

# DETERMINANTS OF NEW VENTURE SURVIVAL: A CASE STUDY OF STARTUPS IN THAILAND

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## Abstract

New ventures are a crucial engine of national economic growth. However, the statistics show that only 10% of total new ventures survive more than five years and continue business operations. The high number of failed startups impacts the economic system (e.g., increasing the unemployment rate). Crucially, many articles have pinpointed the antecedent factors of failure and identified those leading to the survival of new firms, but fewer research studies exist in the context of Thailand. There has been a call for future research extending beyond Western countries. Therefore, this study aims to investigate the determinants of new venture survival in Thailand. Through a qualitative research approach, data were collected via online interviews with startup managers, observations, and document analysis. There were 31 participants in this study. The external, internal, and individual determinants consisted of 18 themes affecting new venture survival in Thailand.

**Keywords:** New venture survival, Startup survival, Qualitative research, Thai startups, Startup survival determinants

## 1. INTRODUCTION

According to Techsauce (2021), 257 official startups were reported in Thailand from 2012–2021. These startups were funded through contracts with investors, involving sums of up to 1,168.11 million USD. Consequently, startups have become increasingly important for the significant value they add to the Thai economy. However, the statistics show that only 10% of total new ventures are likely to survive for more than five years (Potjanajaruwit, 2019), with the remaining startups failing in the early stages. The high number of failed ventures can impact the economic system (e.g., increasing the unemployment rate).

Thailand's government considers the successful operation of new small businesses to be a national issue. Accordingly, the Thai government announced "Thailand 4.0" as a long-term socio-economic strategy covering 20 years from 2017 to 2036. The strategy is aimed at increasing national competitiveness by transforming the economic structure and system to create a value-based economy. The transformative mission consists of five areas: 1) preparing Thailand to become a developed country; 2) developing technological clusters and future industry; 3) encouraging entrepreneurs and new ventures driven by innovation or startups; 4) strengthening the economic system domestically; 5) connecting and integrating Thailand into the global community (The Secretariat of The Prime Minister, 2017). The third mission of

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Thailand 4.0 demonstrates that new business ventures are crucial. To deploy the strategy into action, there is a policy to develop SMEs to become more innovative by educating them in the use of technologies to increase their potential. Consequently, SMEs are being targeted to move from startups to future key players driving the economic value chain. Significantly, this national strategy implies that startups have become increasingly important to the Thai economy, and it is vital to enhance their knowledge of business operations to survive and reap profits from a dynamic market. In addition, many articles have focused on identifying the factors that precede failure and the elements that contribute to the survival of new ventures. In the timeframe of 1965 to 2019, spanning 54 years, there have been about 1,521 records concerning research on the survival of ventures. Nonetheless, the research specifically addressing the context of Thailand has been limited. Consequently, there has been an expressed interest in broadening the scope of research to include studies beyond Western nations, suggesting a need for a broader, more inclusive approach to understanding the dynamics of new venture survival across different cultural and economic landscapes (Soto-Simeone et al., 2020).

Considering the existing knowledge gap and the critical role of new ventures within the Thai economy, this study aims to investigate the factors influencing the survival of new ventures. It addresses the research question: “What are the determinants affecting new venture survival?”. Utilizing a qualitative methodology, data were gathered from a series of case studies employing semi-structured interviews, observations, and analysis of digital information related to the participants and their startups. The findings of the study reveal that a comprehensive analysis has delineated external, internal, and individual determinants, segmented into 18 thematic areas, which are instrumental in influencing the survival of new ventures within the Thai context. The principal findings of this research contribute notably to bridging the existing scholarly gap in the literature. Moreover, these results hold substantial utility for management teams and individuals poised to initiate startup ventures, furnishing them with an in-depth understanding of the determinants crucial for business endurance. This comprehension enables them to strategically prepare for and navigate through various operational scenarios.

## **2. LITERATURE REVIEW**

The study of venture survival has been increasing during recent decades. The determinants of new venture survival can be classified into three main groups: 1) external determinants, 2) internal determinants, and 3) individual determinants.

### **External Determinants**

Scholars such as Cabrer-Borrás and Rico Belda (2017), Honjo (2000b), and Resende et al. (2015), have widely discussed the impact of environmental factors such as economic, political, and social situations on businesses. The economic situation is considered to be an important determinant. Scholars have explained that when the economy of a region, nation, or industry grows, people have positive business sentiment, and ventures must operate continuously to serve market demands. This explanation has been confirmed by several empirical research studies. For example, Carroll and Delacroix (1982) found that a bull economy enhances new venture survival. Similar results were found in research conducted in Japan and Spain, which showed that macroeconomic growth enhances firm survival (Cabrer-Borrás & Rico Belda, 2017; Honjo, 2000a).

The industrial sector and its characteristics also affect business performance and survival (Resende et al., 2015). In some industries, there is a barrier to new entry. The existing venture rate in the industry affects the chances of a new venture surviving (Geroski et al.,

2010). Cabrer-Borrás and Rico Belda (2017) echoed this argument, finding that the health sector has a higher survival than the construction sector. Littunen (2000) emphasized that the industrial sector has a direct impact on business by demonstrating the different survival results among various sectors. Andrestch (1991) analyzed firms at the industrial level, finding that existing entry barriers, such as economic barriers and capital scale, were negatively related to the prospect of survival. In addition, the maturity condition of the industry is another characteristic on which researchers have focused. Carroll and Delacroix (1982) argued that a mature industry positively affects new venture performance.

Researchers have also considered whether the time at which a new venture enters the industry affects its survival chances. This rationale is based on a situation in which many entrepreneurs observe high demand in the market during an upturn in the economy or high seasonal demand and then define it as an opportunity to start a business. Due to the high demand, it is possible that the existing supply may fall short. Therefore, a new venture entering the market has the potential to survive and rapidly grow (Brüderl et al., 1992; Honjo, 2000a).

The political situation and institutions are also determinants of venture survival. The political situation represents national policy. It also predicts how a country will continue to develop. As described by Carroll and Delacroix (1982), new ventures born during political turmoil are less likely to survive in the early years. However, if they can overcome the turbulent period, they will live longer than ventures born under stable conditions.

The effect of legitimacy on venture performance, morality, and survival, has also been discussed in previous literature. Legitimacy can either refer to legal compliance or social acceptance. Antretter et al. (2019) defined legitimacy as actions that people in society, judge and accept as appropriate. Singh et al. (1986) examined a social service organization in Toronto, Canada, with results showing that it is essential to acquire external legitimacy not only in the early stages but also over the longer term. Importantly, organizations that comply with legal requirements gain the trust and support of stakeholders. Legitimacy enables a venture to access the necessary resources to support its business performance and increase its survival chances (Antretter et al., 2019). Non-legitimate organizations do not have the ability to create relationships with key institutions. Consequently, they cannot operate business. In terms of internal legitimacy, the statistics show that no correspondence exists between internal legitimacy and the venture survival rate (Singh et al., 1986).

The location of the venture is another external determinant. There are some differences between urban and rural locations, such as the availability of infrastructure, cost of living, etc. An urban area is generally defined as a center of economic development, while a rural location mostly covers a small area. People move from rural to urban areas to study and work, thereby creating a circulation of the economic system in the urban area. Fotopoulos and Louri (2000) found that firms established in a city had higher survival rates than those in rural locations. Cabrer-Borrás and Rico Belda (2017) presented that new startups in smaller municipalities were less likely to survive. In addition, many scholars have focused on examining the effects of firms in localities and their performance. Firms established in the hometown of the owner tend to have better performance, because the owner knows the living circumstances of the population and is familiar with the resources available (Huggins et al., 2017).

However, considering survival in the longer term, local ventures in rural areas are more likely to fail (Littunen, 2000). Scholars also expanded the scope of their studies to examine the effect of different locations among countries. The empirical results showed that new ventures established within the owner's home country had a higher success rate than those established outside (Douma, 1991).

## **Internal Determinants**

The age and size of an organization directly impact its capability to compete in the market. Researchers argue that younger ventures have less opportunity to survive and grow than older ones (Honjo, 2000b; Resende et al., 2015) as they lack experience, resources, and knowledge. Additionally, scholars tend to focus on the type of venture, potentially classified as scratch establishments and follower businesses. Entrepreneurs of scratch establishments start from zero. They have no business management pattern and simply learn by doing. In contrast, follower ventures can be sub-classified as joint ventures, spinoffs, or franchises, learning about best practices from their headquarters. In relation to the type of establishment, empirical research still provides inconsistent results. For example, Douma (1991) and Brüderl et al. (1992) found that newcomers established as followers were more likely to survive than scratch ventures. Similar results were revealed by a research study in China, which showed that spinoffs are more likely to survive (Fackler et al., 2015). Conversely, Boden Jr and Nucci (2000) argued that ventures starting from scratch are more likely to survive because they have greater flexibility in adapting their strategy to compete in the market.

Accordingly, products and market strategies have gained serious attention from scholars. Organizations with a strategy which develops specialist knowledge are more likely to survive (Brüderl et al., 1992) because they can supply innovative products to the market. Khan and Lew (2018) also presented that the increasing level of specialist products is crucial to organizations' survival. Interestingly, Shepherd et al. (2000) argued that novelty in the market, production, and management, reduces the venture's survival; for example, when new products are launched onto the market, ventures have the potential to spend more on advertising products, resulting in overspending which impacts their financial status. The survival rate will only increase when the novelty is eroded. Appropriate strategies for setting the selling price and distribution channel are also essential. Surprisingly, a low-cost strategy poses a high risk to the venture and reduces its survival prospects (Lyles et al., 2016).

Scholars have attempted to explain how the direction of the organizational operating strategy affects new venture survival. Huggins et al. (2017) presented that a venture with a growth promotion strategy is more likely to survive. Brüderl et al. (1992) found that innovative ideas in organizations had significant importance and led to greater success. Innovations such as patents can affect the outcome of firms. Firms that acquire patents or trademarks in the initial phase have a higher survival rate than those that do not acquire any patents or trademarks (Helmets & Rogers, 2010; Löfsten, 2016).

Furthermore, some ventures rely on the strategy of resource gathering and availability since resources are crucial to business operations. These include infrastructure, finance, and skilled human resources. New ventures that gain sufficient capital have a greater possibility of surviving and growing than those which do not (Honjo, 2000b). Ventures that can gather resources and combine utilization are more likely to survive, especially high-tech startups (Yang et al., 2017).

The team mechanism of organizations has been debated among scholars. Aspelund et al. (2005) pointed out that team diversity supports survival and growth. Workforce skills are crucial to an organization in operating its business. A study on high-tech ventures in the UK found that access to a high-quality workforce is vital in each stage of the venture cycle (Siepel, Cowling, & Coad, 2017). In a study relating to teams in an organization, team size was discussed, with small teams being found to be more efficient. When an issue arises, they are more likely to discuss potential solutions and find a consensus. Therefore, small teams enhance the survival rate (Aspelund et al., 2005).

Scholars also view the determinants of new venture survival through the network and how members of the organization interact internally and externally. A network brings about

strategic alliances. A strategic alliance refers to a collaboration between ventures. Both parties rely on each other, creating mutual benefit. Strategic alliances are essential both in the early stage of an established venture and for long-term success (Carayannis et al., 2000). The work of Littunen (2000) also emphasizes the role of an organizational network. Both internal and external networks affect the survival and performance of firms. Surprisingly, the research shows that the use of an internal network has more positive effects on firm performance than the external network (Littunen, 2000). However, the external network is argued to continuously affect firms' survival as well. A rich and open network among CEOs across ventures helps to improve organizational performance (Khan & Lew, 2018; Zhao & Burt, 2018).

### **Individual Determinants**

Individual determinants cover the characteristics of an entrepreneur. Starting with the age of an entrepreneur, scholars argue that the age of the founder and president increases the firm's performance and chance of survival (Adjei, 2021; Honjo, 2000b; Storey & Wynarczyk, 1996). In addition, Boden Jr and Nucci (2000) presented that gender affects the venture's survival and performance. Men tend to work in higher positions than women. Men have a greater potential to earn higher income. Financial status influences an individual's readiness to start a business. From this perspective, women tend to encounter more difficulties in starting a business (Boden Jr & Nucci, 2000; Cabrer-Borrás & Rico Belda, 2017). However, once men use their collective income as capital to establish and operate a business, they have the amount of capital required for financial stability. Ventures that are owned and operated by men have higher survival rates than those owned by women (Boden Jr & Nucci, 2000). Conversely, Cabrer-Borrás and Rico Belda (2017) argue that even though women may encounter difficulties during the early stages, they are more likely to succeed because of their persistence in overcoming such difficulties.

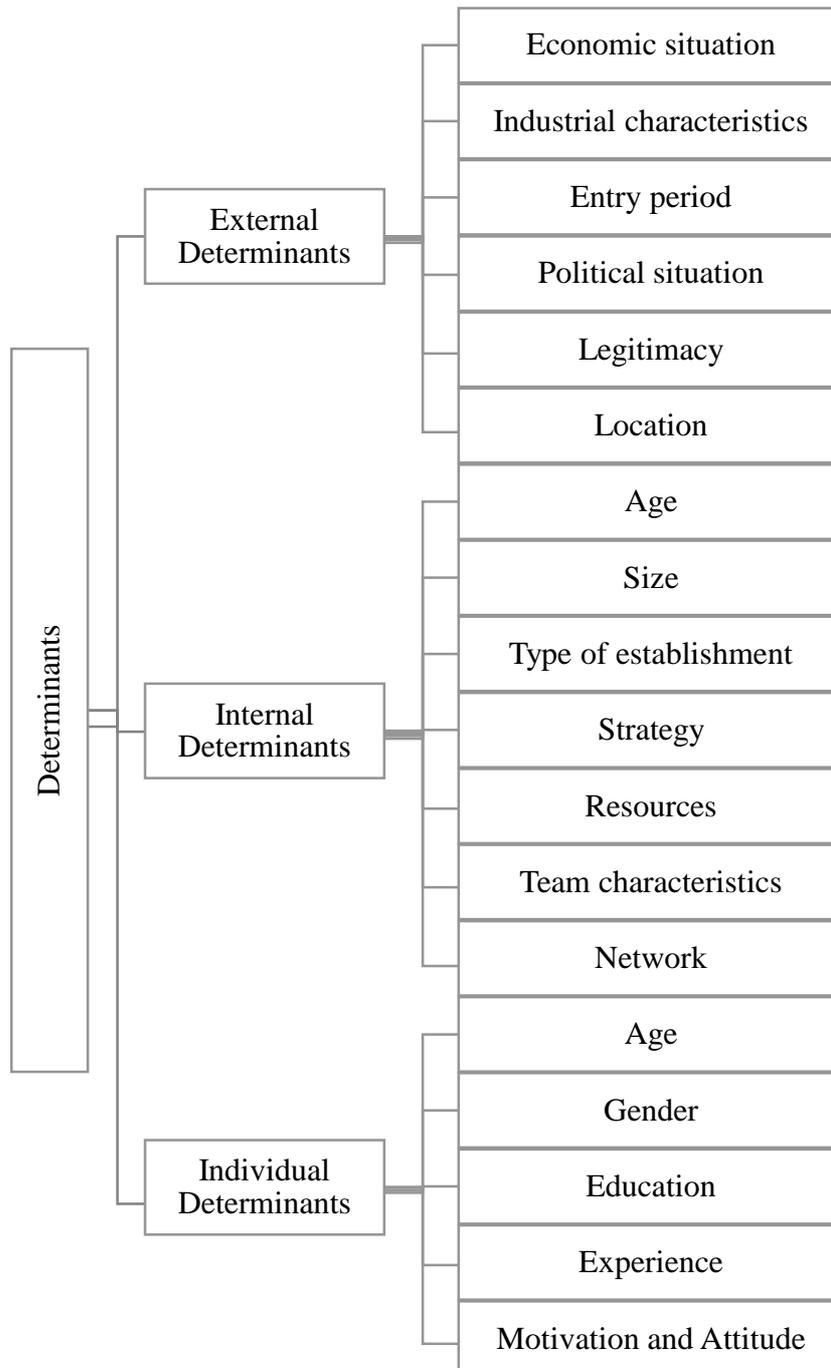
Furthermore, entrepreneurs with a higher education level tend to have greater knowledge and utilize it in running their businesses. Brüderl et al. (1992) found that entrepreneurs who spend more years in education tend to have better success and a high venture survival rate. The higher education of an entrepreneur promotes the survival prospects of their business (Boden Jr & Nucci, 2000; Cabrer-Borrás & Rico Belda, 2017). In contrast, Huggins et al. (2017) presented that education and survival have no significant relationship. Some scholars focus on work experience rather than educational level (Adams, Fontana, & Malerba, 2015; Adjei, 2021; Wilson et al., 2013). Experience may be gained by learning from parents and practical work. Entrepreneurs with parents involved in a business automatically learn practices from them. Adjei (2021) referred to this notion as entrepreneurial capital. Additionally, previous work experience is valuable to an entrepreneur, enhancing the prospects of venture survival (Brüderl et al., 1992; Khan & Lew, 2018). Empirical research shows that individuals who enter into businesses relating to their previous experiences in an industry, such as user-industry spinout, are more likely to survive (Adams et al., 2015). However, some scholars argue that prior work experience only increases the likelihood of establishing a new business but is not related to the chance of survival (Boden Jr & Nucci, 2000; Cabrer-Borrás & Rico Belda, 2017).

Venture survival research at the individual-determinant level also points to the importance of motivation in founders and teams. Entrepreneurs decide to establish a new venture or become self-employed because they are willing to take a risk as well as execute an innovative idea (Brachert, Hyll, & Titze, 2016). To gain insight, Bruno, McQuarrie, and Torgrimson (1992) interviewed 12 founders of successful new technology ventures. As a result, five themes were identified: 1) know yourself, 2) love your product, 3) honor your customer, 4) treat your people well, and 5) keep your integrity. Huggins et al. (2017) proposed that founders with the motivation to grow are likely to be able to establish an organizational growth

strategy. Hence, their organizations are more likely to survive and continue to grow. Founders who are passionate about their business are more likely to succeed in operating the venture (Brachert et al., 2016; Cabrer-Borrás & Rico Belda, 2017).

According to the literature review, the conceptual framework for the determinants of a new venture can be classified as external, internal, and individual characteristics, closely aligning with the work of Soto-Simeone et al. (2020).

**Figure 1** Conceptual Framework



**Table 1** A Summary of the Case Study Companies

Participant Code	Sector Based	Operating Duration (Years)	Number of Founder and Co-founders	Number of Employees	Product	Reward
1M44Acct	Accounting	3	2	45	Automatic data entry software	Thailand ICT Award 2022
2M45Acct	Accounting	5	3	10	Accounting management software	Krungsri Innovation Award
3M26Agri	Agriculture	4	3	25	AI solution for rice inspection	Acceptance Global Entrepreneur Program
4F38Bio	Biotech	4	2	80	Plant biotech	NA
5M34Bio	Biotech	4	3	40	Cosmetics formulation	Cosmetics Innovation and business Link
6M41Fin	Finance	10	3	80	Technology analysis of stock data for investors	Startup of the year
7F37Fin	Finance	4.5	1	1000	Cryptocurrency exchange platform	Prime Minister Award in Digital Startup of the Year
8M40Fin	Finance	5	5	50	Robotics investment application	The most innovative application award
9F38Fin	Finance	4	4	13	Financial management platform	National Innovation Award
10M43Fin	Finance	7	1	80	Artificial intelligence (AI) for investment	NA
11F31Health	Health Tech	4	3	10	Online migraine treatment	Merit Award in Public sector and social innovation
12M30Health	Health Tech	4	2	6	Medical instrument – space walker	i-CREATe Award
13M40Prop	Property and real estate	8	3	15	Home service platform	The Best Life Helper Award
14M29Prop	Property and real estate	6	4	20	Application for dormitory and apartment management	The Winner Startup Thailand Pitching Challenge
15F31Prop	Property and real estate	6	5	8	Digital algorithm for niche design home architecture	NA
16M31SerBiz	Service – Business services	5	3	35	Artificial Intelligence chatbot	ASEAN ICT Award
17M52SerBiz	Service – Business	8	1	50	Customer experiences of	Bronze Medal with Certificate for Topics

Table 1 (Continued)

Participant Code	Sector Based	Operating Duration (Years)	Number of Founder and Co-founders	Number of Employees	Product	Reward
	services				artificial intelligence	Modeling for Analyzing Thai Social Media Message
18M37SerBiz	Service – Business services	10	4	50	A smart workplace platform	The Best Startup Thailand ICT Award
19F37SerBiz	Service – Business services	3	3	12	Sourcing and marketplace platform	FTI Startup Award
20M43SerEd	Service – Education	10	1	35	Investment knowledge course and learning platform	NA
21M36SerEd	Service – Education	8	2	170	Learning solution platform	Thailand ICT Award in Business Services
22F45SerEvent	Service – Event and Media	9	5	120	Event booking platform	NA
23M34SerEvent	Service – Event and Media	9	5	30	Event marketing and management platform	Krungsri Rising Start Award
24M49SerFood	Service – Food and Travel	5	3	5	Food truck management application	True 5G Tech Sandbox Award
25M45SerFood	Service – Food and Travel	7	3	40	Queue booking platform	National Innovation Award
26F35SerHR	Service – HR Tech	4	2	16	Part-time employment one stop service platform	Inventor Award in social benefit innovation
27M30SerHR	Service – HR Tech	5	2	36	Career counseling platform	The winner of Start-up as a key driver for competitiveness
28M42SerSC	Service – Supply Chain	13	3	140	Construction material supply chain management platform	Digital Startup of the year
29M30SerE-com	Service – E-commerce	5	1	36	Automotive spare parts management platform	NA
30M37SerSC	Service – Supply Chain	4	3	20	Freight management services platform	NEC Perfect Pitch
31M39SerTravel	Service – Travel	8	5	21	Golf booking platform	The Tourism startup Award

### 3. METHODOLOGY

The purpose of this study is to explore the determinants of new venture survival. The study seeks to answer the research question: “What are the determinants affecting new venture survival?” By applying a qualitative approach, data were collected from multiple case studies through semi-structured interviews, observations, and information collected on the participants and their startups from digital sources.

#### Research Participants

This study focuses on new, innovative ventures (startups) that utilize technology to operate their business. The participants comprised 31 interviewees from 31 companies and various industries. The companies were recommended by the Digital Economy Promotion Agency (DEPA) and the Thai Startup Association. Each had been established for 3–13 years and were continuing to grow. Most of them had received awards and funding from public and private organizations, which guarantees the quality of their products and the high standard of startup companies in Thailand.

#### Data Collection

A qualitative study involves numerous data collection methods, but the most preferable is an interview. Denzin (2008) suggests that researchers gather information from various methods to ensure the consistency of findings. Krefting (1991) asserts that employing multiple methods can assist researchers in gathering diverse points of view, thereby supporting their understanding of complex phenomena. This study employs semi-structured interviews, observations, and a review of related documents. Due to the travel restrictions in place during COVID-19, the participants were requested to attend interviews through online-meeting platforms. Video recordings were made of the interviews with participants who provided their consent.

#### Table 2 Semi-structured Interview Questions

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- 1) What is your current position in this organization?
  - 2) How many years have you worked in this organization?
  - 3) In your opinion, what are the external determinants (such as economics situation) that led to your company's survival? Please provide the reasons.
  - 4) In your opinion, what are the internal determinants (such as organization structure) that led to your company's survival? Please provide the reasons.
  - 5) In your opinion, what are the individual determinants (such as age, education of owner or management) that led to your company's survival? Please provide the reasons.
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#### Data Analysis

Thematic analysis was applied in this study. Braun and Clarke (2012) suggest that thematic analysis is a unique method and a systematic process for organizing a dataset into meanings or themes. It captures the common points that participants talk about. Six phases of thematic analysis are applied in this study: 1) Review the script to become familiar with the data; 2) Generate initial codes; 3) Search for themes; 4) Review the potential themes; 5) Define and name the themes; 6) Produce a report.

## **4. RESULTS**

The results are mainly categorized into external, internal, and individual determinants unique to Thai new ventures. The explanation consists of the meaning of each theme and sample quotes from participants.

### **External Determinants**

#### **Theme 1: Economy**

The status of the economy was reflected in the behavior of players in the market. Players consist of producers, consumers, buyers, and sellers. The behavior of people in the market creates the sentiment, characteristics, and conditions that affect survival status.

*Interviewee #27M30SerHR: "For me, the customer is an external factor that directly affects the survival status. We emphasize seeking an income and seeking for customers' needs."*

#### **Theme 2: Government Policies**

Government policies are national policies issued by the government. Policies cascade down to government agencies to create and implement programs.

*Interviewee #2M45Acct: "Government agencies such as the DEPA and NIA support us with funding. It helps us to have the funds to continue operating the business and develop new products."*

#### **Theme 3: Events**

An event is a phenomenon that occurs unintentionally but impacts the survival status of a company.

*Interviewee #25M45SerFood: "We suffered a huge impact from COVID-19. Many restaurants sent letters to inform us they had no ability to pay. They asked to cease using our application. Later, we designed an application for use in the vaccination queue. After COVID-19 subsided, people whom we helped with the application became our customers. The user database has increased from two to six million."*

#### **Theme 4: Social Trend**

Social trends reflect the acceptance of new technology by people in society.

*Interviewee #14M29Prop: "Six years ago, if we talked about cloud computing, nobody would understand. The heart of this issue is about making the market or society understand technology. If they do not understand or use it, they will not be our customers."*

### **Internal Determinants**

#### **Theme 1: Organizational Culture**

Organizational culture refers to the pattern of shared values and behaviors that people in organizations believe in and hold. Organizational culture is the guideline by which people work and exist in an organization.

*Interviewee #21M36SerEd: "The key is to work based on principles. The principle must be based on doing the right thing. A moral compass is the common thing that both the business and the employees value. We value morality, we do the right thing, there is no corruption, we pay a fair salary, and we charge customers a reasonable price. This will help us to survive."*

## **Theme 2: Resource Availability**

Resource availability refers to the accessibility of qualified resources such as cash flow, teams, and connections, all of which are useful when operating a business.

*Interviewee #17M52SerBiz: “Cash flow, as one of the resources, is very important. Every startup reaches a point where it will need to sell assets to pay salaries. The key factor leading to survival is cash flow.”*

## **Theme 3: Business Strategy**

The business strategy is the outline that identifies the products, target market, and other information relating to the business.

*Interviewee #10M43Fin: “If you want to scale up, your product must be innovative. Your innovative products will help you expand and gather a customer base. You can scale up the business if you have strong innovation and the products are attractive.”*

## **Individual Determinants (CEOs and Co-founders)**

### **Theme 1: Resilience**

Resilience reflects the ability to adopt a mindset and behavior that is flexible, adaptive, and self-reliant even when faced with a difficult situation.

*Interviewee #10M43Fin: “The heart of a startup is flexibility and self-adaptive behavior. When I find I have taken a wrong turn, I need to be ready and brave enough to change.”*

### **Theme 2: Dedication**

Dedication refers to the behavior of people who strongly devote their resources, such as time, money, and effort, to work for and reach the objective.

*Interviewee #16M31SerBiz: “CEOs and co-founders must dedicate themselves to hard work. We should dedicate ourselves to work even if it takes us beyond the normal working hours.”*

### **Theme 3: Vision**

A visionary is someone with the ability to imagine and think about the future of the organization.

*Interviewee #21M36SerEd: “The vision of the CEO needs to be set, clear, and aligned with the teams. My startup is very clear about the vision and its purpose. The team understands and knows the reason why we work and the value of our work.”*

### **Theme 4: Knowledge**

Knowledgeable CEOs/Co-founders have the necessary general and specific knowledge to operate the business.

*Interviewee #8M40Fin: “The CEO must understand the business from the perspective of both the old and new worlds. In terms of the old school, a fintech must understand the regulations, market, business influencers, and overall ecosystem. The new world must follow the technology and know the trend.”*

### **Theme 5: Hunger**

Hungriiness is the eagerness to ensure the survival of a startup. CEOs/Co-founders who

are hungry for success will have strong motivation to put in the necessary effort and do everything right to ensure their startups survive and grow.

*Interviewee #4F38Bio: “CEOs and co-founders need to be hungry (for success) and have very strong motivation. I feel that hungriness is the driver. Most startups can survive if the founders or CEOs believe there is nothing to lose and make every effort to make them as successful as they can.”*

### **Theme 6: Experience**

Experience refers to the accumulated knowledge CEOs/Co-founders have from working and doing business. They use their experience to avoid repeating the same mistakes and find solutions when in trouble.

*Interviewee #28M42SerSC: “Getting older is about gaining more experience. If I were to face the same situation without any experience, I may have handled it differently. When I first established my startup, I already had some entrepreneurial experience, so I understood how a business operated. I was used to facing problems with people and customers. When I faced a similar problem again, I was able to rely on my prior experience to solve it.”*

### **Theme 7: Focus**

Focus reflects the CEOs/Co-founders’ behavior toward the ultimate goals.

*Interviewee #6M41Fin: “Essentially, I believe founders have different backgrounds and knowledge. But there are things that we share; we focus on passion, have the mindset to work hard and deliver good things to our customers. So, even though we are tired and quarrel over issues, we will return to work knowing that we share the same goal.”*

## **Individual Determinant (Team)**

### **Theme 1: Resilience**

Resilience is having the mindset and behavior to be flexible, adaptive, and self-reliant despite being faced with a difficult situation.

*Interviewee #7F37Fin: “We are adaptive. An example of being adaptive is that once we needed to work on many written documents following a certain process and thought about adjusting the process, and to do so, we omitted unnecessary tasks to get things done faster.”*

### **Theme 2: Dedication**

Dedication reflects the behavior of a person to strongly devote their resources such as time, money, and the help of others to achieve the desired objective.

*Interviewee #19F37SerBiz: “People who come to work in a startup know that they need to dedicate themselves to work very hard.”*

### **Theme 3: Being Able to Speak Up**

The ability to speak up means being courageous enough to share opinions and discuss issues with team members and a higher authority such as the CEO. Speaking up involves being able to provide feedback, comments, and suggestions freely.

*Interviewee #1M44Acct: “Team members are encouraged to speak up. They can voice any concerns. For example, if they feel the CEO does not focus on doing the right things, they can*

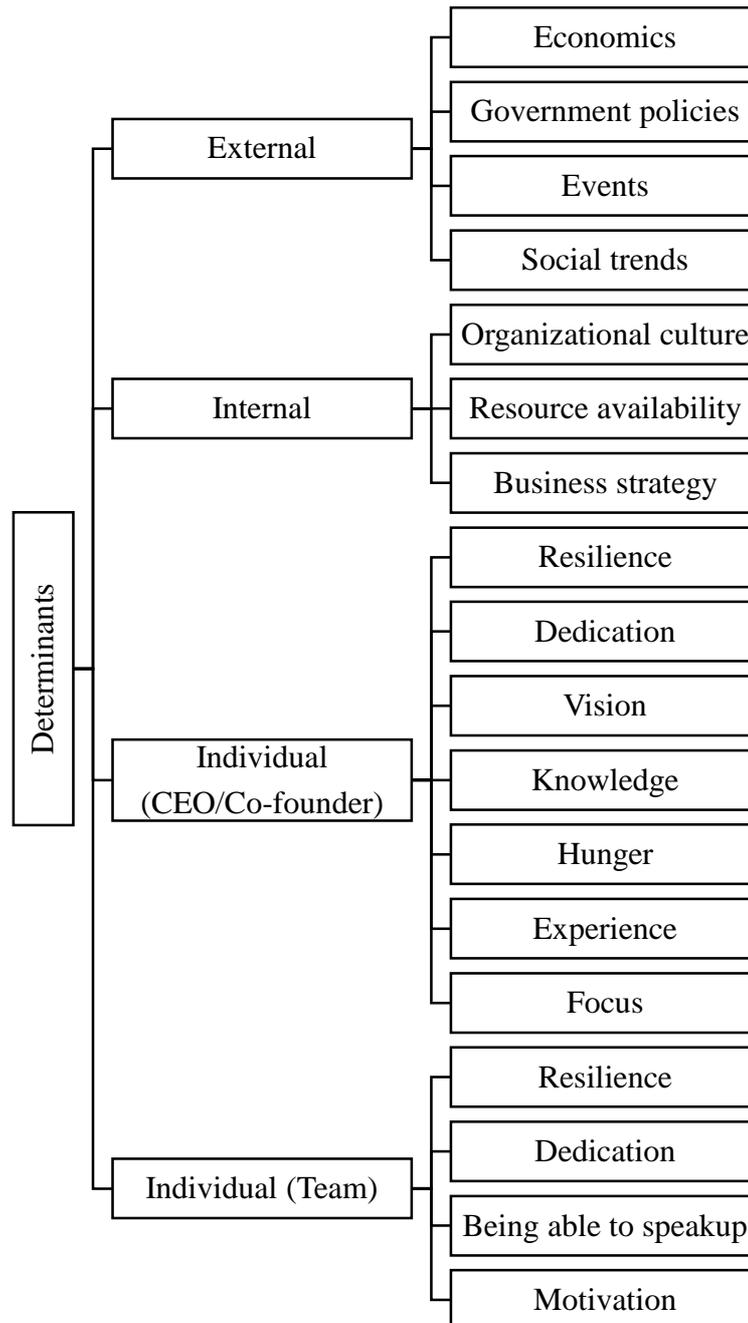
*“speak up, and I never take it as a personal issue.”*

**Theme 4: Motivation**

Motivation refers to the personal value that drives an employee to demonstrate positive behaviors and put their full effort into work.

*Interviewee #8M40Fin: “Our team wants to do what they love. When they love the product, they will put a great effort into developing it.”*

**Figure 2** Revised Framework Based on the Research Results



## **5. DISCUSSION**

According to the findings, the status of the economy affects new venture survival. This is consistent with the results of studies conducted by Cabrer-Borrás and Rico Belda (2017), Carroll and Delacroix (1982), and Honjo (2000b). These studies revealed that macroeconomic growth enhances the survival status of new firms. In addition, government policies affect new venture survival. The participants pointed out that the government could issue policies to support new ventures. This is in line with the findings of Antretter et al. (2019), who revealed that the survival of new ventures was enhanced by easy access to necessary resources. Furthermore, the participants emphasized the opportunities presented by important events, especially COVID-19. Most startups gained benefits from COVID-19. The lockdown situation helped technology-based companies to become important players in the market. These findings were consistent with the research of Ting et al. (2020), who discussed the importance of digital technologies during the COVID-19 pandemic.

The findings revealed the importance of organizational culture. Joseph and Kibera (2019) proposed organizational culture to be a major source of competitiveness. Furthermore, resource availability was another internal determinant. The participants viewed resources as teams, connections, and cash flow. Participants mentioned that team diversity creates new ideas. From the ideas, the team develops new products to serve market demands, generating more income, profit, and growth for the company. The team composition finding is similar to that reported by Aspelund et al. (2005), who indicated that the diversity of team members supports venture survival and growth. In addition, connection was seen as a crucial internal determinant by participants. These results are consistent with those of Littunen (2000), who proposed that both internal and external networks affect firms' survival and performance. Additionally, the participants revealed that cash flow directly affects the status of the company. This finding is relevant to the study of Honjo (2000a), who proposed that new ventures with a higher level of capital are more likely to survive. According to Blank and Dorf (2012), CEOs/co-founders must define their product vision and subsequently apply the customer development process to find customers and the appropriate target market. This is consistent with the views shared by participants. In the early stages, CEOs/co-founders focus on creating the product vision and defining the product strategy.

CEOs/Co-founders and teams have many characteristics, such as dedication, vision, resilience, and motivation. CEOs/Co-founders are startup leaders. According to Hersey et al. (1979) and Hogan and Kaiser (2005), a leader is someone who influences their followers to accomplish the organizational objectives. Cote (2017) proposed that an effective CEO should have a clear vision and the ability to communicate with the team and gain support, maintain organizational direction, and empower the team. Zaccaro et al. (2018) proposed that a wise leader should demonstrate honesty and fairness in handling conflict, as well as to empower team members and work diligently. In addition, participants revealed that CEOs/Co-founders must have the necessary hunger for success to ensure the survival of their new venture. Hungriness can be interpreted as a strong motivation. These findings are relevant to the previous studies in that successful entrepreneurs have strong motivation (Bruno et al., 1992; Huggins et al., 2017). Based on the findings, the participants emphasized that their teams had strong intrinsic motivation. Many of them received a lower salary compared to the market average. Nevertheless, they continued to work in startups due to their enjoyment of a challenging job, and satisfaction in the work environment, among others.

## **6. CONCLUSION AND RECOMMENDATION**

The results of this research contribute to the body of knowledge on the determinants of new venture survival. The study provides insightful information to scholars and entrepreneurs

on understanding the determinants affecting new venture survival. The suggested framework delineates a structured approach that may serve as an operational guide for startup enterprises. This proposed model systematically articulates the essential processes and strategies required for the efficient management and scalable growth of new business ventures. By integrating theoretical underpinnings with practical applications, the framework offers a comprehensive blueprint that assists entrepreneurs in navigating the complexities of business initiation and development. This framework not only provides a theoretical scaffold but also acts as a pragmatic reference point for startup operations, potentially enhancing their survivability and success in the entrepreneurial ecosystem.

Future research should adopt a quantitative approach to better understand the relationships among the determinants and strengthen the findings. In addition, future research should include more participants from startups in diverse business sectors and locations. Lastly, the key participants of this study were CEOs or Co-founders. It would be beneficial if, in future research, interviews could be conducted with those in other positions to understand their points of view and gain different perspectives.

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