

Key Drivers of Successful Business Leadership: The Case of Labeled Startups

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Abstract: *The study explores the key factors influencing the success of labeled startups in Algeria, a region that has been relatively overlooked in existing literature. To achieve this, a qualitative approach was employed, involving semi-structured interviews with 15 startup founders from various business sectors. NVivo software was utilized for data analysis, incorporating Pearson correlation tests and calculating average percentage coverage. The findings reveal that technical skills and relational skills, specifically business leadership, are the primary drivers of startup success, with average coverage percentages of 23.50% and 19.77%, respectively. Following these, the factors of governance and the entrepreneurial ecosystem account for 12.21% and 14.62%, respectively. However, the study also identifies significant challenges that hinder success, such as a shortage of talented young individuals and difficulties in accessing funding. To enhance the chances of success and reduce the risk of failure for startups, it is recommended to strengthen the managerial skills of founders, optimize financing mechanisms, and expedite the publication of regulatory texts to facilitate startups' access to public procurement opportunities.*

Keywords: business leadership, entrepreneurial ecosystem, governance, innovation, labeled startups.

JEL Classification: L26, M13, M54, O31, O32, G34.

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INTRODUCTION

Entrepreneurial ecosystems contribute significantly to economic growth, job creation, and innovation (Pangarkar & Vandenberg, 2022). Today, there are increasing opportunities and desires for entrepreneurship and startups in emerging countries (Oliva et al., 2022). In a constantly evolving world, where economic, social, and environmental challenges are intensifying, entrepreneurship emerges as a powerful development driver (Sudaryana et al., 2025). Among the most dynamic forms of entrepreneurship, startups have become a key lever in providing innovative solutions to complex problems (Silva et al., 2023). Recognizing this potential, Algeria has been making recently significant efforts to create a favorable institutional and legal framework for startups (Benchouat et al., 2023) to reach the objective of 400 billion US dollars of GDP in 2027.

The number of young startups in Algeria is experiencing a significant rise, recording a 228% increase between 2021 and 2023, which confirms a continuous upward trend. This objective is part of the implementation of the presidential program, aimed at creating 20,000 startups by 2029 to contribute to the developing the country's economy.

However, startups are inherently vulnerable to market fluctuations and other uncertainties, showing higher failure rates in their early stages of development compared to traditional companies, many of them struggle to survive the first three years (Witmeur, 2016). Indeed, 90% of startups disappear before reaching the sixth year of existence, compared to an average failure rate of 50% for traditional companies (Dangereux et al., 2018).

The question of the success or failure of startups remains extremely complex and difficult to grasp. Furthermore, we observe that there is no consensus in most previous studies on the dimensions of entrepreneurial success or failure, given their multidimensional and complex nature (Smida & Khelil, 2010).

The investigation of key success factors of startups is important to recognize what guarantees their success and limit risks (Filippelli et al., 2025). For instance, among the success factors for startup firms are innovation, funding opportunities, the quality of the entrepreneurial ecosystem, the quality of human resources, governance, institutional support, etc. This will allow business stakeholders, like policy and investors, to focus basically on the elements that enhance the chances of startup success, and achieve their objectives (McCarthy et al., 2023).

According to some researchers, leadership plays a crucial role in startup success. Covey et al. (1990) emphasize the importance of strong leadership in guiding a business to success. Moreover, the identification of startup success factors is approached primarily through five types of analyses: meta-analysis, systematic literature review, bibliometric reviews, qualitative research synthesis, and historiometric analysis (Rauch, 2020).

In addition, Kerr et al. (2014) highlighted the importance of adequate financing to support the growth and development of startups. They highlight access to capital, investors, and funding sources as essential elements. Burt and Granovetter (1997) study the importance of social and professional networks in creating business opportunities and accessing key resources. North and de Soto (2009) highlight the impact of institutions and regulations on the business environment and entrepreneurship.

Despite economic opportunities and promising growth potential, many local startups fail. This paradox raises important questions about the factors that contribute to entrepreneurial success in Algeria. This analysis aims to examine the key factors that play a determining role in entrepreneurial success in Algeria. Identifying these factors will allow for recommendations to support the development of a stronger entrepreneurial ecosystem.

In this context, the research question is formulated as follows: **What are the key factors that influence the success of labeled startups in Algeria?** The interview data collected from 15 founders in Algeria to explain the driving factors of the success of startups is considered. The originality of this study lies in its development of the key determinants of startups success within the underexplored Algerian context. This research addresses this gap by considering an emerging country.

LITERATURE REVIEW

The Definition of Startup

According to the literature, the growing interest in startups started first in the 1920s in New York, with the emergence of new information and communication technologies (ICT), particularly around wireless transmission technology (WT). Although it is difficult to determine the beginning of the startup era, it is reasonable to link it to the emergence of Silicon Valley, where companies such as IBM (founded in 1911) and Google were born (Khelil, 2022).

Steve Blank, a successful Silicon Valley entrepreneur, defines a startup as a temporary organization designed to pursue an industrialized, profitable business model that enables exponential, repeatable and

scalable growth (Beladjine & Belkebir, 2023). Eric Ries, in his book “The Lean Startup” goes further by defining a startup as a human institution designed to create a new product or service under conditions of extreme uncertainty (Ismail & Haraoubia, 2021).

Finally, offering a single definition of startups remains laborious, but several common elements can be denominators: innovation, rapid growth, uncertainty, and scalability (Rahmani & Benyahia-Taibi, 2021).

Despite their substantial scalability, startups face a number of challenges (Lytvyn & Fedorovych, 2024). A study by Chubby Brain insight shows that 90% of startups fail within their first three years (Akhtar & Ab Aziz, 2025). The main reasons for these failures include a lack of understanding of customers’ needs, insufficient revenue generation, and increased competition (Bednár & Tarišková, 2017). According to KPMG’s 2016 survey, only 37% of startups manage to generate revenues. Of these, 69% generate sales of up to 50,000 euros (Bednár & Tarišková, 2017).

Key Success Factors

As reported by Chakraborty (2023), to maximize their chances of success, startups must identify and implement key success factors (KSF). The latter can vary from one industry to another, underlining the specificities of each one. To understand these factors better, their key aspects are explained further.

Human Capital

Numerous research studies highlight that the success of startups largely depends on the quality of their human capital. A study conducted in Bahrain by Al Sahaf and Al Tahoo (2021), which surveyed 525 active founders, revealed that factors such as the entrepreneur’s profile – characterized by experience, skills, and network – are crucial for entrepreneurial success. These findings align with those of Thanapongporn et al. (2021), which emphasize the importance of having a credible and passionate founder supported by a competent team to ensure the startup’s success.

A recent study in the field of health technology in India, conducted by Chakraborty (2023), reinforces the findings of Thanapongporn et al. (2021). While identifying the same factors, it also highlights additional elements that contribute to the success of innovative startups. These include the founder’s deep industry knowledge, the effectiveness of the services offered, mastery of relevant laws, and the existence of a strong technological infrastructure.

Comparable studies from other countries, such as Binowo and Hidayanto (2023) in Indonesia, Virágh et al. (2024) with 22 founders in Hungary, Díaz-Santamaría and Bulchand-Gidumal (2021) in Spain, and Kim et al. (2018) in South Korea, have demonstrated that factors like a shared vision among founders and co-founders, effective leadership, a cohesive team, and the personal fulfillment of team members significantly impact startup growth.

Marketing and Understanding Structure Market

Numerous studies on marketing indicate that startups must implement effective marketing strategies to boost their sales (Thanapongporn et al., 2021). One study conducted by Stevy et al. (2023) involving a sample of 75 individuals in Indonesia found that marketing communication plays a crucial role in the success of startups, accounting for 38.62% of their overall performance.

Partners and Business Model

Empirical results from Nalintippayawong et al. (2018) indicate that the success of startups in Thailand relies on support from partners, such as investors and larger organizations, as well as on the business model and available market opportunities.

Venture Capital Financing

The Asian Development Bank (2022) underlines that venture capital represents a financial lifeline for these young companies, validating their viability and boosting their credibility with customers and investors. However, some researchers, such as Buttice et al. (2024), Klonowski (2018), and Weiss (2023), argue that over-reliance on venture capital might restrict the autonomy of startups, encouraging them to focus on rapid growth at the expense of long-term sustainability.

Governance, Innovation, Economic, and Social Impact

The Boston Consulting Group (BCG) report authored by Peyre and Tordo (2021) identifies four essential pillars for the success of startups in France:

- *Economic impact.* This pillar is measured by the company’s growth, the strength of its financing, and its profitability.

- *Social impact.* This refers to the startup’s ability to create a positive effect on the environment and contribute socially, ensuring an equitable distribution of value.
- *Innovation.* This is a key driver of success, particularly in terms of the products and services offered by the startup.
- *Responsible governance.* This encompasses employment management, employee experience, internal governance, and environmental interventions.

Together, these components form a comprehensive analytical framework for evaluating startup success (Passy, 2021).

Timing

Several studies have highlighted the importance of timing and adaptation to the environment for developing startups (Stevy et al., 2023). Indeed, Grillitsch and Schubert (2021) conducted a questionnaire survey in Sweden and found that early new skills acquisition was a key factor for startup growth, with a rate of over 17%.

Entrepreneurial Ecosystem

The success of startups largely depends on the quality of the entrepreneurial ecosystem. This ecosystem includes government support in the form of tax benefits, infrastructure, and a favorable institutional climate. Shah and Jokhi (2023), in their research have demonstrated a positive correlation between government policies and the growth of startups. However, the OECD has raised concerns about the effectiveness of these benefits, suggesting that they may result in a loss of revenue for the state (Kronfol & Steenbergen, 2020; Shah & Jokhi, 2023).

A survey conducted among 219 Indian startups revealed that 79.4% of respondents attribute their success to the institutional climate, which comprises a community of mentors, advisors, and incubators, as well as a supportive entrepreneurial culture (Raj, 2018).

The key criteria influencing the startup process are summarized in Table 1.

Table 1. Classification of Key Success Factors

Criteria	Subcriteria	References
Technical skills	Technology infrastructure rebounds	Chakraborty (2023)
	Innovation	Thanapongporn et al. (2021) Stevy and Kokasih (2023) Grillitsch and Schubert (2021) Binowo and Hidayanto (2023) Peyre and Tordo (2021)
Managerial skills	Negotiation	
	Networking	
	Governance	
	Shared vision between founders and co-founders	
	Timing	
Communication (marketing)		
Organizational skills	Skilled workforce	Raj (2018)
	Business model	
Personal entrepreneurial skills	Education level	Díaz-Santamaría and Bulchand-Gidumal (2021) Virágh et al. (2024)
	Interpersonal skills	
	Leadership	
Ecosystem entrepreneurial	Passion and personal fulfillment	Pangarkar and Vandenberg (2022) Raj (2018) Shah and Jokhi (2023) Chafiz (2023)
	Market opportunities	
	Government support (tax)	
	Ecosystem players (access to a community of mentors, advisors and incubators)	
Return on investment	Financing (bank loans, venture capital, Islamic financing, crowdfunding)	
	Financial profitability, economic impact, societal impact, service quality	Peyre and Tordo (2021)
Cultural diversity	Entrepreneurial culture	Raj (2018)

Source: compiled by the authors based on the literature review.

Several key criteria that influence startup success are outlined in Table 1. These criteria are categorized into technical, managerial, organizational, and personal skills; return on investment; cultural diversity; and the entrepreneurial ecosystem. This list has been expanded to include twenty sub-criteria, which have been derived from various literature sources covering different regions around the world.

A global overview of KSF for startup is presented in Figure 1.

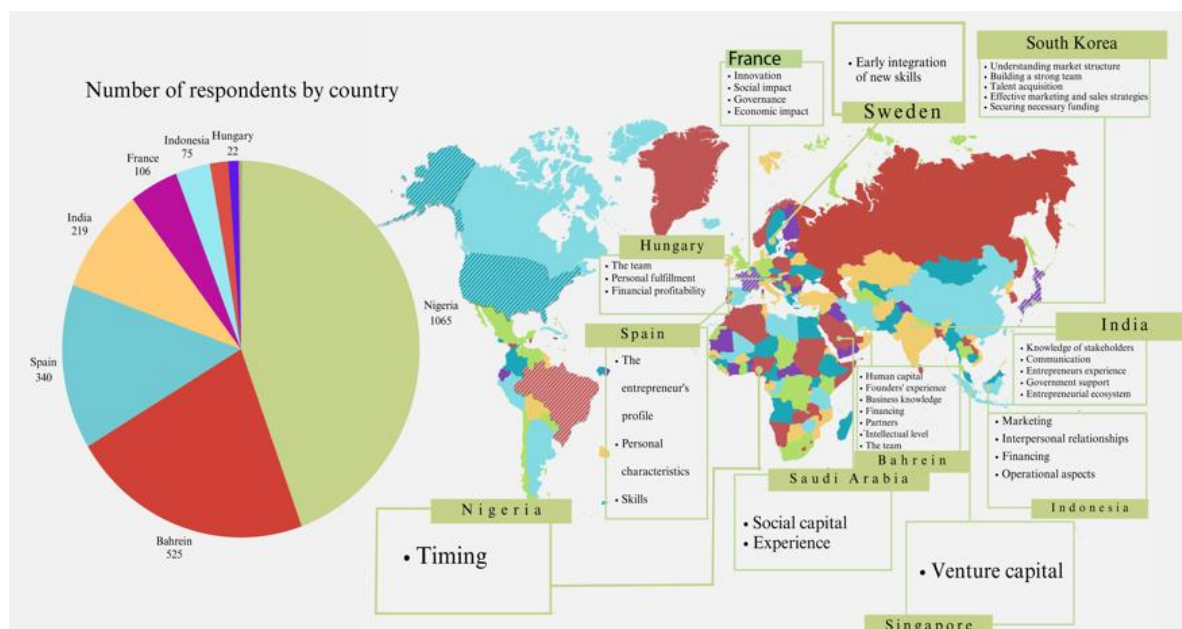


Figure 1. KSF around the world

Source: compiled by the authors based on the literature review.

The data presented in Figure 1 illustrates the geographical variation in KSFs for startups, as summarized from the existing literature review. The figure consists of two main visual elements: a global map highlighting the countries where specific KSFs are emphasized, and a pie chart that shows the distribution of respondents across these countries. Table 2 shows the last ranking of the Algerian entrepreneurial ecosystem.

Table 2. Algeria's Overall Ranking in the Regional and International Ecosystem

Country	Population	Regional Ranking	Global Ranking
Algeria	45.6 Million	4	502

Source: Startup Blink; Global Startup Ecosystem Index 2024.

As can be seen from Table 2, Algeria has been ranked 4th in Africa and 502nd in the world, an increase of 44 places compared to 2023. This shows the real intention, willingness, and efforts deployed by the Algerian government to strengthen the competitiveness of its ecosystem in the hope of becoming a major technology hub in the next five years. This literature review concludes that despite the Algerian government's determination to boost the ecosystem, there is still a long way to go to reach the goals.

METHODOLOGY

The goal of this study is to identify the key success factors of startups in Algeria by exploring the perceptions of entrepreneurs. A qualitative approach was adopted, aligning with a constructivist research framework (Marval & Mauer, 2025). This approach is deemed most suitable as it provides greater flexibility and adaptability for the exploratory research while considering the available information (Thietart & Raymond-Alain, 2014).

For the sample, only those startups that are labeled and actively operating in the Algerian market were selected. This selection is based on data published by the National Trade Registry Center (CNRC), which indicates that these startups meet the predefined standards of innovation and economic viability set by the Ministry of Knowledge Economy, Startups, and Microenterprises (Dicko, 2019).

For this purpose, a semi-structured interview was conducted face-to-face with 15 Algerian entrepreneurs with 5 years of experience (see Table 3) who has obtained the label startup from different business sectors (Jabraoui & Boulahoual, 2018).

In addition, NVIVO software was used to carry out statistical analysis, in particular the lexical, linguistic, thematic approaches, and cognitive map to guarantee the validity of the results (Tang et al., 2025). The interview guide includes 4 themes presented as follows:

- The first (1) theme addresses issues related to technical skills.

- The second (2) theme concerns relational skills.
- The third theme (3) includes questions on governance.
- The fourth theme (4) addresses questions related to the entrepreneurial ecosystem.

Table 3 shows a description of the characteristics of participants in this study.

Table 3. The Respondents Profile

Respondent	Profile	Education level	The business sector	Gender		Duration of interview
				Male	Female	
01	CEO STARTUP	Master's degree	Fin tech	X		1hr
02	Contractor	Master's degree	E-commerce		X	30 min
03	CEO STARTUP	Master's degree	Energy		X	1 hr
04	CEO STARTUP	Master's degree	AgriTech	X		45 min
05	CEO STARTUP	License	Software& Data		x	30 min
06	CEO STARTUP	Master's degree	Ed-tech	X		1 hr
07	CEO STARTUP	Master's degree	E-Tourism	X		35 min
08	CEO STARTUP	Master's degree	Software& Data	X		30 min
09	CEO STARTUP	Master's degree	Health & Environment	X		45 min
10	CEO STARTUP	PhD	Transport	X		30 min
11	CEO STARTUP	License	Software& Data	X		30 min
12	CEO STARTUP	PhD	Biotechnology	X		20 min
13	CEO STARTUP	PhD	Biotechnology		X	50 min
14	CEO STARTUP	Master's degree	Psycotechnology		X	30 min
15	CEO STARTUP	Master's degree	Pharmaceuticals		X	20 min

Source: compiled by authors.

As can be seen in Table 3, the demographic and business profiles of 15 startup founders interviewed in this study highlight a diversity of backgrounds in terms of education level, gender, business sector, and interview duration. Most participants held a master's degree, operated in sectors, such as fintech, biotech, tourism, and pharmaceuticals.

RESULTS

The principal findings derived from semi-structured interviews with 15 startup founders in Algeria are presented. The qualitative data, analyzed with NVivo software, revealed several key themes that influence startup success. Each theme is supported by direct quotes from participants and followed by analytical commentary and relevant economic interpretation. In addition, a Pearson correlation test is used to assess consistency if responses across interviews.

The findings of the study derived from the interviews are observed. Data are analyzed via NVivo software. The characteristics of the respondents are presented in Figure 2.

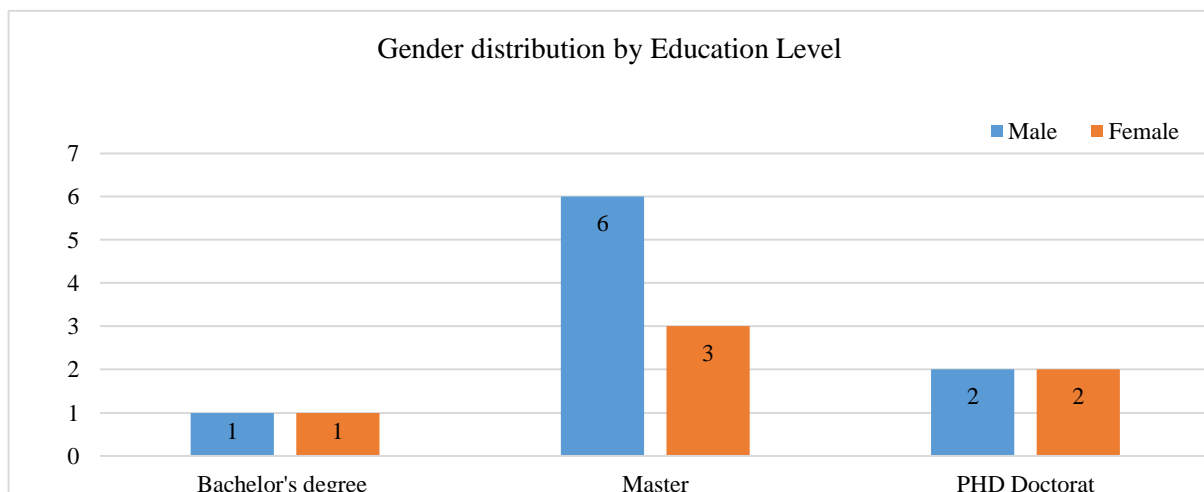


Figure 2. Profile of Respondents

Source: compiled by the authors based on the results of semi-structured interviews with entrepreneurs using NVivo software.

entrepreneurial ecosystem, attracted little significant interest, with average coverage of 12.21% and 14.62%, respectively. The Pearson correlation between interviewees is shown in Table 4.

Table 4. Pearson Correlation Matrix

Source A	Source B	Pearson correlation coefficient
Interview 15	Interview 13	0.900270
Interview 14	Interview 13	0.873855
Interview 15	Interview 14	0.868707
Interview 4	Interview 3	0.786675
Interview 9	Interview 8	0.781280
Interview 4	Interview 9	0.768476
Interview 3	Interview 7	0.756546
Interview 6	Interview 3	0.734265
Interview 4	Interview 7	0.733886
Interview 3	Interview 9	0.731777
Interview 4	interview 01	0.694300
Interview 15	Interview 12	0.295463
Interview 14	Interview 12	0.294188

Source: compiled by the authors using Software NVivo.

The results in Table 4 show significant heterogeneity in the Pearson correlation coefficients with values ranging from 0.9 to 0.29. This dispersion indicates a diversity in the level of textual similarity of the interviews. For example, the comparative analysis of interviews 15 and 13 shows a high correlation ($r = 0.90$). In contrast, the comparative analysis of interviews 14 and 12 shows a weak correlation ($r = 0.29$). These results demonstrate the diversity and plurality of perspectives and experiences among the participants.

During qualitative interviews with 15 entrepreneurs, several key factors contributing to the success of these young companies were identified. These factors cover technical, relational, and organizational (governance) aspects and the entrepreneurial ecosystem, underlining the diversity of levers that enable Algerian startups to thrive in a competitive environment.

The analysis revealed several recurring themes that reflect the most influential factors shaping startup success in Algeria. These themes were identified through NVivo software and include both internal and external drivers, such as leadership, technological tools, and innovation, as well as enablers like ecosystem support. Each of them is presented below with supporting quotes from the entrepreneurs, followed by an analysis of its relevance to startup performance and sustainability.

Technological Infrastructure

The most frequent element in the announcement is the importance of a solid technological infrastructure. Nine participants out of 15 (60% of the total sample) emphasize that

Mastering new technological tools not only ensures better management but also attracts more customers. If we don't, we'll fall behind or even become obsolete. //

A technology well-developed and adapted is a real asset in attracting customers, maintaining competitiveness and facilitating long-term growth.

This shows that the digitization of services by Algerian startups is at an advanced stage, enabling them to remain competitive on the national and international markets, despite the challenges sometimes associated with internet instability and poor access to broadband.

These results are in line with the study of Chakraborty (2023). According to him, a well-designed infrastructure enables services to be adapted and information management to be improved to boost customer satisfaction and reach company success.

Innovation

The interviews results show that the second most crucial factor is the integration of innovation, a point highlighted by most participants (13 out of 15). Innovation is seen as a key determinant in standing out in the market, either through the development of unique new products or services or by providing solutions to real-life problems. One interviewee said,

“For me, success is inextricably linked to innovation, and a startup must adopt an innovation strategy to stay competitive and ahead of the market. Innovation is not just an advantage; it's a necessity to ensure sustainability and growth”.

This shows the awareness of Algerian entrepreneurs of the importance of innovation to adapt quickly to market changes through increased investment in research and development. These results confirm the findings of Peyre and Tordo (2021), which emphasize that innovation is a key factor in creating a distinctive competitive advantage for the company and in the long-term success.

Networking

13 out of 15 participants emphasized that networking plays a central role as the cornerstone of a successful startup; strong professional contacts facilitate access to funding, partnership opportunities and experienced mentors. As one of the founders pointed out,

“The conditions for the success of my startup, in my opinion, lie in building strategic alliances which strengthen the credibility of the company”.

This shows how Algerian entrepreneurs leverage agility to overcome barriers, linked to formal financing structures.

Alternatively, they privilege mobilizing other resources by relying on informal networks. This result confirms the findings of Binowo and Hidayanto (2023) that networking has an impact on startup financing, which leads to startup success.

Societal Impact

Nine of the 15 participants interviewed emphasized the importance of contributing to social or environmental issues. As one of the founders told us,

Our aim is to improve our image on the market by creating a positive impact on the environment. For us, what we’re doing isn’t just a question of money but rather of the willingness to be part of a Corporate Social Responsibility (CSR) approach, to be useful and responsible to the community.

This statement reveals the evolution of the entrepreneurial vision in Algeria, where startups are no longer seen purely as profit-driving enterprises, but also as active contributors in social and environmental matters.

These results corroborate with the findings of Peyre and Tordo (2021), which insist that startups making a positive effect on their environment gain a permanent competitive advantage.

Leadership

Most respondents (11 entrepreneurs) identified leadership style as a distinctive skill for startup success. As one founder stated:

My role is to guide the team with a clear vision, motivate them to give their best energy, inspire confidence, and make ensure that everyone (the team) participates in decision-making, to maintain a positive dynamic and foster internal cohesion.

This indicates that the success of a startup does not rely solely on innovation or funding to succeed, but also on a participative management approach built on collaboration. These results also confirm the view of the researchers Shah and Jokhi (2023) that leadership is a necessary personal skill for business success.

Timing: Seizing Opportunities at the Right Time

Eleven out of 15 participants stated that the right timing has a positive impact on startup performance. According to the opinion of one interviewee:

Being aware of production conditions, in particular the right time to launch the product, and hiring the right team is essential for maximizing sales because it enables us to sell in large quantities, create added value, and significantly boost revenues. However, three major obstacles remain, particularly in the Algerian market, where access to public contracts is limited to state-owned companies due to the delay in the implementation of the regulations about Law 23–12 of public procurement, the lack of reliable data, and finally inflation is still complicating market entry.

This demonstrates that Algerian entrepreneurs attach particular importance to market analysis before making strategic decisions, and these findings align with those of Grillitsch and Schubert (2021) which suggest the integration of earlier new skills and the launch of innovative products at the right time are the key factors for startup success.

Marketing Strategy.

In the statements of ten interviewees, a reference to the implementation of a well-defined marketing strategy was found as a real asset to the success of the startup as mentioned by one of the founders:

“To make a startup succeed, it is required a relevant marketing strategy and a sufficient budget; otherwise, the company runs the risk of bankruptcy or losing its competitive part in the market”.

These results indicate that the startups awarded the label recognize the significance of effective marketing positioning, clear communication and strong digital presence in distinguishing themselves from competitors.

This aligns with the results of Thanapongpohn et al. (2021), which confirm that marketing strategy has a direct impact on startup success.

Governance and Collaborative Decision-Making

Governance plays a crucial role in enhancing startup performance. In the study nine (09) entrepreneurs reported having established a high-level strategic committee to strengthen coordination, collaboration and communication within their teams, ensuring the right decisions.

These results show that Algerian founders value transparency, emphasizing the importance of a clear company vision. This corroborate the results of Urtado and Machado Filho (2025) which suggest that effective governance fosters an inclusive and equitable work environment, ultimately contributing to the success of the startup.

Passion and Personal Fulfillment

In terms of relationships, seven entrepreneurs confirmed that passion and personal fulfillment are at the root of the startup’s success. As one participant shared,

“Passion is crucial, because when we love what we do, we do not give up quickly, and we stay determined to face challenges and reinforce the positive image of the startup”.

As for “personal fulfillment, it is also crucial because it fosters motivation, collaboration, stress management, and the attractiveness of talents; however, we find it difficult to recruit the right operational profiles”. These findings indicate that startup productivity is driven not only by financing resources but also by moral motivations and team well-being.

These results support the findings of Virágh et al. (2024), which highlight that passion and personal fulfillment contribute to a positive work atmosphere and strong relationships between team members.

Continuous Simplification of Administrative Procedures

The study shows that the simplification of administrative procedures is also a key resource for startup success. According to 60% of the participants interviewed, “The digitization of various administrative processes linked to startup creation and other services, such as preferential tax regime has significantly reduced bureaucratic obstacles”.

As one participant explained, “The Algerian state’s digitization efforts have eliminated the need to travel, providing real-time access to essential information”.

This demonstrates the government’s commitment to fostering the entrepreneurial environment by making procedures more accessible and efficient. These results align with the findings of Shah and Jokhi (2023), which suggest that the government support of procedures simplification has a positive impact on startups success.

Business Model

According to the respondents, five entrepreneurs confirmed that having a well- defined business model is a fundamental success factor. As one founder said,

Our business model is scalable, which is the essence of the startup, because it allows us to get a clear picture of how our business will generate revenues. For example, we have proposed that the payment for our services should be done on delivery because we have seen a low rate of financial inclusion.

This demonstrates that the success of a startup largely depends on the viability and adaptability of the business model to meet market demands.

Raj (2018) suggests that business models must be flexible and responsive to serve a broad customer base efficiently.

Access to Financing

All the founders surveyed agreed that financing is crucial to the startup’s development. However, one of the participants emphasized that,

Having the money isn’t enough; money needs good management. In addition, most respondents fund their startups from their personal savings and love money, as these sources offer flexibility and quick access to capital. On the other hand, banks often tend to not lend to startups due to their high failure rates and the lack of managerial experience among their founders.

In the same context, despite the availability of the public aid programs, such as Algerian startup funds (ASF), limited external financing is offered to startups. These results indicate that access to finance remains a major challenge for startups.

This is consistent with the research of Al Sahaf and Al Tahoo (2021), which highlights that while funding is a key motivating factor for the creation and success of a startup, it must be complemented by effective resource management to ensure long-term sustainability.

Culture

Five respondents perceived entrepreneurial culture as an essential factor for startup growth, highlighting its strong impact on team attitudes and dynamics.

The entrepreneurs emphasize the efforts made by ecosystem stakeholders, such as the incubators and the accelerators, in fostering the entrepreneurial movement. However, several obstacles continue to hinder their development, including limited access to sources of financing from capital ventures, lack of specialized training, particularly those involved in incubators, lack of a qualified workforce.

These results are in line with the research of Raj (2018), which highlights how entrepreneurial culture prospers thanks to a dynamic ecosystem of mentors, incubators and advisors.

Figure 5 presents the conceptual model of key success factors for labeled startups, derived from a thematic analysis of interviews using NVivo software.

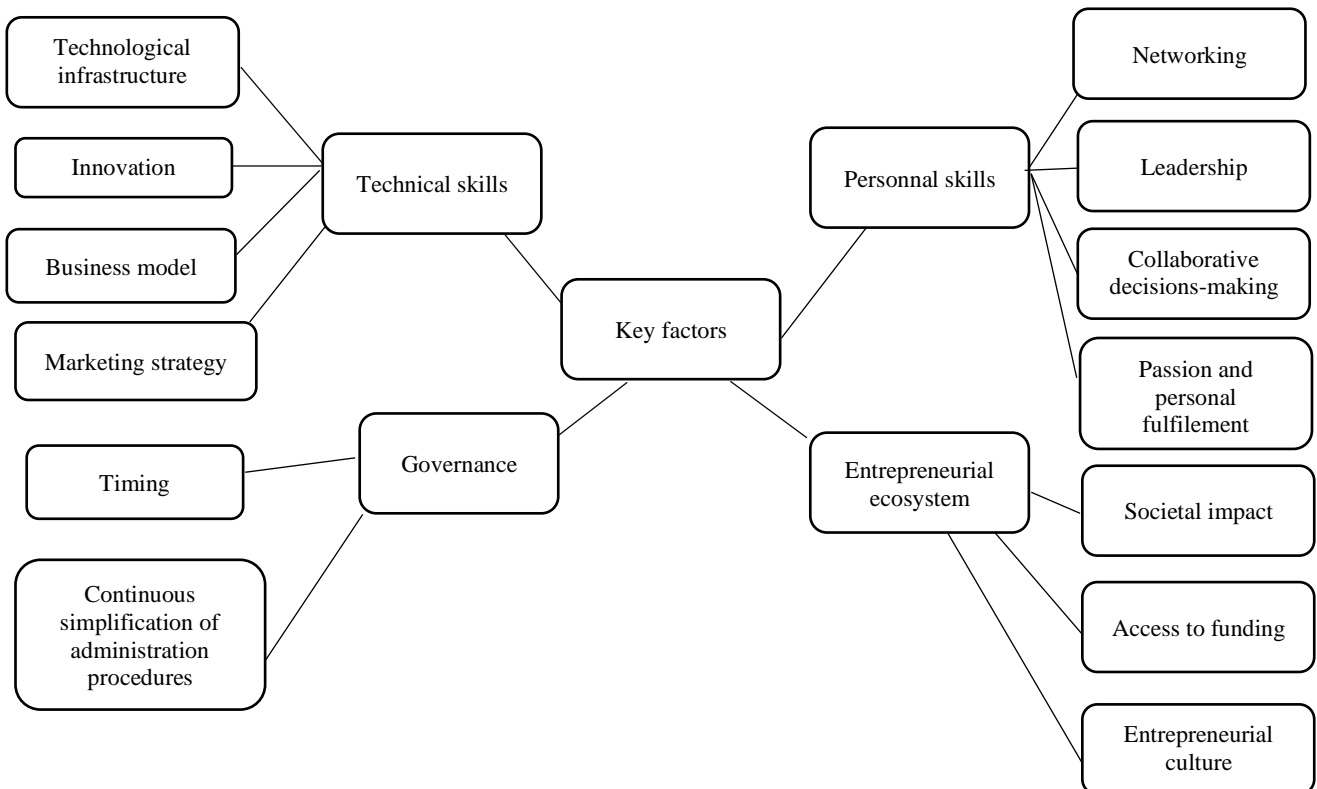


Figure 5. KSF Analysis Model

Source: compiled by the authors using Software NViv.

As can be seen from Figure 5, the model of key success factors for labeled startups identifies four primary themes:

- technical skills;
- relational skills;
- governance;
- entrepreneurial ecosystem.

CONCLUSIONS

The survey of 15 Algerian entrepreneurs, enabled us to identify 13 relevant factors of startup success. These factors stem from the internal and external environments in which they operate, and can be summarized as follows:

- The mastery of technological tools and innovation is the main reason for a successful startup.
- Most respondents agree that human capital and personal qualities such as leadership make a major contribution to startup growth.
- The entrepreneurial ecosystem includes infrastructure (incubators, coworking spaces, advisors, and accelerators), the legal framework and administrative procedures, and the entrepreneurial culture are relatively favorable for the promotion and development of startups.
- The study shows that professional networking is more likely to increase startup growth.
- According to the founders, marketing strategy is a determining factor in the performance of startups, but an adequate budget is necessary to guarantee effective campaigns.
- Passion and personal fulfillment are key to building a successful entity, accompanied by a competent team.
- Access to finance has a direct influence on the success of startup performance.
- The success of young Algerian technology companies also depends on their governance and societal impact through the implementation of effective collaborative management and the integration of corporate values.
- The results confirm the idea that business models and timing are essential levers for the growth of startups.
- The constraints encountered by startup creators are multiple: legal, linked to the absence of regulatory texts; human resources, related to a lack of talented young people; and finally, financial resources relative to limited access to funds, notably from the private sector and financial institutions.

These results highlight the complexity of the Algerian entrepreneurial ecosystem and demonstrate that there is no miracle formula for success, but each startup must adapt itself to the influence of the environment to better cope with the specific constraints it encounters.

To increase the chances of success and reduce the risk of failure for startups, it is recommended to:

1. Adapt and update Algerian legal provisions to facilitate access to public procurement for startup entrepreneurs, by accelerating the publication of regulations relating to the law on public procurement.
2. Equip accompanied structures with the resources they need to develop the personal skills of startup founders, particularly in the area of leadership.
3. Encourage ecosystem stakeholders to reorganize themselves into clusters to facilitate exchanges and collaboration.
4. Encourage domestic and foreign investors to finance Algerian-labeled startups, by highlighting the attractiveness of these companies as business attractions.

Limitations and Prospects

The study has a number of limitations, in particular the representativeness of the results, as the number of interviewees is small for more relevant analyses (Goto et al., 2025). Another constraint that may prove to be a limit is the access to data from labeled startups on the one hand, and the resistance to sharing data for exploratory purposes on the other hand. Finally, in terms of research perspective, fellow researchers are invited to explore quantitative aspects to measure the degree of influence of these factors on entrepreneurial success.

Author Contributions

Conceptualization: A. S., L. M. H., M. H., L. N.; data curation: A. S.; formal analysis: L. N., A. S.; investigation: A. S.; methodology: A. S.; project administration: A. S., L. M. H.; supervision: M. H.; validation: M. H.; visualization: A. S.; writing – original draft: A. S., L. M. H., M. H., L. N.; writing – review & editing: A. S., L. M. H., M. H., L. N.

Conflicts of Interest

Authors declare no conflict of interest.

Data Availability Statement

Not applicable

Informed Consent Statement

Ethical approval has been obtained from Higher National School of Management, Kolea University. The authors have obtained and maintained written informed consent from all subjects involved in the study.

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Appendix

Interview guide:

General information about startup founders

1. How old are you? What is your level of education?
2. Is this your first entrepreneurial project?
3. In which sector does your startup operate?
4. In what year did your company obtain the label?

Theme 1 Technical skills

1. In your opinion, what has enabled your startup to stand out from its competitors on the market?
2. Considering your startup's development, what were the major decisions that made it easier to scale up your product or service? And why?

Theme 2: Relational skills:

1. In your opinion, what personal skills are important to meet the startup's challenges?
2. On your part, what were the decisions or actions that most strengthened the cohesion and motivation of your team?
3. Since the start of your entrepreneurial adventure, what have been your motivating factors for pursuing the project?

Theme 3 Governance:

1. What approach do you think contributes to rational decision-making in the startup? And why?
2. What other factors do you think have played a crucial role in your startup's success?

Theme 4: Entrepreneurial ecosystem

1. In your experience, what type of external support has propelled the success of your startup? Why?
2. What obstacles have you encountered in your startup's internal and external environment?

Closing the interview: Acknowledgements and greetings.