respondents gave the answer about capacity of business incubators in terms of their real support to entrepreneurs. So, 54% of respondents believe that incubators can help a lot, 37% believe that they can be helpful, but not completely, 5% said they did not know and 4% that they cannot help to the entrepreneurs.

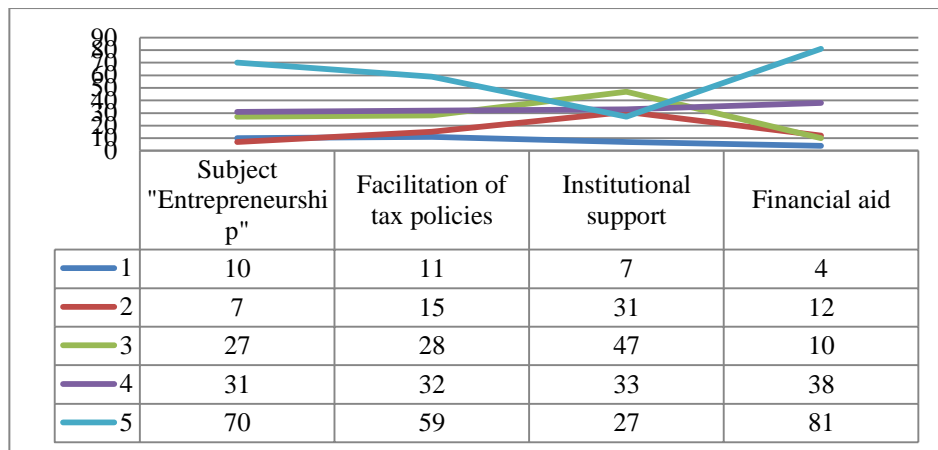
Figure 10. Capacity of business incubators in the country to support entrepreneurs



Furthermore the survey, respondents were asked to assess individual measures to promote entrepreneurship in the country. According to respondents,

the lowest average score (3.41) got the need to promote institutional support, while the highest average score (4.72) are measures facilitation of tax policies.

Figure 11. Assessment of individual measures to promote entrepreneurship in Macedonia



Note: 5 - Very important 4 - Important 3 - Neutral 2 - Not meaningful 1 - It is not important

The average assessment of individual measures to promote entrepreneurship in Macedonia is presented in Table 1.

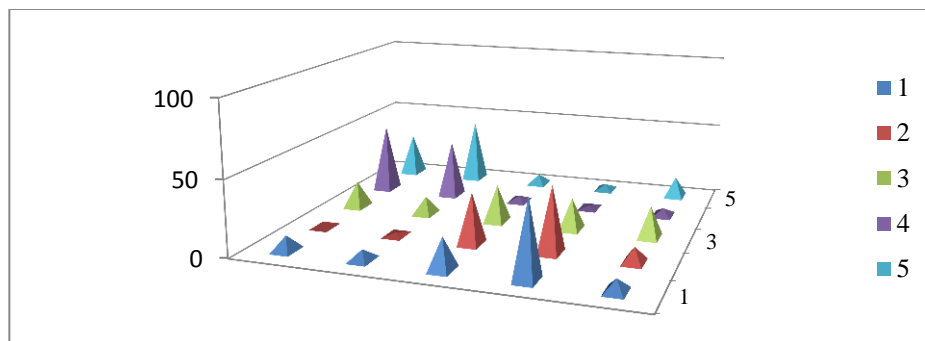
Table 1. Average assessment of individual measures to promote entrepreneurship in Macedonia

Introduce the subject of "Entrepreneurship" in education	4,32
Facilitation of tax policies	4,72
Advancing of the institutional support	3,41
Greater financial support for entrepreneurs	4,51

The research concludes with the question concerning the characteristics that influence the success of his business. Respondents with an average grade of 4.31 assess the acceptable price as the most important factor for the success of the business. With a score of 4.24 respondents rate the high quality of the

product / service as a success factor, and the lowest mark of 1.87 is evaluated product availability.

*Figure 12. Assessment of the characteristics that influence the success of his business*



Note: 5 - Very important 4 - Important 3 - Neutral 2 - Not meaningful 1 - It is not important

The average assessment of the characteristics that influence the success of his business is presented in Table 2.

*Table 2. Average assessment of the characteristics that influence the success of his business*

High quality	4,24
Affordable price	4,31
Unique image	2,22
Promotion	2,37
Availability	1,87

## 6. Conclusions

There is no exact formula for entrepreneurship. It is unique for each individual, and each entrepreneur has its own path, along which move towards success.

Entrepreneurship means different things to different people and encompasses business ventures that share a commitment to turning an idea into a profitable business. People who are thinking about starting their own business should understand that successful entrepreneurship involves much more than having a great concept (Fernandes, 2016). Entrepreneur, unlike corporate manager, avoiding inefficiency, given that it is oriented towards success and victory, hence, should possess leadership skills.

Based on research presented in the empirical part of the paper can be adopted concluding observations in relation to entrepreneurship in R. Macedonia. The majority of respondents would start their own business in order to make a profit. The smallest number of those who see business as an opportunity for gaining popularity. Moreover, a key problem in starting their own business to identify how to offer innovation in the market.

By analyzing the position in relation to the provision of early-stage finance for small business, one can conclude that the majority of potential entrepreneurs, the necessary funding would have provided through their own savings, friends or relatives. Through this we come to the conclusion that no tie trusted position on financial institutions.

Persistence to solve problems and acceptance of failure is a key feature that should possess entrepreneurs. When it comes to readiness for making a business plan, the survey results show that, overall, respondents know to prepare it. Most of them, as the biggest barrier to see the provision of financial resources and consider the purchasing power of the population is a key issue for the success of a business.

From the survey can be seen that the current government and individual measures to promote entrepreneurship in the country play an important role. Accordingly, measures to tax relief are evaluated with the highest average score. Also, the highest score has the acceptable price as the most important factor for business success, and the lowest score is evaluated product availability.

From the results can be concluded that the respondents have a positive attitude to starting their own business and have the solid information related to entrepreneurship and the characteristics that determine the success of entrepreneurs and small businesses. The synthesis of the findings of the survey

give light on entrepreneurship, as a central pillar of the national economy, a source of innovation and generator for starting a new business.

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