

THE PERCEPTIONS OF ROMANIAN YOUNG ENTREPRENEURS REGARDING THE CHALLENGES OF AN INNOVATIVE BUSINESS ENVIRONMENT

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Abstract:

This paper aims the investigation of the relationship between entrepreneurial phenomenon among young people in Romania and the business environment, strongly marked by innovation and new technologies, as pillars of sustainable development in the knowledge-based society. For achieving the paper's goal there are used the results of a qualitative research based on in-depth interview which aim to identify the views and experiences of young entrepreneurs on the advantages and disadvantages of starting an innovative business in Romania. Data analysis allowed the formulation of some recommendations to state institutions, business environment and the academic community to support young entrepreneurs in developing their business right after the launch. Access to new funding sources, guidance and informational support are the principal needs for entrepreneurs in their struggle to develop innovative sustainable businesses. The strong promotion of young entrepreneurs inside their community or at national level contributes to the development of a strong entrepreneurial culture for Romania.

Keywords: entrepreneurship, innovation, sustainability, business environment, entrepreneurial education.

Introduction

Entrepreneurship and innovation play an important role in increasing the economic competitiveness and job creation on a global scale. Entrepreneurs have an essential role in the economy, creating jobs, exploiting opportunities and risking in times of economic and financial crisis. In recent years, the European Union countries strongly support entrepreneurship development because by improving the conditions offered to the entrepreneurs, it may increase the number of companies, number of jobs and the welfare of society. An overview of the current Romanian business environment reveals that Romania is

the second lowest in Europe in terms of number of SMEs reported per thousand (25 companies per 1,000 inhabitants). Also, Romania is second lowest in the EU in terms of business sustainability. With a stable business rate of 4%, over 50% of entrepreneurship are closed or suspended in 42 months (Akcees, 2013).

Entrepreneurship is one of the driving forces for business environment. The report of Global Entrepreneurship Monitor 2013 shows that worldwide, the entrepreneurial intentions are strongly seen in economies based on production factors, where the employment alternatives are very poor. In economies based on innovation, entrepreneurial

intentions percentage is 3 times lower. Moreover, the promising innovative businesses are often started by young entrepreneurs. They are more willing to take risks, to be creative and to be informed. For young people, starting a business is a viable option for career and a serious personal achievement and personal wellbeing. In this context, is not enough to encourage the entrepreneurial spirit, so the focus should be on improving the survival of the new businesses.

The aim of this paperwork is an investigation of the relationship between the entrepreneurial phenomenon among young people in Romania and the business environment, which is strongly influenced by the necessity for innovation.

The paper's objectives are to deeply analyse the needs and experiences of young Romanian entrepreneurs managing innovative business and to identify their specific needs and the obstacles encountered in this context. The objectives will be achieved based on the results of a qualitative marketing research conducted among 12 young Romanian entrepreneurs, owning businesses started in the last three years. There were selected innovative business in various fields (production, trade, services) with a high degree of risk due to their novelty and uncertainty about their survival in the market.

In the last part of the paper are made some general recommendations for the problems faced by young entrepreneurs with innovative business, problems that have not been raised in the literature or studies. The paper also draw attention to the need not only support young entrepreneurs in starting a business, but also the stage immediately following the business starts to take place but obstacles continues to appear .

At the end of the paper are presented some general

recommendations on the challenges faced by young entrepreneurs with innovative business, which have not been discussed in the literature and in the latest studies. The paper also want to draw attention to the necessity of supporting young entrepreneurs not only in starting a business, but also in developing it, because the obstacles continues to occur.

Entrepreneurial phenomenon in literature

The entrepreneurial phenomenon is an issue of interest for specialists in the business environment and academic communities around the world, as it is an engine of sustainable development in the knowledge-based society.

The study of entrepreneurial phenomenon has resulted in worldwide surveys and reports. Entrepreneurial activity is monitored by bodies such as the Global Entrepreneurship Monitor (GEM). Barometers are performed annually worldwide, or by regions or countries to observe the evolution of entrepreneurship. Their purpose is to identify obstacles and formulate support solutions to encourage entrepreneurship especially among young people.

The business reports and analyses, as well as academic literature have the same concerns related to entrepreneurship. They make an attempt to define the concepts of: entrepreneur, entrepreneurship, the analysis of the relationship entrepreneurial activity – innovation, encouraging young people to become entrepreneurs, as an alternative career.

Experts have different views on the entrepreneur concept, on the relevant indicators to measure entrepreneurial activity, the environment in which entrepreneurship can flourish (Amit, Glosten, Muller, 1993, Morris, 2001; Lundström A., L. Stevenson, 2005; Landström et al, 2012). Classification of

certain types of entrepreneurs according to various characteristics determined the need for psychological analysis (Baron, 1998; Miner, 2000; Baum et al, 2007). Risks associated with entrepreneurship are a study object extensively discussed (McGrath, MacMillan, Scheinberg, 1992). With the increasing number of women entrepreneurs, the research was extended to their perception to society and business environment (Shim, Eastlick, 1999, Carter et al, 2007). Entrepreneurship education, very necessary in managing a successful business, has been the subject for authors like Gartner and Vesper (1999). The role of entrepreneurship in sustainable development of economy and increasing business competitiveness is increasingly addressed in current research (Audretsch et al, 2006, Zaman et al 2012, Thomas et al, 2014).

One of the most recent and comprehensive definition for entrepreneurship belongs to Nadim Ahmad and Anders Hoffmann N. (2008). This definition was accepted in OECD Oslo Manual 2007, too. From their view, entrepreneurship is the phenomenon associated with entrepreneurial activity, i.e. entrepreneurial human actions who seek to generate value, by the creation and development of economic activity, by identifying and exploiting new products, processes or markets.

The relationship between entrepreneurship and innovation and its role in economic development was emphasized by Schumpeter, who appreciated that the entrepreneur is an innovator (Szabo, Herman, 2012). The innovative dimension of entrepreneurship was further developed by Peter Drucker (1985). The importance of innovation in entrepreneurship was very discussed in the literature (Bessant, Tidd, 2011; Soriano, Huang, 2013; Galindo,

Mendez, 2014). Among them stands William Baumol (2010) which distinguishes between the *innovative entrepreneur* who has new original, unique ideas and the *replicative entrepreneur* (following a pattern), who starts a new business, but similar to other existing business in the market. Considering the fact that entrepreneurship involves innovation (Audretsch, Thurik, 2001), entrepreneurs play a very important role in the transfer of innovative knowledge to customers through selling process.

The success of innovative entrepreneurial activities is based largely on the attitude of entrepreneurs towards the following items (Țiclău, 2014): resistance to change in a complex business environment which is dynamic and competitive, new technology, the focus on citizen - customers (emancipated, informed and active), multitasking capacity.

Just like the situation of entrepreneur lack of single definition, the segment of young entrepreneurs cannot be clearly defined. This is due to differences in the methods for assessing the age at which young people plan to start a business. The age range varies from country to country. In Romania, people are considered young entrepreneurs up to 35 years and in EU, people up to 25 years.

Compared to mature entrepreneurs, young entrepreneurs approach the business differently and tend to operate in areas that have low entry barriers and require low capital. In many of these situations, we can talk to a large extent about niche innovative businesses which very much related on the skills and personal abilities of entrepreneur. Also, young entrepreneurs are focusing on local markets because these are more familiar than the opportunities in other markets (Chigunta, 2002).

Businesses run by young entrepreneurs have a lower survival rate

compared to mature entrepreneurs businesses (van Praag, 2000), but those business which survive have on average a higher growth potential than mature entrepreneurs business. Businesses that have survived three years and belong to persons under 30 years had an average growth of 206% - almost double the average growth rate of businesses owned by persons over 40 years (114%). This shows that young entrepreneurs have a high degree of risk, but a high degree of success, too (Youth Entrepreneurship, 2012).

Entrepreneurship state-of-art in Romania

In the last years, the entrepreneurial activity in Romania began to increase and people's perception towards entrepreneurship has improved. TEA (Total Entrepreneurial Activity) indicator calculated by GEM for Romania has a value of 9%, one percentage point higher than the European average, which ranks 6th in Europe in terms of total entrepreneurial activity after Austria, Estonia, Latvia, Netherlands and Slovakia (Akcees, 2013). A key aspect is that the number of entrepreneurs who started a business because they have seen a market opportunity exceeds the number of entrepreneurs who have started a business because of the need to survive (Akcees, 2013).

Few entrepreneurs can be considered innovative in Romania, those who intend to introduce on the market products or processes with a high degree of uncertainty, in terms of customers' acceptance. Global Entrepreneurship Monitor provides an analysis over 7 years (2007-2013) regarding the novelty of products offered by entrepreneurs with new businesses. Since 2010 the share of innovative products in total customer products has constantly increased. In 2013 the percentage of innovative

products reached 13.58%, exceeding the percentage for 2008 (the year when the global economic crisis started).

Young people are showing more and more interest in starting their own business, as shows the analysis of GEM in Romania for the period 2007-2013 (Nagy, 2014). Young entrepreneurs are attracted to start their innovative businesses in areas like: IT&C, services, social or medical assistance, leisure services, where growth potential is important (KeysFin report, 2013).

The main barriers for young entrepreneurs in starting a business are: the access to finance and lack of real entrepreneurial education. In Romania funding opportunities available to young entrepreneurs are restricted. The biggest financing chance is offered by government programs. For 2014 there are six national programs that provide grants of approximately 20 million Euros. The most successful program in 2014 is the program for stimulating the creation and development of micro enterprises by young people - SRL-D (www.exe.org.ro). The program was extended until 2020 with the intention to have at least 550 beneficiaries annually.

The best solution for young people with innovative business ideas to have access both to mentoring and funding for start-up is provided by the Association of Romanian Business Accelerator. The association foster the project Start-Up Romania which aims to create 50,000 by 2020. In this case, the Govern offer 20,000 euros for six months to every young entrepreneur to develop his business ideas (Romanian Business Accelerator, 2013).

In Romania, in the IT sector, business angels are already a widely source of funding, with an equity contribution between 10 - 200,000 Euros. In EU there are about 30,000 business angels and 350 networks and groups organized by these investors. In

Romania, the number is estimated at a maximum of 50 people (Romanians and foreign) and there are 3 informal networks of business angels (InfoLegal, 2014).

Beside these 2 funding sources mentioned, there are some alternatives less developed in Romania. One is *crowdfunding*, an evolved form of fundraising that occurs only online and offer rewards to investors, with the support of thousands of people from different parts of the world (<http://crowdfunding.alumni.ubbcluj.ro/>). Generally, projects in Romania are supported by only a few dozen people, rarely exceeding a hundred. This is due to lack of visibility of crowdfunding platforms and weak entrepreneurial culture in Romania where people are not willing to invest because of mistrust.

The second weak funding source is the *bank loan*. Banks continue to consider the SME loans as very risky. To a certain extent some of the micro and small enterprises benefit of microfinance up to 30,000 Euros, from non-bank financial institutions.

For starting a business, besides financial resources, it is essential to have a knowledge base acquired through entrepreneurial education. In Romania, entrepreneurship education courses are optional and free for young people since middle school (JAR, 2014) and mandatory for high school students. For university students, the range of entrepreneurship education courses is very diversified. In terms of entrepreneurship education, the program with the best results is Erasmus for Young Entrepreneurs. It is part of the Competitiveness and Innovation Programme of the European Union and aims to revitalize the European economy by fostering entrepreneurship among young people presenting them opportunities in domestic markets. Since 2009, there were about 2500 exchanges involving 5,000 young and mature entrepreneurs.

The largest numbers of new entrepreneurs have registered Italy and Spain, followed by Romania, Greece and Poland (European Commission Report, 2014).

Research methodology

For analysing the relationship Young Entrepreneurs - innovative business environment was conducted a qualitative marketing research. The research topic is "Opinions and experiences of young Romanian entrepreneurs on the advantages and disadvantages of owning an innovative business".

Assuming that in Romania there is great potential for entrepreneurship among young people, and each field generates specific needs for young entrepreneurs, some goals have been set for this qualitative research. They cover issues related to:

- Reasons for choosing to be a young entrepreneur in Romania and not an employee;
- Skills for a young entrepreneur to start an innovative business;
- The specific needs and barriers faced so far in the entrepreneur experience;
- Support measures by Govern for young entrepreneurs;
- Solutions for the development of a sustainable innovative business.

The research method is in-depth semi-structured interview (Lefter, 2004, p. 45-46) based on an interview guide consisting of eight themes, as follows: environment challenges for the business; what means to be a young entrepreneur in Romania; entrepreneur satisfactions; skills necessary for a young entrepreneur; the necessity of entrepreneurship culture and education; entrepreneurial risks; Govern measures to support the young entrepreneurs; advice for young entrepreneurs for successful businesses.

The interviews were conducted in the second quarter of 2014. The sample

consists of 12 participants, 6 women and 6 men, aged up to 30. All selected entrepreneurs have economic studies, and half of them are graduates of the Academy of Economic Studies, Bucharest. Subjects are entrepreneurs who have started businesses in the past three years. Their businesses are innovative and belong to different sectors: production, trade, services.

Each interview last maximum 45 minutes and was recorded on audio support (with participant agreement) and then was transcribed in print. The data were processed using NVivo 10 software.

Results and discussions

The results of the horizontal analysis (theme analysis) have revealed interesting aspects regarding the perception of young entrepreneurs about the benefits and challenges of their status in the current business environment.

The first theme concerns the industry's challenges for young entrepreneurs. Their businesses have some common characteristics: there are innovative business (sometimes unconventional) both by the business idea and the new products or services offered. Before selling these products, entrepreneurs must prepare the market and educate consumers about a new way of consuming. All business-related activities are carried out taking into account the environment, with a strong ecological component. The products and services are eco-friendly or support the environment in a certain way. These businesses belong to the sphere of social entrepreneurship by the entrepreneurs' intentions to educate individuals not to waste resources, so the whole could benefit from this behaviour on long term.

One of the young entrepreneurs state that is a huge challenge "to overcome the obstacles imposed by the bureaucracy in obtaining legal identity

and necessary approvals from the competent institutions, because the activity is not clearly stated in the law, and permits and approvals vary from institution to another, although they are similar".

Another interview subject says that the really important challenge in his business field is the connection between individual needs and the needs of society while providing environmental sustainable solutions, good for both the individual and society. Another challenge is related to consumer mentality regarding the environment and shaping consumer behaviour for saving resources. For these new, original products and services, the promotion is essential, because it provides information and education to potential customers.

Regarding the entrepreneurial satisfaction, none of the respondents regrets choosing this career. One of the most rewarding aspects of being an entrepreneur is that "a business built from zero, from nothing, is taking shape" many subjects said.

Young entrepreneurs begin to be very sure of the success of their business idea when investors are supporting them not only with money but also with their confidence. Unfortunately, few young entrepreneurs had the chance and also the satisfaction of working with mature entrepreneurs (mentors) and learn from their experience.

The moment when the business begins to work, to make sense, when sales increase and more and more consumers require products/services in question, is a great satisfaction for young entrepreneurs. Beyond the satisfaction that innovative idea is accepted by consumers, what pleases the entrepreneurs is the clear and encouraging feedback from the target audience, which gives the impulse to continue.

Most subjects consider that being a young entrepreneur in Romania is a real challenge because they perceive the current Romanian business environment as complex and confusing. One respondent stated that: "being an entrepreneur in Romania is a risky thing, but at the same time is a rewarding experience offering both professionally and financially".

Another challenge is the tough competition with other young entrepreneurs, characterized by innovation and professionalism. A young entrepreneurs said that for a sustainable and successful business it is essential to differentiate the business on the market, particularly through innovation of ideas, products or processes. The same interview subject mentioned 3 conditions to succeed as a young entrepreneur in the Romanian business environment: *luck, knowledge and money*.

Most subjects believe they have an important role in today's business environment. They are aware that through their innovative business they contribute to the shape of new consumer behaviours, to market information and consumers education, to create value for customers by promoting new concepts and ideas.

Being a young entrepreneur in Romania is a great alternative for

people who want more than being just an employee. This career involves many moments of freedom and the many opportunities that do not exist for an employee, said one of the participants in the study. He believes that any obstacle can be overcome, and the young entrepreneur can be successful if he considers a few basic principles of running a business and if he maintain a good working relationship with employees and customers.

On the other hand, young people put a warning signal on the entrepreneurial culture in Romania which is in an early stage of development. This shortcoming creates for the society some perception problems on young entrepreneurs. People are sceptical about the business success of a young entrepreneur, due to age, lack of experience or too innovative ideas.

The theme related to entrepreneurs' skills highlights that to succeed in this career young people need personal skills and acquired competences through entrepreneurship education and work experience. Each respondent mentioned from its own perspective some of the essential qualities of a good entrepreneur. The answers are included in figure 1 as a word cloud made by data processing software NVivo 10.



Figure 1. Skills for a successful entrepreneur

Source: authors' own research

According to the figure above, the majority of respondents believe that perseverance is the quality that entrepreneur needs most to resist to the difficult situations. Another very important quality, mentioned by most respondents is the desire to constantly learn, be trained, to have not only the basis of entrepreneurship education, but also to gather collateral information, important for business.

Important qualities mentioned by respondents and the courage and ability to be innovative. It is necessary for the entrepreneur to have the courage to start the business, to make important decisions for the business and the people involved, to resist the pressure and difficulties. The innovativeness of entrepreneurs is essential for defeat the competition.

Participants in the study mentioned many other qualities that the entrepreneur should have: vision, adaptability, flexibility, empathy, honesty, openness.

An important part of respondents associate the idea of entrepreneur with leader or manager. Thus, one respondent stated that "the entrepreneur is a leader who knows how to gather around him the people who make him complete and succeed to create value to the world around him." Another respondent opinion is that the entrepreneur must be: "a good manager who knows how to sell, who has good sales technique, who knows how to motivate the team, who is documented as much as possible in any area".

Entrepreneurial education is an important driver of entrepreneurship. Most subjects said that they seriously attended the entrepreneurship education courses at university, and in addition, they took other courses organized by various associations to develop entrepreneurial skills. Other sources of information mentioned by young entrepreneurs are seminars, conferences, books, interacting with

experienced entrepreneurs. Besides to entrepreneurial education courses in the education system, young entrepreneurs highlights the need and importance of coaching and mentoring that enables them to develop skills, compensating the lack of business experience.

Also, half of respondents believe that the promotion of positive experiences in business environment, the presentation of successful entrepreneurs models locally and internationally have a big impact on young people and on entrepreneurial culture.

Most participants agree that "education, trainings and programs are essential in the business development" but they must be combined with practical experience gained in time.

Any activity involves risks and innovative business more so, due to its novelty which creates uncertainty among consumers. All young entrepreneurs mentioned that they risked the financial resources at first. Business failure would mean the loss of invested money.

Fear of failure has a powerful effect on young entrepreneurs because in Romanian society the failure is condemned. Once they fail, youngsters believe that this will influence their future actions, the people will lose confidence in their abilities and they will not be able to build anything more. Also, most subjects believe that the very idea of opening a business in Romania is quite risky, because in case of failure, they lose not only the money invested, but also many personal values: respect, confidence, position etc. One of the participants in the study stated that "the biggest risk is even the decision to become an entrepreneur".

All young entrepreneurs admitted making smaller or bigger mistakes with more or less serious consequences on them and the whole business.

The most common mistake was underestimating the need for funding to

start the business, the lack of business planning on a few basic components or not stick to the business plan drawn up initially. Also a big problem was the lack of precaution in making decisions related to business and the lack of preparation of backup plans. For innovative businesses the uncertainty related to development is very high, and sometimes the effect of decisions cannot be predicted.

Other mistakes done by young entrepreneurs are related to the relationship with the business environment. Superficial analysis of the financial profile of the business partners and the wrong choice of suppliers and collaborators led to losses for the company.

Disclosure of essential information in a very competitive business environment in which innovations is crucial for the company success, helped the competition to take the ideas and to exploit them for own purpose. Difficult economic environment calls for careful research of the market to identify niches in which innovative products / services would be successful, but also big caution in choosing clients. Because of the products / services novelty, the lack of efforts to promote the business and the products generates confusion among potential customers who are not convinced of the usefulness of these products.

Regarding the state measures to support young entrepreneurs, they want stability and predictability of the fiscal environment and a change in outdated rules and simplification of administrative procedures.

Bureaucracy is very disturbing for entrepreneurs in Romania. One of the subjects stated that the most important measure to stimulate business environment is reducing bureaucracy

"because everyone who wants to do business in Romania, will conclude that 40% of the time is spent in relation to the various Romanian institutions".

Regarding fiscal measures, entrepreneurs propose a tax relief for a year from starting a business and tax incentives to those who are in the first three years of business. Another wish is to improve access to financial resources through easy loans at preferential rates, and increase funding allocated to the business founded by young people up to 35 years.

The respondents consider that state institutions should be more involved in promoting entrepreneurship, facilitating and organizing meetings between experienced entrepreneurs and people who have business ideas. Also, it must be created contexts in which the people having business ideas and initiatives meet mentors. During these meetings, young people can learn and ask for clarification about the specific problems of each area and find answers that are not contained in entrepreneurship education courses.

One young entrepreneur proposes "the creation of incubators for start-ups, a mix between education and funding".

Young entrepreneurs need advice and mentoring, not only to launch the business, but also afterwards for some time. So, the respondents propose the creation of free consulting centres (business, legal, tax consulting) for young entrepreneurs.

Based on their experience, young entrepreneurs have given some advices for those planning to start an innovative business. All this is illustrated in the following figure suggestively through a "word cloud" based on frequency analysis of words said by the respondents.



Figure 2. Advices for young entrepreneurs

Source: authors' own research

The most important element that young entrepreneurs should take into account is the proper planning for the business start phases. They must act on clear business plans which are carefully drawn. This was mentioned by more than half of respondents.

Next advice most often mentioned by respondents is that the entrepreneur should establish inside the business environment a relations system with: business partners, investors, suppliers, customers etc. Solid business relationships based on trust contribute to business development giving win possibilities for all stakeholders.

Young entrepreneurs should not forget that they need to differentiate their business from the competition if they want to succeed, and in this case they need continuous innovation. In the most difficult times, when solutions are not visible, perseverance and confidence to continue are the elements that the young entrepreneur needs.

Another important aspect that young entrepreneurs should be aware of is that financial investments are not made only once at start-up. They will need more financial resources to support current unplanned activities.

Besides these advices shared from the experience of young entrepreneurs there are others not less important:

professionalism, hard work, commitment, adaptability, differentiation, originality.

One of the young entrepreneurs offers a brief but comprehensive recipe for success in business: "Business need money. For a successful business employees or appropriate partners are required. Information help develop great products. And relations help in promoting and developing the business".

Also, another respondent argues that "an entrepreneur is a professional able to accept change, to reinvent himself and adapt to the requirements of increasingly diversified market and consumers."

This research has some limitations related to the respondents and to the process of data collection during the meetings:

- A small sample which is not statistically representative.
- Relatively short interviews (maximum 45 minutes) due to respondents availability.
- Insufficient details for some important aspects due to data confidentiality;

Conclusions and recommendations

Entrepreneurship along with innovation plays an important role in increasing the economic competitiveness and job creation on a global scale. Innovative businesses with chances of success are often started by young entrepreneurs. They are more willing to take risks, they are creative and well informed. Starting a business is a viable option for a career and a serious personal achievement and personal wellbeing. The purpose of this paper was to investigate the relationship between entrepreneurial phenomenon among young people in Romania and the business environment. To achieve the purpose, in a first phase was conducted a brief analysis of the state-of-art of entrepreneurship in Romania. The second phase includes the most important results of a qualitative marketing research that aims to identify the needs and challenges of young entrepreneurs with innovative business in the current complex and competitive business environment.

After the considerable effort of business launching, young entrepreneurs find new obstacles in the business environment, and thus new fears appear, new risks are taken because making mistakes can lead to bankruptcy. With no entrepreneurial experience, and sometimes even no employee experience, young entrepreneurs still need support from state institutions, business environment, academic community and society in general to succeed.

So, this way is created a triangle of needs of young entrepreneurs: financial resources - knowledge - relationships. Financial resources are needed to support the activity. Knowledge refers to information from the business environment, specialists assistance from state institutions, specialized courses offered by the academic community (training courses,

masters etc.). The relationship system refers to meetings and collaborations between young entrepreneurs and mature entrepreneurs or other young people to exchange ideas and support each other, to develop their skills, thus compensating for the lack of business experience.

Based on these results we have made some general recommendations to support young entrepreneurs in developing and strengthening their innovative business.

In this context it is obvious that the Govern should adopt a number of legislative and fiscal changes to support entrepreneurship among young people in Romania. In a stable and attractive fiscal environment, young people with innovative business ideas do not think that doing business abroad is more convenient. It is necessary to improve the access to financing by the adoption of the Law on stimulating individual investors (business angels) so that they could be interested in investing in areas other than IT. Also, to diversify funding sources it is necessary the designing and strongly promoting crowdfunding platforms. Another recommendation involves no taxes on entrepreneurial activity in the first 3 years of business, so that these amounts could be reinvested in the business support.

Information support of young entrepreneurs can manifest concretely in:

- Create local consulting centres (business, legal, tax consulting) free for young entrepreneurs.

- Provide and systematize information related to finance access, consultancy (legal, tax), mentoring etc. on sites of local institutions and the Department for SME, Business Environment and Tourism, in a coherent and effective way.

- State and local institutions should facilitate the linkage between young entrepreneurs and entities (research institutes, business incubators, clusters,

etc.) that can provide the know-how and help to develop the concepts, product prototypes.

Promoting young entrepreneurs in local communities and at national or international level is a springboard for them in the business development. The academic community can facilitate meetings between young entrepreneurs and students interested to start their own business, thus encouraging them in this direction. Chambers of Commerce and Industry could organize events (fairs, exhibitions, seminars) for promoting the image of young entrepreneurs and their products / services. Media sources (television, radio, press, internet) may contribute to promote young entrepreneurs through media business events. Promoting entrepreneurship is very important to build and strengthen the entrepreneurial culture in our country.

Based on the subject approached in this paper, we suggest two future research directions:

- study of dilemma related to young entrepreneurs needs: What comes first: entrepreneurial education or financial resources? Studies should evaluate in a realistic way how much of success/failure of a business depends on innovative entrepreneurial competences and how much depends on the amount of capital available to the entrepreneur?

- Study the effectiveness of resources allocated by the state and from European funds raised for entrepreneurial development and assessment of the effects on the economy and society in the last five years, to determine the added value and competences from new business.

Without studying these issues, further resources will be allocated random and inefficient, without knowing clearly what needs to be funded in each area (education, capital or both).

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