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Critical success factors for start-up companies

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ABSTRACT

Start-up companies are becoming increasingly important in contributing to the South African economy growth. The start-up's business and job-creation are major contributors to economic growth. This research investigated the critical success factors for start-up companies in the South African environment, the relative importance of each factor and then developed a framework of aspects to consider when starting a company.

The research developed four propositions as critical success factors based on the literature study of success factors. The research then used a Delphi-based study to investigate and confirm the opinions of entrepreneurs, service providers, capital providers, academics and government as principle stakeholders in the success of start-up companies. Fifty-two panel members participated in three rounds of the Delphi-study and reached consensus for ten critical success factors. The panel represented the South African stakeholders in the success of start-up companies.

The research found that the entrepreneur and entrepreneurial team, the start-up's strategy, the chosen industry of the start-up, the start-up team's ability to manage their finances and the operational efficiencies of the company are the framework of the critical success factors for start-up companies in South Africa. Ten factors and the relative importance of each factor were developed from this framework.