

Company life (Stages)

1- **Existence.** In this stage, the main problems that the management will face are concentrated into the production of the company product/service and opening a market for selling this product/service. The stage is one of the very difficult and critical stages because the company should locate itself on the market map without looking for a fast gain. The management turn should be concentrated to produce a product/service with specific features and quality that making uniqueness of its product/service. Also, the management should take into consideration the branding concept in order to simplify the marketing strategic plan. Hence, if the company is producing a product, he/she will have to identify a distinguishable packaging process. Where, the packaging is more than protecting the product, but it can play a number of important roles in marketing process.

Also, the management should obtain enough customers through creating a marketing strategy and opening new market. Moreover, the management in this stage should build a professional relationship with new source of suppliers in order to make sure that the inventory items, supplies and company required equipments will be delivered on time.

This stage requires certain skills of management and leadership who make things happen and able to constructing new marketing mixes, designing new distribution networks. Also, the management should be able to use the available technology to develop its working processes.

2- **Survival.** At this stage, the business will be identified as a workable business entity. Now, it is producing a product/service and should have sufficient customers, the company has built a proper relationship with some suppliers and has built a distribution network. As per the previous stage, the management did not concentrate his/her effort for money gain. But in this stage, there are important concerns with finances, generating sufficient cash flow to run the business and making sure revenues exceed expenses. The organization will grow in size and profitability during this period.

This stage requires certain skills of management and leadership who identify the opportunities and understand the concept of “costs of lost opportunities” (sufficient time to release the product/service to the market). No doubt, in this stage the company deals with producing new product/service or improves the current product/service. Also, such management should have to understand the concept “the costs of being wrong” and knows well the balance up of these two sets of costs.

Moreover, the management should create the right incentives to get people to work on new initiatives in the organization.

Entrepreneurial leaders should constantly ask company’ managers to explain and account for how much revenue has come from new business/initiatives created over the past period (focus on the future, considering the present and

learning from the past). Also, entrepreneurial leaders need to keep everyone focus on business development and to do so they need to demonstrate that it is a priority activity in their own agenda.

3- **Success.** At this point, the company is solidly based and profitable. Company systems, roles and procedures are in place to allow the owner to slow down if desired. As per this stage, the owner can stay involved or consider turning the business over to professional managers. It is clear that the stage requires certain type of manager; his/her task is to create an organization that does the things as a matter of course. Such managers, will success when the people come back to work excited, and when they are proud to be associated with the management dynamic organization.

Also, it is essential for an organization to allocate its best people to new development. By allocating the best people, an entrepreneurial leader is signaling that he/she is taking business (organizational) development seriously. As know, these resources are usually the key success factors (KSF) and the essential part of operating capacity and operating assets.

4- **Takeoff.** Here the key problem that facing the company management is how to grow rapidly and finance that growth. The owner must learn to delegate, and the company must find sufficient capital to invest in major growth. This is a pivotal period in an entrepreneurial company's life. Properly , the company can become a big business. However, there is a difficult problem for companies at this stage, is how to maintain the advantages of "smallness" as the company grows.

In such stage, considered as venture, management should keeping analyzing consumption and value chains; to know what new technologies, infrastructures and data systems are available to improve the supply chain. Also, should keeping challenging the assumptions upon the business bases and its policies and to look on the alternative assumptions in order to create a fresh perspective and the possibility of new opportunities.

Taken into consideration, that individuals will also work enthusiastically in this stage if the management involves them early on in the process. In the other hand, the entrepreneurial leaders have to underwrite losses in the early stages whilst the new venture is building up. Once, the new venture is launched, the role of entrepreneurial leader is to monitor and control the development of such venture on different levels as:

- Market acceptance
- Initiate revenue flows
- Identifying skills
- Focus on learning and team monitoring

5- **Resource maturity.** At this stage, the company has made substantial financial gains and becoming in a good marketing position, but it may start to



lose the advantages of small size, including the flexibility and the entrepreneurial spirit. A company, in this stage, has the staff and financial resources to begin acting like a mature company with detailed planning and control systems. But, the stage is distinguished by complexity and needs an entrepreneurial leader to manage the company in a way that simplifying the complexity; being able to cope with complexity and being able to get the other workers to think about complexity in the same way.