

### Startup management: benefits and limitations of the "Lean Startup" method and its importance for Algeria's entrepreneurial ecosystem

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#### Abstract:

Between the "success stories" and the high mortality rates that characterize the startups, this article raises the issue of startup management. The article defends the hypothesis that the "Lean startup" methodology has an important role in the management of startups, and a salutary contribution to the development of entrepreneurship in Algeria. For that, the article analyzes the contributions and limitations of the "Lean startup" method. Then it analyzes the appropriateness of using this method to manage startups in Algeria. The article's conclusions confirm that the main pillars of the national entrepreneurial framework have been put in place, and that those involved, especially the state actors, are committed to the process. As well as the contribution of the "Lean startup" methodology, despite certain reservations. Finally, the article concludes that a certain number of conditions must be met before the method can be applied in Algeria.

**Keywords:** Management, Startup, Lean startup, entrepreneurship, Algeria.

JEL Classification Codes: M 13, M 130, L260.

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#### **Introduction:**

Major upheavals are affecting business management, due to the impact and combination of several factors: era of digital revolution, new forms of work organization, democratization of venture financing and innovative entrepreneurship. This new context is contributing to the emergence of a new business model compared to the conventional approach: the Startup.

In fact, the startup model is spreading throughout the world's economies, with "success stories" evoking the transition from startup to multinational based on innovation and high growth rates, yet there is a huge failure rate coinciding with the startup's launch phase. In this context, the "Lean startup" method proposes a scientific methodology aimed at reducing the high failure rate of young companies.

Thus, our problematic revolves around the following main question: What are the contributions and limitations of the "Lean startup" method during the startup launch phase? And what could be its importance in the Algerian entrepreneurial ecosystem?

And to address this issue, our main research hypothesis confirms the undeniable contribution of the "Lean startup" methodology to ensuring the exponential development of startups worldwide and in Algeria.

The importance of the study lies more in the search for effective tools to improve startup management on a day-to-day basis, and it's worth taking advantage of them for the Algerian entrepreneurial context.

The aim of the study is to shed light on the "Lean startup" methodology, which is intended as a managerial solution to the problems encountered by startups in the launch phase, and to understand its application in relation to the entrepreneurial ecosystem in Algeria.

In fact, a number of studies have addressed these issues, including this one (Blank, S., 2013) defending the originality of the "Lean startup" method in the entrepreneurial field. The author explains the steps and techniques of the method, while drawing parallels with the old regime. According to the author, the interest of the method lies in reducing the failure rate of start-ups, and could give rise to a more entrepreneurial economy under certain conditions.

While the authors (Terseleer, A. & Witmeur, O., 2013) question the effectiveness of the "Lean startup" method between "fad" and "best practice". The latter admit that the method is the fruit of a current of entrepreneurial thought that capitalizes on several existing practices, thus reducing the risks incurred by entrepreneurial projects. Nevertheless, the

study, which involved entrepreneurs and coaches from a wide range of backgrounds, warns of a series of risks and proposes a number of conditions for success.

Finally, the study by (Bekaddour, A., 2021) takes stock of the startup ecosystem in Algeria, which includes a system of assistance and support for business creation (incubators, accelerators and investors). Nevertheless, the study concludes that the ecosystem is still in gestation and needs to be developed through the implementation of numerous measures.

To achieve these objectives, the present contribution is based on an analytical and descriptive approach in its various parts.

After the introduction, the study analyzes the benefits and limitations of the Lean Startup method. Then the study takes stock of the Algerian entrepreneurial ecosystem and analyzes the appropriateness of applying the method in relation to its characteristics. The conclusion identifies the main prerequisites for applying the Lean Startup method to Algerian startups.

#### Firstly. Analysis of the benefits of the "Lean Startup" method:

The contributions of the Lean Startup method to the success of a startup's launch phase can be elucidated both theoretically and practically.

## 1. Analysis of the theoretical framework of the Lean Startup method:

Several definitions attempt to define the particularities of the startup. First of all, the etymology and history of the term "Startup" tell us a lot:

- Etymology of the term "Startup": an English word of American origin, short for "Start-up company". It's made up of "start" and "up". Literally, it means "creation of a company". The first recorded use of the word "Startup" dates back to 1851, in a newspaper article in the United States.
- History of the term "Startup": 1920/1930: term appeared on Wall Street during the Radiomania period, characterized by massive investment in companies specializing in wireless transmission (innovation). 1939/1945: commercialization of new technologies by American startups. 1970/1980: creation of the modern startup ecosystem. 1976: the term is used in an article in Forbes magazine. Since 1990: the term has become popularized through the development of new business models (profit), the rise of venture

capitalists (financing) and the emergence of a new generation of entrepreneurs (ambitions) in the USA (dot com/Internet companies) (FasterCapital, 2023).

Eric Ries, author and designer of the "Lean Startup" methodology, defines a startup as: "A startup is a human institution designed to deliver a new product or service under conditions of extreme uncertainty" (Ries, E., 2011, p. 39); While Steve Blank (Silicon Valley pioneer): "A startup is atemporary organization designed to search for a repeatable and scalable business model" (Forbes, 2012); and Peter Thiel (co-founder of PayPal), the aim of a startup is to: "the goal of a startup is to go from 0 to 1, to turn an idea into a sustainable business with a profitable business model by finding a new way to provide service and create value" (Thiel, P. & Masters, B., 2014).

Thus, the notion of startup is linked to a set of fundamental characteristics that differentiate it from other modes of enterprise, in particular a transitory existence and managed by adapted management methods such as « Lean Startup » (Blackman, A., 2023).

Consequently, the "Lean Startup" method is a current of entrepreneurial thought developed by a number of authors, whose main aim is to make a success of the startup's early phase.

Two main authors are at the origin of the "Lean Stratup" method. Firstly, Steve Blank (Steve Blank teaches entrepreneurship at Berkley University and Stanford University. He is also a founding entrepreneur of several startups in the entertainment, services and military fields, including E.piphany (1996), Zilog, MIPS Computers, Convergent Technologies, Pixar, Ardent, SuperMac, ESL, Rocket Science Games. blogger and author), who launched the method with his book "The four steps to the Epiphany - Successful strategies for products that win" (Blank, S., 2003), in which he describes his Customer Development Model (CDM consists of four distinct but interrelated stages: customer discovery, customer vallidation, customer creation and company building), which he contrasts with the traditional Product Development Process approach, and defines as: "a set of meaningful goals and milestones for a startup" (MaRs, 2024).

Next, Eric Ries (a student of S. Blank) focused his research on the integration of process (CDM) with agile product development principles through his 2011 book "The Lean Startup - How today's entrepreneurs use continuous innovation to create radically successful businesses", which popularized the Lean Startup method (Ries, E., 2011).

Other experts and authors have contributed to the popularization of the "Lean Startup" methodology, such as: Ash Maurya, creator of numerous tools including the "Lean Canvas" and "Running Lean" (Ash Maurya has published two indispensable books for startup founders: Ash Maurya, La; Ash Maurya, Running lean - Iterate from plan A to a plan that works, O'Reilly Media, 2012; Ash Maurya, Scaling Lean- Mastering the key metrics for startup growth, Portfolio, 2016. Ash Maurya has published two indispensable books for startup founders: Ash Maurya, La; Ash Maurya, Running lean - Iterate from plan A to a plan that works, O'Reilly Media, 2012; Ash Maurya, Scaling Lean- Mastering the key metrics for startup growth, Portfolio, 2016).

Thus, for E. Ries, Lean Startup: "is really just a more scientific way of making decisions about the product team and resource allocation" (Lean Startup CO., 2024). Indeed, the method asks two main questions: "Should we build this product?" and "Can we create a sustainable business around this set of products and services?" (Ries, E., 2011, p. 61). According to Ries, the answer is obvious: startups exist to learn how to build a sustainable business, and to do so by conducting frequent experiments (Ries, E., 2011, p. 18).

Thus, in addition to its original sector of high-tech software, the method is applied in all sectors of activity and in companies of all sizes, and even in the public sector (Ries, E., 2011, p. 18).

For each implementation, the method aims to achieve the following objectives: support the startup during the launch (start-up) phase and make it a success; develop new innovative products and improve their success rates (Ries, E., 2011, p. 17).

## 2. Analysis of the contributions of the practical framework linked to the "Lean Startup" method

In practical terms, the Lean Startup method aims to respect five fundamental principles and implement them through a well-established process. The fundamental principles of the method are:

#### - Principles n°1: Entrepreneurs are everywhere

According to the "Lean Startup" methodology, everyone working in a startup should have the characteristics of an entrepreneur, i.e. entrepreneurial spirit and innovation. It's a new approach to work management called "Entrepreneurial management", summed up by Vivek Kundra (Vivek Kundra was the first federal chief information officer in the Obama administration between 2009 and 2011) as follows: "Think

big, start small. Scale fast" / "Think big. Start small. Scale fast" (Ries, E., 2011).

#### - Principles n°2: Entepreneurship is management

According to the "Lean startup" methodology, a startup needs a new type of management specifically adapted to its context. Indeed, the "standard general management manual in the context of extreme startup uncertainty leads to disaster". Startupers repeatedly ask themselves the following questions: Are we making progress? Does my work create value? What do I need to work on next? (Ries, E., 2011).

#### Principles n°3: Validated learning

Startups don't exist to make products, earn money or serve customers. They exist to learn how to build a sustainable business. This learning can be validated scientifically, by conducting experiments that allow us to test every element of our vision (The Lean Startup, 2024). Moreover, E. Ries locates the startup's progress in: "the heads of the people within the company, not in the artifacts produced by the company (Ries, E., 2009).

#### - Principles n°4: Innovation accounting

According to the "Lean Startup" methodology, a startup needs a specific new type of accounting with the aim of answering the following questions: how to measure progress, how to set milestones and how to prioritize work (The Lean Startup, 2024).

#### - Principles n°5 : Build-Measure-Learn

According to the "Learn startup" methodology, a startup must go through the "build-measure-learn" feedback loop as quickly as possible (Ries, E., 2010). Thus, the fundamental activity of a startup is to: "turn ideas into products, measure customer reaction, then determine whether to pivot or persevere. All startup success processes should be geared towards accelerating this feedback loop (The Lean Startup, 2024). The diagram below illustrates the Build-Measure-Learn feedback loop at the heart of the Lean Startup model, which aims to minimize the total time spent in this loop (Ries, E., 2011, p. 81):

Learn Build

Data Product

Figure 1. The « Build-Measure-Lean » cycle

**Source:** (Ries, E., 2011, p. 81)

In addition to the principles on which the method is based, the practical framework sets out the main stages in implementing the method as follows:

Table N° (1): Steps in implementing the Lean Startup methodology

Stage	Stage title
Initial situation	Project: setting up a company Objectives: product-market fit Challenges: scarce resources / lack of understanding of future customers' needs and profiles
1	Developing strategic hypotheses
2	Testing strategic hypotheses / Process: Build-Mesure- Lean
3	Confirm or refute strategic hypotheses / The Pivot

**Source :** Prepared by the researcher

Finally, the table below summarizes the characteristics of unicorn companies worldwide (Unicorn Startup is a company that has reached a valuation of 1 billion dollars. Variants include the decacorne, valued at

over \$10 billion, and the hectacorne, valued at over \$100 billion. Most digital startups originate from the world's leading technology park, Sillicon Valley, located in California (San Francisco) in the USA. For more information, consult (GSER, 2023)).

Table N° (2): Synopsis of unicorn companies worldwide in 2023

Items	Detail	
Countries with the most Unicorn Companies	- United States / 712 Companies (49,76 %) - China / 248 Companies (17.33 %) - India / 85 Companies (5.94 %)	
Industries with the most Unicorn Companies	- Software / 771 Companies (53.88 %) - Financial Services / 340 Companies (23.76 %) - Information Technology / 309 Companies (21.59 %)	
World's most valuable Unicorn Companies	- ByteDance / China / 180 billion \$ - Ant Group / 150 billion \$ - SpaceX / USA / 125 billion \$	

**Source :** Adapted according to (Tipalti, 2024)

The Table N°2 reveal the latest stats for unicorn companies in 2023. There are over 1400 unicorn companies worldwide. The American companies are still dominating the unicorn list with 712 companies being based in the United states in total, accounting for 50 % of the list. Unicorn companies come from a huge variation of industries, with the majority being in the software category, which accounts for almoste 54 % of the total, with 771 companies falling into this category. Additionally, 14 of the top 30 most valuable unicorns are from the US and 7 from China, the CB Insights census records 1,224 unicorns with an estimated valuation of US\$3,772 trillion worldwide in December 2023 (CB Insights, 2024). There are four hectocorn companies with values over 100 billion \$.

#### Secondly. Analysis of the limits of the "Lean Startup" method:

The entrepreneurial dilemma hinders the emergence of startups, and those that do succeed are faced with a variety of drawbacks and problems.

#### 1. The startup and the entrepreneurial dilemma

New entrepreneurs are often faced with the dilemma of whether now is the right time to launch their startup, and for good reason: the success stories of unicorns such as GAFAM should not hide the high rate of failures.

The table above shows the financial evolution of the American "Web" giants grouped under the acronym "GAFAM", illustrating their transition from start-up to multinational in the technology sector.

Table N° (3): GAFAM's financial performance

Company	Created (year)	Founders	Evolution CA (%) 2009- 2022	Market capitalization (Billions USD 01/2024)
Google (Alpbet Inc.)	1998	Larry Page Sergey Brin	987	1 775
Amazon.com Inc	1994	Jeff Bezos	2 638	1 570
Facebook (Meta Platforms, Inc)	2004	Mark Zuckerberg	14 908	948.8
Apple Inc	1976	Steve Jobs Steve Wozniak Ronald wayne	753	2 839
Microsoft Corporation	1975	Paul Ammen Bill Gates	239	2 917

**Source:** Adapted according to www.nasdaq.com and www.statista.com.

Nevertheless, not all startups will be unicorns. Indeed, various analyses agree on the high failure rate of startups, approaching 90% worldwide. Many of these shortcomings are due to inadequate management of marketing, human resources, finance and production functions. The main reasons for bankruptcies are: 34 % Lack of Product-Market Fit; 22 % marketing problems; 18 % team problems; 16 % finance problems; 6 % tech problems; 2 % operations problems; 2 % legal problems (Kotashev, K, 2024). Indeed, the five largest startup bankruptcies in the world with their total funding disclosed are: ScaleFactor (104 million USD); Beepi (149 million USD); Anki (205 million USD); Jawbone (929.9 million USD); Quibi (1.75 billion USD) (InsiderMonkey, 2023).

That's why Lean Startups proposes a management methodology to overcome these shortcomings.

#### 2. Some other limits of the « Lean startup » method

#### 2.1 Lean Startup has its origins in Lean Manufacturing

The origins of the Lean Startup method lie in the Lean Manufacturing revolution. Indeed, Eric Ries explains that: "Lean startup adapts the ideas of lean management to the context of entrepreneurship" (Ries, E., 2011, p. 29). The authors of the "lean maufacturing" revolution developed at Toyota are Taiichi Ohno and Shigeo Shingo. It radically alters supply chain management and production systems. These principles include: exploiting the knowledge and creativity of each worker, reducing batch sizes, just-in-time production and inventory control, and accelerating cycle times.

Lean manufacturing has been applied by Toyota through "Toyota's lean production system": this approach aims to solve a series of operational problems, such as inventory management (just-in-time), waste reduction, supply chain optimization and continuous manufacturing improvement. Lean manufacturing principles are applied to the start-up and innovation processes, including learning to detect and systematically eliminate waste (Ries, E., 2011, p. 15). However, these principles "have been explicitly developed for the continuous and incremental improvement of existing processes and products" (Khoi, 2023).

#### 2.2 Lean Startup is not a risk-free solution

Straightforwardly, E. Ries warns that "Lean Startup" can only be applied to a business that is operating under extreme uncertainty, its future is unpredictable, customers are confronted with a growing range of alternatives, and the pace of change is very fast and accelerating (Ries, E.,

2011, p. 38). As a result, a number of researchers are questioning the principles of the method and insisting that its success remains closely linked to compliance with a number of conditions. Among these remarks we can cite (Ted Ladd, 2016):

- ✓ It is more important to have a solid strategy than to conduct a considerable number of market tests :
- ✓ there is no linear relationship between the number of validated hypotheses and a team's subsequent success;
- ✓ the erosion of trust between customers and the company;
- ✓ the lean startup metrics are not always reliable or valid;
- ✓ entrepreneurs change ideas so frequently that they become discouraged.

#### 2.3 The alternative to Lean startup is available

A number of alternatives have been developed by entrepreneurs, organizations and specialists to overcome the shortcomings of the "Lean Startups" method. The table below summarizes some of these apprenticeships aimed at developing entrepreneurship:

Table  $N^{\circ}$  (4): Some methods for managing innovation and entrepreneurship

Methode	Creation	Developers	Principle
Design thinking	1980	Rolf Faste	It comes under the heading of collaborative design, a practice that involves users in a process of cocreativity.
Agile development	2001	software developers	An agile company is one with a culture and practices that enable it to adapt to its environment.

**Source :** Prepared by the researcher

Finally, the start-up model is considered by some researchers to be: « is only a new instrument of legitimization of capitalism, wich has allowed it to respond to its critics by renewing tiself » (Flecher, M., 2021).

# Thirdly. Analysis of opportunities for applying the « Lean startup » method in relation to the entrepreneurial ecosystem in Algeria

A new generation of entrepreneurs is emerging in Algeria, thanks in particular to the establishment and promotion by public authorities of an ecosystem favorable to startups and innovation. At the same time, for startups to flourish within this ecosystem, they need to adopt an effective management method in order to benefit from these opportunities.

## 1. Main characteristics of the entrepreneurial ecosystem in Algeria

The following table summarizes the main characteristics of the startup and innovation ecosystem in algeria.

Table N° (5): Main characteristics of the entrepreneurial and innovation ecosystem in Algeria

Domain	Titled	Date
	Law n°18-05 of 10 may 2018 relating to electronic commerce	2021
	Law n°22-18 of 24 july 2022 relating to investment	2022
	Law n°23-09 du 21 june 2023 relating to monetary and banking law	2023
	Law n°22-23 du 18 december 2022 relating to self-employed status	2022
	Art 69 finance law 2020	2020
Regulatory	Art 86, 87 and 141 finance law 2021	2021
framework	Art 6, 36, 60, 135 and 136 finance law 2022	2022
	Art 9,11,16,51 and 171 finance law 2023	2023
	Art 33, 37 and 45 complementary finance law 2020	2020
	Art 22 complementary finance law 2022	2022
	Regulation n°2021-01 Bank of Algeria	2021
	Regulation n°23-04 of 25 october 2023 / COSOB	2023
	Ministerial order n°1275 and 1244 / MESRS	2022
	Executive decree n°20-254 / JORA n°55	2020

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	Ministry of Knowledge Economy, Start-ups and Micro-enterprises	2022
Institutions	Delegated Ministry to the Prime Minister in charge of the Knowledge Economy and Startups	
	Ministry of higher education and scientific research	1970
	Algerian National Institute of Industrial Property / INAPI	1998
	Algerian Institute of Standardization / IANOR	1998
	National Agency for Management of Micro Credits / ANGEM	2004
	Entrepreneurship House	2007
	Incubators / Accelerators (Private/Public)	2015
	National Agency for the Support and Development of Entrepreneurship / Anade	2020
	Commission for the Labeling of "Startups", "Incubators" and "Innovative projects"	2020
	National Coordination and Monitoring Committee for Innovation and University Incubators (CNCSIIU	2022
Support	The "One Diploma, One Startup" or "One Diploma, One Patent" mechanism	2022
	House of Artificial Intelligence / IA	2023
	University business liaison office / BLEU	2023
	National Agency for Autoentrepreneurs /Anae	2023
	Technology and Innovation Support Center / CATI	
	Entrepreneurship Development Center / CDE	2023
	FabLab	2018
	TASDIR / EPE – SPA	2021
	National Entrepreneurship Support and Development Agency / NESDA	2023
	Algeria Venture (A-Venture)	2021
	Coworking spaces	2023
	Startude DZ	2023

	The Algerian Foundation for the Promotion of Entrepreneurship and Support for Startups /	2023
	AFPESS	2023
	Equity Crowdfunding	
	Algerian Startup Fund / ASF	
	Venture Capital investment Companies / SICAR	
Financing	Venture Capital / FCPR	
rmancing	Saif Algeria Innovation Funds / SEAF	
	Start-up and SME segment on the Algiers Stock Exchange	
	Para-fiscal and other tax benefits	
	Algeria Startup Challenge / ASC	2018
	Algeria Disrupt	2020
	National Conference on entrepreneurship	2023
	Africa Disrupt	
Events	National Innovation Fair	2011
Events	National Innovation Day	
	Award of the best incubator of the year	2021
	Meetings "Startup Meetup"	2020
	African Startup Conference / ASC	
	Gitex	2023
	A-venture and Schlumberger	2022
	A-venture and SEAF	2023
Partnerships	A-venture and l'OIT	2023
T di tile i simpo	A-Venture and Google	
	A-Venture and Huawei Algeria	
		20
	www.moukawil.dz	2023
	www.startup.dz	2023
<b>Electronic Platform</b>	https://ibtikar.dgrsdt.dz/	2023
	www.aventure.dz	2023
	www.anae.dz	2024

**Source :** Prepared by the researcher

The startup and entrepreneurship ecosystem mentioned above reflects a new reality in the Algerian economic landscape, in terms of both support measures and legislation. In addition, the higher education system is directly involved in this process, aimed at promoting the knowledge economy.

#### N.B:

- The first Entrepreneurship House was created in 2007 at the University of Constantine, in partnership with ANSEJ. In 2014, the Entrepreneurship House concept was extended to universities and Ecoles Nationales Supérieures across the country (Kouraiche, N., 2018).
- The Anse, created in 1996, has been replaced by Anade under Executive Decree no. 20-329 of November 22, 2020, amending and supplementing Executive Decree no. 96-296 of September 8, 1996, creating and setting the statutes of Ansej, and changing its name. (EL Moudjahid, 2020) The Anse, created in 1996, has been replaced by Anade under Executive Decree no. 20-329 of November 22, 2020, amending and supplementing Executive Decree no. 96-296 of September 8, 1996, creating and setting the statutes of Ansej, and changing its name. (EL Moudjahid, 2020).
- Algeria Venture is the first public accelerators in Algeria, offering financing, training and coaching.
- Examples of coworking spaces in Algiers: The Address (the first to launch in this field), Sylabs, Bulle Space. As well as CosyCoffice (Constantine), Créarena (Blida), Niwa (Oran) and InnovaCo (Sétif).

Algerian Startup Fund is a public venture capital company that provides equity and quasi-equity financing for companies with the Startup label. It is the result of collaboration between the startup ministry and 6 public banks (BNA, BEA, BADR, BDL CPA, CNEP).

- Startups are exempt from taxes for a period of 4 years from the date of obtaining the startup label, with an additional year in the event of renewal of: TAP, IRG, IBS and IUF. Also exempt from VAT and subject to lower customs duties (5%) are equipment acquired by these companies as a direct contribution to their investment projects, in accordance with the Finance Act 2022.. Incubators" are exempt from TAP, IRG and IBS for a period of (02) years, and are also exempt for equipment acquired and used directly in their projects. Also deductible from income or profit, up to a maximum of 30% of the amount of this income, with a ceiling of two hundred thousand dinars, are expenses incurred within the framework of

open innovation programs carried out with the "start-up" or "incubator" label (Legal, 2024).

- The public startup accelerators A-Venture is taking part for the first time with 25 Algerian startups in the Gitex (Gulf Information Technology Exhibition) in Dubai, in search of partnerships and financing to accelerate its international development (Jeune Afrique, 2024)
- In 2022, the public accelerators A-Venture signed an agreement with Schlumberger to provide technological and management expertise to startups operating in the energy sector.
- The public startup accelerator Algeria Venture signed on January 25, 2023 the creation of an \$80 million startup support fund in partnership with the American investor Small Entreprise Assistance Funds (SEAF) (Jeune Afrique, 2024).
- The public startup accelerator Algeria Venture has launched an acceleration program in July 2023 that will benefit 15 startups active in the green economy, in partnership with the International Labor Organization (ILO) (APS, 2023).

The public startup accelerator A-Venture has signed a contract with Google in 2022 to create a coaching and training scheme called "Boots Competencies Entrepreneurship", with the aim of accelerating startups (Jeune Afrique, 2022).

- The public accelerator A-Venture has signed an agreement with the Chinese company Huawei Algérie called the "Spark program", aimed at promoting the entrepreneurial ecosystem in Algeria and helping startups to develop by taking part in international events (APS, 2022).

#### 2. Opportunity to apply the « Lean startup » method in Algeria

The efforts made by the public authorities and the various players in the national economic sphere active in the entrepreneurial sector have created an environment conducive to the creation of startups and the promotion of innovation in Algeria. Indeed, between 2000 and 2023, 2,000 companies have been awarded the "start-up" label, which is no mean feat in such a short space of time. The number of incubators has also increased exponentially, from 10 in 2020 to 60 in 2022 (APS, 2024).

These data testify to the embryonic state of the startup sector in Algeria, and consequently the urgent need to support these efforts with innovative solutions, especially in terms of financing and training. This means providing public funding, but mainly from the private sector, tailored to

the needs of startups and their stage of development. These efforts should also focus on training startup staff in modern management methods adapted to startups.

In this context, it's crucial for incubators and accelerators to train entrepreneurs in startup management methods. The same is certainly true of the training provided at universities, entrepreneurship organizations and training centers across the country.

The "Lean Startup" methodology therefore seems to be of vital importance for the future of Algerian startups, both in terms of raising their level of management and ensuring their development. In fact, the public authorities emphasize that: "the next stage is one of quality, not quantity, in the sense that the field of start-ups is that of the knowledge economy, intelligence and economic efficiency" (APS, 2024).

As mentioned above, the "Lean Startup" method has proved its worth internationally, in both academic and practical terms. Nevertheless, it needs to be adapted to the Algerian business world and investment climate, which has seen the emergence of a number of success stories, the most important of which is the Yassir startup.

Table N° (6): Yassir startup overview

Elements	Detail
Name	Yassir
Creation	2017
Founders	Tayebi Noureddine / Mehdi Yettou
Employee	450 employees of over 15 nationalities
Mobile	Yassir App (iOS/Android) / Yassir Express
application	(iOS/Android)
Activities	Ride-hailing / E-commerce / Food delivery /
Activities	Grocery delivery / Financial services
Investors	Y Combinator / BOND / Unpopular Ventures /
Investors	WndrCo
Financing	2019: 13 million\$ / 2021: 30 million\$ / 2022: 130
	million\$
Implantation	Algeria / Ivory Coast / Morocco / Tunisia / South
	Africa / Senegal / Canada / France / Germany
Results	8M+ downloads since 2017 / 100K + Partners / 4K+
IXESUITS	Deliverers / 45+ Cities covered Algeria

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Investments	2023: Partnership with Paris-Saint Germain soccer club 5M €/ 2023: Acquisition of Flink, a German fast delivery platform (€500,000) / 2023: Tech center in Europe		
Events	2019 : Yassir Drivers Awards		
	2023: 1st prize for best services exporter (Algeria) /		
Awards	Prize awarded by the President of the Algerian		
	Republic at the 1st edition of the Medal of Honor for		
	Export.		

**Source:** Adapted according to https://yassir.com/

In its seven years of existence, "Yassir" is recognized as a development model for startups in Algeria. Indeed, the results achieved at national and international level bear witness to the dynamism of the startup, which emerged even before the publication of decree on startups in 2020. So, any research into management methods for startups should include the experience accumulated by certain national startups in order to optimize their chances of success.

#### **Conclusion:**

The study focused on the problem of managing startups during the startup phase.

In this context, the "Lean Startup" methodology makes an undeniable contribution to the successful management of startups during the delicate start-up phase, and thus to avoiding the high failure rate that represents the only possible path for the vast majority of startups worldwide. Indeed, the method proposes a well-defined managerial process with the ultimate aim of moving from "Startup" to "Unicorn" mode. However, the study qualifies the achievement of these expected results and draws attention to the limitations of the "Lean Startups" methodology, due to the need to first master the "Lean" method, the risk of failure that arises more acutely for each stage of the process followed, and the panoply of alternative methods developed by authors and management practitioners.

In the case of Algeria, the efforts made by the public authorities and all players in the entrepreneurial ecosystem are in favor of promoting startups. Nevertheless, the study draws attention to the need to direct these efforts towards popularizing training in management methods dedicated to startups. In this sense, the "Lean Startup" methodology can make a crucial contribution to the success of the startup phase in Algeria.

The study thus suggests that the "Lean Startup" method should be nuanced and adapted to the characteristics of the local entrepreneurial and startup environment, as revealed by the "success story" of the startup "Yassir". The study therefore recommends that further research must be carried out into the following themes: the implementation of a solid entrepreneurial ecosystem that is beneficial to all partners; a deeper understanding of the national startup; and a management method adapted to Algerian managerial specificities.

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