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THE EFFECT OF KEY BUSINESS SUCCESS FACTORS ON START-UP PERFORMANCE

Case Study

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Abstract

The primary aim of this research is to identify key factors influencing Start-Up success. This study is based on in-depth interviews including three senior executives from Israeli international industry. Content was analyzed to reveal factors affecting success. In addition, research uncovered several key factors such as management skills, marketing knowledge and team quality, each of which was closely associated with business success. This work is the first to incorporate factors most affecting Start-Up success and should help entrepreneurs and / or managers leading such organizations take actions to increase their chances of success.

INTRODUCTION

Success is a journey to achieve significant predefined goals that entrepreneurs / company founders take, some with more success than others. Nowadays, to achieve high business performance, company managers must be able to adapt to innovative thinking and changes taking place in markets (Liu, 2019).

One freelance researcher stated that approximately 100 million new businesses open annually around the world (Mason, 2020). However, statistics and studies have shown that in the U.S.A, 44% of all new businesses fail in their first five years of operation, and 50% of those with employees survive only five years (Dautovic, 2021).

Therefore, one can ask given the fact that half of these businesses close, meaning the other half are successful, what are the differences between those which close and those that succeed? When a new company enters the market, does it have a good business plan? Should it find marketing models to help managers react to competitors or the financial knowledge and tools needed for successful investments? Should managers and leaders have specific management skills?

When a business fails, is it a lack of management skills that makes team members lose confidence in their leaders? Is it a lack of financial knowledge leading to ineffective decisions and unwise investments? Is it a lack of marketing vision to successfully compete in the market?

Understanding key factors and their variables can create a new marketing model to provide guidance for leaders to distribute their resource investment to achieve business success.

LITERATURE REVIEW

The Internet has taken center stage in marketing and sales, directly affecting business performance. Online sales have become more and more consumer oriented. Competition for local businesses has become global, demand for a particular product is found both online and offline depending on product cost and product price. Moreover, order details and delivery times must be accurate and taken into account to cover costs and achieve profits. When one product is sold through two different channels on- and offline, product price offline is likely to be higher wing to retail stores' increased advertising and labor costs. However, some customers prefer to visit store personally to purchase certain products subjected to the quality of service.

Sale prices both offline and online are affected by shipment size, inventory security, delivery time, order costs and probability of unexpected malfunctions (Sarkar , Koli , Sarkar , & AlArjani, 2021).

Conducting business in a local market with global competition requires an in-depth understanding of competitors and the competition. Managers must produce significant competitive advantages to bridge and reduce price differences with countries where labor, production and marketing are cheaper (Luo, 2021).

A study conducted at the University of Miami showed how international companies leverage new benefits through the internet, how they run global businesses through digital connectivity and improve speed, flexibility, timing and efficiency for marketing and marketing activities (Luo, 2021).

Globalization today looks quite different, in part because digitization has significantly changed how things are done globally.

One argument is that some physical laws also apply in the business world, for example: Newton's law of action and reaction between inanimate objects. The market always strives for a state of equilibrium where each business has its own market share. As soon as another business forces change or another player enters the market, it will return to equilibrium by redistributing market share. As competition became global, reactivity became a key factor requiring businesses to respond at the right time, in the correct manner and at the appropriate intensity. If not, they may fail.

As a hallmark of 21st century globalization, digital border connectivity not only conveys important streams of information and ideas on their own, it also enables the flow of goods, services, finance, technology and people. At the same time, global digital connectivity has posed a myriad of new challenges and risks still not fully understood. These new rewards and risks have raised a host of important questions, such as: how can conventional and digital benefits work together to generate additional profits? How do conventional, digital-based conventional internalization and logic complement one another? What are the conditions necessary under for business to turn connectivity into advantages, not disadvantages? Do companies need to establish intelligence and digital connectivity capabilities? Will companies harness different activities side by side in favor of developing internal capabilities and leveraging open global resources? What are organizational behaviors, structures and methods required to support global competition? What does it take for a company to perform better than its competition?

The digital world provides business with more opportunities, but such opportunities are only accessible to those that are fully digitally, intelligently and strategically prepared. Working in the digital world requires companies to constantly innovate and act quickly. This new reality has forced businesses to re-evaluate existing marketing and sales theories and perceptions of rapidly changing global business (Luo, 2021).

The digital world is only a means of selling products or services, but in order to close sales deals, businesses need sales skills; there is need for digital online sales models and frontal or hotline sales connecting both. Neil Rackham (1988) introduced a four-step model to close sales with win-win potential and effective salespeople's journey question customers for the purpose of collecting relevant information from them. The four stages of this model are Situation, Problem, Implications, and Need-payoff = 'SPIN.'

The idea is to break down each category into questions providing the salespeople with information necessary to help them adjust and realize successful sales deals.

First stage, Situation – Many salespeople jump forward without knowing who their customers are, what their needs are and which services or products offered are relevant to them at a current point in time - if at all. What every salesperson needs to know is called - Situation. Therefore, the first step is to get to know and understand their customers and their situation. This includes whether their business is in a growth or shuffle mode? What is their core business? How does it operate? What its cash flow status is as well as other specific details.

Second stage, Problem – Studies conducted by Neil Rackham (1988) found that about 70% of sales' deals were closed when customers were convinced that a product / service solved their problem. Hence, it is understandable that one of the big challenges facing salespeople is to figure out what a problem is. If they have conducted thorough research and asked 'situation questions' correctly, they may have a good understanding of a client problem and may even be able to convince him/her that their product / service is the ultimate solution to that problem. However, it is important to clarify that identifying a problem and presenting it to a customer is not the goal.

Although the SPIN process is definitely an analytical process helping salespeople better understand their customers, identify his problems and how they can provide them with a solution, the goal of the model is to conduct a psychologically sound sales process. Customers do not want salespeople to be analysts; they do not want to have products shoved in their face. They do not want salespeople to tell them what their problems are. On the contrary, the goal is to get clients to tell salespeople what their problems are. This is doubly important, first because sometimes customers are hurt and bothered by what salespeople think and second because if customers have defined a problem, they are more open to accepting a proposed solution. Of course, the derivative of any problem should be related to a product / service up for sale. For example, if it is a system that is supposed to improve internal organizational communication, problem questions should address the quality and manner of internal communication. If customers do not think they have a problem, it is unlikely there will be a sale even if a wonderful system for internal corporate communication is offered.

Third stage, Implications – Salespeople understand where their product / service can provide a solution for a problem. However, how relevant the proposed solution is to customers and whether they will they be prepared to pay for it become the concern.

To clarify a salesperson markets a system improving internal organizational communication and is aware there is a problem. However, problem recognition does not necessarily lead to recognizing its consequences. Therefore, the SPIN model has a third phase called Implications. Without client recognition of the causal connection between a problem and its potential damage, they are unlikely to be motivated to find a solution. Going back to the example, classic questions of consequence include: How many work hours per week are estimated to be lost due to internal communication problems? Do internal communication problems create unnecessary tension between employees? Accurate questions of consequence open the door to a product/service because they hint at tangible inherent benefits before a sales person mentions it.

Fourth stage, Need-payoff – After salespeople and customers have drawn a line under a problem and its consequences, it is time to talk about a product or service offered. It should be put in a very simple context - it is the answer, the solution to a problem and its consequences. Or, as Neil Rackham termed it: Need-payoff. This is when all SPIN stages come together to close a deal. Everything mentioned before serves as a funnel for this moment. Once salespeople have shown customers that a product / service they offer answers to their need, chances for a successful sale increase greatly. This is when salespeople exercise their charm, talk about a product's benefits and customers are ready to listen (Rackham, 1988).

Before a sales process can close a deal, companies must market their product or service with the purpose of collecting leads that can turn into sales opportunities.

Companies need to choose a marketing strategy that best suits them. One of the oldest models is the Ansoff Matrix (Figure 1). This matrix is divided to several sections; the first is a product development strategy, a company develops a new product for an existing market. This typically involves extensive research, development and expansion of a product range. Product strategy development is employed when companies have a strong understanding of their current market and can provide innovative solutions to meet the needs of an existing market.

The product development strategy carried out in a number of ways:

A. Investing in research and development to develop new products.

B. Acquiring a competitor's product and merging resources to create a new product better meeting the needs of an existing market.

C. Strategic partnerships with other companies to gain access to distribution channels or brand

The second is a market development strategy, companies enter a new market with their existing product(s). In this context, expanding into new markets may mean expanding into new geographical areas, customer segments, regions, etc. This strategy is most successful if:

(1) Companies own proprietary technology it can leverage into new markets.

(2) Consumers demand and pay, and new market are profitable.

(3) Consumer behavior in new markets does not deviate too far from existing markets.

The third is a diversification strategy; companies enter a new market with a new product. Although this strategy is the riskiest, because both market and product development are required, risks can be mitigated through related diversification (Ansoff, 1957).

In 1990, a new model addressing customer value was published. Customer value is calculated on the basis of quality of service/product plus a company's image and experience, divided into total cost ownership.

Product or service value to one's customers has never been more important. Customers, especially those whose costs are driven by what they purchase increasingly look to purchasing as a means of increasing profits and therefore pressure suppliers to reduce prices. To persuade customers to focus on total costs rather than simply acquisition price, suppliers must have an accurate understanding of customers' values. Customer value models are based on assessments of costs and benefits of a given market offering in a particular customer application. Depending on circumstances, such as data availability and customer cooperation, suppliers may build a value model for an individual customer or a market segment, drawing on data gathered from several customers in that segment. (Reichheld & Sasser, 1990)

In 1990, Michael Porter published his research model about generic strategies, which can be used to determine an organization's direction (strategy). He detailed four strategies from which organizations can choose. He believed that companies must choose a clear course to beat their competition. The four strategies to choose from are:

Cost Leadership, Companies target a broad market and offer the lowest possible price. There are two options within this course. They can opt to keep costs as low as possible or ensure that they have a larger market share with average prices. In both cases, the point is to keep company costs as low as possible. On the other hand, consumer prices must be kept as high as possible. Organizations applying this strategy successfully usually have substantial investment capital at their disposal, efficient logistics and low costs when it comes to materials and labor. These organizations generally focus on internal processes.

Differentiation, Companies target a broad market, but their product or service has unique features. With this strategy, they can make their product as exclusive as possible, making it more attractive than comparable products offered by their competition. To succeed, using this strategy, requires good research and development, innovation and the ability to deliver a high quality product/service. Effective marketing is important or a market to understand the benefits of a unique product. It is important to be flexible and able to adapt quickly in a changing market, or risk being beaten by the competition. Such organizations focus on the outside world and have a creative approach.

Cost Focus, Companies target niche markets and offer the lowest possible price. In this strategy, they choose to target clear niche markets and by understanding market dynamics and consumer desires, they can ensure their costs remain low.

Differentiation Focus, Companies target niche markets and their product or service has unique features. This strategy often involves strong brand loyalty among consumers. It is very important to ensure that their product remains unique to stay ahead of possible competition (Porter, 1990).

As mentioned above, business competition for Start-Ups today is not only in their local markets as previously. They need to compete with other similar companies globally that are trying to sell to the same market. Internet marketing plays a large part in marketing plans and most software company sales are conducted on the phone or other digital communication tools, and at sales conventions. This new situation requires Start-Up companies to choose very exact and fitting marketing models but, because most classic models predate digitalization, there are few such models from which to choose, for example:

3C's Model, It has been used as a strategic business model for many years and is often used in web marketing today. This method focuses on analyzing the 3C's or strategic triangle: customers, competitors and corporation. By analyzing these three elements, companies are able to identify **Key Success Factors (KSF)** and create a viable marketing strategy. There are many derivations of this method because of its simplicity. First C – Customer analysis, conducting in-depth consumer research to identify how to appeal to company's target market. Demographic data plays a big part in this analysis. Determining a business's target market and needs or desires drastically improve the success rate of marketing strategies once introduced. Data such as disposable income, likes, dislikes, where potential customers acquire information, whether they make impulse buys or not, and even how they respond to client service or product availability is invaluable. Companies need to conduct in-depth interviews, surveys and tests to gain insights about consumers. They need to apply insights to create concept diagrams, communication designs and personas to boost company popularity and hopefully help spread products or services globally. Second C – Competitor analysis, Companies employ websites and search engine results, for example, to discover rival brands and companies. Comparison websites are popular in every industry and makes investigating products and services relatively straightforward. Competitor analysis is carried out principally by visiting competitors' websites, subscribing to their newsletters, visiting their stores and/or receiving their offered product/service (heuristic analysis). Analyzing competing businesses in this manner provides companies with an inside look at what their customers experience. This knowledge is invaluable because it helps understand good and bad decisions made by rival marketing departments and utilize this knowledge in pursuit of their own success and profit. Third C – Company analysis, the final step companies need to take is to analyze clients' corporations to ascertain what marketing strategies have worked for them in the past and what ideas have failed. The best way to do this is from a customer viewpoint (Ohmae, 1991).

Blue Ocean Strategy is the simultaneous pursuit of differentiation and low cost to open up new market space and create new demand. It is about creating and capturing uncontested market space, thereby making the competition irrelevant. It is based on the view that market boundaries and industry structure are not a given and can be reconstructed by industry players' actions and beliefs. Red oceans are all existing industries – the known market space. In red oceans, industry boundaries are defined and accepted, and competitive rules are known. Here, companies try to outperform their rivals to grab a greater share of existing demand. As market space becomes crowded, profits and growth reduce. Products become commodities, leading to cutthroat or 'bloody' competition .

Blue oceans, in contrast, denote all industries not yet in existence – the unknown market space, untainted by competition. In blue oceans, demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid. In blue oceans, competition is irrelevant because game rules have not been set. Blue ocean is an analogy to describe wider and deeper potential to be found in unexplored market space. It is vast, deep and powerful in terms of profitable growth (Kim & Mauborgne, 2015).

The literature review indicated a theoretical relationship between marketing strategy knowledge and company leaders' decision making and business success. However, the strength of this relationship between marketing strategies presented in the review was unclear. Companies' resources are limited and it can be asked; How much and which resources are required to invest in marketing to achieve a company's goals and objectives? Can a company achieve business success with small or limited resources to invest in marketing? Three main issues chief executive officers (CEOs) and marketing managers need to address are:

a.) Marketing strategies
b.) Finance knowledge
c.) Skills and good team (Andriotis, 2018).

Persistence and focus are two keys to high performance and success (Kuligowski, 2020).

The most common causes of failure are a lack of understanding of customers' behavior, competitive actions and market habits; starting a new business in a non-profit market; lack of communication with customers and absence of selling skills; poor cash flow management; no business and marketing plan; failure to respond to competing reactions; dependence on one customer; wrong decisions when investing in unprofitable operations and creating unnecessary waste of money; not knowing how to refuse unprofitable customers; lack of knowledge and skills to organize plans and control a business and growing beyond management resources or skills (Olsen, 2021).

Studies have shown that the UK labor market performed in direct correlation to employees' skills (Machin & Vignoles, 2001). Studies have proven that when companies invested in improving their employees' skills and qualifications, there were huge benefits from efficiency and effectiveness (Blundell, Dearden, & Meghir, 1999). Researchers found a seen to 12% growth in real earnings (Arulampolam, Booth, & Elias, 1997), a payoff of 5% in real earnings growth (Blundell , Dearden , & Meghir , Work-Related Training and Earnings, 1999) and a positive wage effect from employees' training of more than 10 percent (Harcotte, 2000). Other studies have identified a significant association between a highly skilled workforce and organizational performance. For instance, researchers have shown that high manufacturing performers in the UK, employed workers with more qualifications than lower manufacturing performers (Haskel & Hawkes, 2003). Other researchers also found that higher skilled workers supported innovation and more sophisticated production processes leading to higher quality products (Tamkin, 2005).

Training staff to create good teams requires investment, which, in most cases, is a high business cost and it is very difficult to anticipate the return on investment. Hence, one can ask, what are the effects of quality team workers on the Start-Up businesses' performance? Does it depend on managers and management quality or on the team workers? What is the level of investment required to achieve a quality team?

However, there are ways for managers to achieve high quality team workers with lower investment, such as creating tighter teamwork, improving their work environment, giving them common goals, etc. (Haskel & Hawkes, 2003).

One theory is that managers need to be like coaches. There are several kinds of managers: a.) managers as consultants providing advice on the most appropriate choice. b.) managers as mentors sharing their experiences. c.) managers as coaches leading worker to achievements as they go through processes with them, supervise, direct, criticize and stand by their side in real time. Performance has been defined as potential – interference, T=the more skilled managers are, the less interference needed and higher performance achieved (McGrath & Bates, 2017).

This idea is exemplified by Bill Gates (2008) who said, "When you are a manager, you work for your company. When you are a leader, your company works for you".

Leadership includes several components that are important to managers: Communication - should be open and efficient. Teamwork – managers should know how to organize and run teams, divide tasks and utilize team members' personal skills for the benefit of common goals. Decision-making - know how to ask the right questions, see the whole picture, manage possible scenarios and risks, take effective and economical actions. Problem solving - successful leaders are those called upon when there is a problem. Empowerment - managers' ability to encourage employees to take the initiative and develop personally. Empathy - the ability to identify employees' emotions, understand how they affect their morale and know how to address them (Andriotis, 2018).

Financial knowledge has a direct influence on business results. A lack of financial knowledge can lead to wasting money to improve reputation, service quality or develop a new market, while better knowledge leads to increased revenues, better returns on investment and improved cash flow (Oztekin, Delen, Zaim, Turkyilmaz, & Zaim, 2015).

Finance plays a critical role in ensuring organizations' thrive. To attain high business performance, managers must know how to invest in new practices and technologies, provide training and develop skills to increase a business's capacity at a rate appropriate to market changes. Business partners' success should be measured by business outcomes achieved together, not solely by input. Any manager who does not commit to this will not be part of a team (Lanzkron, 2017).

The difference between successful organizations and those that fail does not lie in the quality of exact marketing plans addressing where, how and when companies will compete and respond to competitors but rather in their ability to execute these plans and make strategic decisions (Day & Wensley, 1988).

Managers must make decisions about which available resources to deploy, where to deploy them, set priorities and goals to achieve various company targets (Slater, 1995). These marketing strategies may be either formal, top-down strategies, emergent or improvisational strategies (Varadarajan & Clark, 1994).

Sales approaches, target audiences, effects on customers' perceptions of brand/service are some of the issues companies must address (Deshpande & Webster, 1993). Their common denominator is that marketing actions affect business performance (Narver & Slater, 1990) such as sales growth, profitability or return on investments (ROI) in small companies (Kohli & Jaworski, 1990). Studies that investigated the performance of strategic business units (SBU) in U.S.A. also confirmed a direct link between marketing actions and business performance, such as financial effects and sales growth (Ekaterina & Utz, 2014).

Failing to understand customers' behavior and culture is one of the most common causes of failure in business (Olsen, 2021). A management consultancy published a study of over 50,000 managers between 2014 and 2019, which asked over 500 questions about how they experienced their workplace. They found that managers played a pivotal role around employees, had an effect on every milestone on route to achieving goals, thus directly influencing employees' experiences (Clifton & Harter, 2019).

Values affect how CEOs perceive and interpret business reality, including various options for action and motives for their own behavior. Additionally, CEOs' values affect organization teams and their ethical behavior (Argandona, 2003).

Leadership incorporates significant emotional processes constituting part of leaders' social impact on those led. These processes stem from emotional literacy and emotional intelligence referring to wisdom and insight in human relations, including characteristics such as sensitivity, intelligence, dedication, compassion, caring, self-control, ability to express affection and more, which are significant factors in the ability to motivate others to act and become involved (Gardner, 1983). Assertiveness is an important factor contributing to interpersonal relationships between managers and their teams (Goleman, 1996). Assertive leaders are more likely to succeed in conveying reinforcing messages and challenges to more attentive listeners (Oakland, Falkenberg, & Oakland, 1996).

The higher the managers' level of education, the higher their perception of the significance of skills and business success. Regarding managers and employees – the higher their level of education, the more money they can earn (Bosire & Etyang, 2003).

With regard to Start-Ups, what are the strengths of relationships between various variables presented in the review and business success? What happens if company resources are limited? Where should managers invest resources and what level of investment is required to achieve company goals and objectives?

Can investment in resources be divided according to a timeline to achieve good business performance even with limited resources?

For Start-Up companies, knowing the effects of each variable is very important and can be critical for business performance and company survival.

In conclusion, it can be seen from the literature review that there are key factors directly affecting business performance, but some at a lower intensity. Hence, what is the intensity of the impact of key factors and what resources need to be invested to succeed? This question was not answered in the literature review and no studies have been found describing the strengths of such relationships. Therefore, research is needed to develop an innovative marketing model guiding managers to invest resources efficiently, correctly, and successfully, as described in Figure 2.

QUALITATIVE RESEARCH

To understand the impact intensity of key factors on business success reviewed in the literature, a case study will be analyzed. Interviews were conducted with three key managers in the role of Vice President (VP) Business Development in the transportation field, VP Business Development and Sales in high-tech, and a CEO in manufacturing.

This qualitative study focused on in-depth interviews of between an hour and an hour and a half conducted between November, 2020 and January, 2021. Questions focused on interviewees' experiences and perceptions of factors affecting business success and influencing decision making. Conclusions that emerged from the findings were as follows:

A. Perceptions of managers were that they must take control and responsibility, measure organizational processes, lead improvement processes and routine innovation, share significant decisions with teams before making them. As demonstrated by DV, who said:" We take a certain amount of time one day a week to share and create thinking teams for innovation and efficiency". Additionally, it emerged that it was very important to create a good atmosphere around employees and teams to increase their sense of belonging and commitment, as seen in the words of UP, "The atmosphere inside the company is good; I'm the one who creates it" and DV who said, "Allow employees at the lowest levels to influence company decisions if they have good ideas". One of the most important issues that emerged from interviews was measurement and control. Measuring organizational processes and various departmental goals and results helped managers to make decisions and any necessary changes when they believed goals were unlikely to be achieved through current actions. UP stated, "We do manpower control processes, presence is important to us, especially in production", while DV said, "What is not measured is not managed….We measurement the number of customer complaints on a monthly basis", and OS said, "We routinely produce improvement processes in our service centers"

To sum up: Management capabilities and skills are one of the most important issues in business results and success. The ability to lead teams and companies, make accurate decisions at any given time, manage scenarios and learn lessons are vital if managers are to achieve their goals most effectively.

B. Analysis of interview content referring to marketing questions brought up the fact that marketing had to be effective, personal relationships established, be market leaders and business developed innovatively in profitable markets. This was evidenced by DV, who said, "The wisdom is not to react to competitors but to lead, to be first to initiate processes and solutions…. We made our main competitor respond after we came out with baskets of unique solutions for customers such as extended product basket ". He added, "I will run away from the bloody competition that everyone is playing and go to a place where the water is clear and I will come up with something new and new parameters". OS said, "We are highly effective in marketing and rely heavily on personal connections that save investments…. In my daily routine I do not refer to my competitors - the niche in which my company is located is a niche where competitors are almost non-existent". Interviews also revealed that investment in marketing ranged between 15% and 20% of revenue UP said, "The marketing budget stands at 20% of profits", and OS confirmed, "Our marketing and sales budget stands at between 15-

17% of profits ." Another issue was recognizing customers' culture and needs and act accordingly to provide them with answers. OS said, "The Company has a specific department to measure the level of customer satisfaction, quality of product installation, and an external consulting company to measure and examine various company departments' functioning in relation to market needs".

In summary, it can be said that a sound marketing strategy is one aimed at profitable markets, produces market leadership and competes while controlling its costs effectively.

C. Content analysis of interview questions addressing finance revealed that managers had to ensure positive cash flow, invest effectively, measure and control numbers and budgetary controls and examine factors influencing change. This was evidenced by DV who said, "Slavery to numbers will make you a free man". OS, referring to Covid-19, said, "The biggest challenge they faced this year was cash flow, customers asked to freeze subscription fees, they responded to the customers' requests, including those who had not asked to identify themselves with everyone's situation. At the same time, they froze their monthly payments and increased revenue from another niche"

In conclusion: Managers' abilities to control and manage positive cash flow based on effectiveness and identifying / viewing problems are extremely important issues for business success.

D. One very important fact that emerged from interviews was that managers had to trust their teams. On the one hand, to lead them and on the other, to work together as a team to achieve company goals and objectives as UP testified, "The impact of a quality team is a direct impact on the performance of the organization". DV added, "A good team is a team that knows how to criticize one another and steer their ego in the right direction. A team that knows it can be exposed without being abused ". Therefore, managers need to choose their team according to their impressions and recommendations from previous employers. This was evidenced in OS's words, "We select people according to the needs of a position and department. Age is less relevant than experience and personal abilities."

Companies should be structured in an efficient and appropriate manner according to team qualities. UP said, "I would change the structure of the relationship with the employees, there is a workers' committee that is not good for the organization". Managers must be aware of team problems and difficulties, as DV said, "There is no guarantee of success with employees, we must constantly check them". Moreover, it is necessary to act routinely to improve team qualities, as UP said, "I always come to team meetings with a presentation, explain, show and enrich the team". On the other hand, DV said: "To improve the team I would share with everyone the information, so that each one knew what the other was doing and that they were all dependent on each other."

To sum up: Managers need to have good quality teams, they must know them, their abilities, and difficulties and develop them. Teams are one of the key factors for success.

E. Leadership abilities - Managers wishing to succeed must be optimistic and convey valuable forecasts to the whole company. This could be understood from DV, who said, "In 5 years, the company will have a larger basket of products and solutions in the field of transportation, the sales system will develop and the company will be a significant player in the field of public transportation". Managers need to be patient and intelligent, making decisions after analyzing and sharing, as OS said, "The decision-making process is carried out through meetings". Teams need to know that managers are open-minded and can be approached without fear regarding problems, initiatives and solutions, as UP said, "My team must know I'm open-minded", and OS added, "We host forums of round tables; we have put together departments that usually do not interact with one another"

In conclusion: the more managers' values include sharing, empathy and unity, the more their minds are open and greater their intelligence, the more they are able to draft teams to attain company goals and objectives.

CONCEPTUAL MODEL 2

Since the level of effect was confirmed by the literature and this exploratory study, a model as shown in Figure 3 can be drawn.

This model is show the manager where he needs to invest in order to achieve the company's goals;

1. Invest in the development of managerial skills alongside marketing knowledge and quality teams is more suitable for Start-Ups developing new technologies so that they can sell their technology or idea in a short period of time after demonstrating high business performance.
2. Invest in marketing knowledge and quality team will lead to mediocre performance within a relatively short period of time but it is likely that a company that does not invest in other variables will not survive the fifth year its existence.
3. Invest in all the key variables leads companies to high and stable business performance over time.
4. Invest in the development of managerial marketing knowledge alongside the accumulation

of business experience leads to mediocre company achievements, but the ability to survive over time.

DISCUSSION

There are different levels of relationships between key variables affecting business success.
The main purpose of this study was to identify the strength of each variable's relationship to business success and produce a model for business executives that would direct them to appropriate resource investments in those variables that are most important to them according to company business goals.
Results obtained in this study confirmed the strength of relationships between the various variables and business success and offer several options for a model.
Based on theoretical considerations and interviews conducted, a model is proposed to examine the effect of various variables over a specified period of time and their effects on business success. The key variables have an effect on business success and can serve as grounds for constructing a conceptual model that predicts business performance.
However, exploratory research is limited. First, this study was conducted only in Israel: expanding it to other countries may show different results.
The number of participants in this qualitative research was small: increasing the number of participants interviewed may uncover additional key issues which it will be possible may influence and develop the conceptual model.
These limitations will be addressed in future research conducted by the author.

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LIST OF FIGURES

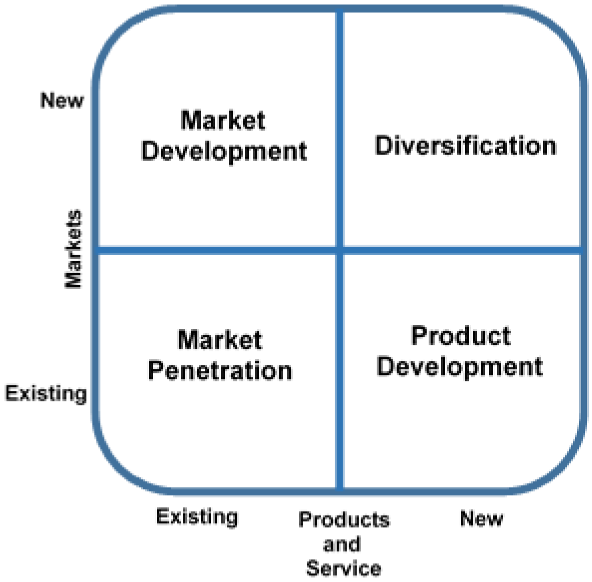

Figure 1
Ansoff Matrix model
Source: *Harvard Business Review September–October 1957, p. 114.*

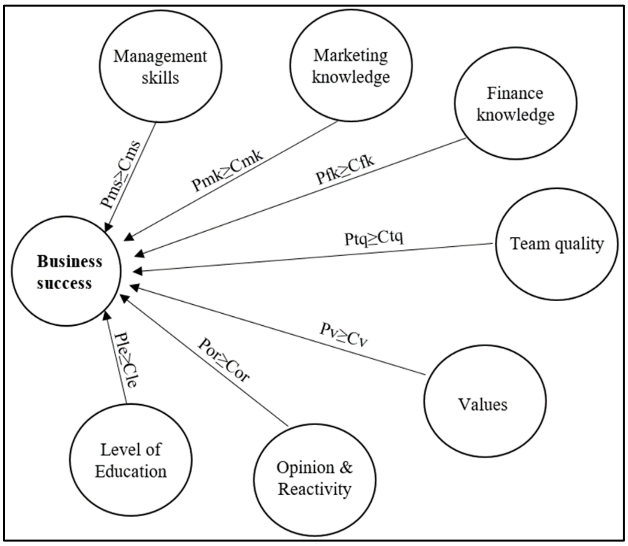

Figure 2
Conceptual Model 1
Pxx – Percentage probability between variable and business success.
Cxx – Relationship coefficient <1

Figure 3
Conceptual Model 2