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**MONOGRAPH**

**“WHAT ARE THE ASPECTS TO CONSIDER WHEN STARTING A BUSINESS THAT IS  
PROFITABLE AND LEAVE OUR IMPRINT IN THE ECUADORIAN MARKET?”**

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## Gratitude

I thank God for enlightening my mind, so that I can develop all the thoughts wrote below. To my parents, because from them I learned to be always a good person and to seek the common good above all things. To my teachers who over the years have given me the necessary tools to succeed in my student life. And finally to my friends, who have always supported me in everything I do in life, with a word of encouragement and hope.



## Summary

Entrepreneurship has become something very common in Ecuador, the rate of entrepreneurship rises more and more annually and this is due to several things that happen in Ecuador, from economic crisis, to a change of mentality in the Ecuadorian who decided to follow his dream and have his own business. However, just as the rate of entrepreneurs rises so well, so does the rate of failed ventures, leaving us with an unknown: where do new entrepreneurs fail? These errors are basically: not projecting a business plan, not studying the market, not having the right staff, the fear of growing, and little advice in the economic and administrative field. The sum of all these factors is very dangerous for any venture, because in a matter of months you can lose everything invested in your new business, due to little experience and little or no search for help. This monographic work, seeks to help with all these problems, providing tactics to new entrepreneurs. This is why I speak of several extremely important aspects, such as: that it is a business plan, how to choose a partner, and how to obtain investment in the case of not having capital to start our business. All this to bring in a better way the difficulties to undertake, because difficulties will always exist, the world of business is a very unpredictable world, today you can sell half of your production and tomorrow you can sell barely five units, however with the proper tools and advice I give below you can bring these difficulties in the best possible way, and thus contribute your small grain of sand to the economy of Ecuador, always taking into account your family, and accepting the help of other experienced entrepreneurs.

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## **Introduction**

The present task is a research work on: What are the aspects to consider when starting a business that is sustainable and leaves its mark on the Ecuadorian market, and its fundamental purpose is to formulate tactics that will serve new entrepreneurs, so that when they start their businesses they are oriented towards the possible problems and solutions that may be presented to them, by means of a guided reading of specialized text.

Entrepreneurship in Ecuador is on the rise, as 34.7% of Ecuadorians plan to start their own business in the next three years; this is parallel to the problem that I have outlined below: only 20% of enterprises are reaching their 3rd anniversary. Then 8 out of 10 companies fail. These data make us realize that in spite of the great attempts at entrepreneurship, most of them remain only that... attempts, which leads us to the following questions: What problems cause entrepreneurs to die in their attempt to have their own business? What solutions can be given in this respect?.

Many books talk about all the factors to be taken into account when it comes to entrepreneurship, and all the problems that can arise, but with the economic crisis that Ecuador is going through, adding to this the scarce or null incentive for entrepreneurship, makes us realize that although there is a lot of knowledge in these books that can be applied to our reality, the social and economic situation is not the same, which often leads us to fall into the uncertainty in which we find ourselves and lead us to think: What do I do now? when we come across data such as: a company needs 666 hours a year to pay taxes, and 32.5% of its profits are used to pay them.



It is important to be fully aware of everything that goes into starting a business in our environment, the work I present consists of 5 chapters with their respective conclusions and recommendations that allow the reader to get an overview of each aspect when starting their own business.

## **Chapter I**

### **Starting your entrepreneurship: More than just having the desire**

#### **1.1 How to start your business?**

You could say that this is the most complicated part, to start the business you must take into account a vital aspect, and you must have a business plan. There are several methods to make a business plan, but the most recommended one to use is the Canvas Business Model.

This method helps us to determine: client segments, value propositions, distribution and communication channels, customer relationships, revenue streams or sources, key resources, key activities, key alliances, cost structure; all this projection helps us to see what factors to consider in our business can mean an alteration to the viability of our business.

As Freyre (2005) mentions, "the challenge is to find a middle ground between information and a desire to sell, since a business plan is a sales document that aims to convey to a potential shareholder the enthusiasm and potential for an entrepreneurial team in a specific activity" (p. 89).

##### **1.1.1 Identifying the Market.**

A determining factor in the success of a business is the previous study of the market, the market study helps us to know the behavior of the clients of this market, to know if it is a market that is growing and to know its state, under no circumstance should one enter a market without having done a later study of it, one should not put the economic factor as an excuse for not carrying out a study, because this is manageable. As some authors say:



Today it is easier than ever to learn about markets. For example, it is very easy, through a wide variety of Internet portals, to see which companies are listed on the U.S. stock exchange, which ones operate in different industries, and to access basic data on their activities. (Freyre, 2005, p. 51)

If the budget is low, a market study can be carried out in different ways, either by direct observation, pseudo-purchase, by checking the commercial register of other companies in the market, or by searching for sector studies. All this will give you a clearer idea of the panorama in which your new company is about to enter, to this I add that personally I do not consider that there is a "bad" market, the final objective of the market study is not to label a market as "non-working", because all markets can be worked, the difficulties that can be found in them, are only guidelines that help the entrepreneur to know what characteristics the product must have to be relevant and succeed in the market. Because of the above, the following description is given: "The market rate influences everything a company does" (Blank, 2013, p. 56).

### **1.1.2 Analyze Your Product.**

When analyzing the product the questions to be answered are: What problem helps to solve our product, what solution do we offer, is it innovative, who do we offer it to, and who do we want to define what is going to be offered to the customer, and what does our product have that will make the customers choose our product, before the one offered by the competition, and for this we have to have absolute confidence in our product above all else.



Another aspect to take into account is that every product has a life cycle, it is divided into: Launch phase, turbulence phase, growth phase, maturity phase, decline phase; these are the stages through which every product goes through, starting with the launch, when sales are low and investment is made to make it known; passing through the turbulence phase, in which the product, after being launched, begins to falter in the market due to pressure; then comes the growth phase in this stage the product is already fully introduced into the market and has been accepted by customers, it begins to invest more in marketing, looking for increased demand, the product goes to a stage of maturity, at this stage sales stagnate and innovation is sought to maintain stable demand for the product, finally the decline stage, in this stage sales are reduced, for various reasons, such as that the product became obsolete, or innovation from competition, at this stage the price is lowered to achieve higher sales.

This cycle is inevitable for any product, and you have to be willing to assume that at some point your product will reach the dreaded "decline phase", and you have to be prepared from now on for this stage in which it is best to replace your product with the launch of another, being willing to let the product that is in decline die.

## **1.2 Identify the competition**

The market can become a real battleground, where your company and its competitors are fighting to gain territory; just as in ancient civilizations, in order to beat your rival you must know as much as you can about it.

To do this, you need to know: Who is my competitor (names), how many competitors do I have, how big are they, how strong is their financial strength, what is the quality of the product they offer, what are their marketing strategies, etc. You also need to analyze that the competition can be of two types, direct or indirect.

To make it clear what the types of competition are, let me give the following example: you sell packaged fruit juices, in this case your direct competitors are the other companies that also sell packaged fruit juice (same product), and your indirect competitors are those companies that sell beverages that replace your product, for example, soda factories, yogurt or energy drink factories, companies that sell something different from your product but that even this may decrease the consumer's preference for your product.

### **1.2.1 "Don't see the competition as your enemy, look at it as your school."**

In the marketplace, competitors are seen as the teachers to be measured against. While you're trying to beat the competition, what you're really trying to do is improve for your customers and learn from those who do it better and faster. That is the power of the free enterprise system: competition in the market, cooperation in the workplace. Covey (n.d.)

Usually as entrepreneurs we see the competition as a threat, that enemy to the death that we have, that company causes us envy when we see the sales that it has; the idea of an enemy



competition is the first thing that we must erase from our head, this is one of the most effective tactics but at the same time more complicated to execute in a culture like Latin America.

Every company must make decisions every day, from whether the cleaning staff deserves a vacation, to letting a large investor go due to the percentage of profit they will make by investing in our company, and many competing companies, come to have similar opportunities, and that is when you must analyze the consequences caused to the competition the decisions they made and how it would go to your company if it made the same decision that your competition did.

You must be clear that every company must seek to serve the customer better, and for this you must analyze what your competition does, learn from their mistakes and apply their successes, making it better in your company all for the benefit of the market and your customers, giving them better service and improving in your decisions day by day.

### **1.3 “Plan Z...think of the worst-case scenario”**

You've heard that you have to have a plan B in case something goes wrong, but what if everything goes wrong? another essential element in a business is to have a contingency plan, this plan must respond to one of the three business projections, the pessimistic projection, making a pessimistic projection is very probably the last thing you will think about when starting your business, and it is normal, you are full of passion and emotion, but it is necessary to take



this projection into account because as already said before sometimes everything planned fails, and if we only have an optimistic projection considered we do not know how to act when everything goes wrong.

An entrepreneur must keep in mind the three projections to be taken into account, pessimistic, optimistic and balanced, the positive projection is basically that everything is as planned, under optimal conditions and quickly, for example, a company makes a sale of publicity banners in \$10000, to a hotel located 200 km away that needs the product for the next day, the shipment will be made by DHL and is supposed to arrive in a maximum of 2 hours, the positive projection would be that all this as it was planned there is no problem in the shipment and the customer receives your product at the time offered.

Taking this same example but now from the negative projection, let's imagine that there is not a stock of the determined quantity of product requested in the warehouse, and at the moment of sending the product we are informed that it will arrive a day after what was offered, these are the aspects that a contingency plan should take into account, the contingency plan should study everything that could go wrong, so that we know how to face the situation when these problems arise.

It should be stressed that a contingency plan does not guarantee that we will be able to get out of the problem presented in a good way, but it is essential to face external and internal problems when dealing with a client, making a decision or making a risk investment.

## **Chapter II**

### **The priorities of every business**

#### **2.1 Economic Resources**

The economic factor may be to some extent the most important, because if we stop to think, if I want to start a business selling exclusive Italian books, I need money to be able to import them, this would be our capital. Capital is the money we need to start our business, especially when it comes to the manufacture or sale of a product; capital is not as indispensable in companies that offer services as, for example, a company that offers the service of updating and cleaning computers, this can be done by a person with minimal capital or even no capital at all, since he does the work personally without major expense. As some authors mention:

There are projects that do not require significant initial capital, but for others it is an indispensable condition. An entrepreneur who sells carpet installation or home computer repair services, for example, may not need capital, as his or her business is substantially dependent on his or her own "human capital" (Freyre, 2005, p. 110).

##### **2.1.1 Working Capital.**

"Many people believe that the entrepreneur who has obtained investments for millions of dollars takes that money into his pocket. Nothing could be further from the truth! All the capital raised in a capitalization round is allocated to the project. (Freyre, 2005, p. 107)



Working capital comes to be all the money you invest in your business, the most appropriate is to raise working capital before starting the business, if we talk about a manufacture of products is of vital importance, and there can be many ways to get it these range from getting a professional investor, an angel investor or even using the investment of friends or family.

Which is the most suitable? Commonly the entrepreneur without capital usually begins with a capital granted by his family and friends, something very common especially in Latin American countries, then you can pass to the investor "angel" ( "angel" investor comes to be a private person who has his own funds and is willing to invest in businesses that are starting) however you should be very careful, do not forget that an investor is synonymous with a partner, and what some people want to start with is to have a partner with whom they cannot have a good relationship. Finally, if the project is developed in the best possible way, they can look for a professional investor to expand the business already established.

#### ***2.1.1.1 Can you start without capital?***

As mentioned above, capital will not always be needed to start the business. On the other hand, there are businesses that do need capital in order to start, usually in first world countries, when an entrepreneur is looking to start a business and finds himself with the fact that he has no funds to start it, he turns to options such as: making a loan to the bank, resorting to private organizations that support new ventures, or even non-governmental institutions, for example the Minority Business Development Center (MBDC).

In Latin American countries, similar mechanisms are also present, but they are very limited for entrepreneurs, in whom ideas such as the sale of certain personal properties arise in order to acquire the necessary capital (which is rarely raised), taking them to a decisive point where they think it is a good idea to start with the little they have or renounce their dream. In most cases, the business is not started.

To start a business without capital, you need to consider: fixed asset investments, operating losses and working capital. So to start a business without capital, all of the above should be studied, and a business should be set up in which the need for investment in fixed assets is minimal, accounts payable are cancelled as quickly as possible and accounts receivable are given as quickly as possible, and there are no operating losses or practically no operating losses.

Some authors point out that: For this reason, the most interesting sector for entrepreneurs without initial capital is that of services. As it does not require machinery and facilities for the production of goods - or a stock of goods to market - in a variety of service areas we can build businesses with very little investment” (Freyre, 2005, p. 145)

## **2.2 'Partners' is a double-edged sword.**

It is very common that when starting a business you look for the investment of a partner, there can be different scenarios; it can happen that the partner is a relative, a friend, or a stranger willing to invest in our business. The first two cases are usually the most common at present, but it is not very recommended, because most of the times this can bring certain problems in



personal relationships due to everything that implies a business that is just emerging in the market, if you are going to make this type of partnership the best thing is to make sure you leave the limits well defined, it is good to share the same vision and values at the business level. The other case is when you get a partner to invest in the business, this must be chosen very carefully to be able to choose it must take into account certain aspects that when making decisions together can influence the performance of the company.

As the text mentions: "In the capital market, the entrepreneur needs the investor but, at the same time, the investor needs the entrepreneur" (Freyre, 2005, p. 132). It is essential to look for a partner who has the best talents, must define your values, mission and vision, must be someone with whom you can establish a good relationship, it is never good to have a partner with whom you cannot understand, if you look for a partner who has skills that you lack, is one of the ways to ensure that the start will succeed. The partner must know how to listen and evaluate the options when making decisions, especially when you are not present, because when you are, there will be times when you must place all your trust in that person. It is also very important that from the beginning of the relationship with your partner, it is established what are the obligations of each one and their role within the company, this makes easier the management of the company and helps to avoid misunderstandings....

It should be stressed that all the above does not guarantee that there will be no disagreements with our partner, because you can never have the same way of thinking when making decisions, however, the aspects to be considered when choosing a partner, reduce the frequency of



disagreements, and the nature of them, resulting in a good atmosphere in the administrative sector of the company, which is vital for performance and the successful of it.

## Chapter III

### Ecuadorian Market: Pros and Cons

#### 3.1 Current situation of the Ecuadorian market

“Thus, since its origins, the economy of the Republic of Ecuador has gone through a series of periods of boom and bust, closely linked to the cycles of the central capitalist economies.”

(Alberto Acosta, 1995, p. 15)

Ecuador is a country that since its beginnings as a republic has depended on the exportation of raw materials or finished products; being the exportation of raw materials, the central axis between these two. Throughout history the country has come to depend for certain periods of time even on the export of a single product, the main protagonists of these booms being the following products: Cocoa (from 1870 to 1914), Banana (from 1940 to the beginning of 1950) and oil (from 1972 to 1979) (from 2007 to 2014).

Making a historical account, we find the first great bonanza of the Ecuadorian market. The Cocoa boom was the cause of a great economic growth in Ecuador, due to the great production of this product in the Coast and Sierra of Ecuador; the surplus began to be exported and generated profits never before seen by local producers. With the arrival of the 20th century, Ecuador became the main exporter of Cocoa, with the world's major purchasing countries being the world's leading cocoa producers: United States, Japan and European countries. As a consequence of all this, there were notable improvements in the country, with the producing

sectors being the most benefited, with an increase in the number of jobs and a structural improvement in the producing cities.

This was followed by another of our country's historical booms. The banana boom was a significant period of increased banana production and export. The export and sale of bananas strengthened other sectors of Ecuador's economy and society. It inserted the country into international markets, making bananas the central axis of the Ecuadorian economy. All this was due to several factors that stand out: the increase in demand for bananas due to the opening of the U.S. market to exotic fruits and the destruction of banana plantations in Central American producing countries due to plagues and recent hurricanes.

Ecuador's last bonanza was with Oil and it was in two periods of time. The initial period was with the discovery of the first oil well in Ancon-Santa Elena, however, commercial production did not occur until 1925 and export in 1928. Oil represented only 6% of Ecuador's total exports. In 1972 alone (the year of the oil boom's inauguration), 42 million barrels of oil were exported, the same amount that was exported between 1928 and 1957. This is because the exploitation that until then had only been concentrated in the Province of Santa Elena, to the point of declaring its deposits practically exhausted, causing the state to grant hectares in the Amazon region for exploitation by the Texaco-Gulf consortium. During this period there were many improvements in Ecuador, because as some authors mention:

The oil boom not only had an impact on important economic growth, but also on considerable improvements in education and health. The illiteracy rate among those over



10 declined from 24% to 15% between 1974 and 1982, and the schooling rate of the population over 6 years of age rose from 3.6 to 4.7 years in the same period. (Larrea, 2006, p. 63)

The second period of the oil boom came after the exit of the Texaco-Gulf consortium, and with the new hydrocarbon policies, the Ecuadorian state invested in the oil exploitation of crude oil, for its subsequent export, obtaining all the profit from the export of the barrels (something that did not happen in the first oil boom). A large increase in demand caused an increase in the production of barrels for later export, making oil the new axis of the Ecuadorian economy. However, this boom ended abruptly, as demand dropped drastically, generating a reduction in the value of the barrel, adding to the problems of the quality of Ecuadorian crude oil, which was largely surpassed by crude oil produced in countries in the Middle East.

At present, exports continue to be Ecuador's main economic income, however, these are divided into sectors that emphasize the great diversity of products that go abroad (mostly raw materials), with the result that: 46% of exports correspond to crude oil, 14% to exports of bananas, 3.7% to flora, 2.4% to coffee and its products, 4.7% to frozen seafood, 4.5% to fish, and 24.7% to other products exported in smaller quantities such as automobiles, wood and textiles.

### **3.1.1 Possible difficulties in starting your business.**

Difficulties in starting a business often do not depend on the entrepreneur's abilities, but can often be the result of the policies of the country where the business is being started. In the case of Ecuador, the difficulties are many, which in turn are widely supported by research carried out by

foreign or local entities. All these difficulties are making Ecuador less and less attractive for foreign investment.

According to the Doing Business 2018 report (produced by the World Bank), after evaluating ten business parameters in 190 countries around the world, Ecuador ranked 118th, down four places from last year. These data are very worrying because they make us realize how difficult it is to start a business in our environment today, whether it is due to taxes, legal procedures or even other difficulties, for example: the lack of flexibility in the workplace.

#### ***3.1.1.1 Taxes.***

Taxes have been a very controversial issue for the Ecuadorian people since colonial times. The same happens in the business sector, since the same Doing Business 2018 report, after the calculations made by the World Bank, should be used in the country for 666 hours per year (between 27 and 28 days), only to pay taxes. The total tax rate in Ecuador represents 32.5% of a company's profit. Figures that reduce interest in foreign investors. The taxes to be considered in Ecuador are as follows: VAT, Income Tax, and Tax on Total Assets, Contributions to Regulatory Government Entities, Urban Property Tax, and Special Corporate Capital Tax. There are also taxes that are only applicable to certain business sectors such as the: Tax on Special Consumption, Tax on the Transfer of Real Estate Titles, Customs Taxes.

Taxes are an aspect that must be considered very carefully when starting the business, because as we saw in chapter I, when starting the business we must have a business plan, and if we do not consider taxes in this plan, our business would cease to be real, so it is recommended to be



advised by a trusted accountant, this will help you not have any tax problems with the SRI (entity that regulates taxes in Ecuador). If taxes are not considered in the business plan, our company will not have a real business plan.

#### ***3.1.1.2 Legal Processes.***

One of the aspects in which Ecuador has fallen the most is when it comes to carrying out legal procedures, since to obtain everything related to operating permits, firefighter permits and even building permits. This situation was accentuated with greater intensity, with the appearance of the law of surplus value, as this forced all the municipalities to create new processes, documents and procedures. All this is related to the fact that in Ecuador it takes 49 days to start a business formally, while in other countries this can be done in seven (Chile) or eight (Colombia) days. It is highly recommended to have a lawyer to handle the legal procedures of the company once the profits allow the cost of one, as it is a way to ensure that all documents are up to date and avoiding fines and legal problems.

### **3.2 Dollarization**

The author of "The Book of Dollarization" mentions this event in Ecuadorian history:

It is simply a process by which the currency of current use in Ecuador ceases to be the sucre and becomes the dollar. Consequently, everything has to be expressed in the new currency: salaries, prices, bank accounts, etc. (Paredes, 2000, p. 18)

The dollarization took place in 2000, decreed by former President Jamil Mahuad, after an accelerated and abysmal devaluation of the sucre in relation to the dollar. To prevent the

difference from becoming more and more abysmal, the change from sucres to dollars was decreed, because of all the problems that arose with the sucre, there was distrust in investors, who became speculators of the market, since it was more feasible to speculate than to invest in a currency as devalued as the sucre. However, as some authors mention:

The dollarization proposal announced on January 9, 2000 was a lifeline, the wealthiest economic sectors recognized in this decision a change of course in the Ecuadorian economy and quickly aligned themselves with the government, although there were still voices that, while agreeing with the measure, are still not convinced that ex-president Mahuad is the best for its implementation. (Palán, 2000, p. 215)

The dollarization made Ecuador the only Latin American country that does not have its own currency; however, this brought with it many advantages and disadvantages, which I emphasize below.

### **3.2.1 Benefits.**

As a benefit of the dollarization process, we can see that fiscal discipline is generated as long as the government cannot issue money. The fiscal deficit is corrected only with financing, taxes and loans. We can also see that this results in long-term planning, since dollarization gives stability to Ecuadorian companies, because the dollar is a strong currency that has stability.



Added to this is the fact that the dollar makes Ecuador a country that is easier to deal with because, unlike our neighbors, our currency can be managed internationally without the need for any conversion, something that investors take into account. It should also be taken into account that the dollar in the region is a currency that is equivalent to the currencies of each Latin American country, as is the case in Peru where a person can buy many things with a few dollars, something that helps companies to bring products from other Latin American areas.

### **3.2.2 Disadvantages.**

The disadvantages of dollarization are that since it is not a currency of its own, the state cannot produce inflation to finance the budget deficit because there is little monetary flexibility. However, as already mentioned, the dollar is an international currency which has an almost unbreakable stability and with the passing of the years is getting stronger and stronger, it could be said that thanks to this the business sector is not affected by dollarization.

## Chapter IV

### **That your entrepreneurship has rock-hard bases**

#### **4.1 The business has already grown.... And now?**

Many times a business can develop in an accelerated way and begins to expand a lot; however, when the business grows is perhaps when you have more problems when managing it. This growth means an increase in the demand for our product and this in turn means new expenses to cover the growth of this demand and if you do not know how to handle well the money that is being earned in this boom, to reinvest it in the company and thus pay for its inevitable growth, otherwise it is very likely that the business is in danger and end up closing.

In order to do all this, several key aspects must be taken into account once the business has grown. The main mistake is to let us go by the "success", it is very common that a company has a stellar customer, either the one who buys in greater quantity or the one who buys more frequently, however when this happens the entrepreneur is often wrong and supports his entire growth plan in this customer, something very bad, because you always have to remember that no customer is forever.

This is why when it comes to grow, is to attract more customers and not just stay with the customer stellar, knowing that we may fail at some point, to achieve this the most advisable is to start marketing strategies in many cases are only used by younger entrepreneurs. The main one is the promotion by social networks, something that may seem very simple, but it is not, for this only one thing is needed: perseverance. The platforms where you can start this marketing



strategy are many, but personally, I consider that the most recommended are Facebook and Instagram, two of the platforms with the largest number of users. It may be the case that you are not very technology friendly and for this reason resort to a Community Manager (person exclusively responsible for managing the social networks and websites of a business), however, taking into account that the company is in the process of growth, and that a Community Manager can cost from 350 to 800 dollars per month (for each account), an expense that for a growing company can become somewhat high. This money can be saved, if you take charge of the marketing strategy yourself, remembering that at some point a Community Manager will be necessary, because a company that has already grown and can afford these expenses, must have an active and constant marketing strategy in its social networks.

Another problem when it comes to growing as a company does not want to lose even the slightest bit of control over the business. The entrepreneur must learn to delegate, and not fall into this erroneous thought: "It is that if I do not do it, things are not done well. You must understand that you are not "superman" and you will have to share your efforts, otherwise it will become very easy to lower the quality of the product and service, and while you win on one side, you lose on the other. This is why you must be ready to delegate the work; otherwise there will be consequences for you and the client. For this, consider the following phrases: "My job is to make the whole team good enough to be my successors" (Steve Jobs, 2010). "I have found that being honest is the best technique I can use right up front, tell people what you're trying to accomplish and what you're willing to sacrifice to accomplish it" (Lee Iacocca, 2009).

To be able to do this delegation is essential to have a capable staff, who are effective and carry out the activities delegated to them, however, must be very careful and not have full confidence in all its employees, remember that: "We see the faces but not the hearts," with this I want to instill distrust throughout the world, or hermeticism. But certain precautionary measures must always be taken.

## **4.2 Other Pillars Fundamental to the Business and You**

Many times the pillars of a company are not inside, because not only internal factors are crucial for the company and also not only what happens in the company affects the entrepreneur.

### **4.2.1 Other professionals.**

This is something very important for an entrepreneur, to relate to other professionals who can help and advise you in your business. Any professional who can give an external point of view of a company is useful as a second opinion. But the most important are: market analysts, accountants, other more experienced entrepreneurs and commercial engineers. All these professionals can't help you see our business decisions and give us advice, but it's always up to you as the business owner.

### **4.2.2 Your Family.**

This part of the chapter is not so technical, here I have decided to talk about a little of the inspirational and emotional part of the person, because this can also influence the mind of the entrepreneur. In most cases, an entrepreneurship can be the light at the end of the tunnel for a family that is going through economic problems due to the current crisis. All these factors are the key point of the entrepreneurship, because the entrepreneur has as support for his business, the family nucleus. No matter how successful the business may be, it should never be forgotten that



money is not everything, there is nothing more important than the family. It is not right to see the family as an obstacle on the road to success, better see it as that force that helps you move forward. Personally I consider the family to be the core of any business, because they believe in you and your idea, even if you consider your idea is not the best.

#### **4.2.3 The country.**

Another thing to think about when entrepreneurship is how it will help the country, the Ecuadorian entrepreneurship is the fundamental weapon against the economic crisis, this helps the country's economy a lot, and that is something good for all of us. Entrepreneurship is a way of doing our bit, for the Ecuadorian market to grow, is a way to ensure a better future for new generations, a prosperous country and positioned in the international market. Remember that there are no bad ideas; you just have to see it from all angles to know how to use it.

## **Conclusions**

At the end of this monographic work it is concluded that:

- Companies must always have a business plan, this helps to project our ideas well and have greater control of what happens.
- A partner can be very useful in our company, however you must choose the right way, otherwise the partner can become your worst enemy.
- The entrepreneur must know how to handle the information correctly, because this is vital to be able to overcome the difficulties that arise.
- Entrepreneurship is a way to reactivate the country's economy, through the correct implementation of tactics to position itself in the market.

## **Recommendations**



At the end of this work it is recommended that:

- Before starting a business, carry out a market study and a business plan to determine if it is profitable or not. This would avoid a loss of money either by investing in the wrong idea or by not knowing how to develop it.
- Perform a great filter when selecting work personnel to whom to delegate vital functions for the company.
- Usar las redes sociales como medio de marketing, teniendo en cuenta que este medio es el más rápido y accesible para promocionarse.
- Read the book "El emprendedor ecuatoriano: Como aplicar técnicas exitosas al emprender un negocio" by Rafael Guzmán Morán, because it is the only book that talks about entrepreneurship at a national scale.
- Don't become an enemy of the competition, try to have a cordial relationship and learn from your mistakes.

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