



Success factors of start-ups in Algeria.

Experience of the Yassir start-up

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Abstract :

Through this research paper, we aim to study the factors of the establishment and success of start-ups in Algeria, and the most important decisions and facilities granted by the Algerian government in order to promote this new type of institutions, the problem centered on the factors of success that help the establishment of start-ups, and we used the descriptive approach that describes these factors recognized by the Algerian Government We also touched on Yasser company as an experiment of an Algerian startup in the technological field, where the entrepreneurial culture and pioneering spirit of its owners and their ambitions to reach the top led to its rapid growth and spread inside and outside the country

Keywords:

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.1. Introduction:

In the light of the opening up to global markets and with the increasing importance and role of emerging institutions, in order to achieve economic and social development, more attention has been paid to this type of institutions by developing countries in order to create wealth, and these institutions are based on the optimal exploitation of ideas and opportunities to achieve their goals, and rely on innovation and technology. The Algerian state, like other developing countries, has directed its investment in human capital, which depends on the skills of individuals, their creative and innovative abilities within institutions.

The Algerian government has increased its interest in this type of institutions to achieve economic and social development, so it has developed programs, mechanisms, decisions and grants facilities and privileges to ensure the success of these institutions and improve the climate of entrepreneurship and creative initiatives by the project holders of emerging institutions..

1.1:Problem of the study:

From this standpoint, the following problem can be formulated for this research paper, which is as follows:

What are the factors for the success of emerging institutions in Algeria?

1.2:Study hypothesis:

Start-ups in Algeria need a set of factors that will help them to succeed, continue and be embodied on the ground.

1.3:The importance of the study:

The importance of this research study is represented by several considerations, mainly related to the place tghat emerging institutions had today in the field of economic and social development in Algeria, as this study allows us to identify the various factors leading to the success of the experience of these emerging institutions, and transforming them from small institutions to large institutions through continuous growth.

***1.4:Study objectives:***

Through this research paper, we seek to achieve the following objectives:

- ✓ Clarify the concept of start-ups and their success criteria.
- ✓ The reality of start-ups in Algeria.
- ✓ The most prominent decisions and instructions issued by the Algerian government to support these institutions.
- ✓ The most important privileges and facilities that the Algerian state has granted to start-up project owners in order to embody their creative ideas.
- ✓ The experience of the start-up Yassir and its success factors in Algeria.

1.5:Study Methodology:

This research paper relied on the descriptive approach as it is the most clear approach, as it is suitable for explaining the factors provided by the Algerian government for the success of emerging institutions.

It also relied on the descriptive approach that describes the experience of Yassir Company and its success factors.

1.6:Study axes:

This study contains three axes represented in the following:

- ✓ The first axis: The conceptual framework of emerging institutions (definition - importance - criteria of the success).
- ✓ The second axis: Emerging institutions supporting mechanisms in Algeria.
- ✓ The third axis: The experience of the Yassir Foundation and its success factors in Algeria.

2.Conceptual Framework for Startups:

This section includes the definition of start-ups, their importance, and the criteria for establishing start-ups.

2.1:Definition of startups:

The Start-up Blink group defined it as any company that adopts innovative ideas that rely primarily on technology and has the ability to achieve rapid expansion and continuity. The innovative idea can be a product, service, process, or business model(**start up blank;2022.p12**)

Start-ups are technically defined by the English dictionary as "a small project that has just started." The word start-up consists of two parts:

- Start: which refers to the idea of launching.
- Up: which refers to the idea of strong growth.

(<http://dictionary.cambridge.org/fr/dictionnaire/anglais/start-up>. (n.d.).

As Paul Graham defined it in his famous article on growth, it is considered a company designed to grow quickly. He also considered that not every modern company is considered a start-up and it is not necessary to work in the technological field, but rather focus on the growth of this company. According to Paul Graham, he considered that the growth rate of these companies is good, between 5% and 7% weekly, and may exceptionally reach 10% in terms of profits for these start-up institutions (Samia Ben Ali, 2022, p. 612).

Based on these previous definitions, a definition of start-ups can be given as any organization seeking to market or introduce a new product in the market, or provide an innovative service, regardless of its size, field of activity, or sector to which it belongs. These organizations are characterized by high risk and uncertainty, while exploiting opportunities to achieve strong and rapid growth and reap huge profits if they succeed. (Dr. Bouleshouar Sherifa, 2018, p. 420).

2.2:The importance of start-ups:

The importance of start-ups is as follows:

- Providing real productive job opportunities and combating the problem of unemployment.
- Innovation in research and development.
- Increasing productivity and maintaining competitiveness.
- Spreading positive values in society.



- Contributing to relative economic development.
- Investing savings and enhancing and attracting investors and foreign capital.
- Contributing to economic growth.
- The flexibility of start-ups and their ability to adapt to various environmental variables in order to maintain stability and continuity. (Hussein Youssef, 2020, pp. 68-89).

2.3: Criteria for the success of emerging institutions:

Emerging institutions and companies go through different stages of their operational life, and the first stage of establishment receives great attention, as entrepreneurs seek to achieve excellence and high quality in the products and services they provide, but most of these emerging companies and institutions fail to launch and achieve success.

In this vein, Forbes magazine provided ten (10) tips that can help business owners overcome the first stage and move towards growth, expansion and continuity. These ten criteria are as follows:

- **Obtaining a large amount of funding:** Startups need diverse sources of funding, which involves a new idea, so they must find a business plan that is commensurate with the size of the potential risks.
- **Establishing a successful board of directors:** It includes experienced businessmen who must be involved in the decision-making process and their opinions, instructions and guidance must be taken into account based on their experience in this field.
- **Focusing on creativity rather than competition:** Startups rely on developing products, improving services and adding new features to them, by ensuring that they provide new and innovative things to customers.
- **Employee efficiency:** Startups must choose an elite group of experienced and efficient employees, which ensures the continued success and sustainable development of the organization.
- **Focusing on sales development:** That is, forming a professional sales team that works to achieve the goals and requirements of the organization, so owners of start-up organizations must be keen to train their members and provide all the tools and conditions they need.
- **Providing a team of professional leaders:** Startups generally need professional leaders to train and supervise employees and maintain team spirit, in addition to trying to enhance

growth and achieve the company's goals of producing high-quality goods and services at a lower cost.

- **Distinguishing between marketing and sales:** The role played by each of marketing and sales in start-ups differs. Marketing embodies the brand, product specifications, advantages, prices and forms, while sales' role lies in building relationships, meeting needs, presenting offers and concluding deals. These two aspects require different skills, but they complement each other.
- **Building strong relationships with customers:** Startups are keen to build personal relationships and trust with their customers, by providing services and products that exceed their expectations and hopes, and this is the right way to expand the customer base and gain their loyalty.
- **Creating a positive corporate culture:** Startup owners are in dire need to instill a positive corporate culture that defines the way employees work and the growth of the organization, and is consistent with their vision, values and ambitions by enhancing the organization's culture and ensuring that its positive values and norms are followed, which helps to withstand the volatile and complex business world.
- **Distinguishing between leadership and management:** Despite the integration between these two skills, start-up owners must distinguish between them, as leadership is concerned with inspiring employees and encouraging them to do their best at work, while management involves guiding employees to their duties and tasks and seeks to create a suitable work environment. (www.arrajol.com).

3.Mechanisms for supporting start-ups in Algeria:

After we got to know the concept of start-ups, their importance and the criteria for establishing start-ups, but before that we will discuss the basic law for start-ups, then we will list the most important decisions and facilities taken by the Algerian state regarding these new innovative projects.

3.1:Basic Law for Start-ups:

In 2020, an executive decree was issued in the Official Gazette of the Algerian Republic, No. 55, dated 27 Muharram 1442 corresponding to September 15, 2020, which includes the establishment of a national committee to grant the label of a start-up, innovative project, and business incubator, and to define its tasks, composition, and operation.(Official Gazette of the Algerian Republic, 2020 ;Issue 55).



According to Article 11, a startup is any company subject to Algerian law that respects the following provisions:

- ❖ The company must not exceed 8 years of age.
- ❖ Business models must be based on products, business models or any innovative idea.
- ❖ Turnover must not exceed the amount determined by the National Commission.
- ❖ The company's capital must be owned at least 50% by natural persons or investment funds approved by other institutions that have obtained the startup label.
- ❖ The growth of the company must be large enough.
- ❖ The number of workers must not exceed 250 workers. (Samia Ben Ali, 2022, p. 613)

3.2: Decisions taken by the Algerian state to support start-ups:

Among the most important decisions and instructions taken by the Algerian government to support start-ups in order to advance the Algerian economy were the following:

- Establishing an investment fund dedicated to financing and supporting start-ups.
- Establishing a legal framework for start-ups and preparing regulatory texts specific to this type of institution.
- Establishing a ministry delegated to micro-start-ups.
- Establishing a ministry delegated to business incubators.
- The possibility of holders of innovative ideas and owners of start-ups benefiting from the spaces available within institutions affiliated with the youth and vocational training sectors across the country.
- Establishing a higher council for innovation that values national innovative ideas and initiatives for scientific research.
- Generalizing electronic payment in various vital sectors. (Al-Rumaidi Bassam Samir - Talhi Fatima Zahra, 2020, pp. 12-14).

3.3: Facilities and incentives provided by the Algerian government to embody start-ups:

The Algerian government has granted start-up project owners a set of facilities and incentives, in order to innovate and create new value, and provide a climate that helps embody their ideas and the ability to market them inside and outside the country. The following are the most important facilities and privileges:

- Tax exemptions for project owners for up to 5 years.
- Exemption from the tax on professional activity for 3 years after the start date of the activity.
- Preparing a digital platform for start-ups launched on October 15, 2021, with the aim of combating bureaucracy to facilitate administrative procedures without obtaining any documents and without going to the administration and wasting time. (Afaf Lomazia, 2021, pp. 206-208).

3.4: The self-employed system advantages and the facilities provided to it:

The self-employed is considered a new entrepreneurial formula in Algeria, approved by Law 22-23 of 2023, related to the self-employed system, which aims to encourage self-employment, facilitate administrative procedures, and attract competencies from various specializations in order to enter the field of entrepreneurship and give them the opportunity to embody their ideas and support the Algerian economy in order to create wealth and global competition.

Among the advantages, incentives and facilities granted by the Algerian government to the self-employed system, we mention the following:

- ❖ Carrying out simple accounting on a numbered and indexed register by the regionally competent tax authorities, in which the revenues and expenses related to the activity practiced by the self-employed contractor are recorded.
- ❖ Exemption from the obligation to register in the commercial register.
- ❖ Opening a commercial bank account.
- ❖ The personal and family residence that serves as the headquarters of the contractor's activity cannot be seized due to debts or damages resulting from his activity. (<https://mokawil.dz>).

4: YASSIR Company's experience as a successful start-up in Algeria:

After we saw earlier in the third axis the reality of start-ups in Algeria and the contributions made by the Algerian government to support and assist project holders for start-ups and embody them on the ground, we decided in this axis to give an example of the Algerian YASSIR Company, which is considered a start-up, and the factors of its success in the Algerian market.

4.1: About Yassir Company:

Yassir Company is considered one of the emerging companies in the use of advanced technology to provide various services, especially in the field of transportation, as it was elected in 2019 by the World Economic Forum among 100 Arab emerging companies and the fifth in



the Maghreb region, and among the best 12 emerging companies in the African continent. (Mizian Amina, 2022, page 91).

The beginnings of the Yassir company as an entirely Algerian experience go back to its founders and program supervisors. The credit for its establishment goes to the two friends Mehdi Yetto and Noureddine Taibi. The company started its activity in January 2017 and presented its experimental version of the Yassir transportation application in July 2017. The commercial version was in September 2017. It was named Yassir as an indication of facilitating and simplifying the transportation process. It can be used via smartphone anywhere and at any time, as it allows everyone to book a driver and move safely and raises the slogan "**Happy Driver - Happy Passenger**".

4.2: Principles of Yassir Company:

Yassir Company is based on the following principles:

- ❖ **Ease of use:** The customer only has to download the application on his phone, while drivers have their own version.
- ❖ **Available service:** It is always available at any time and in any place covered by the company.
- ❖ **Providing the best pricing:** It takes into consideration the traffic culture, quality of service, distance and travel time.
- ❖ **Providing quality service:** This is done by reducing waiting time for the driver and passenger and providing a safe service for the driver and the customer. (Ammarouche Khadija Iman-, 2022, page 92).

4.3: Company growth and developments:

Today, Yassir Company is considered a living example in the field of start-up companies in Algeria, especially in the technological field, due to the continuous growth it has achieved since its inception, as shown in the following table:

Table:01

Years	2017	2018	2019	2020
Number of employees	6	80	200	/

Number of drivers engaged	300	5000	12000	40000
Number of app downloads	1000	500000	1.8 million	more than 2 million
Business numbers	300 million centimes	1200 million centimes	/	/
Number of cities covered	1 state	12 states	17 states	25 states and 5 countries

Source: (Ammarouche Khadija Iman-, 2022, page 92).

Through the table, it becomes clear to us that the company is growing rapidly. In four years, the growth rate reached 20% weekly. Also, in terms of markets, it started in one city, Algeria, to expand in spread and reach in 2020 25 Algerian states and 05 countries. These countries are represented by "France, Canada, Morocco, Tunisia and the main country, Algeria".

It also established branches related to e-commerce, product delivery, fast food, and the creation of a platform for film production. These electronic applications are as follows:

- **YASSIR GO:** It represents the basic service for transportation individuals with the freedom to choose the driver, and determine price in advance, as the company here is an intermediary between the customer and the driver.
- **YASSIR EXPRESS:** To provide distribution services and delivery of various products, the company is also an intermediary between the customer and various shops.
- **YASSIR MERKET:** It is considered another application that allows direct shopping where the company guarantees the quality of the products, provides a nationwide delivery, and provides several payment options.
- **YASSIR BUSINESS:** This application is directed to professionals, as this application allows the organizing and implementing transportation within the framework of work in a professional manner.
- **YASSIR TELEMEDICINE:** This application was used during the Corona virus 19 pandemic, in cooperation with general doctors and specialists who volunteer to give advice to subscribers to this application by answering their questions, and this is what



helped the state reduce transportation to hospitals except in severe cases. This application helped the state a lot in fighting this virus. (<http://www.france24.com/ar>)

4.4: Success factors of Yassir Company:

The success of Yasser Company is linked to the following factors:

- ❖ **The scientific and personal characteristics of the founders of Yassir Company:** Mehdi Yetto and Nouredine Taibi are the founders of this startup company and are considered among entrepreneurs and most important scientific competencies in Algeria, as they are considered graduates of a prestigious school of polytechnics in Algeria, where Nouredine Taibi worked in the technological field in the world-famous region for emerging institutions, which is the Silicon Valley region in the United States of America, and after obtaining a doctorate degree from the University of Singapore, he had the idea of launching an idea that would link drivers and customers looking for a fast and inexpensive means of transportation in his country, Algeria. (Maryam Ben Sharif, 2023, page 563)
- ❖ **The relationship of the founders of Yassir Company with the entrepreneurial culture:** The migration of the two friends Mehdi Yetto and Nouredine Taibi to different and developed countries, saturated with culture and entrepreneurship, had a positive impact on their way of thinking and their vision of the field of entrepreneurship, especially Nouredine Taibi, who grew up in the Silicon Valley area, where the most famous start-up and technology companies are located. Among the start-up and global companies, we mention Apple and Google, which employ about 6 million people and generates more than 3000 billion dollars. If it were a country, it would be the sixth largest economy in the world. This reflects the behavior of its founders due to their love for entrepreneurship and entrepreneurial culture.
- ❖ **Fertile labor market:** The digital products market in Algeria is still young due to Algeria's delay in moving from a physical economy to a digital economy, as Algeria ranked 150 out of 193 countries in 2018 in smart electronic services, and this is what the Yassir Foundation took advantage of as an opportunity to impose its activity and was one of the factors of its success, expansion and achieving rapid and continuous growth. (Ammarouche Khadija Iman-Mizian Amina, 2022, p. 94)

- ❖ **Yassir's efforts during the Corona pandemic:** Yasser was able to gain the Algerian state attention to it through what it did during the Corona pandemic that affected Algeria, as it created a special application to protect citizens from this disease, and its ability to sense the needs of the market and consumers and work to meet them continuously and quickly, in order to reduce the movement of individuals and avoid infection, this point was positive for the Yassir Foundation to increase the confidence of the citizen and the state, and it is one of the factors of its success. (Maryam Ben Sharif, 2023, p. 564).

5.Conclusion:

Start-up companies are considered one of the effective alternatives to advance the national economy and achieve economic, social, scientific and technological development, by instilling the entrepreneurial culture among project holders, and the best evidence is the Yassir Company, which was the best example of start-up companies in Algeria and is still a leader in the Algerian market, as it obtained 150 million dollars from American investors to increase its capital and spread to become a global company competing with major international companies.

5.1:Results of the study:

After addressing the various aspects of our research paper, we were able to extract a set of results of our study, which we mention below:

- ✓ Define the comprehensive concept of start-up companies as any company that has innovation, growth, development and continuity.
- ✓ The success of start-up companies is linked to providing a suitable surcamstances for research and development in order to achieve creativity and innovation on an ongoing basis in which the entrepreneurial culture and the spirit of entrepreneurship arise, and this is done by the state providing sources of funding and accompaniment for start-up project holders.
- ✓ The Algerian government understands the need to give the opportunity to start-up owners and focus on them in order to advance the national economy by providing a legal and regulatory framework that protects these institutions and facilitates their work for development and innovation.
- ✓ Yassir Company emerged as a start-up in Algeria and is successful in its technological field thanks to the entrepreneurial spirit and entrepreneurial culture of its founders.
- ✓ Among the factors of Yassir Company's success is its exploitation of the Corona pandemic to help the state and citizens and thus gained the trust of both parts.



5.2: Recommendations:

Through the results we mentioned above, a set of recommendations and guidelines can be proposed, which we mention below:

- ✚ Focusing on the transition from the physical economy to the digital economy.
- ✚ Instilling an entrepreneurial culture and entrepreneurial spirit among the founders of start-up companies.
- ✚ Strengthening the role of the university by accompanying start-up companies, correcting paths, and enhancing scientific and technological research.
- ✚ Establishing research and development centers that encourage innovation in the digital economy in order to advance the national economy and achieve sustainable development.
- ✚ The need to diversify funding sources for start-ups and not focus on one fund so that these start-up projects do not remain ink on paper.

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