

# ЯЗЫК, КУЛЬТУРА, КОММУНИКАЦИЯ

УДК 005.511

## BUSINESS SUCCESS AND FAILURES

*Karolina Baltrukevičiūtė, Nerijus Paldūnas, Rokas Širvelis, II course*  
*Project supervisor – Olga Buckūnienė*  
*Vilniaus Kolegija / University of Applied Sciences*

**Introduction.** Nowadays more and more often people choose to start their own business and be self-employed, even if it is very risky. People choose self-employment because they want to be independent and this does not require higher education. Selected business success depends on personal skills, personal initiative, knowledge, efforts and time. It is the reason why it is very important that anyone who has started their own business should pay a lot of attention and their time to develop skills needed for leadership. They should set appropriate targets and see their business in the future, learn how to adapt to innovations, to able to distribute the work properly and have good time management skills. In only 4% of people who take to build a business, it is necessary to fully understand these factors in order to increase the percentage and to reduce the risk.

### **Internal factors affecting business successes and failures.**

Business is a personal risk-based self-employed activity, which aim is to make a profit. This requires personal skills, knowledge, time, money and other people's work. Does the business generate profits, will

be successful or will experience losses and failures, are determined by many external and internal factors. One of the most important internal factors is a business leader influence to a company.

Some say that entrepreneurship is innate, and from an early age, people have a certain vein and properties, in addition, it confirms that only 4% of people take to start your own business. Other people think that you can learn entrepreneurship like we learn to read or write. Both opinions are correct, because in order to have a successful business you need to put a lot of work and have certain properties. [5] Every manager should be observed for at least a few of these features: awareness, willingness, empathy, responsibility, trust, openness, inspiration.

Often companies are in decline due to mismanagement, when company leader allows to predominant feelings and personal needs in important decisions. It is also often prevented by indecision, irresponsibility, when criticism is accepted not properly, employees are accused for bad decisions [4] Leader with his behavior, words and works should represent the company and that is why he should ensure that employees would want to reach company success and goals. For example, Max Nisen (2013) in his article writes – Carly Fiorina came to lead Hewlett Packard's company as a real celebrity and because of that company had a big damage. She initiated immediately major changes, because it is just her personality – that is how the public sees her. She took radical and not needed decisions and harmed the company. Why her ego was more important than the company. Finest business leaders aim – to create a successful company, not him–self. [3]

It is also very important for the company's success rate and it is a common mistake – the business mission and vision formulation. Mission is a main and exclusive purpose of the organization's objectives in general. Vision is an organization's future image. In these two seem to be insignificant sentence formation each company should put a lot of effort and attention. Both of managers and employees as well as customers want accuracy, want to know that the selected company has clear goals and aims and sees the business in the future. Having a clear purpose helps to achieve it, because knowing what aim is helps to find the optimal means to achieve this, create plans for the future. There is another great example of Max Nisen (2013) Article – „Pioneer Seed“ was the largest company in its market, seed grain market. The company worked directly with farmers and end–users. When biotech companies came into the market, Pioneer Seed decided to expand this area. *Then the goal became unclear and this affected its financial results until the company finally was purchased.* [3]

In summary, it can be said that the greatest success in business, speaking about internal factors, depends on company's leader actions, decisions and his behavior. A lack of managerial skills can be a cause of company failure. Also, very important factor is to properly formulate company's mission and vision. Mission and vision describes company's ability to see future activities, gives concreteness and helps to find the measures to reach company's success. Otherwise, it could mean losing out on business specificity and accuracy and not knowing what is the reason of your business existence.

#### **External factors affecting business successes and failures.**

Business origins are associated with ancient times when people sought to get tangible or intangible benefits in return. Over the centuries the business was evolving, appeared in his other forms, ways of payment had changed. It was influenced by many various external factors. One of the most important factors, and probably had the greatest impact – the eighteenth–nineteenth century industrial revolution. It took place as changes in production technology and organizing, manufacturing was changed from the manufactory to the large–scale machine production. The division of labor and specialization led to a huge increase in productivity facilitate corporate job. [2, p. 30] This is relevant for today's business, because it is very important to know how the company is properly allocating certain activities of individual professionals in their work. Work is divided by the professionalism. If it has been taken into account the qualifications you can see from working efficiency. The work is divided between the members of the organization by the time, place and product. Another example of Max Nisen (2013) article, “Kmart” has been a pioneer in US retail sales, however, focused on a different clientele. Meanwhile, “Walmart” was focusing on the best price and “Target” has followed a strategy of differentiation. “Kmart” attempt to take both strategies had ended up with company bankruptcy in 2002. [3]

The second very important external factor is permanent changes of the modern world. Probably everyone knows, or can easily find a company that has experienced loss, decline or went bankrupt because it was unable to timely respond to modern innovations and developments. With such a rapid growth in the global technology company must be able to adapt to the situation, otherwise the goods or services offered can be quickly replaced and unwanted. [2, p. 33] An excellent example is the company

"Copy1, which provides printing, laminating, copying, binding and other services. The business target market is students whose studies are increasingly adapted for computers, printing is no longer so necessary. "Copy1" company has realized that for several years revenue from printing and copying services are falling, so they decided to adapt to changes and offered extra services related to computer technology. For the example – compact disks, e-shop, scan, online orders.

The third external factor is time. Not for nothing people say that time is money. Time which is properly planned and used, in this century, is another factor leading to success. Time management skills are necessary for effective business and for every human being. Usually those who use time management techniques are successful in business [1, p. 22].

One of the biggest problems in many companies is that they really has to work often, but achieves little, because they are focused not on the most important works and pays too much effort and time for that.

## References

1. TETT, Gillian. Ji vadovauja IBM: Ginni Rometty, Verslo klasė, 2015, March, p. 20–24. ISSN 1648–6374
2. VOLDEMARAS, Mindaugas. Gėdingas faktas apie jūšų įmonę. Verslo klasė, 2015, March, p. 30–33. ISSN 1648–6374
3. NISEN, Max. [on–line] Dešimt didžiausių verslo nesėkmių. Verslas ir jo pradžia, 2013, March 11. [Previewed on 2016. 7 March] Access on the internet: <<http://www.verslas.in/desimt-didziausiu-verslo-nesekmiu/>>
4. Savybės, kurias turi geriausi vadovai. Vadyba. [on–line]. [Previewed on 2016. 7 March]. Access on the internet: <<http://ekonomika.tv3.lt/naujiena/savybes-kurias-turi-geriausi-vadovai-47783.html>>
5. Francesca Gino, Gary P. Pisano [on–line]. Why leaders don't learn from success. Harvard Business Review, 2011, April. [Previewed on 2016. 9 March] Access on the internet: <<http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?vid=15&sid=f90bb482-2e4b-455a-b763-47de97429292%40sessionmgr113&hid=124>>
6. Rasel [on–line]. Why do small businesses fail? Entrepreneurship, 2015, June. [Previewed on 2016. 10 March]. Access on the internet: <<http://bankofinfo.com/why-do-small-businesses-fail/>>