Mohamed Boudiaf University of M'Sila
Mathematics and Computer Science Faculty
Computer Science Department

جامعة محمد بوضياف - المسيلة
Université Mohamed Boudiaf - M'sila

Create and develop a startup

إنشاء وتطوير شركة ناشئة

Semester : 6 SI

Transversal Unit (TU)

Course : Create and Develop a Startup

Crédits : 2

Coefficient : 1

Teaching objectives: this course aims to give students and help them structure, start or develop their entrepreneurial project. The aim of the course is also to develop the “Learn to Entrepreneurship” mechanism in the student. The objective is also to develop entrepreneurial creativity in students by promoting their idea through “business model” type projects.

The course is based on four points :

- ❑ Motivate the students to create a startup and provide them with the means to launch into the business model sector.
- ❑ Master the tools for formalizing and implementing a startup project.
- ❑ Transform good ideas into creating a business model.
- ❑ Adapt the student to the ecosystem and culture of startups.

The content of the course:

Chapter I: Entrepreneurial profile & Motivations

1. Creating a startup
2. The posture of the entrepreneur
3. How to find an idea
4. The startup ecosystem
5. Start alone or with others
6. Growth and sales Mistakes,
7. failures and best practices

Chapter II: From idea to market

1. Customer development and product development
2. The construction and formalization of an economic model
3. The art of PITCH

Chapter III: From market to growth

1. Growth hacking or the cult of growth
2. Fundraising and valuation
3. Crowdfunding: marketing and financial leverage

Chapter IV: Administration and management

1. The starter pack :legal / social / tax / VAT Tools to manage,
2. develop and communicate about your activity Market access & sales,

   Business development, Web marketing

1. Performance management
2. Strategic monitoring

Evaluation: Final Exam 100 %

References:

1. Robert Papin, La création d'entreprise, Création, reprise, développement
   16e édition - *Collection : Hors collection, Dunod,* 2015.
1. Eric Ries, Lean Startup : Adoptez l'innovation continue,
   Éditeur : PEARSON, 2015.
1. Vincent Ydé, Créer son entreprise : du projet à la réalité,
   Éditeur : VUIBERT, 200

Introduction

- ❑ Algeria now has some 6,000 start-ups and plans to multiply this figure in the coming years.

- ❑ The Algerian government has set up a series of incentive measures for the creation of startups.
- ❑ The objective is promoting the ecosystem of startups and innovation.
- ❑ Incentive programs designed to support university graduates who have successfully launched their projects as startups.

- As part of supporting startups holding a label, and in accordance with ministerial decree N° 1275 of September 27, 2022 relating to the mechanism for a **diploma...a startup**, the Ministry of Higher Education and Research scientist asked universities to support startups holding a label, granted by the competent national commission.

- Incubators play a crucial role in assisting project leaders to formalize their ideas and assess the viability of their projects. They provide project leaders with comprehensive support, including training, guidance, financial assistance, and a nurturing environment until the establishment of groundbreaking companies.

- You can find all the information you require from these incubators by visiting their websites, such as the University of M'Sila Entrepreneurial House.(https//:www.univ-msila.dz/maisonent)
- The national startup portal is also available for your access. Startup.dz – Portail national des startups

What is a Startup?

- The start-up is a young innovative company with strong growth potential which is often the subject of fundraising.
- It is in a more or less long phase of developing a product, testing an idea, validating a technology or an economic model.

A startup is a company that does not clearly know:

1. What his product is.
2. Who are its customers.
3. How to make money.

David MCClure

A startup is a temporary organization designed to search for a repeatable and scalable business model.

— Steve Blank —

AZ QUOTES

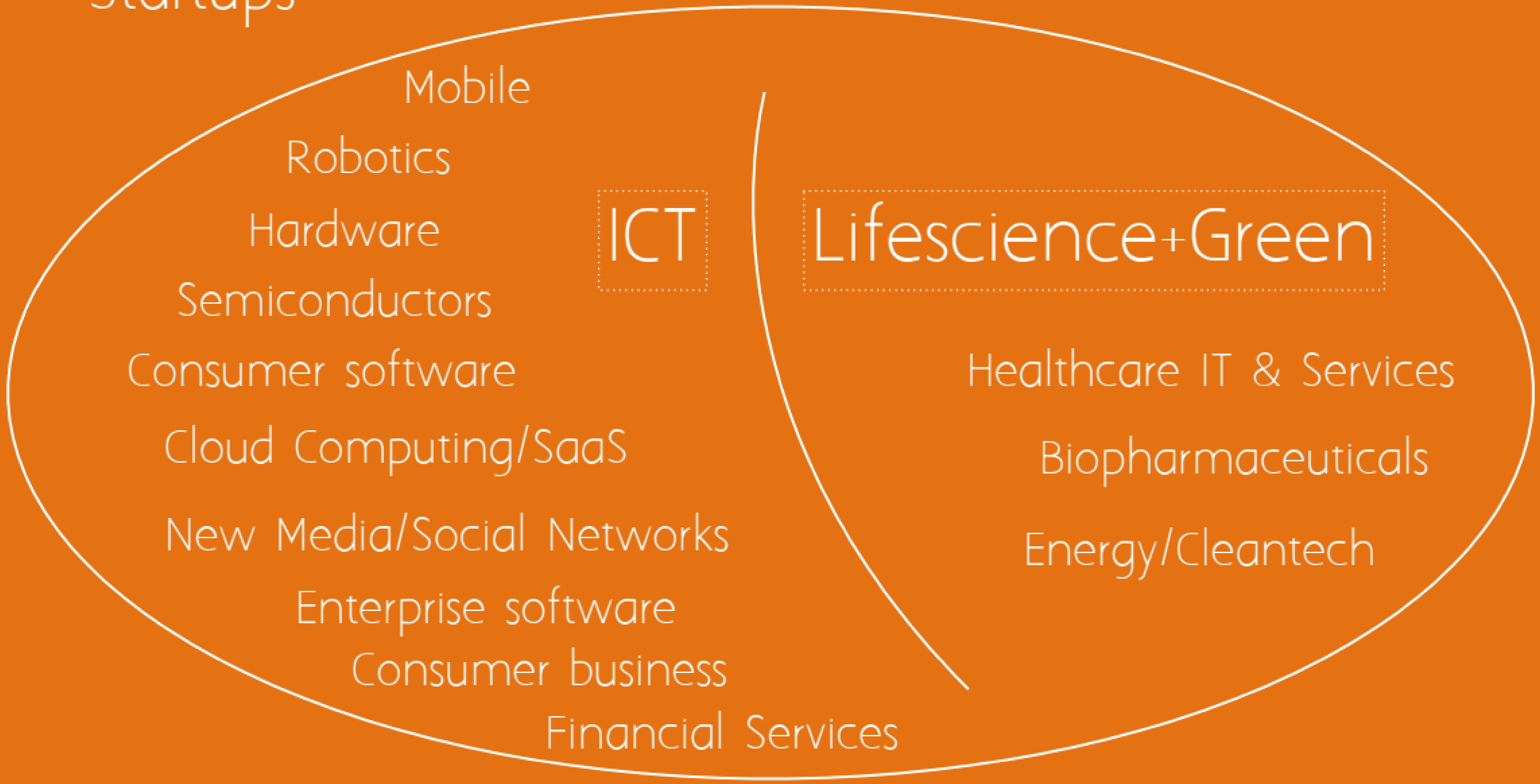
A startup is a company designed to have growth of 5 to 7% per week

PAUL GRAHAM

- The product is currently undergoing a phase of development, idea testing, technology validation, or economic model validation, which may vary induration.

- The small sizes and lack of visibility of these structures contribute to a higher risk of failure compared to traditional companies.

Startups


Mobile
Robotics
Hardware
Semiconductors
Consumer software
Cloud Computing/SaaS
New Media/Social Networks
Enterprise software
Consumer business
Financial Services
ICT
Lifescience+Green
Healthcare IT & Services
Biopharmaceuticals
Energy/Cleantech

A startup is recognized by 3 very specific criteria

1. startup = disruption
2. startup = growth
3. startup = uncertainty

Startup = Disruption

In the field of economics, disruption refers to the significant disturbance or turbulence that occurs within a market when new strategies are implemented.

Startup = uncertainty

Uncertainty, a term with multiple meanings, refers to a concept that lacks exactness or certainty. It encompasses situations that may or may not occur or possess specific characteristics.

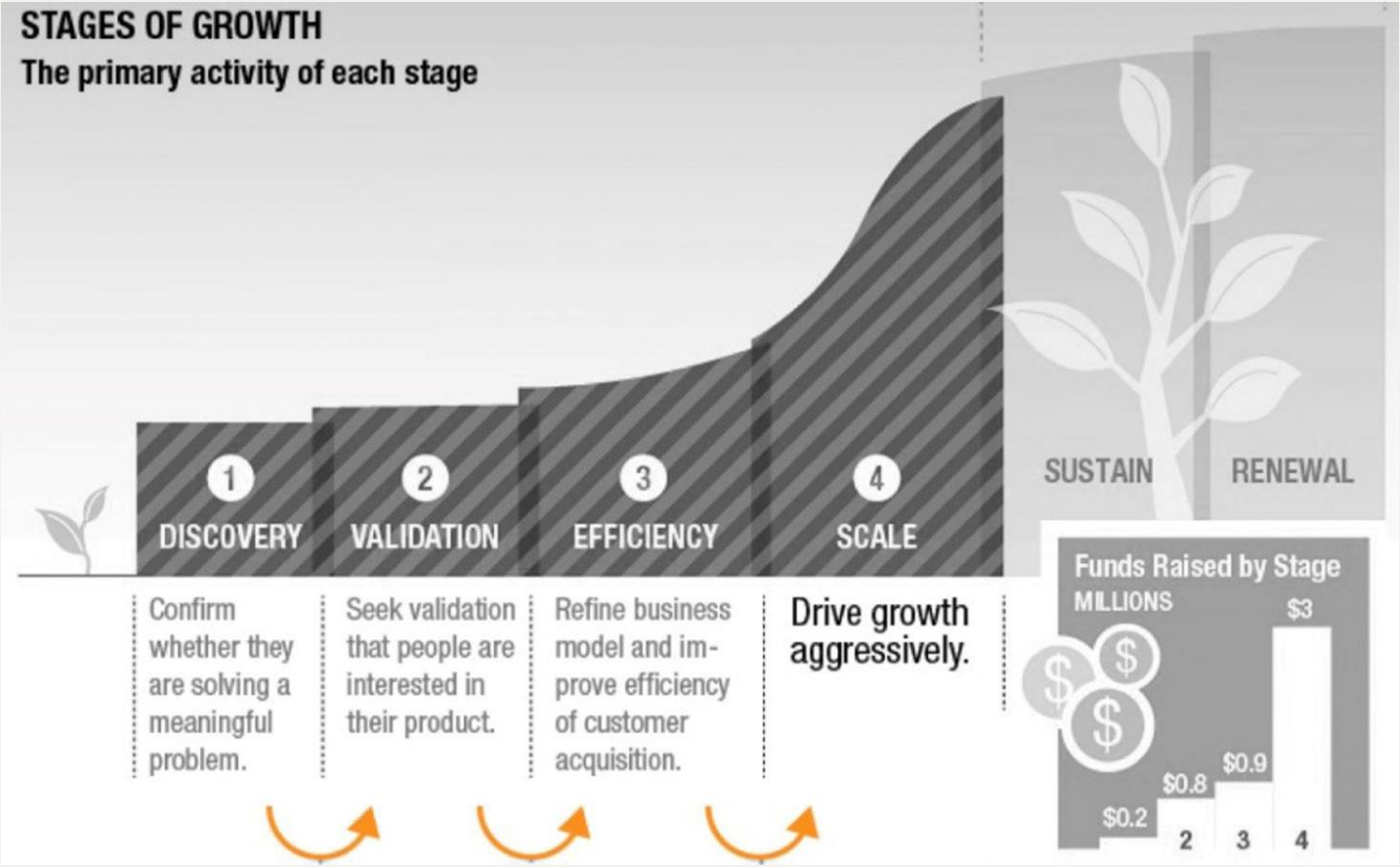
3 main unknowns

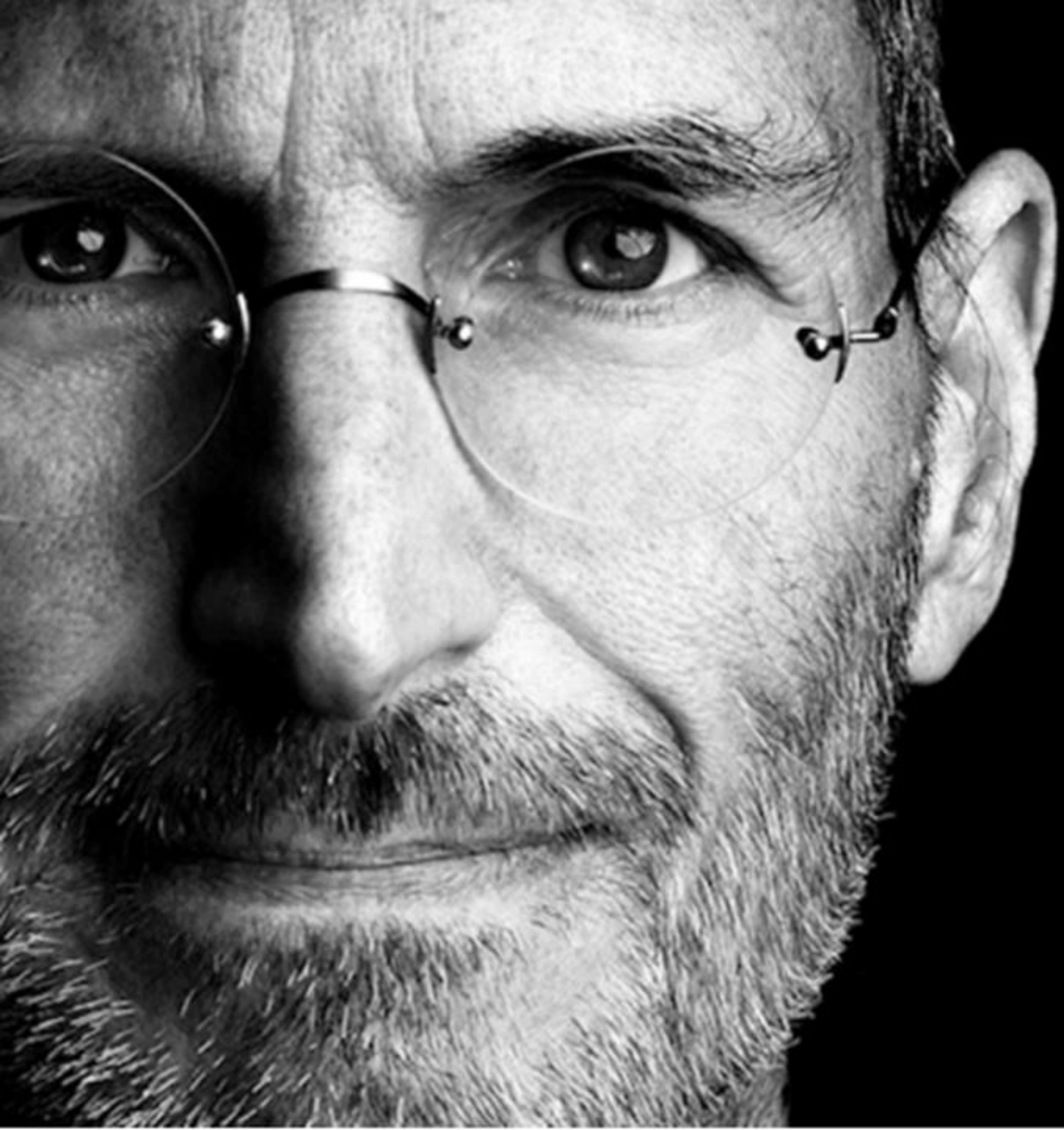
Who ? What ? How ?

Startup = Growth

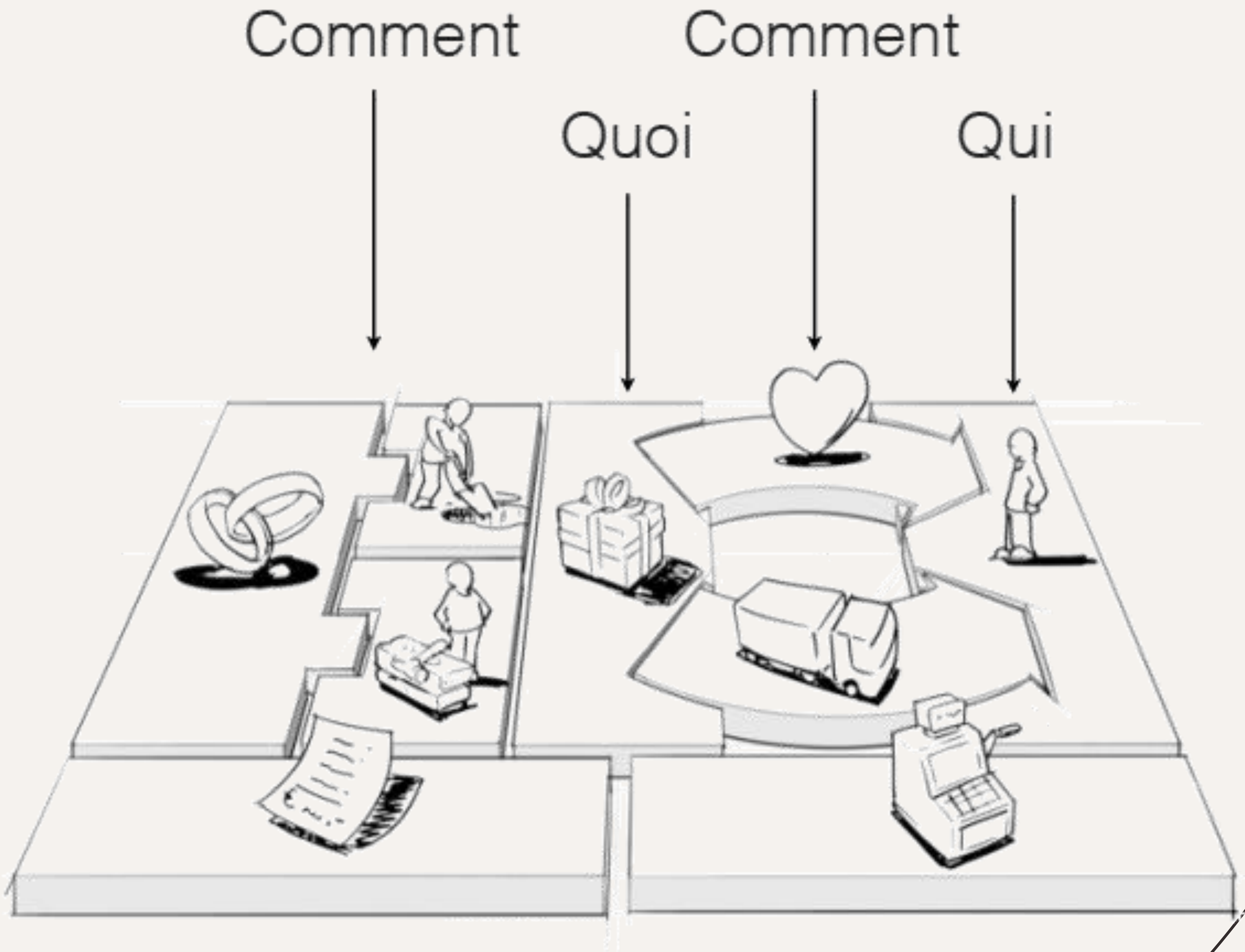
Economic growth, on the other hand, concerns the positive changes observed in the production of goods and services within an economy over an extended period of time. Gross Domestic Product (GDP) is the most commonly used indicator to measure economic.

Startup: controlling your growth without slipping!





Because the people
who are crazy enough
to think they can
change the world
are the ones who do


Comment
Comment
Quoi
Qui

What are the essential information covered in previous courses regarding the establishment and growth of a startup?

1. **Definition and criteria for a startup:**

   - A startup is a young innovative company with strong growth potential and often involves fundraising.
   - It is in a phase of developing a product, testing an idea, validating technology or an economic model.
   - Three criteria define a startup: disruption (reallocating resources for more productive use), growth (over 7% per week), and uncertainty (unknowns about who, what, how).

2. Course outline on creating and developing a startup:

- **Chapter I** covers the entrepreneurial profile, motivations, idea generation, startup ecosystem, team formation, growth and sales.
- **Chapter II** focuses on customer/product development, economic model formalization, and pitching.
- **Chapter III** discusses growth hacking, fundraising, valuation, and crowdfunding.
- **Chapter IV** covers legal, tax, management tools, market access, sales, and performance monitoring.

3. Startup ecosystem and support in Algeria:

- Algeria aims to promote the startup and innovation ecosystem. Incubators assist project leaders in formalizing ideas and assessing viability through training, guidance, financial aid.
- . A national startup portal (startup.dz) and university entrepreneurial houses provide information and support

4. Considerations for students starting a business:

- Lack of financial resources and stable income can be challenges.
- Career goals and aspirations may not align with entrepreneurship.
- There is a significant risk of failure in the startup world.

1. What is the main objective of the "Create and Develop a Startup" course?

a) To teach students coding and technical skills

b) To help students' structure and develop their entrepreneurial projects

c) To provide students with jobs at established companies

d) To teach students business management theory

2. Which of the following is NOT one of the criteria that defines a startup?

a) Disruption

b) Growth

c) Profitability

d) Uncertainty

3. Which chapter of the course covers topics like growth hacking and fundraising?

a) Chapter I

b) Chapter II

c) Chapter III

d) Chapter IV

4. According to the document, what is a key challenge a student may face when starting a business?

a) Lack of technical skills
b) Lack of financial resources
c) Lack of business connections
d) Lack of marketing knowledge

5. What is the role of incubators in supporting startups in Algeria?

a) Providing office space

b) Assisting with idea formalization and viability assessment

c) Offering coding workshops

d) Facilitating fundraising

Answers

Question 1:

b) To help students structure and develop their entrepreneurial projects

Question 2:
c) Profitability

Question 3:

c) Chapter III

Question 4:

b) Lack of financial resources

Question 5:

b) Assisting with idea formalization and viability assessment

Starting a business during one's studies?

- Starting a business during one's studies or right after graduation can be a challenging yet a very rewarding attempt.
- There are several factors to consider before taking the jump into entrepreneurship.

- One of the main reasons why some individuals may hesitate to start their own business during this time is the lack of financial resources. Without a stable source of income, it can be difficult to fund a startup and cover essential expenses.

- Additionally, the choice of pursuing a business venture as a life project may not align with everyone's career goals and aspirations. The allure of the job market and the stability it offers may also deter students from starting their own business.

- Finally, there is a significant probability of failure in the world of entrepreneurship, which can be a intimidating expectation for many individuals.

Steps to Help You Start a Startup

1. Start with a Great Idea

Your first step in learning **how to start a business** is to identify a problem and solution. This is because successful startups begin from business ideas that fill the needs of a group of customers.

But your idea doesn’t always have to be a new one. You can update existing products or services in a way that’s better for the consumer. This can be as simple as:

- Changing the product’s appearance
- Adding a new feature
- Finding a new use for a product that customers already love

- Apple started from Steve Jobs' vision for personal computers like the **Apple II and Macintosh** in the company's early years. His emphasis on combining great hardware, software, and design was foundational.
- Apple has consistently iterated and improved upon its core product lines like Macs, iPhones, and iPads over many years through hardware and software updates that add new capabilities based on market demands.

Apple’s market capitalization is well over $2 trillion, making them one of the largest companies on the planet by that metric.

2. Make a Business Plan

Once you have an idea, you’ll want to start building a business plan that describes your products and services in detail. It should include information on your industry, operations, finances, and market analysis.

3. Secure Funding for Your Startup

The cost of a startup is different for every business owner. However, no matter what your costs are, you'll likely need to get **startup financing** from:

- Friends and family
- Private investors
- Shareholder lender
- Bank loans

4. Surround Yourself With the Right People

It is crucial to have key business advisors who can provide valuable guidance throughout the process, such as:

- ❑ **Lawyers**
- ❑ **Certified Public Accountants (CPAs)**

- ❑ **Insurance professionals**
- ❑ **Bankers**

NB: You will get all the help you need in the incubators as we sad earlier.

As small businesses grow, it becomes crucial to assemble the perfect startup team. This involves making thoughtful choices when selecting individuals for key roles within the company.

- ❑ Co-founders

- ❑ Contractors

- ❑ Initial employees, including freelancers

5. Make Sure You're Following All the Legal Steps

Before launching your startup, it is essential to ensure that you have taken the necessary legal measures to maximize your chances of success. This includes everything from designing your product to establishing your workspace, making the process of starting your dream business an enjoyable experience:

- ❑Applying for a business registration & Registering your business name

- ❑Getting a national tax ID number

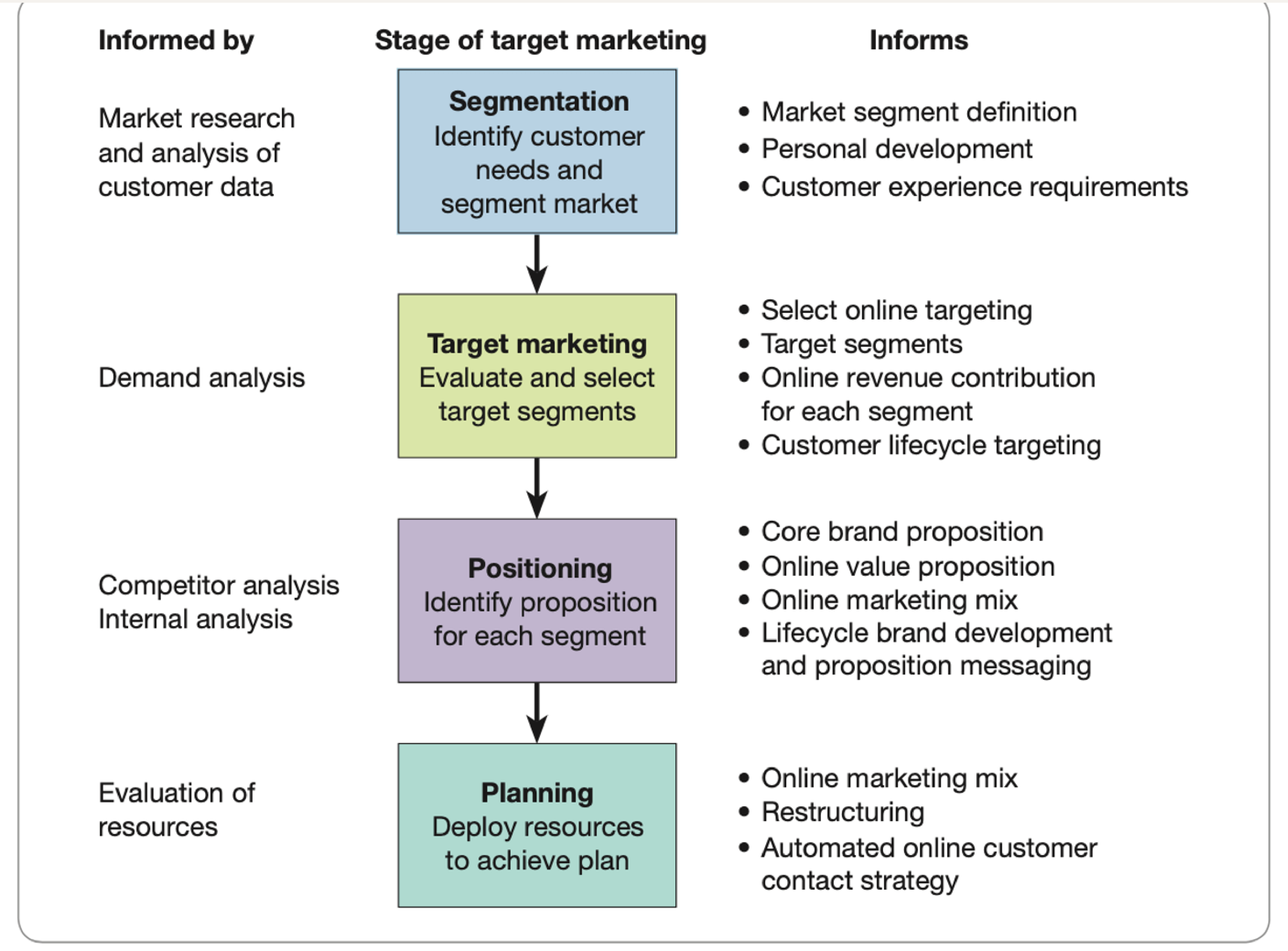
- ❑Creating a bank account

- ❑Familiarizing yourself with regulations

- ❑Building contracts for clients and others you plan to work with

6. Establish a Location (Physical and Online)

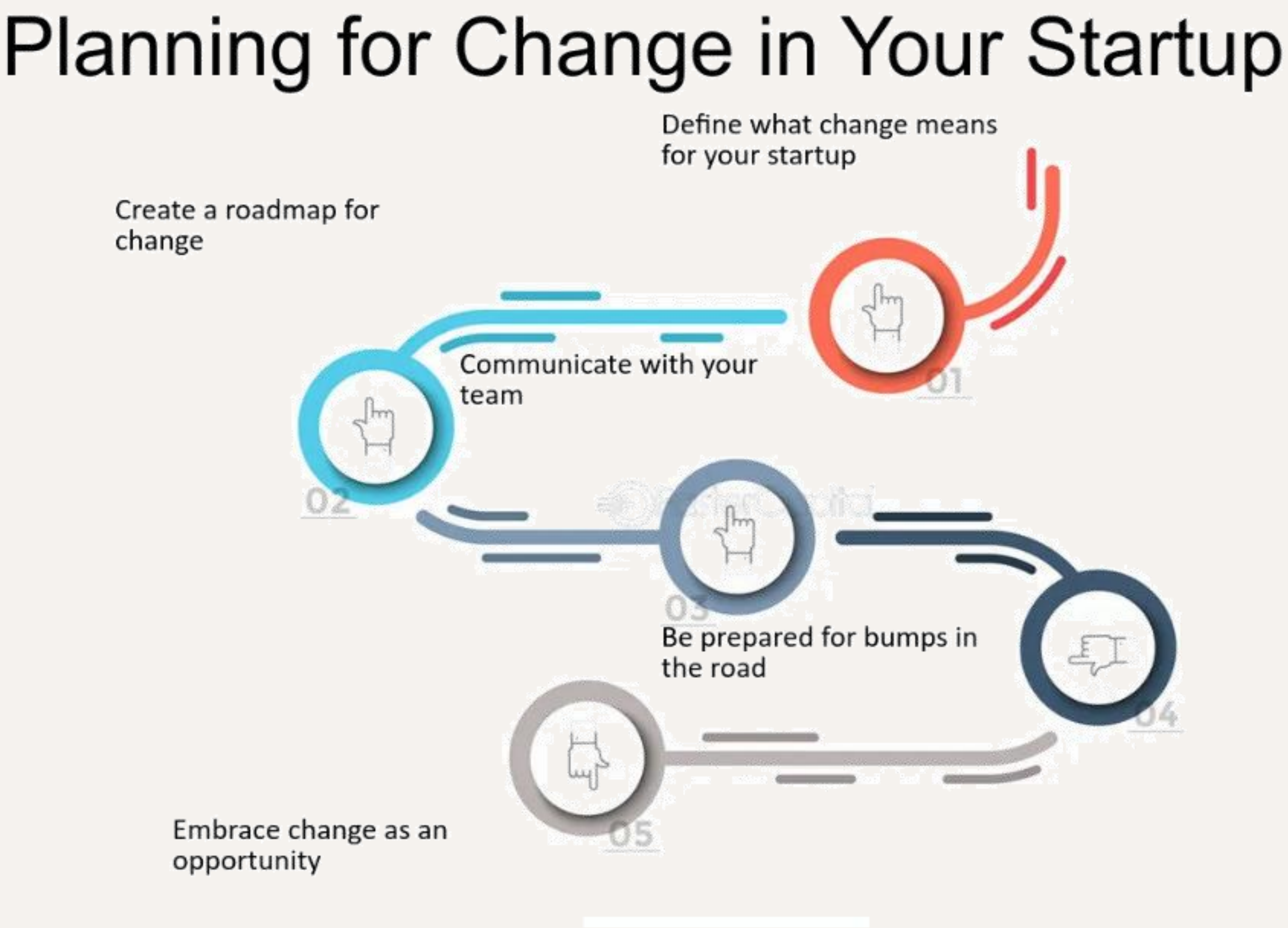
7. Develop a Marketing Plan



Stages in target marketing strategy development by Dave Chaffey

8. Build a customer base

9. Plan to Change



Launching Your Business

The Posture of the Entrepreneur

Posture plays a pivotal role in an entrepreneur's confidence and presentation. A strong, confident posture exudes leadership and determination, positively impacting business interactions and decision-making.

Benefits of maintaining good posture

1 **Physical well-being**

Good posture reduces strain on muscles, ligaments, and joints, preventing back and neck pain.

2 **Enhanced confidence**

A body in proper alignment exudes confidence and assertiveness, positively impacting professional interactions.

3 **Mental clarity**

Proper posture supports clear thinking, improved concentration, and a positive mindset.

4 **Improved digestion**

Correct posture aids in optimal digestion and reduces the risk of gastrointestinal issues.

Common Posture Problems and Their Impact on Productivity

Neck and Shoulder Strain

Prolonged periods of looking down at screens can lead to neck and shoulder discomfort, resulting in reduced focus and productivity.

Lower Back Pain

Sitting with poor posture can strain the lower back, leading to discomfort and decreased ability to concentrate on tasks.

Wrist and Hand Fatigue

Incorrect positioning of wrists and hands while typing or using a mouse can cause fatigue, affecting efficiency and work quality.

Tips for improving posture while working

- **Use an ergonomic chair:** Choose a chair with proper lumbar support for good posture.
- **Adjust your monitor:** Position it at eye level to reduce neck strain.
- **Take regular breaks:** Stand, stretch, and walk around every hour to avoid stiffness.

Finding a Business Idea

When starting a business, the first step is finding the right idea. This involves identifying personal interests, conducting market research, and analyzing potential gaps in the market. Finding a business idea requires creativity, curiosity, and a keen eye for innovation.

Identifying Personal Interests and Passions

Passion Recognition

Recognizing your true passion is vital for business success.

Interest Exploration

Exploring various interests can uncover potential business ideas.

Heartfelt Pursuits

Pursuing what truly excites you can lead to fulfilling ventures.

Conducting Market Research and Identifying Gaps

1. **Market Research**

   Gather data on consumer behavior, trends, and competitors.

2. **Identifying Needs**

   Analyze areas where existing solutions fall short.

3. **Gap Analysis**

   Evaluate the unmet needs and potential opportunities.

Brainstorming and Evaluating Potential Ideas

Brainstorming Techniques

Encourage free thinking and creativity within the team to generate innovative ideas.

Evaluating Viability

Assess the market demand, feasibility, and potential scalability of each idea.

Risk Assessment

Analyze the potential risks and rewards associated with implementing each idea.

Overview of the startup ecosystem

1. **Startups**

   Newly established businesses with innovative ideas

2. **Investors**

   Individuals or organizations providing capital and support

3. **Incubators/Accelerators**

   Programs fostering the growth of early-stage startups

4. **Mentors**

   Experienced individuals guiding and advising startup founders

Key players and their roles in the ecosystem

Investors	Provide funding and mentorship to startups in exchange for equity.
Accelerators	Offer mentorship, resources, and funding in exchange for equity.
Incubators	Provide support, office space, and resources to early-stage startups.
Entrepreneurs	Founders and leaders of startup companies, driving innovation.
Mentors	Experienced individuals who offer guidance and advice to entrepreneurs.

Starting a Business: Alone or With Partners

When beginning a business, one of the significant decisions to make is whether to venture alone or collaborate with others. This choice can greatly impact the company's trajectory and culture.

Advantages and Disadvantages of Starting Alone

Advantages

Complete control over decisions and direction.

Flexibility to pivot quickly and try new approaches.

No potential conflict with partners.

Disadvantages

Greater workload and potential isolation.

Limited access to diverse skill sets and perspectives.

Less external support and shared risk.

Advantages and Disadvantages of Starting with Others

Advantages

Shared workload and complementary skills.

More diverse and innovative problem solving.

Emotional support and shared responsibility.

Disadvantages

Potential conflicts and disagreements.

Dependency on the commitment and performance of partners.

Shared ownership and decision-making.

Common Growth Mistakes and How to Avoid Them

1. **Lackof Clear Strategy**

   Setting vague objectives or failing to adapt to changing market trends.

2. **Rapid Overexpansion**

   Scaling too quickly without a solid foundation or understanding of the market.

3. **Ignoring Customer Feedback**

   Not listening to customer needs and preferences, leading to loss of market share.

Common Sales Mistakes and How to Avoid Them

1. **Insufficient Understanding of Customer Needs**

   Overlooking customer pain points and failing to provide targeted solutions.

2. **Pushy or Inauthentic Sales Techniques**

   Using high-pressure tactics that deter potential customers.

3. **Underestimating the Power of Follow-ups**

   Not nurturing leads and failing to maintain relationships with existing customers.

Learning from Failures: Case Studies of Successful Entrepreneurs

1 Resilience and Adaptability

Recognizing failures as learning experiences and pivoting to find new solutions.

2 Effective Resource Management

Strategic use of available resources and cost-efficient decision-making.

3 Customer-Centric Approaches

Understanding and meeting customer needs as a priority for sustained success.

Best Practices for Business Growth

Innovative Marketing Strategies

Using data-driven and creative approaches to reach and engage target audiences.

Agile Decision-Making

Remaining flexible and adapting quickly based on market feedback and insights.

Investing in Talent and Training

Nurturing a skilled and motivated workforce through continuous learning and development.

Best Practices for Sales Success

Crafting Compelling Value Propositions

Clearly communicating the unique benefits and solutions offered to customers.

Building Trust and Relationships

Establishing strong customer rapport through honesty, transparency, and personalized experiences.

Continuous Team Training

Empowering sales teams with ongoing education and skill enhancement opportunities.

Conclusion: Choosing the Right Path for Your Business

1

Consideration of Personal Strengths

Assess individual skills and preferences to align with the most suitable business path.

2

Evaluation of Market Conditions

Research and testing to determine the best approach for growth and sales in the current market.

3

Reflection on Risk Tolerance

Understanding the level of risk one is comfortable with and the impact on potential outcomes.