

# SUCCESS FACTORS FOR SMALL BUSINESSES

*Минибаева Э. М.*  
Руководитель *Депелян Р. А.*

*Минибаева Элина Максимовна* – студентка (бакалавр), Московский государственный университет имени М.В. Ломоносова, факультет государственного управления, Москва, Россия.

E-mail: [minielinea0708@gmail.com](mailto:minielinea0708@gmail.com)

**Annotation.** In our contemporary world, there are a lot of young people who are interested in establishing a small business. This study can be a step-by-step guide for every person who is thinking about Russian startup. Some useful recommendations for opening a small business are given in this article. Moreover, some most common traits of an entrepreneur are described and they can be useful for being a successful business owner. Finally, this study can give an opportunity to understand how to start a small business and be successful, profitable.

**Key words:** startup, partnership, sole proprietorship, LTD (private limited company), shareholder, LLC (limited liability company), entrepreneur, SMART, business plan, teamwork.

Nowadays there are a lot of young people who would like to start his or her own business. How much do they know about small business? This question can arise in the minds of those who dreams about being self-starters, running their own business independently. However, it's impossible to foresee or anticipate everything and give right and complete answers to all possible questions. Any entrepreneur should be ready to find answers though their personal experience. Let's consider some steps that would be helpful in establishing any business.

Firstly, before registering a business, any entrepreneur should choose the type of the business, the legal structure of ownership. Small businesses can be normally privately-owned corporations, cooperatives, partnerships or sole proprietorships.

Private Limited Company (Ltd) is a small to medium-sized business that is often run by the family or the small group who owns it. LTD is a business with limited liability, and a wide variety of shareholders. The owners and managers are only liable for the business up to the amount they have invested in the company, and are not liable for the debts incurred by the company (unless they have signed a personal guarantee, which usually is not the case for a large corporation).

In case of unlimited liability, the owners of a business are liable for all the debts that the business may incur. Considering limited liability, we should mention that the liability of the owners of a business is limited to the full, paid-up value of the share capital. In the United States and some other countries, a limited company is known as either a corporation or a limited liability company (LLC).[1]

Secondly, a business owner should not back down if he or she establishes a business. There are some most common traits that describe an entrepreneur as a successful business owner.

1. Most small business owners are driven to succeed; they want to see their businesses grow, from startup to established business. Drive is a very common characteristic among successful entrepreneurs because starting a business can be challenging, and some challenges call for a moderate amount of competitiveness, determination and motivation.
2. Drive can take a small business owner far, provided there is a target to be reached. Being goal-oriented is important. Without SMART goals and the ability to focus on the actions required to reach those goals, success can be elusive. Most successful businessmen take time to set goals so they have clarity about where they are going and how they intend to get there.

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3. Confidence is a very powerful character trait that can instill trust, facilitate respect, and often lead to increased success. The most successful business owners have a steady, quiet confidence that doesn't border on arrogance or egotism.

It can be very difficult to overcome the challenges of starting and running a successful business without a true passion for your work. Some of the most successful small business owners have either directly developed businesses based on their passions, or they are able to incorporate things they are passionate about into the day-to-day operation of their businesses.

4. While building and managing a team may be an important part of some small businesses, many successful entrepreneurs also have a defined self-reliance. The ability to think and act independently, without the input of others, is a very common trait among successful small business owners.
5. Being a small business owner comes with its up and downs; there are victories, setbacks, chaos and calm waters. The most successful entrepreneurs are those who are resilient and able to bounce back after an unexpected challenge and get back up after facing a setback.
6. Many small business owners handle a vast array of responsibilities in their businesses, wearing many different hats during the workday. The ability to block out distractions and focus on the immediate issue, task or goal as well as the bigger picture can be a key trait in a successful entrepreneur.

Before starting a business, everyone should make sure that he or she has enough of these traits.

So, launching a business is not an easy task. Starting a business as a self-employed person may require some capital that comes from personal funds. Besides, he or she might borrow money from a bank to assist him or her in covering the costs of establishing his or her business. So, borrowing money is one of the most common sources of funding for a small business. An entrepreneur needs to connect with a business banking representative and, luckily, the application loan can be approved.

The next step is to think about the things to consider while taking a personal loan.

Starting a business involves planning, making key financial decisions and completing a series of legal activities.

**Step 1: Write a Business Plan.** One of the biggest questions entrepreneurs have when learning how to write a business plan is this: “How do I get started?” Another question is, “How do I come to a conclusion?” A business plan is a written document that describes a future business. It covers objectives, strategies, sales, marketing and financial forecasts. It can help to clarify a business idea, to spot potential problems, to set out the goals and to measure the progress. This written guide will help an entrepreneur to map out how to start and run a business successfully.

**Step 2: Get Business Assistance and Training.** It can be a good idea to take advantage of free training and counseling services, from preparing a business plan and securing financing, to expanding or relocating a business.

**Step 3: Choose a Business Location.** An entrepreneur needs to get advice on how to select a customer-friendly location and comply with zoning laws.

**Step 4: Determine the Legal Structure of a Business.** It is important to decide which form of ownership is best for an entrepreneur: sole proprietorship, partnership, Limited Liability Company (LLC), corporation, S corporation, nonprofit or cooperative.

**Step 5: Register a Business Name (“Doing Business As”)** and think about a logotype.

An entrepreneur needs to register a business name with the state government and to learn which tax identification number it is needed to obtain from the IRS and the state revenue agency.

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**Step 6:** Register for State and Local Taxes. A small business owner needs to register with the state to obtain a tax identification number, workers' compensation, unemployment and disability insurance.

**Step 7:** Obtain Business Licenses and Permits. Another significant point is to get a list of federal, state and local licenses and permits required for your business.

**Step 8:** To understand Employer Responsibilities. It is good to know the legal steps to hire employees. The process of working collaboratively with a group of people can give an opportunity to achieve a goal. Teamwork is often a crucial part of a business, as it is often necessary for colleagues to work well together, trying their best in any circumstance. Teamwork means that people will try to cooperate, using their individual skills and providing constructive feedback, despite any personal conflict between individuals.

**Step 9:** To know the future customers. Knowing and understanding customer needs is at the center of every successful business, whether it sells directly to individuals or other businesses. buying from you is in their best interests.

To sum up, it is well-known that most young people are full of ambition and keen to have a career that offers good prospects. This study can give an opportunity to understand how to start a small business and be successful, profitable.

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