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UKRAINIAN-AMERICAN CONCORDIA UNIVERSITY**

Faculty of Management and Business  
Department of International Economic Relations, Business & Management

**Bachelor's Qualification Work**

Organizational emergence: management of business startup issues  
(based on Business Media Network case)

Bachelor student of the 4<sup>th</sup> year of study

Field of Study 07 – Management  
and Administration

Specialty 073 – Management

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## **Abstract**

Topic: Organizational emergence: management of business startup issues (based on Business Media Network case).

This Thesis delves into the area of organizational emergence and the strategic management of startups, focusing on the critical challenges and strategies essential for navigating the complexities of startup environments, particularly in conflict-affected areas like Ukraine. The work highlights the pivotal role of strategic planning, adaptability, and resilience in overcoming the challenges faced by startups, such as securing funding, managing resources, and scaling operations amidst geopolitical instability.

Utilizing Business Media Network (BMN) as a case study, the Thesis offers a practical perspective on the implementation of strategic management practices within a startup operating under challenging conditions. It examines BMN's strategic responses to external pressures and internal challenges, providing insights into the effective management of startups in unstable environments.

The final section provides theoretical insights and actual findings to propose actionable strategies aimed at enhancing the performance and successful emergence of new business ventures. These strategies emphasize the importance of innovation, support infrastructure, and international partnerships, particularly for Ukrainian startups in the post-conflict phase, drawing from successful practices in Eastern Europe.

The Thesis connects academic research with practical application, offering a valuable resource for entrepreneurs seeking to understand and promote successful startup ecosystems in dynamic and uncertain business landscapes.

**Keywords:** organizational emergence, startup management, startup issues, strategic planning, conflict environments, startup resilience.

## **Анотація**

Тема: Створення організації: управління питаннями відкриття бізнесу (на основі організації Business Media Network).

Ця робота зосереджена на аналізі процесу організаційного зародження та стратегічного управління стартапами, акцентуючи увагу на критичних викликах та стратегіях, які є важливими для ефективної діяльності стартапів, особливо в умовах конфлікту, як в Україні. Робота підкреслює ключову роль стратегічного планування, адаптивності та стійкості в подоланні викликів, з якими стикаються стартапи, таких як залучення фінансування, управління ресурсами та масштабування операцій на тлі геополітичної нестабільності.

Використовуючи як приклад Business Media Network (BMN), робота надає практичний погляд на впровадження практик стратегічного управління в стартапі, що діє в умовах викликів. Досліджуються стратегічні відповіді BMN на зовнішні та внутрішні тиски, що надає уявлення про ефективне управління стартапами в нестабільних умовах.

Останній розділ пропонує теоретичні інсайти та практичні висновки для визначення дієвих стратегій, спрямованих на підвищення ефективності та успішного зародження нових бізнес-підприємств. Ці стратегії підкреслюють важливість інновацій, підтримуючої інфраструктури та міжнародних партнерств, особливо для українських стартапів у поствоєнний період, користуючись успішними практиками Східної Європи.

Робота поєднує академічні дослідження з практичним застосуванням, пропонуючи цінний ресурс для підприємців, які прагнуть зрозуміти і сприяти успішним екосистемам стартапів у динамічних і нестабільних бізнес-сферах.

**Ключові слова:** створення організації, управління стартапами, проблеми стартапів, стратегічне планування, конфліктні середовища, стійкість стартапів.

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**PHEE-institute «Ukrainian-American Concordia University»**

**Faculty of Management and Business**

**Department of International Economic Relations, Business and Management**

Educational level: **Bachelor's degree**  
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**APPROVED**

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“ ” 20

**TASK**

**FOR BACHELOR'S QUALIFICATION WORK OF STUDENT**

**Makar Dilai**

1. Topic of the bachelor's qualification work

**Organizational emergence: management of business startup issues (based on Business Media Network case)**

Supervisor of the Bachelor's Qualification Work: Olga Verkhohlyad, Ph.D.

Approved by the Order of the University as of *"25" September 2023* № 25-09/2023-1к

2. Deadline for bachelor's qualification work submission *"25" April 2024.*

3. Data-out to the bachelor's qualification work: This BQW is based on Makar Dilai's internship at Business Media Network LLC (BMN). Information collected during the internship was utilized during the writing of the Bachelor Qualification Work.

4. Contents of the explanatory note (list of issues to be developed):

This BQW developed the following issues: theoretical framework (organizational emergence and startup management); the process of business emergence; key challenges in business startups; analysis of BMN emergence; the Ukrainian perspective of business emergence during war; a complex analysis of BMN as a startup; a comparative analysis of BMN's strategy and performance with a successful startup; strategies of better

management of startup issues; potential generalizable strategies for Ukrainian after-war startups.

5. List of graphic material (with exact indication of any mandatory drawings)

Table 1.1 “Most popular definitions of the word ‘Startup’”

Figure 1.1 “The most frequently cited reasons for startup failure”

Figure 1.2 “Chances of startups of becoming successful”

Figure 1.3 “Number of startups per country”

Figure 2.1 “Legal form of the company’s operation”

Figure 2.2 “Current sources of financing”

Figure 2.3 “Organizational chart of Business Media Network”

6. Consultants for parts of the Bachelor’s qualification work

| Part of the project | Surname, name, position | Signature, date |          |
|---------------------|-------------------------|-----------------|----------|
|                     |                         | Given           | Accepted |
| 1                   | Olga Verkhohlyad        | Yes             | Yes      |
| 2                   | Olga Verkhohlyad        | Yes             | Yes      |
| 3                   | Olga Verkhohlyad        | Yes             | Yes      |

7. Date of issue of the assignment

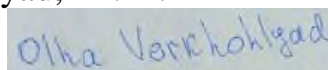
Time Schedule

| №  | The title of the parts of the qualification paper (work) | Deadlines | Notes   |
|----|--|-----------|---------|
| 1. | I part of the Bachelor’s Thesis                          | 10.12.23  | On-time |
| 2. | II part of the Bachelor’s Thesis                         | 27.02.24  | On-time |
| 4. | Introduction, conclusions, summary                       | 25.04.24  | On-time |
| 5. | Pre-defense of the Thesis                                | 29.04.24  | On-time |

Student Makar Dilai

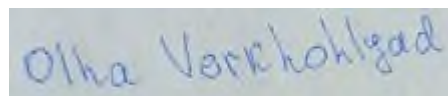


Supervisor Olga Verkhohlyad, Ph. D.



Conclusion: The completed Bachelor's Thesis fully corresponds to the chosen topic, is accompanied by a table and figures to further develop the researched topic. This BQW fully meets the established requirements. The work is performed at a sufficiently high level, meets the requirements and standards of the Ministry of Education and Science, is of high practical importance and is recommended for the defense with a preliminary assessment of "Excellent".

Supervisor Olga Verkhohlyad, Ph.D.

A rectangular box containing a handwritten signature in blue ink. The signature is written in a cursive style and reads "Olga Verkhohlyad".

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## INTRODUCTION

In the rapidly evolving business world, startups emerge as critical drivers of economic growth and innovation. These entities, more than just new business ventures: they're where a lot of new ideas and jobs come from. However, the path to successful business establishment is filled with challenges, making the study of organizational emergence especially important and relevant.

Firstly, this topic offers crucial insights for entrepreneurs. It sheds the light on the diverse obstacles startups face, such as securing capital, assembling a skilled team, and differentiating themselves in competitive markets. Additionally, it delves into less tangible but equally important aspects like developing a robust business model, understanding customer needs, and navigating regulatory environments. This comprehensive understanding is vital for any new business seeking to establish and grow.

Secondly, the rapid technological advancements and shifting global market dynamics also make this study extremely relevant. This Thesis goes beyond conventional strategies, exploring how startups can leverage digital tools, adapt to changing consumer behaviors, and respond to global trends. It also considers the impact of socio-economic factors, such as the role of startups in developing economies, in countries with ongoing war and their potential to drive social change.

Moreover, this research offers a theoretical framework that can be applied across various business scenarios, providing a foundation for future research and practical application. For students and emerging business leaders, this knowledge is instrumental in shaping their approach to business strategy and innovation.

In essence, the exploration of organizational emergence and the management of startup issues is a topic of great academic and practical significance. This Thesis aims to make a meaningful contribution to this field, bridging the gap between theoretical research and real-world application. By offering a blend of scholarly insight and practical advice, it seeks to empower the next generation of entrepreneurs and business leaders, paving the way for more informed, innovative, and successful business ventures.

Previously, this topic has been studied by various researchers. Katz and Gartner came up with a widely respected way to understand how organizations start. They identified four main factors that new organizations have in common (Gartner & Katz, 1988). David B. Audretsch's research was focused on the economics of entrepreneurship, innovation, and competition (Audretsch, Keilbach & Lehmann, 2006). Colin Mason and Daniel Brown have extensively studied entrepreneurial finance and the development of entrepreneurial ecosystems (Mason & Brown, 2014). Daniel Isenberg's and Vincent Onyemah's work emphasizes the importance of fostering entrepreneurship ecosystems in different cultural and economic contexts (Isenberg & Onyemah, 2016). Ben Spigel and Erik Stam explore the role of regional and cultural factors in entrepreneurial development (Stam & Spigel, 2016). Erko Auti, Kun Fu, and Jonathan Levie has contributed to our understanding of how digitalization impacts entrepreneurial processes (Auti, Fu, & Levie, 2020). Katrin Scheidgen's studies shed light on how a fragmented entrepreneurial ecosystem promotes different types of entrepreneurs (Scheidgen, 2021). Arthur Marcon, Jose Luis Duarte Ribeiro, Yasmin Olteanu and Klaus Fichter explored how the interplay between innovation ecosystems and market contingency factors impacts startup innovation (Marcon et al., 2024).

Despite the significant contributions, the topic of organizational emergence and main issues in startups remains a ground for further research, particularly due to the ever-evolving nature of global business environments and technological advancements that continuously reshape the landscape of startup development and success.

This Thesis will dive into the investigation of organizational emergence, particularly focusing on the management challenges encountered by startups. First, I'll get into the theory behind this - what we already know about how startups come to life and what they have to deal with. This involves a comprehensive review of literature, thereby establishing a strong base for my own work.

Secondly, the analysis will transition to an empirical study, utilizing the Business Media Network (BMN) as a case in point. This section is particularly significant as it provides insights into the practical aspects of organizational emergence, especially under

challenging circumstances such as economic downturns or conflict periods. The study will use experiences obtained from an internship with BMN, thereby providing a deeper understanding of strategic management practices within the startup context. In this chapter, we will further explore BMN's strategic decisions, market approach, and operational challenges, along with the impact of external factors such as regional instability on its business model in comparison with other company in the same market. Emphasis will be placed on how these factors collectively influenced BMN's trajectory and the lessons that can be drawn for other startups operating in similar conditions. This analysis aims to bridge theoretical knowledge with practical experience, offering a comprehensive view of startup management in turbulent environments. This chapter will also delve into the broader topic of business emergence during war, with a specific focus on the Ukrainian perspective.

The concluding part of the Thesis will synthesize the theoretical knowledge and practical insights to formulate strategic recommendations. These recommendations aim to foster enhanced performance and successful emergence for new business ventures. Also, the study will consider how these strategies might be used in different kinds of startup situations, making the research useful for more businesses.

The primary objective of this Bachelor's Thesis is to explore and analyze the concept of organizational emergence, with a focus on the management of business startup issues. This exploration aims to understand the critical factors that contribute to the successful emergence and growth of startups. In pursuit of this objective, the following tasks have been outlined:

- Developing a comprehensive understanding of what constitutes a startup.
- Investigating how the process of business emergence influences the development and success of startups, considering both the opportunities and challenges they face.
- Examining the impact of these factors on a specific case, the Business Media Network, to gain real-world insights.
- Gaining practical experience and insights through an internship at Business Media

Network, analyzing its strategies, challenges, and competitive positioning.

- Conducting research to understand how strategic management practices can enhance the success and sustainability of startups.

- The research objects of this Thesis are the process of organizational emergence and the management of issues commonly faced by startups. The research subject encompasses a set of theoretical, methodological, and practical approaches to enhance our understanding of startup management, with a focus on strategies that can be employed to overcome early-stage challenges and drive growth. This study will specifically examine these aspects in the context of the Business Media Network, providing a detailed case study alongside generalizable findings for the broader field of startup management.

- Formulate strategic recommendations for enhancing organizational emergence and improving the performance of business startups, drawing on theoretical insights and practical observations from the case study and broader industry analysis.

This Thesis employs a combination of research methods to explore organizational emergence in startups. A literature review establishes a theoretical base, examining existing studies on startups and their development. Observation, particularly of the Business Media Network, provide practical insights into real-world startup challenges.

Additionally, generalization method helps in forming a comprehensive view of startup management, drawing broader lessons applicable across various startups. Comparative analysis further enriches this understanding by contrasting BMN's practices with other successful startups.

The theoretical value of the results obtained in this work lies in its in-depth exploration of the foundational aspects of organizational emergence and startup management. This Thesis comprehensively analyses the process of business startups, examining the various stages from ideation to maturity. It delves into the critical challenges faced by startups, such as funding difficulties, market competition, and effective management strategies.

The practical value of the findings from second chapter lies in providing a real-world

application of the theoretical concepts discussed. This chapter delves into the emergence and operations of Business Media Network, offering a detailed exploration of the challenges and strategies of a startup in a conflict-affected environment. The insights gained from BMN's experience, particularly during the geopolitical turmoil in Ukraine, are invaluable for entrepreneurs and businesses operating under similar circumstances. This analysis not only sheds light on the importance of strategic planning and resource management in volatile environments but also provides actionable lessons for startups navigating complex market conditions. These insights are critical for startup founders, managers, and policy-makers aiming to understand and overcome the unique challenges faced by startups in dynamic and uncertain business landscapes.

This third chapter offers strategic recommendations for startups, drawing on insights from the strategic management of Business Media Network and beyond. It explores how BMN navigated the challenges posed by Ukraine's geopolitical situation and extends these learnings to offer broader strategies for startups facing similar uncertainties. The recommendations cover critical areas like securing funding, building effective teams, and scaling business models. Particularly for Ukrainian startups post-conflict, it proposes strategies inspired by successful practices in Eastern Europe, emphasizing innovation, support infrastructure, and international partnerships. This chapter aims to guide startups through growth challenges, contributing to the resilience and dynamism of the startup ecosystem.

## CHAPTER 1. THEORETICAL FRAMEWORK: ORGANIZATIONAL EMERGENCE AND STARTUP MANAGEMENT

### 1.1 Understanding startups

In this chapter, we're going to dive into what startups really are. I used to think a startup was just another word for a new small business, but there's so much more to it.

Startups are a blend of big dreams and hard work, where new ideas get turned into reality. We'll look at how they start, usually with just an idea or a problem someone wants to solve, and then grow into something bigger. It's not just about making money; it's about innovation and doing something new.

Let's define the word "startup". There are numerous different interpretations of this term.

Table 1.1

Most popular definitions of the word "Startup"

|                              |   |
|------------------------------|---|
| Steve Blank (January 2010)   | "Temporary organization used to search for a repeatable and scalable business model."                     |
| Paul Graham (September 2012) | "A company designed to grow fast."  |
| Eric Ries (September 2011)   | "Human institution designed to deliver a new product or service under conditions of extreme uncertainty." |
| Dave McClure (May 2013)      | "A company that is confused about what its product is, who its customers are, and how to make money."     |
| Wil Schroter (April 2022)    | "A startup is the living embodiment of a founder's dream."  |

Table 1.1 continued

|                                 |   |
|---------------------------------|---|
| Neil Blumenthal (December 2013) | “A company working to solve a problem where the solution is not obvious and success is not guaranteed.” |
|---------------------------------|---|

Source: compiled by the author

The most cited definition comes from Steve Blank, an American entrepreneur from Silicon Valley and a professor at several leading American universities (Stanford, Haas School of Business, University of California, Berkeley, California Institute of Technology, Columbia University).

According to definitions provided by Paul Graham, a well-known programmer and venture investor: "A startup is a company designed to grow fast. And Eric Ries, an American entrepreneur and pioneer of the "Lean Startup" movement, defines it as: "A startup is an institution designed to create and deliver a new product under conditions of extreme uncertainty."

As evident, there is no single definitive definition of this term. However, summarizing all of the above, conclusion can be made that startups are young companies founded to develop a unique product or service, introduce them to the market, and make them irreplaceable for customers.

Startups are built on innovation, addressing the shortcomings of existing products or creating entirely new categories of goods and services, thereby disrupting established ways of thinking and conducting business within entire industries.

Traditional companies often replicate what has been done before. For example, a potential restaurant owner may franchise an existing restaurant, meaning they operate based on an existing business template. In contrast, a startup aims to create an entirely new template.

This also points to another key factor that sets startups apart from other companies: speed and growth. Startups seek to rapidly develop their ideas. They often do this through a process known as iteration, during which they continuously improve products based on

feedback and usage data (Chouksey, 2021). Startups frequently begin with a minimal viable product (MVP), a version of a product with just enough features to be usable by early customers who can then provide feedback for future product development ("Minimum viable product," n.d., para. 5), which they test and refine until the project is ready for market launch.

In essence, startups are characterized by their innovative nature, disruptive potential, and a focus on rapid growth and development. They challenge the status quo and aim to offer something unique and valuable to their customers.

To provide a more detailed description and illustrate the essence of the concept of a startup, below are examples of well-known global companies that can be characterized as startups and the problems they solved.

### **1. Airbnb**

**Founded:** August 2008

**Valuation:** \$93.7 Billion (Macrotrends, 2023)

**Customer:** Conference attendees visiting San Francisco.

**Problem:** Being broke and needing to pay higher rent.

### **2. Uber**

**Founded:** 2009

**Valuation:** \$145 Billion (Macrotrends, 2023)

**Customer:** Cold called black cab drivers to offer an hourly rate for supply-side, gave free rides at local tech events in San Francisco for the demand side.

**Problem:** The unreliability of hailing a taxi.

### **3. Telegram**

**Founded:** 2013

**Valuation:** \$30 Billion (Ch, 2024)

**Customer:** Security conscious smartphone users.



**Problem:** Online messaging is dominated by companies with commercial and political ties that place sensitive end-user messages in potentially compromising and insecure situations.

In conclusion, these examples of globally recognized startups demonstrate the innovative spirit of entrepreneurship. They solved specific problems and reshaped entire industries, therefore proving the potential of startups.

The form of startup can be totally different, depending on kind of business entrepreneur want to establish.

There are 6 main types of startups (VeFund, 2023; SendPulse, 2023):

### 1. Lifestyle startups

Lifestyle startups emerge from a founder's passion, dedicating their effort and time to transform a beloved hobby or activity into a business venture. Examples include an enthusiastic traveler establishing a tour guiding enterprise or a skilled web developer launching a freelance coding service. The foundation of this business model arises from the entrepreneur's passion, with a lesser emphasis on profits compared to other models. The primary aim of a lifestyle startup is to share the founder's enthusiasm and vision.

### 2. Small business startups

Small business startups focus more on long-term sustainability rather than rapid expansion. These companies aim to achieve financial stability by generating sufficient income, serving a niche market.

Typical examples include family-run enterprises like barbershops, grocery stores, and retail outlets. These enterprises are not designed to achieve massive success or have a global impact; their primary purpose is to generate financial earnings for the owner. The business serves as the owner's primary income source.

### 3. Scalable startups

Scalable startups begin by taking an idea or concept, usually in the tech field, and working hard to quickly increase their company's revenue to get the best return on their

investment. This kind of startup needs thorough research of the market to find opportunities they can take advantage of. Two great examples of scalable startups are Google and Facebook. These companies both started with the goal of becoming leaders in their industry using the scalable startup model, and they were successful in achieving that goal. Starting these kinds of businesses demands significant initial investments and access to substantial capital.

#### 4. Buyable startups

In contrast to other startup models, buyable startups aren't moving toward becoming billion-dollar enterprises; instead, their primary objective is to be acquired by larger companies for millions of dollars. Buyable startups often have a strong tech focus, with many of them specializing in the app development sector. This kind of business model has gained popularity in recent years. These companies typically require less initial capital than many others and are strategically sold when they reach their highest market value.

#### 5. Large company Startups

In a landscape where technology, customer preferences, and markets are constantly evolving, established large companies must evolve their business models to remain competitive. This is where large company startups step in. These subsidiary startups, with the backing and financial support of the parent company, aim to explore new markets, offer diverse products, and help the larger corporation stay connected to the ever-changing business environment.

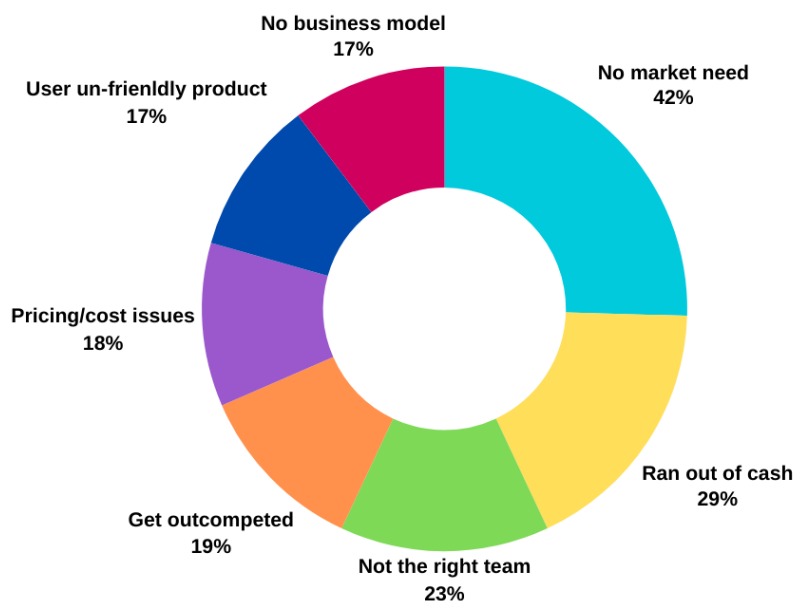
#### 6. Social startups

Unlike some other startup types, social startups aren't about making founders rich; they're all about making a positive impact on society or the environment. So, social entrepreneurs don't expect a huge payday from their startups. However, it's still possible to earn money with this model if organization isn't a non-profit. Social entrepreneurs seek funding based on their business needs. They can reach out to investors that care about their cause.

As we can see, there isn't a one-size-fits-all template for what a startup should look

like or how it should seek funding. While certain startups need millions of dollars to get off the ground, others may be run primarily through small investments made by their founders.

Despite the fact that no two startup projects are the same, factors of failure of startups have been generalized.



**Fig. 1.1 The most frequently cited reasons for startup failure**

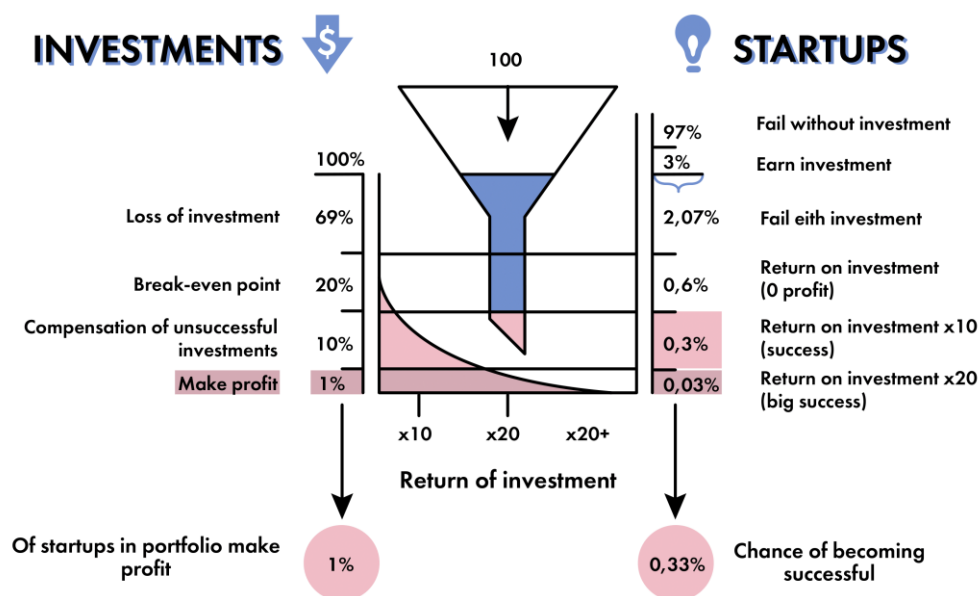
Compiled by author based on McCarthy, 2023

Reasons for failure include lack of finances, research, or insight into correct market choice. Success, on the other hand, is often attributed to having a strong business plan, pre-launch marketing, and startup advisors.

A distinctive feature of a startup is its chronic lack of finances and the volatile position of the company in the market. It should be noted that those who consider a startup to be a “small” version of a large company are mistaken, as traditional business, on which most companies operate, is practically unrelated to the innovations that form the basis of any startup.

After creation, for its growth and development, any startup requires investments.

Moreover, their size increases proportionally with the growth of the company. And if at the initial stage a startup can get by with a few tens of thousands of dollars, then as it develops, the amount of necessary investment can increase many times and amount to millions.



**Fig. 1.2 Chances of startups of becoming successful**

Adapted by author based on Babich, 2016

Most approaches to describing the stages of financing, with some variations, are similar to those presented in Paul Graham's essay "How to Fund a Startup" (Graham, 2005):

Seed investments are the first stage of fundraising, where the investors are most often the founders of the startup, their relatives, or friends. In English, the abbreviation 3 F has become established, describing the first investors of most startups - friends, family, and fools. The initial funds cover the team's living expenses, the development of a business plan, and a prototype of the future product. In exceptional cases, a venture fund acts as a seed investor - and the amount of investment increases significantly.

Angel investments are provided by private investors interested in participating in the

development of companies. By entering into the capital of the company, the business angel typically gets a seat on the board of directors and the ability to block decisions of the founders that he considers unwise. At this stage, the startup gets the opportunity to expand its staff, finish work on the first version of the product, and attract the first clients.

Round "A" involves raising funds from a venture fund for a company with a working product, clients, and development plans. The amount of investment significantly exceeds that received earlier, and the startup begins to build a formal structure and expand. After round "A," rounds "B," "C," and subsequent ones may follow - they are denoted by letters of the Latin alphabet.

As for seed investments, they represent some transitional stage preceding full-fledged investments from a venture fund. Not every startup can achieve seed investments because it is necessary to meet a number of conditions, among which are decent growth of the project and a competent team in a leadership position.

Moreover, the optimal team must necessarily have a manager with a good understanding of the market and established connections with key figures in the industry. Along with manager should go top-notch workers/developers, with experience in the chosen field and possessing all the relevant skills and abilities necessary for the development of the product and the entire startup.

If such people are present, and the amount of customers is constantly growing, eventually the startup will receive investments. Moreover, it is quite possible that there will be a possibility of choice among the most favorable offer from a multitude of funds.

It should also be mentioned that investing in a startup, at any stage, can be done in two ways. The first of which is a regular financial investment, in which case the startups will have to deal with recruiting staff, renting premises, and setting up the production of the product.

The second method is a contract with previously acquainted investors who will take care of production, while the startup owner manages the project and promotes it on the market.

Obviously, investing in startups can bring a substantial passive income to those who made investments in it at the right time. However, any, even seemingly viable startup is associated with the risk of losing funds. No one can fully predict the development of the project, and no one can rule out various kinds of force majeure.

Angel investments are made in a startup at the first and second stages of its development when all the efforts of the firm are directed towards creating a minimally viable product. Investments from so-called business angels can be obtained if there is a competent business plan, a clear action strategy, and a minimal prototype of the product.

The average amount of such investments is typically 25 - 100 thousand dollars. However, there are some angel investors who will invest more than \$1 million in a company (FasterCapital, 2023). They are usually given in exchange for a small percentage of shares in the young company. Naturally, the amounts of angel investments are incomparable with the multimillion-dollar investments of venture funds.

This is largely because not all of the projects that attracts the attention of business angels' move on to the next level of development, so the level of risk for investors is extremely high. And any business angel must be prepared to lose the invested funds. However, despite this, their number is increasing year by year, which cannot but please beginning entrepreneurs.

If the startup failed to attract angel investments, the entrepreneur can move along the path of so-called bootstrapping, which involves the process of building a business from scratch without attracting investment or with minimal external capital. (CFI, n.d.).

Venture funds of the following stages also actively help startups. At least, the good funds do. The bigger the startup gets, the more it needs help in building a strategy, hiring qualified narrow-profile specialists, and legal protection. The best funds often have entire departments that assist their startups. Most often this concerns the search and recruitment of personnel. In some cases, it even comes to assistance in lobbying interests at the state level. Venture funding is a type of financial capital that arose under the influence of the system of subsidizing scientific research works for individual projects and programs.

In conclusion, it becomes evident that startups are much more than mere new small businesses. They include a unique fusion of innovation, ambition, and rapid growth. The varied definitions from experts like Steve Blank and Eric Ries highlight the diverse perspectives on what a startup can be. This part of the paper also brings into focus the contrast between startups and traditional companies, particularly in their approaches to business models and growth strategies.

The exploration of different types of startups, such as lifestyle and scalable startups broadens the understanding of the startup ecosystem. Each type of startup has its own goals and ways of working, showing how varied the startup world is. The part about how startups get funding, from initial investments to bigger ones like venture capital, gives a good look into the money side of things and the challenges startups deal with. Overall, this part of the paper really helps in understanding the complicated and ever-changing world of startups.

## 1.2 The process of business emergence

This subchapter delves into starting a business from the ground up. The journey begins with idea generation, exploring where great business concepts come from and how to validate them. Then the subchapter delves into the legal aspects critical for setting up a business correctly and ensuring compliance with regulations.

Then the topic progresses through the various stages of startup development, outlining the necessary actions from the initial planning phase to the growth and expansion of the business. Real-life examples of startups are integrated to provide practical insights and lessons. By the conclusion of this subchapter, we will gain a thorough understanding of the startup development process.

A study indicates that the average lifespan of a startup is between five to ten years, during which time it often gets bought or taken over by a different corporation (Jabbar, 2023). The question remains: what happens during this period in the life of a startup?

Every startup begins with a basic idea. Business ideas usually emerge because there are people who need these goods or services. These goods, in turn, are needed by them to

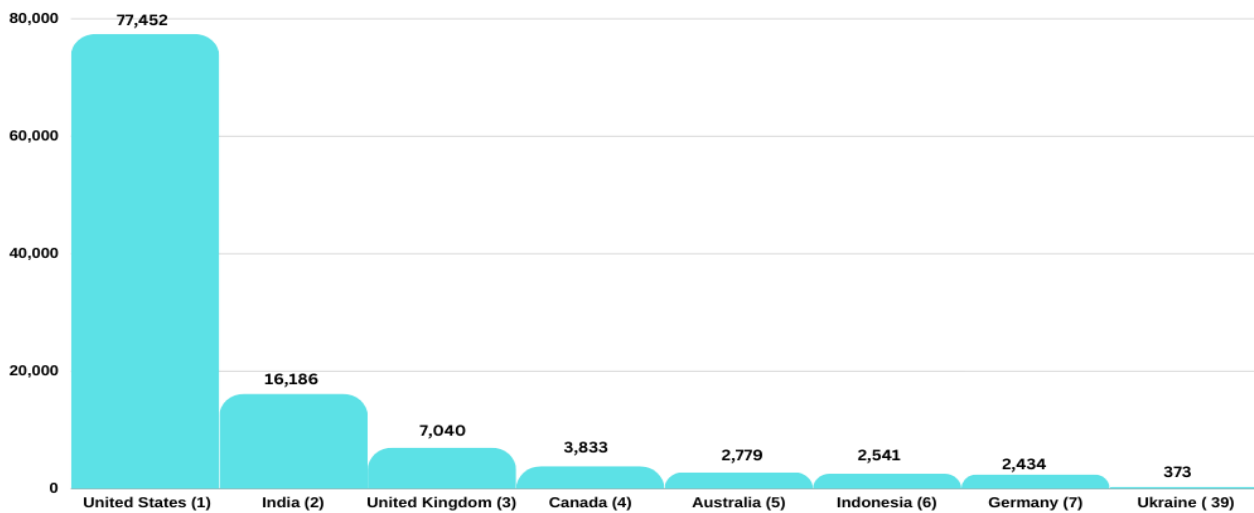
solve a certain problem they have. Solving the problem is the first and foremost thing that any business needs to do if it wants to achieve success and remain in demand. Therefore, the first step in developing business ideas is to identify a market problem that startup can solve and to study it thoroughly. However, find a solution that seems good does not stop the process. On the contrary, it is just the beginning.

Often, startup founders are unable to strategically and effectively launch and present their startup. The main reason for this is a lack of information in all legal aspects and the imperfection of the legislative base. The main legal issues that unexperienced entrepreneurs encounter are (Marcum & Blair, 2011):

1. Not having a strong working plan.
2. Not creating contracts to safeguard the startup.
3. Rushing too much to formally establish the company with a little focus on the product or service the business will offer.
4. Not fully grasping the tax implications.
5. Not keeping the right human resources paperwork in order.
6. Failing to obtain the required licenses and permits.
7. Lack of overall preparation

These issues are common in many countries, yet startups continue to grow. The development of the startup market is evidenced by a study from the service Startup Ranking, which analyzed countries worldwide, counted more than 100,000 startups, and ranked countries based on the number of startups they have. According to Startup Ranking, the USA takes the first place with 77,452 startups, and Ukraine is in the 39th place with 373 startups.





**Fig 1.3 Number of startups per country**

Compiled by author based on Startup Ranking, n.d.

The most commonly mentioned is a simplified classification of the stages of startup development, which outlines that a startup goes through 5 stages in its growth (Kumbhat & Sushil, 2018):

### **1. Pre-seed (Ideation) stage**

Everything begins with the pre-seed stage, often known as the idea stage. During this time, it is crucial to explore the market, look for a niche where the product can be developed, and starting to give the idea form and shape. It was already mentioned, that during this stage the startuper need to identify the problem he or she wants to solve so the product of the service will be in demand.

The goals that are needed to be achieved on this stage:

- Securing first investment for startup idea.
- Confirming the fundamental structure of startup.
- Creating an initial business plan.
- Finding out if product meets the market's needs.

### **2. Seed (Validation/Development) stage.**

After coming up with brilliant idea and creating the business plan, the next goal is to

test how everything works. That's why the next of every startup is creating MVP – minimum viable product. The goal of this next stage is to check if the product idea works with as little time and money as possible, which is why it's called the minimum viable product. This approach helps to confirm there's a demand and understand how customers behave, while keeping risks low. When releasing MVP, it is important to concentrate on attracting users to the product - this is when the early growth of startup begins.

The seed stage of a startup's development is one of the most challenging. It can last up to 1.5 years, which is a long time for a young project. During this period, a "restart" or "pivot" – a significant shift in the startup's development direction and business model – may occur, aimed at preserving the project's viability. This may need to be faced more than once.

Main goals:

- Creating an MVP to test if the product is viable.
- Identifying and developing the essential features.
- Altering business plan or pivot if needed.
- Acquiring initial customers and testing the product

### **3. Growth (Entering the market) stage**

At this stage, startup founders should be aware of the market demand and know if their product matches it. Now is the time to grow, improve, and look for additional investments, because most probably they have exhausted their funds during the initial self-financing phase (bootstrapping). Startup entrepreneurs are also enhancing their MVPs and continuously researching the market.

The growth phase is often seen as one of the hardest stages in developing a startup. Many young businesses don't even reach this stage.

Main goals on this stage:

- Securing funding from venture capitalists.

- Creating a steady income stream.
- Running marketing and advertising campaigns.
- Growing target audience.

#### **4. Scaling (Expansion) stage**

The growth stage focuses on scaling the business, which includes entering new markets, adding more functions or products, and providing the best user experience. At this critical point, expanding the team and bringing in specialists who have extensive knowledge becomes necessary. The growth stage also aims at achieving stability in terms of customer base and profits. But this is just a step towards bigger goals. The expansion phase is about scaling up more significantly. Companies aim to grow their business ambitions, seeking to enter new markets and geographical regions, often internationally.

Interestingly, it's very common for startups to try and scale before they're ready, and this is rarely a good idea, because attempting to expand too quickly can cause burnout and potentially damage brand's reputation.

The main goals to be achieved:

- Growing and moving into new markets.
- Increasing range of products, features, and services.
- Going global with business.
- Working together with other companies.

#### **5. Maturity or Exit stage:**

Usually, at this stage, a startup reaches its final phase, as its structure becomes similar to a full-fledged company: it has established business processes and a stable business model, employs a sufficient number of staff members who focus solely on their professional duties, occupies a specific market niche, and has high demand for its product or service. It generates revenue for investors and is overall profitable.

At this stage, many companies opt to bring in an experienced CEO. However, there

are cases where leaders maintain their CEO role even after the company goes public, such as Jeff Bezos.

After going through all the stages of development and achieving key objectives, founders may consider taking their company public and selling it. For this, they often plan an IPO (Initial Public Offering), which involves offering shares of a private startup to the public. This allows new investors to buy parts of the business and become shareholders.

An IPO can be advantageous for business in several ways. The most significant benefits of opting for an IPO include:

- Receiving long-term investments from public venture capitalists.
- Elevating financial and marketing capabilities to a higher level.
- Attracting more clients and partners into business ecosystem.

Having discussed the stages of startup development, it would be useful to turn attention to real-world applications: inspiring success story of Squire (Feldman, 2021), a startup that transformed the traditional barbershop experience.

Songe LaRon and Dave Salvant, New York natives familiar with the traditional barbershop experience, shifted from careers in banking and law to entrepreneurship, noticing the unchanged nature of barbershops. Inspired by the ease of ridesharing apps, they envisioned modernizing this experience. This led to the creation of Squire, initially a customer-facing app for booking barber appointments. Despite initial challenges in gathering barber feedback and a model pivot from focusing on consumers (B2C) to serving barbershop owners (B2B), their persistence paid off. They adapted Squire into a comprehensive point-of-sales and management system, addressing both customer convenience and barbers' operational needs. Their journey, marked by a risky investment in purchasing a barbershop and a strategic shift in their business model, resulted in Squire's expansion into three countries and raising \$165 million shows the importance of knowing what customers need. Squire identified a niche market, developed a unique technology solution for appointment booking and management, and overcame various challenges to become a leader in its industry.

Applying the stages of startup development to the story of Squire, provides a clear illustration of how a startup evolves:

1. Idea Generation and Validation:

- Initial Idea: LaRon and Salvant, inspired by their experiences in traditional barbershops and the rise of ridesharing apps, saw an opportunity to modernize the barbershop experience.
- Validation: They initially envisioned a customer-facing app for booking barber appointments, akin to “the Uber of barbers.”

2. Planning and Conceptualization:

- Initial Concept Development: The concept was initially focused on the customer experience, aiming to streamline appointment booking and payment processes.
- Market Research: They faced challenges in gathering feedback from barbers, indicating a need for deeper market understanding.

3. Launching the Business:

- First Prototype and Funding: After receiving seed funding from a WeWork executive, they developed the first iteration of the app.
- Initial Launch Strategy: They set up a pop-up barbershop in their WeWork space to demonstrate Squire and gather immediate feedback.

4. Growth and Adaptation:

- Pivoting the Model: Realizing the app did not fully address barbers' needs, they shifted from a B2C to a B2B model, focusing on barbershop owners.
- Expansion of Services: Squire evolved into a comprehensive point-of-sales and management system, catering to both customers and barbers.

5. Scaling Up:

- Learning from Direct Experience: Purchasing a barbershop, they gained

firsthand insight into the operational challenges of barbershops.

- **Refining the Product:** This experience allowed them to refine Squire, making it more attuned to the needs of barbershop owners and operators.

#### 6. Establishment and Maturity:

- **Widespread Adoption and Funding:** Squire's adapted platform gained traction, leading to its availability in three countries and significant funding.
- **Market Impact:** The success of Squire shows the importance of understanding and responding to customer needs, showcasing how a startup can mature and establish itself in the market.

This progression of Squire from an initial idea to a mature, successful business illustrates the various stages of startup development, highlighting the importance of flexibility, customer focus, and the willingness to adapt and evolve based on market feedback.

In this subchapter, we've taken a detailed look at how business startups come to life, covering everything from the initial idea stage to the final stages of development and success. We started by exploring how to come up with a business idea and the importance of making sure it's something that people actually need and will use. Then, we moved on to the legal side of things, highlighting the importance of having a solid plan and understanding the legal requirements for starting a business.

We also discussed the different stages a startup goes through, from just an idea to becoming a fully developed company. Real-life examples, like the story of Squire, helped us see how these stages play out in the real world. These examples showed us that being flexible and focused on what customers need is crucial for a startup's success.

To wrap it up, starting a business is a journey filled with challenges, learning, and adapting. It's not just about having a great idea; it's about developing that idea, understanding the legalities, and being ready to change and grow based on what customers need. The story of every successful startup is a mix of good planning, hard work, and the ability to adapt to the market. This subchapter has given us a clear view of this journey,

providing insights and lessons for further research of the topic.

### 1.3 Key challenges in business startups

Understanding the challenges in startups is vital for a few key reasons. First, it offers aspiring entrepreneurs a clear understanding of the demands of the competitive business environment. This insight is critical for thorough preparation, both mentally and resource-wise.

Second, it enables entrepreneurs to foresee and prepare for potential challenges. In the startup world, where small errors can lead to big issues, being prepared can be the key to success.

Third, this knowledge is beneficial for those supporting startups, like investors, mentors, and policymakers. It helps investors make better decisions about funding, allows mentors to give more effective advice, and aids policymakers in creating supportive environments for startups.

Finally, understanding these challenges fosters a community of learning and support among entrepreneurs. It encourages sharing knowledge and experiences, which can lead to collective growth and innovation.

In the following section, we will look at specific challenges commonly faced by startups, including financial, market, management, operational, human resource, technological, and scaling challenges.

#### Funding

Unless founders are very lucky and start making money right away from sales or investors, startup is going to face challenges. Not having enough investment can cause serious problems. It might delay product launch, stop from hiring important employees, or prevent from setting up new offices.

Funds will be needed for various things like developing software or product, renting office space, and marketing, which is also important. Success often depends on these things. The last thing a new business wants is to cut costs and let go of employees just

when it should be focusing on growth.

#### Leaving aside marketing and promotion

Difficulties are often encountered by some startups due to insufficient investment in marketing and sales. At times, these critical aspects are entirely overlooked, with reliance placed instead on word-of-mouth, or in the case of SaaS (Software as a service) companies, an expectation that sales will naturally increase online without the need for dedicated marketing and sales efforts.

Believing that customers will discover a business without some measures taken is a unreasonable. A well-planned startup promotion strategy is crucial and represents a smart use of funds. Neglecting this can lead to missed opportunities and hindered growth.

#### No proper planning

It is really frustrating how many startups fail due to a lack of planning. In some cases, planning is undertaken, but not all critical areas are adequately covered. Essential aspects such as sales, promotion, staffing, skills shortage, and funding need to be incorporated into the business plan or be flexible enough to adapt to unforeseen changes.

The importance of contingency planning cannot be overstated, nor can the value of a well-thought-out business plan. If the plan is overly optimistic and fails to account for potential surprises – which are almost certain to occur – then significant problems are likely. Attention to detail, no matter how minor, is crucial for success.

#### Attracting needed talents and skills

The survival and growth of a business are heavily dependent on certain critical skills. Identifying these skills and securing the right personnel are key factors in determining a startup's success. Delays in acquiring the appropriate staff not only consume valuable time but can also create significant obstacles, potentially making it difficult to launch new products or services – this is a delay no startup can afford.

Additionally, the possibility of hiring unsuitable employees exists. As the startup grows, their weaknesses could be more noticeable, especially if they are put in positions



that don't fit their skill sets. This issue often surfaces as a startup grows, and the resulting gaps become more evident.

### Time management

The challenge of not having enough time is a constant in the business world. With a large amount of decisions to be made and a fixed limit of 24 hours in a day, effective time management becomes crucial. An initial step involves eliminating or minimizing distractions that slow down business operations.

Prioritization in decision-making is essential. It is important to identify what requires immediate attention and what can be postponed. Identifying factors that are preventing company from the growth and addressing them promptly is key to efficient time management and business development.

### Cofounders lacking knowledge

Interestingly, but sometimes, the cofounders themselves can contribute to a startup's struggles. While they may have been successful in developing an excellent product, they might lack the necessary skills for managing the business. Startups might need to bring in new executives to distribute the workload more effectively. Overlooking this issue could exacerbate the challenges faced by the business.

### Growing as a company

When products or services are experiencing significant growth they are also bringing along of challenges. It's not just a matter of hiring a few more employees; they need to be placed strategically in key areas. For instance, the human resources department might need expansion due to the increased staff size. Other areas like administration, payroll, support, and possibly even development teams might need reinforcement.

Additionally, there might be a need for larger office spaces or establishing offices in other cities or even internationally to keep pace with the growth. This is a common scenario in successful business scaling. If there's a solid plan and sufficient financial backing for this expansion, that's ideal. Otherwise, the process could be quite tough and challenging.

## Competitors

The business landscape is challenging, and despite having excellent products or services, the market is often crowded with competitors. The emergence of new rivals can significantly alter the competitive environment. Having an effective strategy and the ability to think on the move, responding fast and adapting to these new market realities, will be crucial in determining whether the venture succeeds or fails. The ability to navigate through competitive pressures is key to maintaining a strong market position.

## Lack of proper management

Ineffective management is something startups cannot afford. A team that may have excelled during the early phases could find itself struggling as the business expands or faces challenges such as declining sales or unfavorable market conditions. Ignoring these issues is not a good solution. These management issues must be addressed immediately because waiting will do serious harm to the business.

It is crucial for startups to continually evaluate and develop their leadership skills. Providing training and support to managers can help in adapting to the evolving needs of a growing company. Emphasizing on leadership development can also foster a culture of continuous improvement, which is vital for long-term success in a dynamic business environment.

In conclusion, starting a business is full of challenges, but understanding these can really help a startup succeed. From the beginning, startups face big tasks like getting enough money and making a good business plan. As they grow, they have to deal with more complex issues like marketing effectively, hiring the right people, and managing their time well.

Planning is key in all areas, especially in managing money, marketing, and staffing. These aren't just one-time tasks; they need ongoing effort and the ability to change as needed. Overcoming these challenges doesn't just keep a startup alive; it sets the stage for growth and success. As the business gets bigger, new challenges come up, like expanding operations and keeping up with competitors.

Good leadership is also really important. Leaders need to guide their startups through tough times and keep focused on long-term goals. This makes a big difference in whether a startup does well or struggles.

In short, dealing with these startup challenges is about more than just surviving in the business world. It's about building a strong foundation, encouraging new ideas, and contributing to the economy. This section aimed to deepen the knowledge of these challenges for practical analysis in the second chapter of this work.

## CHAPTER 2. ANALYSIS OF BUSINESS MEDIA NETWORK EMERGENCE: INSIGHTS FROM INTERNSHIP

### 2.1 Business emergence during the war

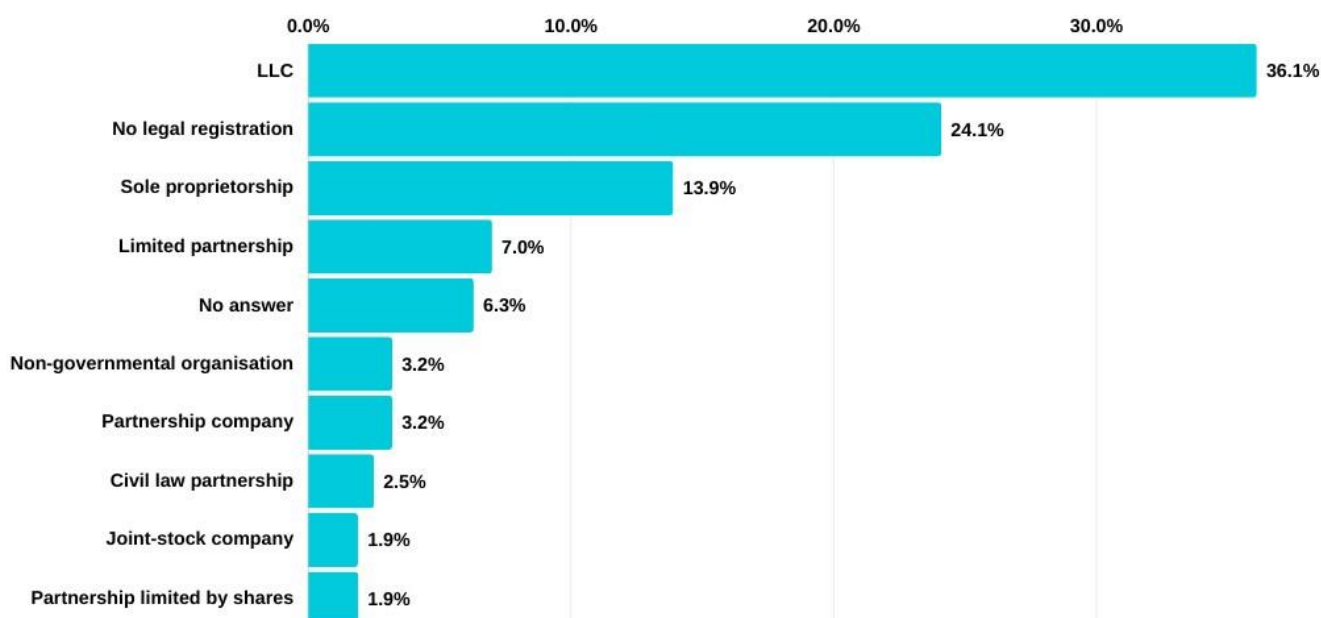
Chapter 2 aims to fully evaluate Business Media Network by first exploring the startup landscape in Ukraine during the war. It helps us understand the broader challenges and conditions that startups in Ukraine, including BMN, had to navigate during this difficult time. The impact of war on businesses, especially startups, is significant, affecting their operations, strategies, and survival. By looking at the startup environment as a whole, we gain insights into the resilience and innovative approaches needed to operate under such circumstances. This will enable us to identify specific factors that influenced BMN's performance and decisions. Thus, before delving into BMN's specific story, we explore the Ukrainian startup scene during the war to lay a foundation for a comprehensive analysis.

Before the full-scale war, Ukraine was becoming a hotspot for new businesses, especially in big cities like Kyiv, Kharkiv, and Lviv. This time saw a boom in startup activities, fueled by a wealth of talent and growing investor interest. The startup scene was lively and full of fresh technologies and creative ideas, attracting many skilled young professionals. However, the outbreak of war led to major shifts. The impact of the invasion was felt immediately and deeply, disrupting current businesses and raising questions about the future of the startup scene. Startups found themselves having to adjust quickly, trying to keep up their innovative spirit while also dealing with the challenges of staying afloat in a troubled market. This change marked a major shift in the startup environment, moving from a phase of growth and expansion to one of staying strong and adaptable. Faced with these difficulties, Ukrainian startups had to rethink their plans and find new ways to keep going. This meant working with what they had and navigating through a market full of uncertainties. Surprisingly, the number of projects that have shut down can be counted on one's fingers, while there are over 80 new startups, according to Forbes. The low "mortality" rate during these turbulent times, marked by war, emerged as an unexpected indicator for innovative companies reliant on investor funding. Ukrainian

IT companies have demonstrated remarkable resilience during the war, adapting to new realities.

Before the conflict, the startup scene in Ukraine had a unique demographic and geographic makeup. Most startups were quite new, typically running for three years or less, showing the growing entrepreneurial environment in the country (Wawak et al., 2024). Notably, more than half of these startups were based in Kyiv, highlighting the city's central role in Ukraine's startup activities. Cities like Kharkiv and Lviv also played key roles, hosting many of these startups. This pattern, where startups cluster in big cities, is common because these areas usually offer better resources, networking chances, and a pool of talented individuals. In fact, two-thirds of the startups were located in Ukraine's biggest cities, showing a clear preference for urban areas with large populations.

In analysing the Ukrainian startup ecosystem during the war, the legal and organizational structures of these companies are crucial. A significant number of startups opted for the structure of limited liability companies (LLCs) or sole proprietorships.



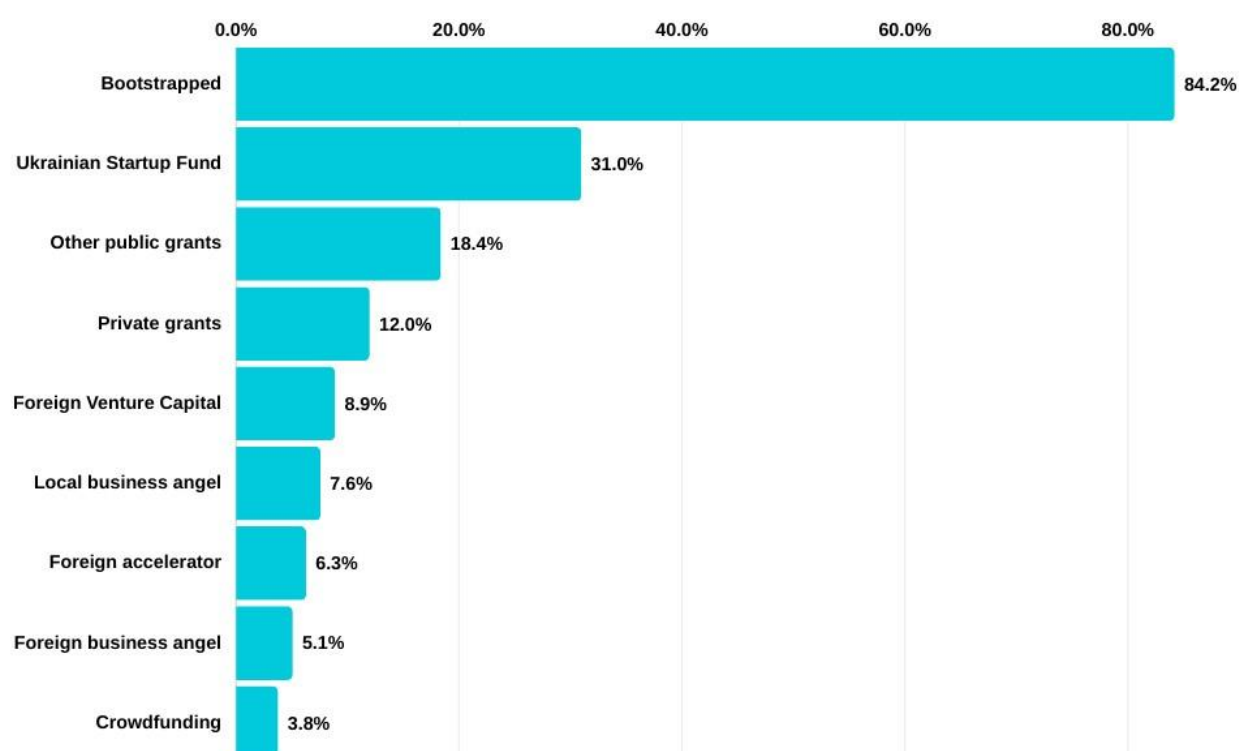
**Fig. 2.1 Legal form of the company's operation**

Compiled by author based on Wawak et al., 2024

This choice, particularly favoring LLCs, appears strategic, providing benefits like limited personal liability, tax efficiencies, and greater management flexibility — vital in

uncertain times. A noteworthy trend is the existence of startups without a defined legal structure, especially among those established more recently. This could mean they were unsure about the best legal form to take or maybe they were waiting to see how the war situation unfolded before making it official. The absence of a formal legal structure may present challenges such as limited funding access, legal issues, and operational constraints.

Understanding the development stage and financial condition of Ukrainian startups during the war also offers key insights into how resilient and adaptable the startup ecosystem is. When war broke out, most of startups were in the very early, or pre-seed, stage, which means that while the ecosystem is full of fresh and innovative ideas, many startups haven't yet developed into financially stable businesses. More than half of startups weren't making any profit and this lack of income is likely due to several reasons, like the disruptions in the market because of the war, the fact that many startups are just starting out, and a lack of easy access to money and markets. For most startups now, personal savings contribute to their financing, and for many, these savings are the only source of funds (Fig. 2.2).



**Fig. 2.2 Current sources of financing**

Compiled by author based on Wawak et al., 2024

This heavy reliance on their own funding points out the difficulty in getting money from outside sources, which is really important for them to grow and expand. Only third of the startups had the benefit of support from the Ukrainian Startup Fund, and even smaller amount of startups received assistance from different public grants, showing that there's a gap in getting external financial help.

Faced with the numerous challenges brought on by the war, Ukrainian startups implemented a range of strategies to not just endure but also to find growth opportunities in a challenging business climate:

**Adapting and pivoting:** A crucial strategy was modifying their business models to align with the shifting market dynamics. Startups quickly adapted to meet new needs that arose because of the war, like offering tech solutions for remote working or services adaptable to restricted conditions. This quick adaptation was a key to their survival, showing how agile and responsive these businesses were.

**Expanding to global markets:** With disruptions in the local market, many startups looked beyond national borders, targeting international customers. This shift helped diversify their income sources and lessen their reliance on the uncertain domestic market. By stepping into the international arena, they tapped into new possibilities and decreased risks tied to their local economy.

**Focusing on cost efficiency and streamlining operations:** Startups also concentrated on cutting costs and running lean operations - minimizing waste and maximizing value within an organization. In a time where resources were scarce, making the most of capital and resources was critical. They implemented measures like remote working to save office costs, and focused on their main strengths. These steps were essential in keeping them financially stable and going through this times of economic unpredictability.

**Building resilience and embracing community support:** Increasing the adaptability of their teams and business models was another essential strategy. Startups created resilient systems that could withstand obstacles. They also placed an extreme value on working together and providing assistance to the community, making use of networks and alliances

to obtain opportunities, resources, and help that would not have been possible otherwise.

Having navigated through the turbulent times with these adaptive strategies, Ukrainian startups now stand at a pivotal point, where the lessons learned from overcoming such immense challenges open up new horizons and present a range of promising opportunities for the future:

**Rebuilding and expanding after the war:** Once the conflict is over, there is a huge chance for the startup ecosystem to grow and recover. Startups that made it through the war can come out stronger, with solid business plans and a track record of getting through tough times.

**Creativity born from challenges:** Necessity during the war has led to a burst of creative thinking. Startups that came up with new solutions to war-related problems might be able to expand these ideas both in Ukraine and abroad. It's likely that this spirit of innovation will keep going after the war, pushing the whole ecosystem ahead.

**Building global connections:** The emphasis on international markets throughout the war sets the stage for stronger global partnerships and opportunities once the conflict ends. Ukrainian startups could become key players on the world stage by using the networks and relationships they've built during this time.

**Support from the government and the world:** The Ukrainian government and international organizations will play a big role in helping the startup ecosystem get back to normal.. Creating policies that encourage entrepreneurship, offering financial help, and setting up a business-friendly environment will be crucial. Also, getting support from around the world in terms of investment, partnerships, and market access could really help the ecosystem grow.

**Tech advancements as an opportunity:** The war has sped up tech advancements, which opens doors for startups. Fields like cybersecurity, remote working tech, and digital healthcare might see a lot of growth and interest, giving startups the chance to innovate and lead in these areas.

Studying the Ukrainian startup ecosystem during the war shows a scene defined by its



resilience, creativity, and ability to adapt. Even though these startups faced unique challenges like limited funding, disruptions in the market, and internal organizational issues, they've been incredibly strong and inventive. This time wasn't just about staying afloat, it was also about being able to change direction, break into new markets, and come up with new ideas under tough conditions. The way these startups have adapted to fast-changing situations really shows the strong entrepreneurial spirit in Ukraine. Their strategies, which included changing their business models, targeting global markets, and streamlining their operations, were proactive responses to the crisis. These efforts didn't just help them survive; they also set the stage for future growth and recovery once the conflict is over.

Looking at the Ukrainian startup ecosystem during wartime, we see several key characteristics:

- **Focus on basic needs:** With the ongoing war, especially in eastern Ukraine, startups are focusing on essential issues like security, internet access, and electricity, which might not be priorities in other parts of the world.
- **Challenges in attracting investment:** Investing in Ukrainian startups has become riskier, particularly for those without international sales or with core teams in Ukraine. However, more established startups with proven success are still managing to secure funding.
- **Startups relocating:** Over 30% of startups have moved to other countries, creating new communities and connecting the Ukrainian ecosystem with their temporary homes. This has globalized the Ukrainian startup scene (Wawak et al., 2024).
- **Remarkable resilience and courage:** Despite the conflict, Ukrainian startups continue supporting their country's military efforts while running their businesses, undertaking new projects, paying taxes, gaining customers, and growing globally.
- **Increased media attention:** The Ukrainian tech ecosystem and its startups are drawing a lot of media attention. Ukrainian booths at major tech events are very popular, giving these startups a platform to engage with the media, showcase their projects, and

promote their ecosystem.

Looking ahead to the post-war period, there's a real opportunity for growth, shaped by the resilience and lessons learned during the war. With support from the government and the international community, and a continued focus on innovation and expanding their markets, Ukrainian startups are in a strong position to make a significant impact on the global startup scene. In summary, the journey of Ukrainian startups through the war is a tale of persistent spirit and creativity amidst difficulties

## 2.2 Complex analysis of Business Media Network as a startup

The Business Media Network was created in the ever-changing world of digital services, making an entrance into the Ukrainian business scene. BMN positioned itself at the crossroads of global economic interactions and modern business practices.

BMN had a vision to combine advanced digital solutions with a deep understanding of market dynamics. It emerged as a versatile organization, driven by the recognition of the changing needs of small and medium-sized businesses in our increasingly globalized world. Focusing on Ukrainian market, BMN aimed to bridge the gap between advanced digital capabilities and practical business uses.

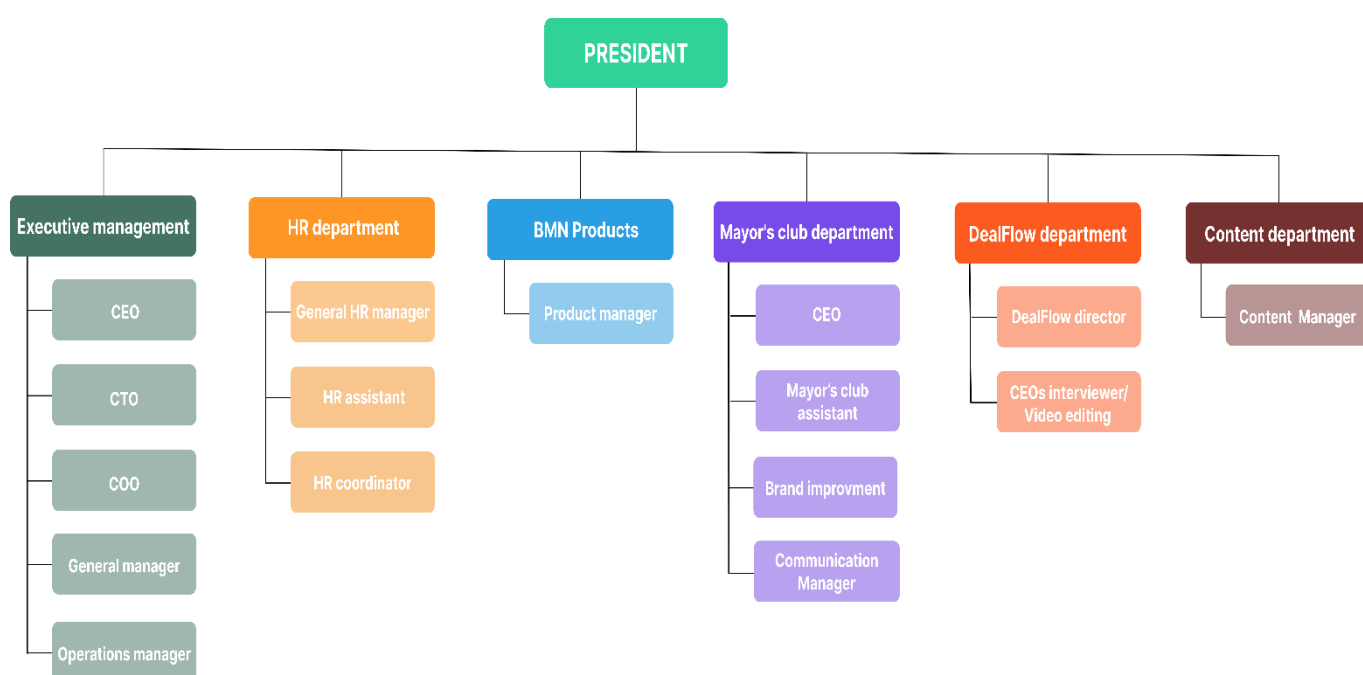
BMN's beginning reflected a broader trend in the digital services industry, where adaptability and forward-thinking strategies are crucial for dealing with the unique challenges of global economic relations. As a startup, BMN embodied the spirit of entrepreneurship, using digital technologies to provide innovative solutions in areas like graphic and web design, social media management, and other essential services to help businesses grow and become more visible. Business Media Network adopted a Limited Liability Company (LLC) structure, providing it with both flexibility and legal protection.

The organizational structure of BMN also reveals an approach to business operations, innovation, and market engagement through a hierarchy and functional relationships between various positions. At the top of this hierarchy is the executive management: President, CEO, COO and CTO set the strategic direction and vision for the company.

Within this framework, the General Manager plays a crucial role, coordinating across

departments to align operational activities with the company's strategic goals. The Operations Manager supports this effort by focusing on optimizing processes and workflows for efficiency and effectiveness.

The HR department, led by an HR Manager who reports directly to the executive management, embodies a structured approach to talent management. This department is instrumental in cultivating a productive organizational culture, underscoring the importance of strategic human resource planning and employee development.



**Fig. 2.3 Organizational chart of Business Media Network**

Compiled by author

Specialized departments dedicated to product management and marketplace engagement reflect BMN's commitment to innovation and market presence. These departments are tasked with developing new products, exploring market opportunities, and fostering strong relationships with market stakeholders.

Furthermore, the inclusion of a unique department focused on specific initiatives, such as the Mayor's Club, highlights BMN's strategic efforts to engage with key community and industry leaders to improve market relations and brand visibility.

The DealFlow and Content department, responsible for a range of activities from

managing social media platforms and executing graphic design projects to conducting interviews with CEO's of Ukrainian companies and mayors of the cities demonstrate BMN's approach to leveraging digital and social media trends for enhanced brand engagement and visibility.

BMN embraced a flat-matrix organizational model, which facilitated cross-functional collaboration and encouraged innovation among team members. This structure aimed to break down barriers, allowing for effective communication and quick decision-making – vital attributes for a startup operating in a rapidly changing industry. The management's approach focused on cultivating a creative and collaborative work environment, which was essential for developing the company's diverse digital services. This organizational arrangement underscores BMN's dedication to inventive thinking and adaptability, qualities that hold immense importance in the fast-paced digital services sector.

Business Media Network's strategic operations and services were a cornerstone of its innovative approach, targeting diverse needs within the digital service industry. The company developed unique digital platforms such as City Showcase, Marketplace, Mayor's Club, and DealFlow, each tailored to specific market demands.

**City Showcase:** This platform was designed as a digital exhibition space for cities, highlighting local attractions, businesses, and culture. It aimed to boost local tourism and economic activity by providing a comprehensive online presence for cities.

**Marketplace:** A digital platform catering to local businesses, Marketplace was developed to facilitate e-commerce and online trade. It provided a virtual arena for businesses to showcase and sell their products and services, enhancing their digital footprint and market reach.

**Mayor's Club:** The Mayor's Club initiative centered around connecting municipal leaders and encouraging dialogues on urban development. It aimed to create a network that facilitated the sharing of best practices, innovative solutions, and collaborative projects among city leaders.

DealFlow: The concept behind DealFlow was to create a digital networking and investment platform. It aimed to bring closer startups seeking funding and potential investors, fostering a culture of entrepreneurship and innovation.

Through these services, Business Media Network wanted to create a digital ecosystem that supported local communities, businesses, and leaders. The platforms were not just business ventures but also tools for societal and economic development, reflecting BMN's commitment to driving positive change through technology.

The closure of Business Media Network can be explained by a complex set of challenges that significantly affected its operations and sustainability

1. Economic and geopolitical instability: The outbreak of war in Ukraine disrupted the economic landscape, causing uncertainty that posed significant challenges for BMN. This instability affected client relationships and overall business stability.

2. Investment challenges: Securing investment became increasingly difficult during the war. Potential investors were cautious due to the risks associated with the Ukrainian market in this terrible period. This impacted BMN's financial support and growth plans.

3. Resource limitations and management: BMN faced constraints in resources, including financial, technological, and human resources. The startup struggled to manage these limitations effectively, leading to operational inefficiencies and challenges in project execution.

4. Internal organizational challenges: Internal challenges included workflow management issues and the complexities of managing a diverse team, including interns. The lack of structured and efficient operational processes blocked BMN's ability to achieve its ambitious goals.

5. Market competition and consumer reach: BMN operated in a highly competitive digital service industry. Distinguishing itself in the market and acquiring a stable customer base became more challenging amid disruptions caused by the war.

6. Strategic misalignments: BMN experienced strategic misalignments where the company's long-term goals did not effectively align with operational strategies and market realities, particularly during the crisis period..

These challenges, both external and internal, culminated in a situation where sustaining the business became unreasonable, leading to the closure of BMN.

Reflecting on the closure of Business Media Network it becomes clear that a combination of external and internal factors played a significant in its downfall. Externally, the russian invasion significantly disrupted Ukraine's economic landscape, directly impacting BMN's operational viability and investor confidence. Internally, despite the team's dedication and innovative spirit, BMN struggled with strategic planning and workflow organization. These issues, coupled with limited resources and a high-risk investment climate, created an unsustainable business model. The closure of BMN serves as a valuable lesson on the importance of robust strategic planning and resource management, particularly for startups operating in complex and unpredictable environments. This experience underscores the need for startups to be adaptable, well-prepared for unforeseen circumstances, and strategically sound in their operational approach. It also highlights the necessity of continuously reassessing and adjusting strategies to navigate challenges effectively and maintain long-term sustainability.

The detailed analysis of Business Media Network as a startup in Ukraine provides an insight into the challenges startups face in conflict-affected areas. BMN's closure, despite its initial potential and innovative approach, was influenced by several factors. Notably, the external environment, especially the economic and geopolitical effects of the Russian invasion, significantly impacted BMN's operations. This highlights the vulnerability of startups to external conditions beyond their control.

A key aspect of BMN's story is its strategic planning, or rather the absence of it. This underlines the importance of foresight and adaptability in developing effective business strategies for startups. BMN's operational challenges further point to the need for skilled resource management, clear organizational frameworks, and well-defined operational tactics. The struggle to attract investment in a high-risk area also illuminates the

importance of financial stability and the need for a diversified funding approach for startups.

Although BMN's journey ended in closure, it offers invaluable lessons about the startup ecosystem in challenging environments. It serves as a critical case study for entrepreneurs and the wider startup community, emphasizing the importance of resilience, strategic foresight, and the ability to adapt business models swiftly in the face of changing circumstances. BMN's experience is a crucial lesson in understanding the complexities and requirements of managing a startup during uncertain times.

### 2.3 Comparative Analysis of BMN's Strategy and Execution with Successful Startups

The choice to conduct a comparative study between Business Media Network and Zuddl is driven by the goal of gaining insights into the elements that lead to the success or demise of media startups. This analysis serves multiple purposes, both academic and practical, in explaining the complexities of startup management in the media industry.

By comparing BMN, a startup that unfortunately had to shut down, with Zuddl, a thriving company in the same sector, the analysis aims to pinpoint critical success factors. Understanding what works – and what doesn't – in the media startup landscape is invaluable for entrepreneurs, investors, and students of business and media studies. The study of BMN's failure alongside Zuddl's success provides a balanced perspective on the challenges and opportunities in the media sector. It offers a comprehensive view that includes both the pitfalls to avoid and the strategies worth adopting.

For scholars and students, this analysis contributes to the academic discourse on startup management, especially in high-risk and rapidly evolving sectors like media. It enriches the existing knowledge base by showing how external influences (such as the regional instability affecting BMN) and internal strategies (like Zuddl's innovative technological approaches) can shape a startup's path. Entrepreneurs and established companies in the media sector can gain practical insights from this study. Learning from

BMN's struggles and Zuddl's adaptive methods can guide future business strategies, risk management, and innovative initiatives.

This analysis goes beyond the individual case of just BMN and Zuddl, offering lessons applicable to the wider media industry. It sheds light on the importance of adaptability, technological integration, market-focused innovation, and user engagement in the context of an industry known for its rapid changes and intense competition.

Despite the vastly different business environments and external circumstances faced by Business Media Network and Zuddl, a comparative analysis will remain insightful for several reasons:

a) This comparison highlights how big outside events, like wars or global shifts towards online platforms, can really affect a startup's success. While BMN had to deal with the war's impact on its local market, Zuddl grew because the world started relying more on virtual meetings due to the COVID-19. This shows us the importance of being ready for big changes and being able to adjust business plans when needed.

b) The study points out how crucial it is for a business to fit well with its market and to be flexible. BMN's challenges during the war show how tough it can be to keep up with market needs when everything around you is changing. Zuddl's growth, on the other hand, is a good example of finding a great market fit even when times are tough globally, teaching us to always look for ways to adapt.

c) Comparing these two companies also brings out the idea that difficult situations can lead to new, creative business ideas. BMN tried to help local businesses during a hard time, which is admirable. Zuddl managed to make online events more engaging, showing how new ideas can come from the need to solve problems caused by unexpected situations.

d) Even though BMN and Zuddl operated in very different circumstances, looking at them side by side lets us see important business lessons like being innovative, knowing your market, engaging users, and using technology well. These lessons are a key for any



business, showing that some strategies are useful no matter where or when you're operating.

This analysis serves as a reminder that while startups may operate in vastly different environments, the principles of adaptability, audience understanding, diversification, and proactive crisis management remain universally relevant.

Looking at the full picture, the comparative analysis of BMN and Zuddl is not just about examination of two individual business cases; it's about extracting broader lessons and principles that can guide future success in the media startup ecosystem. The insights garnered here are intended to help budding entrepreneurs, business strategists, and students understand the complex dynamics of startup success and failure, especially in a sector as lively and unpredictable as the media industry.

Zuddl, a rising star in the media startup landscape, is revolutionizing the traditional approach to online events. At its core, Zuddl is built around the concept of boosting interaction and participation in digital gatherings. Its platform provides a variety of adaptable templates, empowering businesses to effectively organize and conduct a range of online events. This approach not only provides a solution to the common challenge of engaging participants in a virtual environment but also demonstrates the potential of innovative solutions in overcoming industry-specific issues.

Comparatively, BMN, with its distinct mission and operational strategies, aimed to create a significant impact in the media sector. Despite showing promise and making initial progress, BMN faced several obstacles that eventually led to its shutdown. Analyzing BMN's trajectory alongside Zuddl's successful approach offers a unique opportunity to examine critical factors that influence the success or failure of media startups.

This section of the study is dedicated to thoroughly analyzing the fundamental aspects of each company's strategy, from their business models and technological adoption to market engagement and adaptability. By examining these companies side-by-side, the aim is to identify the subtle yet critical elements that characterize successful media

startups, and to extract valuable insights that could be pivotal for emerging enterprises in this ever-evolving sector.

### 1. Business model comparison

An examination of the fundamental business models of BMN and Zuddl is essential for understanding the factors that led to BMN's shutdown and Zuddl's rise in the media sector.

BMN's business model was centered around providing media services with a focus on small and medium-sized enterprises in Ukraine. Their strategy involved leveraging local insights and networks, particularly during the challenging times of war in the region. BMN's objective was to establish a platform that not only circulated news and information but also boosted the development and visibility of local enterprises. This approach was underpinned by a commitment to innovation and community engagement.

In contrast, Zuddl found its niche in the media industry by reimagining the execution of online events. Their platform was designed to transform the static nature of virtual conferences into dynamic, engaging, and interactive experiences. This was achieved through a suite of tools that allowed customization and real-time interaction, catering to the needs of businesses seeking to host impactful online events. Zuddl's model hinged on the use of advanced technology to solve a specific problem in the digital event space: the absence of engagement and interactivity in conventional webinars and online conferences.

#### Key Differences:

- **Market Focus:** While BMN targeted a regional market with a broad spectrum of media services, Zuddl focused on a global market with a specialized service offering.
- **Service Offering:** BMN's approach was more generalized, aiming to cater to a wide range of media needs, whereas Zuddl offered a specific solution to a well-defined problem.

- **Technology Utilization:** Zuddl heavily leveraged technology to enhance user experience and engagement in online events, a contrast to BMN's more traditional media approach.
- **Revenue Streams:** BMN's revenue was likely tied to advertising, subscriptions, and partnerships with local businesses, whereas Zuddl's revenue model focused on providing a tech-based service platform for online events.

## 2. Innovation in service delivery

Innovation in service delivery stands as a pivotal factor differentiating BMN and Zuddl, particularly in their adoption and execution of novel concepts to improve their services.

BMN's innovation strategy appeared to be rooted in content diversity and community engagement. Their focus on supporting local businesses during a challenging period in Ukraine highlighted a commitment to developing a media platform that was not only informational but also supportive of local economic growth. However, BMN's approach to innovation seemed to be more content-driven, prioritizing the creation of diverse media outputs that resonated with the local audience. While innovative in its community-centered approach, this strategy may have lacked the technological edge needed to differentiate and scale in a competitive media environment.

Contrastingly, Zuddl's innovation lay in its technological approach to solving a specific problem – the lack of engagement in online events. By developing a platform that transformed passive viewers into active participants, Zuddl filled a significant gap in the digital conference market. Their platform included features like real-time polling, interactive Q&A sessions, and customizable virtual environments. These features not only boosted user involvement but also added tangible value for clients organizing online events. This focus on technology-driven innovation allowed Zuddl to offer a unique service that stood out in the market.

Key differences:

- **Focus of Innovation:** BMN's innovation was concentrated on content and community engagement, while Zuddl focused on technological advancements to enrich user experience in a particular sector.
- **Market Adaptation:** Zuddl's ability to identify and adapt to a market need shows a proactive approach to innovation, in contrast to BMN's more reactive approach, addressing immediate community needs.
- **Scalability:** Zuddl's tech-driven innovation had a global appeal and scalability, unlike BMN's regionally focused content innovation.
- **Impact on Service Delivery:** Focus of Innovation: BMN's innovation was concentrated on content and community engagement, while Zuddl focused on technological advancements to enrich user experience in a particular sector. BMN, while innovative in its content strategy, may not have significantly altered the traditional media service delivery model.

### 3. Technology utilization

The utilization of technology is a critical element in the operational dynamics of media startups, significantly influencing their success and challenges. The contrasting approaches of BMN and Zuddl in this aspect offer insightful perspectives.

BMN, operating in the traditional media sector, seemed to use technology mainly for distributing content. Their strategy likely involved digital platforms to share news and information. This approach, while fundamental in media, did not emphasize using advanced technology to significantly transform their services. In a media industry that rapidly evolves with technology, BMN's approach may have limited their ability to stand out and grow.

In stark contrast, technology was at the heart of Zuddl's business. Their platform wasn't just for sharing content; it was a technologically advanced solution for a specific problem – making online events more engaging. Zuddl integrated interactive features like live tools, analytics, and customizable environments. This use of technology went beyond

basic functions, creating a new and desirable offering in the digital event market, especially at a time when virtual interactions are becoming more common.

#### Comparative Insights:

- **Innovation Through Technology:** While BMN used technology for content delivery, Zuddl used it to innovate and create a new service offering.
- **Engagement and Interactivity:** Zuddl's technology facilitated interactive and engaging experiences for its users, a facet that was less pronounced in BMN's technology use.
- **Data Analytics and Customization:** Zuddl likely used data analytics for insights into user behavior, enabling them to refine and tailor their services, an aspect that may not have been a focus for BMN.
- **Scalability and Adaptability:** Zuddl's technological framework provided them with scalability and adaptability, whereas BMN's technology use, though effective for its immediate goals, may not have offered the same level of flexibility and growth potential.

#### 4. Market engagement and audience interaction

Analyzing the strategies of BMN and Zuddl in terms of market engagement and audience interaction reveals much about their respective market positions and trajectories of success.

BMN adopted a classic media approach to market engagement, emphasizing content that connected with the community, especially in the Ukrainian context. Their strategy focused on building strong local relationships and delivering content that appealed directly to their regional audience. While this approach was effective for cultivating a loyal local base, it may have limited their ability to expand and appeal to a wider audience. In BMN's model, the audience primarily played a passive role, consuming the content produced by the network.

On the other hand, Zuddl redefined audience interaction in the online event sphere. Their platform enabled a high level of audience participation, turning attendees from mere viewers into active contributors. With features like live polling, Q&A sessions, and interactive networking areas, Zuddl not only improved engagement but also created a sense of community and collaboration often absent in virtual settings. This interactive approach was a key part of Zuddl's appeal, making their platform attractive for companies wanting to host engaging online events.

#### Key differences:

- **Engagement Approach:** Zuddl's method was forward-thinking and reliant on interactive technology, while BMN's approach was more traditional, focusing on content relevance.
- **Audience Role:** Zuddl empowered its audience to be active participants, a contrast to BMN's more traditional role of the audience as content consumers.
- **Market Reach:** Zuddl's interactive platform had the potential for global market reach, appealing to a wide range of industries, unlike BMN's region-specific approach.
- **Adaptability:** Zuddl's platform allowed for quick adaptation based on audience feedback, a flexibility that BMN's traditional media approach might not have supported as easily.

#### 5. Challenges and Adaptability

In the ever-changing media industry, a startup's ability to adapt to challenges significantly influences its success. The experiences of BMN and Zuddl in facing and responding to challenges provide valuable lessons in adaptability and resilience.

BMN operated in an area affected by full-scale invasion, facing political instability and economic uncertainty. These issues likely influenced their operations, market reach, and sustainability. Additionally, BMN's focus on the regional market might have limited its growth on a global scale. Although BMN was committed to supporting local communities, its capacity to adapt quickly to rapidly changing conditions, particularly

those worsened by conflict, seemed restricted. This limitation may have contributed to their eventual closure, highlighting the importance of being flexible and innovative in managing crises.

Zuddl, operating primarily in the digital event space, capitalized on the shift towards virtual interactions necessitated by global events like the COVID-19 pandemic. Their challenge was to make virtual events as engaging and interactive as in-person events, a significant hurdle given the inherent limitations of digital platforms. Zuddl's response was to innovate and adapt by integrating interactive features into their platform, thereby enhancing the user experience. This adaptability not only allowed them to meet the immediate challenge but also positioned them well for future growth in the post-pandemic world.

#### Key differences:

- **Crisis Response:** BMN's response to regional challenges was more focused on maintaining operations, whereas Zuddl adapted by leveraging the shift towards digitalization.
- **Innovation in Response:** Zuddl used innovation to overcome challenges, which set them apart from BMN's more traditional approach.
- **Market Adaptability:** Zuddl demonstrated high market adaptability by aligning their services with global trends, a contrast to BMN's localized focus which may have limited its adaptability.
- **Growth Amidst Challenges:** Zuddl demonstrated scalability in challenging times, unlike BMN, which struggled to expand beyond its regional focus due to external and operational challenges.

The analysis of BMN and Zuddl provides insightful reflections on what drives success or leads to failure in the media startup domain. The contrasting paths of these two companies offer valuable lessons for emerging media ventures.

#### Key Learnings:

1. **Crucial Role of Technology:** Zuddl's triumph underscores the importance of integrating technology not just for digital presence, but for crafting unique and innovative offerings. In comparison, BMN's journey shows that merely having a digital footprint is not enough; it's about how technology is utilized to create distinct value.
2. **Targeted Approach to Market Needs:** Zuddl's targeted strategy, focusing on a specific market need, was key to its success. This approach contrasts with BMN's broader focus, suggesting that understanding and addressing specific market gaps can lead to more effective and impactful business models.
3. **Adaptability to Market Changes:** The ability to swiftly adapt to market shifts is crucial. Zuddl's agile response to the growing demand for virtual solutions during the pandemic was key to its success, reinforcing a lesson evident in BMN's experience.
4. **User Engagement and Experience:** Zuddl's user-centric model, prioritizing engagement and experience, demonstrates the importance of considering the user needs and preferences in service design and delivery.
5. **Strategic Alignment with Market Trends:** Zuddl's alignment with global trends, such as the shift towards virtual interactions, highlights the importance of being attuned to broader market movements and positioning products or services accordingly.
6. **Continuous Improvement and Feedback:** The need for continuous innovation and the incorporation of user feedback, as evidenced in Zuddl's operations, is crucial for keeping services relevant and effective.
7. **Diversification for Stability and Growth:** Diversifying revenue streams, a likely aspect of Zuddl's model, underscores the importance of having multiple channels of income to ensure stability and enable growth.

The experiences of BMN and Zuddl highlight the nature of the media startup landscape. These insights underline the need for strategic flexibility, technological insight,



and a focus on market demands. For new media startups, these observations offer more than just guidance; they are essential strategies for overcoming challenges and using on opportunities in the dynamic digital media sector.

## CHAPTER 3. RECOMMENDATIONS FOR ORGANIZATIONAL EMERGENCE AND ENHANCEMENT OF PERFORMANCE OF BUSINESS START-UPS

### 3.1 Analysis of the strategic management of BMN

Strategic management involves a mix of planning, tracking, analysing, and evaluating all that's necessary to achieve a startup's goals, with a strong focus on long-term objectives and the ability to adapt. This method is vital, as seen through the journey of Business Media Network (BMN), highlighting how crucial it is to match strategies with what the startup can do and what's happening in the market around it.

Startups such as BMN, known for their unique ideas but limited resources, really benefit from a strategic planning process designed just for them. This starts with a deep dive into the startup's strengths, weaknesses, opportunities, and threats (SWOT analysis), setting the stage for creating strategies that play to their strengths and open up opportunities, all while avoiding pitfalls. Conducting market research, coming up with a flexible business plan, and setting priorities that match the startup's main skills are practical steps toward reaching strategic goals.

BMN's story, despite its closure, teaches important lessons about the value of strategic planning and the need for adaptability. BMN faced significant external challenges like geopolitical instability, which influenced its operations and market position, as well as internal challenges related to resource management and strategic alignment. These challenges highlight the critical need for a strategic and adaptable approach within the startup environment.

One common thing among successful startups is their ability to learn from both triumphs and failures, with failures providing particularly rich insights for refining future strategies. Establishing a culture that views every outcome as a learning opportunity is fundamental for success.

Several companies have underscored the benefits of strategic management, riding their growth and success to the top of competitive markets. For instance, Apple's commitment to innovation and unmatched customer experiences has anchored its status as

a market leader. Similarly, Amazon's journey from a simple online bookstore to a global powerhouse in e-commerce and technology underscores the power of a visionary customer-first strategy and diversification. Airbnb, too, has transformed the hospitality sector with its unique home-sharing model, prioritizing user experience and community.

These success stories show how clear strategic direction, alongside innovation and adaptability, can lead companies to significant achievements and industry leadership.

On the other side, the business world also holds stories of companies like Kodak, Blockbuster, and Nokia, which didn't adapt to changing markets, mainly due to strategic missteps. These examples serve as reminders of the need for foresight and the ability to pivot, pointing out the cons of sticking too much to outdated models in the face of new technological landscapes and shifting consumer preferences.

From BMN's experience, several strategic insights emerge:

- Establishing a clear vision and mission is fundamental.
- Deep market understanding through research informs smarter decision-making.
- Adaptability is a key to navigating through uncertainties.
- A robust network of mentors, investors, and peers offers crucial support.

In summary, strategic management for startups is an evolving process, adapting as the company grows and as market conditions change. Although BMN did not survive, its journey offers valuable lessons on managing a startup's complexities. These insights underline the importance for startups to be strategic, agile, and continually learning to not only survive but also succeed in the competitive business landscape. By incorporating these insights into their strategic management practices, startups can greatly boost their chances of success and ensure they grow and adapt in the competitive business landscape.

### 3.2 Strategies for better management of startup issues

In the fast-paced and often unpredictable world of startups, navigating the early stages of development and growth is full of challenges. These obstacles, ranging from financial constraints and market competition to regulatory issues and team dynamics, can

significantly impact a startup's path to success. It's crucial, therefore, for startup founders and their teams to not only recognize these potential pitfalls but also to arm themselves with effective strategies to overcome them.

This section aims to shed light on the pivotal role that strategic planning and management play in addressing common startup issues. By exploring various strategies and incorporating them into their operations, startups can enhance their resilience, adaptability, and ultimately, their chances for long-term success. Through a blend of theoretical insights and practical applications, this section will delve into how startups can navigate the complexities of their early growth phases, turning challenges into opportunities for innovation and development.

Strategic planning is all about setting your company's direction and deciding how to use your resources to follow that direction. It's the process of figuring out where you want your business to go in the long run, choosing the best ways to get there, and mapping out your path to success. It's important for startup founders to understand strategic planning because it helps develop a solid plan that guides their business towards success. Having a clear strategy from the start helps you stay focused, avoid common mistakes, and meet your goals more effectively.

Strategic management is also about making choices on how to use your resources to reach your business goals. To make these choices, managers need to understand what a strategy is. A strategy is a plan of action to achieve a certain goal. It's different from goals themselves, which are what you want to achieve, while the strategy is how you plan to get there.

There are four main parts of strategic management:

- **Setting goals:** This is about deciding what business aims to do. This step gives direction and focus for everything else that follows.
- **Using resources wisely:** Here, you decide the best way to use what you have to help reach goals. This is crucial for making sure resources are used effectively to help the business succeed.

- Making decisions: This part is about choosing what steps to take to achieve goals. It's where managers look at all the options and decide which is the best way forward.
- Putting the plan into action: The last step is about making the chosen strategy happen. It's key for making sure the plan is carried out correctly and that the goals are met.

Understanding and using these steps can help managers make good decisions that push the organization towards its goals. The essence of strategic management lies in aligning every part of a startup's operations with its strategic objectives. This alignment involves refining operational processes, organizational structures, and the distribution of resources to support the startup's long-term ambitions effectively.

The first step towards integrating strategic management into startup operations involves ensuring that the day-to-day activities of the company are in sync with its strategic goals. This might necessitate modifications in how processes are conducted, how the organizational structure is designed, and how resources are allocated, all aimed at strengthen the company's mission.

Equally important is the clear communication of the startup's strategy across all levels of the team. Every member should be aware of the strategic objectives and understand their role in realizing these goals. Fostering a culture of strategic thinking is vital. By encouraging open discussions, innovation, and creativity, startups can continuously spot new opportunities and navigate potential challenges more effectively. Moreover, connecting strategy to performance metrics allows startups to track progress and make informed, data-driven decisions.

For startups, the application of strategic management and planning can be daunting due to constraints like limited resources and the need for agility in fast-evolving markets. However, a step-by-step framework can guide startups through effectively developing and executing a strategic plan:

1. Vision and mission: Establishing a clear vision and mission sets the direction and aids in decision-making.
2. Internal and external analysis: Utilizing tools like SWOT analysis helps identify where the startup can capitalize on strengths and how to address weaknesses.
3. Setting goals: Defining goals ensures that the startup's objectives are clear, measurable, and attainable.
4. Developing strategies: Strategies should leverage insights from analyses to focus on areas of competitive advantage.
5. Resource allocation: Prioritizing resources based on the potential impact of each strategy is crucial for effective implementation.
6. Execution: Assigning responsibilities and monitoring progress are key to the successful execution of strategies.
7. Continuous evaluation: The startup should regularly assess its strategic plan's relevance and effectiveness, making adjustments as necessary to adapt to new information or market changes.

Incorporating strategic management into a startup's operations is not just about planning but about creating a dynamic ecosystem within the company that thrives on strategy, clear communication, and adaptability. This all-inclusive approach not only aligns the startup's day-to-day operations with its long-term goals but also settle a culture of continuous learning and strategic thinking, essential for navigating the challenges of the competitive business landscape. Through diligent application of this framework, startups can increase their chances of sustainable growth and long-term success.

Startups are faced with a variety of problems as they strive to grow and stabilize in the competitive market. Addressing these challenges effectively is crucial for survival and success. Smart decision will be to come up with solutions to the most common startup challenges:

- Securing funding

One of the initial obstacles startups encounter is securing enough funding to kickstart their operations, hire essential personnel, and develop their products or services. Various funding sources are available, such as angel investors, venture capital firms, and crowdfunding platforms. To attract these investments, startups need to craft a understandable pitch that clearly outlines their vision, the problem they solve, and their market potential. A solid business plan showcasing financial projections and a growth strategy is crucial. Additionally, cultivating a strong network of industry experts and mentors can provide valuable introductions to potential investors.

- Building a strong team

The foundation of a successful startup is a strong team. It's crucial to assemble a group of individuals whose skills and experiences align with the startup's goals. Beyond technical skills, cultural fit and shared vision for the company's future are equally important. Encouraging open communication and investing in your team's development fosters a collaborative and innovative work environment, positioning your startup for growth and success.

- Defining Unique Value Proposition

A clear UVP sets business apart from competitors by laconically stating what makes your product or service unique and why customers should choose you. Understanding target market's needs and how to address them better than anyone else forms the basis of a compelling UVP. This differentiation is key to attracting the right customers and building a loyal customer base.

- Developing a scalable business model

For sustained growth, startups must have a business model that can expand without proportionally increasing operational costs. This involves analyzing and optimizing business processes to eliminate bottlenecks and ensuring systems in place can handle growth.

- Managing cash flow

Effective cash flow management ensures that a startup remains operational and capable of pursuing growth opportunities. This involves careful financial planning, monitoring expenses, and having strategies in place for maintaining liquidity.

- Attracting and retaining customers

Understanding your target market and referencing to your UVP is fundamental in attracting customers. Building strong relationships and continuously adapting to their changing needs helps in retaining them. Delivering exceptional customer experiences and gathering feedback for continuous improvement are strategies for sustained growth.

- Adapting to market changes

Staying informed about industry trends and being prepared to pivot strategies as necessary are crucial for keeping up with market changes. A flexible and agile approach allows startups to quickly use new opportunities or address emerging challenges.

- Effective problem-solving strategies

Addressing problems effectively involves a clear understanding of the issue, generating a wide range of solutions, evaluating these solutions critically, and then implementing and refining the chosen approach.

By tackling these common challenges head-on with strategic planning and execution, startups can navigate the early stages of their journey more smoothly, setting the stage for long-term success and sustainability.

Zuddl's successful approach in the media startup sector also offers several valuable lessons that can be instrumental for emerging companies in this space, including those that faced challenges similar to BMN.

1. Embracing technological innovation: Zuddl's success underscores the importance of integrating technological innovation into the core business model. Their use of interactive features in online events demonstrates how technology can be leveraged to create unique and compelling value propositions.



2. Identify and address specific market needs: Zuddl identified a specific gap in the market – the lack of engagement in online events – and tailored their service to address this need.

3. User-centric approach: Zuddl's platform was designed with user engagement at its core. This user-centric approach, focusing on enhancing the experience of the end-user, can be a key differentiator in the market.

4. Continuous innovation and feedback loop: Zuddl's continuous innovation, based on user feedback and market analysis, helped them stay ahead in a competitive field.

7. Diversification of revenue streams: While specific details of Zuddl's revenue diversification can't be retrieved, their business model suggests a potential for varied revenue streams, such as subscription models, premium features, and partnerships.

These lessons from Zuddl's journey provide valuable insights for startups like BMN and others in the media sector. Emphasizing innovation, market responsiveness, user-centric design, and revenue diversification can significantly influence a startup's ability to navigate the complex media landscape successfully.

In conclusion, the journey of a startup is full of challenges, from securing funding and building a cohesive team to defining a unique value proposition and developing a scalable business model. These challenges require a strategic approach, supported by planning and effective management. To navigate these difficulties, it is essential to use the strategic management approach, which places a strong emphasis on developing a culture of strategic thinking, continuously improving strategy, and aligning operations with goals.

Startups can improve their adaptability and resistance to market fluctuation, legislative framework, and competitive pressures by implementing a defined strategy framework. Securing appropriate finance, creating a talented team, establishing an attractive unique value proposition, and managing regulations are not simply checklist items. They are ongoing strategic tasks that require continuous monitoring, review, and correction.

Moreover, the capacity to manage cash flow, attract and retain customers, adapt to market changes, and maintain focus and motivation amidst challenges underscores the necessity for startups to be agile, innovative, and customer-focused. The adoption of effective problem-solving strategies further enables startups to turn potential setbacks into opportunities for growth and development.

Finally, a startup's success depends on its ability to effectively plan for and manage these problems. By adopting a dynamic approach to strategic planning and management, startups can set a foundation for long-term growth and sustainability. This road, while difficult, is full with opportunities for acquiring knowledge, invention, and achievement. Startups can survive by carefully adopting strategic management principles, bringing their vision into reality and leaving a long-lasting impact in their industries.

### 3.3 Potential generalizable strategies for Ukrainian after-war startups

After the war, Ukrainian startups, including startups like Business Media Network, will face a unique set of challenges and opportunities as they navigate the post-war economic landscape. The resilience and entrepreneurial spirit that characterize Ukrainian startups are more crucial than ever in this period of recovery and rebuilding. The aftermath of conflict, while presenting significant obstacles such as economic instability, infrastructural damage, and shifting consumer preferences, also opens up avenues for innovation, growth, and the reimagining of business models to adapt to the new normal. Recognizing the importance of these startups in driving economic recovery and technological advancement, this section of the Bachelor Paper is dedicated to exploring potential generalizable strategies for Ukrainian after-war startups.

Given BMN's identity as a Ukrainian company, despite its closure, it becomes particularly important to include an analysis of the strategies that can assist Ukrainian startups in overcoming post-conflict challenges. This inclusion not only enriches the Paper with a layer of practical relevance but also pays homage to the resilience and innovative capabilities of Ukrainian entrepreneurs.

Recent analyses by the Polish-Ukrainian Startup Bridge and the Ukrainian Startup Fund (Wawak et al., 2024) have shed light on the realities faced by these enterprises. With

the majority of startup CEOs describing their present situation as miserable at the end of the previous year, and a worrying 12% suspending operations as a result of the Russian invasion, the need for strong, resilient strategy becomes clear.

A study of 107 businesses, the majority of which are based in Ukraine and want to help rebuild the country, revealed a scene of cautious optimism and resilience. Despite the hard circumstances, 53% of these firms are optimistic about their future contributions to Ukraine's development.

The entrepreneurial spirit remains strong, as evidenced by 31% of the surveyed startups successfully attracting investments during these turbulent time, the survey also illuminated the sectors where Ukrainian startups feel poised to make substantial contributions to the country's recovery. Innovations in service, education, healthcare, infrastructure, and IT, including critical software and security systems, stand out as areas suitable for startup-led development. Notably, a substantial 78% of respondents are considering launching new ventures aimed directly at assisting national reconstruction efforts, underscoring a general commitment to using entrepreneurial initiatives for the betterment of society.

Inspired by the incredible resilience and strategic savvy of Ukrainian startups, this section aims to offer a set of broad strategies to help startups recover and grow after the war in Ukraine.

Rebuilding Ukraine's infrastructure to support innovation and entrepreneurship is crucial as the country moves forward from conflict. Looking towards the growth models of Eastern European nations, such as Lithuania, Latvia, Estonia, Poland, could offer valuable insights. These countries have navigated their own paths of political, economic, and social reform, sharing cultural ties and values with Ukraine, making their experiences particularly relevant.

The collapse of the Soviet Union signalled a time of transformation across Eastern Europe, including Ukraine. These countries faced the challenge of transitioning to market economies, attracting international investment, and encouraging innovation. These

countries have a high amount of talented people, strong educational institutions, and thriving tech businesses. Creating startup ecosystems stands out as an important technique for transforming this potential into long-term success.

Many Eastern European countries' startup environments benefit considerably from their EU membership, which provides access to financial tools and the bigger European market. The freedom of trade, travel, and idea sharing within the EU's single market has made the environment ideal for entrepreneurs. Clear company regulations, intellectual property protections, and data privacy laws create a stable environment for businesses, making these areas appealing for investment and worldwide expansion. The wide network of European partners also plays an important role in aiding businesses by providing mentorship, investment, and market growth opportunities.

These nations, including Ukraine, are dedicated to improving their business environments (Antoniuk, 2015). Efforts to simplify government operations and foster entrepreneurial initiatives, particularly those pushing innovation, have been critical. The creation of incubators, accelerators, and innovation funds indicates a proactive commitment to supporting the startup ecosystem.

Environmental sustainability has arisen as a common challenge. Historically, Eastern Europe faced serious pollution problems, but the fight for independence and technological growth has pushed environmental concerns to the top of national agendas.

Given their similar experiences and challenges, Ukraine can learn significant lessons from its Eastern European neighbours. Adapting successful tactics from these nations could help Ukraine restore its startup ecosystem while also establishing an atmosphere suitable to innovation and entrepreneurship. This method has the potential to be a cornerstone in Ukraine's post-conflict path to economic restoration and long-term development.

The Baltic region (CIVITTA, 2022) is rapidly growing as a startup hotspot, establishing Eastern Europe as an epicentre of innovation and attracting investors from all over the world. The last few years have been particularly impressive for entrepreneurs in Eastern

Europe, with Estonia, Latvia, and Lithuania gaining a significant increase in investment, with a growth that's five times greater than the rest of Central and Eastern Europe.

Estonia is the leader in the Baltics, with 1,117 registered startups, maintaining its position as Europe's startup hub. According to the State of European Tech 2020 study, Estonia has 4.6 times as many startups per capita as the European average. This little country stands out not only for its large number of entrepreneurs, but also for its ambitious push for technological innovation, particularly in the CyberTech and EdTech sectors. This focus is part of the larger strategy outlined by the government-led program Startup Estonia, which aims to foster a sustainable startup ecosystem.

Latvia's Startup Law promotes entrepreneurial enterprises by allowing entrepreneurs and their families to be eligible for startup visas. Latvia has a wide range of financial options and resources for businesses, thanks to the proactive efforts of the Investment and Development Agency of Latvia (LIAA).

Lithuania's startup ecosystem is a regional innovation leader, ranked 17th globally and second in Eastern Europe for innovation. It's an excellent location for startups in transportation, finance, marketing, and sales.

Poland has the largest startup environment in Central and Eastern Europe (Polish Startup Report, 2023) with more than 3,300 startups and approximately 700 coworking spaces. Polish firms are becoming more interested in working with startups, with several running their own accelerators and others forming corporate venture capital funds.

The startup ecosystems of countries mentioned before share several distinguishing features that drive their success:

- Digital infrastructure: High-speed internet, widespread Wi-Fi accessibility, and extensive mobile coverage lay the groundwork for technological ventures.
- Investment: The region has attracted significant startup investments, supported by a network of venture funds, business angels, and global shareholders.
- Governmental support: The Baltics' high regulatory attractiveness rankings are based on favourable policies and a clear institutional structure..

- Education: A focus on quality education, with top schools producing winners of global academic competitions, further enriching the startup talent pool.
- E-governance: Advanced electronic government systems simplify business establishment and operations, making doing business easier.
- Collaborative culture: A dynamic startup community, supported by incubators, accelerators, and networking events, encourages collaboration and knowledge exchange.
- Innovation in fintech and blockchain: Estonia, in particular, is noted for its innovative use of e-identification and blockchain technologies, fostering the development of startups in the digital technology sector.

Learning from Eastern European startup ecosystems provides a path for Ukraine's recovery and development of its own startup industry post-conflict. This plan is based on the experiences of countries such as Estonia, Lithuania, and Latvia, which have successfully supported startup ecosystems through well-crafted laws, supportive regulatory frameworks, and effective government-backed financial support. Adopting these strategies can help to create an inviting environment in Ukraine, boosting startup growth and attracting investment.

This strategy focuses on launching programs that promote innovation, such as tech parks and innovation centers, as well as fostering research commercialisation and collaboration among universities, businesses, and startups. Another important step is to encourage an entrepreneurial culture, particularly among young people. This includes enhancing education with practical, industry-relevant information, as well as providing financial incentives and support services. Eastern European nations have demonstrated the benefits of investing in technical education to educate future technology and innovation talent—a model from which Ukraine might benefit.

Furthermore, improving the institutional framework that supports start-ups is critical. This includes implementing efficient mechanisms in coworking spaces, incubators, and

accelerators to guarantee that businesses have access to the resources, mentorship, and network they need to grow.

Another major pillar is the development of global partnerships and external investment. Ukraine may improve international partnerships and open up its companies to global markets by offering appealing benefits to investors and sponsoring events that showcase Ukrainian startups on a global scale.

Furthermore, upgrading the information environment and improving data security are critical. Adopting cybersecurity standards, aligning with international data protection rules, and strengthening data processing infrastructure will help Ukraine establish itself as a digitally advanced nation prepared to face modern-day challenges.

Using the Eastern European model can greatly speed up the growth of Ukraine's startup ecosystem, contributing to the country's recovery and resilience. The project requires a collaborative effort by the government, the business community, educational institutions, and entrepreneurs. The time to act is now, creating the foundations for a thriving, innovative Ukraine.

## CONCLUSIONS

Based on the extensive exploration and analysis conducted throughout the Bachelor's Qualification Work, the following conclusions can be drawn for each chapter:

The first chapter established the groundwork for understanding the basic principles of startups and their management. It underlined the unique characteristics of startups, which are more than just new little enterprises; they are a combination of innovation, ambition, and rapid growth. By looking at numerous definitions and perspectives on what defines a startup, the chapter gave a comprehensive picture of startups as entities meant to disrupt established markets with unique products or services, emphasizing the significance of strategic planning and adaptability in achieving startup success.

The internship at Business Media Network (BMN) provided valuable insights into the issues that businesses encounter in conflict-affected areas such as Ukraine. The chapter delves into the emergence and strategic management of BMN, demonstrating how external issues such as geopolitical instability and internal challenges such as resource management can affect startup operations and sustainability. It emphasized the importance of resilience, strategic foresight, and adaptation in handling complicated business environments.

The last section combined academic knowledge and practical insights to develop strategic recommendations for improving the performance and successful launch of new business initiatives. Focusing on BMN strategic management and extending learnings to offer broader methods for startups, it underscored the necessity of acquiring funds, developing effective teams, growing business models, and encouraging innovation. This chapter also offered measures for the post-conflict setting of Ukraine, based on successful Eastern European practices, focusing on support infrastructure and international relationships to strengthen the startup ecosystem's resilience and vitality.

This study's detailed examination sheds light on crucial aspects of organizational emergence and startup management, providing useful theoretical insights and practical applications. The analysis of BMN's case, in particular, gives actionable lessons for startups operating in similarly complicated environments, highlighting the importance of



strategic planning, resource management, and adaptation. The strategic recommendations outlined in the last chapter not only aim to guide businesses through development challenges, but also to strengthen the startup ecosystem's resilience, particularly during Ukraine's post-conflict recovery. This study bridges the gap between academic research and practical application, providing new entrepreneurs and business leaders with the knowledge and approaches they require to start successful businesses in today's dynamic global business the environment.

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