The Relationship between Business Plan and the Success of Startups: an empirical study on Algerian Startups

دور مخطط الأعمال في نجاح مشاريع الأعمال: دراسة تطبيقية على مشاريع الأعمال في الجزائر

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Abstract :

The aim of this research is to clarify the relationship between business plan and the success of Algerian startups; this study was based on a random sample of 40 founders (managers) in 17 Algerian startups. The response rate was 85%. We used statistical methods to analyze the four principal hypotheses developed. In particularly, we found that: (a) business plan has an important existence in Algerian startups. (b) The success has an important existence in Algerian startups. (C) The using of business plan is strongly and positively associated with the success of Algerian start ups. (d) There is a statistically significant difference amongst Algerian startups due to personal determinants of founders (gender, age and education level).

Key words: Algerian Startups, business plan, indicators business success.

الملخّص:

الهدف من هذا البحث هو توضيح العلاقة بين خطة الأعمال ونجاح الشركات الناشئة الجزائرية، وقد أجريت هذه الدراسة بناءا على عينة عشوائية من 40 (مديرا) في 17 شركة ناشئة جزائرية. وكان معدل الاستجابة 85٪ . استخدمنا الأساليب الإحصائية لتحليل الفرضيات الرئيسية الأربعة التي تم اعتمادها. ووجدنا أن: (أ) خطة الأعمال لها وجود هام في الشركات الناشئة الجزائرية. (ب) الشركات الناشئة الجزائرية لها مؤشرات نجاح. (ج) يرتبط استخدام خطة الأعمال بقوة مع نجاح الشركات الناشئة الجزائرية. (د) يوجد فرق ذو دلالة إحصائية بين الشركات الجزائرية الناشئة بسبب المحددات الشخصية للمؤسسين (الجنس والعمر والمستوى التعليمي).

الكلمات المفتاحية: الشركات الناشئة الجزائرية، مخطط الأعمال، مؤشرات النجاح.

Introduction:

Doing the business plan, is an essential organizational activity, considering the hostile and complex competitive business environment. Our ability and skills to perform profitable sales are affected by hundreds of internal and external factors that interact in a difficult way to evaluate. A start-up manager must understand and build an image upon these variables and their interactions, and must make rational decisions.

The business plan plays an important role in the success of the start-ups, because it outlines the goals and objectives and how you intend to achieve them, financial and human resources and the culture of the startup, also it defines and analysis the market in which it will be worked, the available financial resources. Also, it analyses all the risks which the start up forecast to faced it in its way to be succeed.

Research Problem:

In fact, this research paper tray to explore the role of business plan to lead the Algerian startups to be succeed in the competitive environment, especially in their competition with big enterprises.

So we can ask the main question of this research, which is: ***What is the importance of using business plan to achieve the success of Algerian startups business?***

Research Model: To seek the research object, we can present the factors affecting competitive advantage of high tech startups in our model of research:

Independent Variable	Dependent Variable
Business plan	
- The products/services plan; - The marketing plan; - The organizational plan; - The financial plan.	**Success of Algerian startups**

Research Hypotheses:

H1. The statistical tests used in this research proving the existence of *"Business plan"* and the *"success"* in Algerian startups;

H2. The statistical tests used in this research proving the relationship between *"Business plan"* and *"success"* in Algerian high tech startups;

H3. There is a statistically significant difference amongst Algerian startups toward the success due to privacy determinants (gender, age, and education level).

Research objectives:

- To determine the extent of adoption of Algerian startups on the business plan;
- To determine the role and the importance of the product/ service plan, marketing plan, the organizational plan and the financial plan in the success of Algerian startups;
- To provide recommendations for the management of Algerian startups regarding the useful of business plan.

Review of the literature:

1. The business plan

1.1. Definition of business plan:

The business plan defines as "a document that presents the basic idea for the venture and includes descriptions of where you are now, where you want to go, and how you intend to get there" (Justin G & al, 2008, p151). "It's a document that convincingly demonstrates that your business can sell enough of its product or service to make a satisfactory profit and to be attractive to potential backers (David E. Gumpert, 2003, p10).

The business plan is a good way to demonstrate to stakeholders, such us founders and investors, that there is a potential for considerable growth in a large market. And it illustrates the start up capability to achieve significant market power with sustainable and differentiated product or service offering. Also it can demonstrate that the opportunity is a good investment deal. And it should include value-enhancing milestone and a realistic valuation that will able investors to achieve their target return on investment. Also it should outline a clear exit strategy (MaRS, 2009, p6).

1.2. The purpose and objectives of business plan:

In general, the business plan has deferent purposes and objectives for startup, which can be highlighted in the following points (Justin G & al, 2008, p151):

- It outlines the basic idea underlying a business and describes related startup considerations;
- It crystallizes the dreams and hopes that motivate an entrepreneur to take the startup plunge;
- Tell the insiders users of business plan (entrepreneur management team and employees) and the outsiders users (potential customers, lenders, suppliers and investors) what you want (Small business BC, p4);
- It states the sales, production and profit goals of the startup (Small business BC, p4).

For the entrepreneur starting a new venture, a business plan has three basic objectives (Justin G & al, 2008, p152):

- To identify the nature and the context of the business opportunity—that is, why does such an opportunity exist?
- To present the approach the entrepreneur plans to use to exploit the opportunity
- To recognize factors that will determine whether the startup will be successful.

Stated differently, a business plan is used to provide a statement of goals and strategies for use by company insiders and to aid in the development of relationships with outsiders (investors and others) who could help the company achieve its goals.

1.3. The basic factors to determine the content of a business plan for a startup:

In considering the content of a business plan, think first and foremost about the opportunity. Strategies and financial plans should come later. In the evaluation of an opportunity, give thorough consideration to the following basic and interdependent factors. Decisions about these factors will, in turn, help determine the content of a business plan for a startup (Justin G & al, 2008, p156):

- *The entrepreneurial team:* the people who are starting and managing the startup are the most important factor to success it—specifically, their qualifications and the depth and breadth of experience they bring to the startup.

- *The opportunity:* A profile is needed of the business itself—what it will sell, to whom it will sell, and how rapidly it can grow. The industry and market outlook should include an assessment of everything that can go wrong or right, with a discussion of how the entrepreneurial team could respond to the various challenges.
- *The resources*: The critical resources for an entrepreneurial startup include not just money, but also the human assets (suppliers, accountants, lawyers, investors, etc.) and hard assets (accounts receivable, inventories, etc.). The entrepreneurial approach to resources is "doing the most with the least." The entrepreneur should think of ways to work with minimal resources and focus on "minimizing and controlling" rather than on "maximizing and owning."
- *The financing structure*: How a firm's financing is structured (debt versus equity) and how the ownership percentage is shared by the founders and investors have a significant impact on an entrepreneur's incentive to work hard. The goal is to find a win-win deal.
- *The big picture:* The context (or external factors) of an opportunity includes the regulatory environment, interest rates, demographic trends, inflation, and other factors that inevitably change but cannot be controlled by the entrepreneur.

1.4. Contents of business plan for startup:

This table bellow explains the contents of business plan for startups.

Table (1): Contents of business plan for startup

Section Heading	Information provided
Cover Page	Company name, logo, tagline, contact information, copy number, date prepared, and disclaimer (if needed)
Table of Contents	Listing of the key sections of the business plan and where they can be found in the document
Executive Summary	One- to three-page overview of the significant points from each section, intended to motivate the reader to continue reading
Industry,	Key characteristics of the industry (including

Target Customer, and Competitor Analysis	the different segments), your potential customers, and the niche where you plan to compete
Company Description	Company objectives, the nature of the business, its primary product/ service, its current status (startup, buyout, or expansion) and history (if applicable), and the legal form of organization
Product/Service Plan	Explanation of why people will buy the product or service, based on its unique features.
Marketing Plan	Marketing strategy, including the methods of identifying and attracting customers, selling approach, type of sales force, distribution channels, types of sales promotions and advertising, and credit and pricing policies
Operations and Development Plan	Operating or manufacturing methods, facilities (location, space, and equipment), quality-control methods, procedures to control inventory and operations, sources of supply, and purchasing procedures
Management Team	Description of the management team, outside investors and/or directors, and plans for recruiting and training employees
Critical Risks	Any known risks inherent in the start-up.
Offering	How much capital the entrepreneur needs and how the money will be used (used to attract investors)
Financial Plan	Historical financial statements for the last three to five years or as available; and pro forma financial statements for three to five years, including income statements, balance sheets, cash flow statements, and cash budgets.
Appendix of Supporting Documents	Various supplementary materials and attachments to expand the reader's understanding of the plan.

Source: Justin G & al, 2008, p158.

2. The role of business plan in startups success

In fact, the different kinds of plans (product/service plan, marketing plan, operational and development plan and financial plan) which are including in the business plan play an important role in the startup success.

2.1. The role of product/ service plan in startup success:

The product/service plan describes the products and/or services to be offered to the firm's customers. Now is the time to make a convincing presentation of your competitive advantage.

- Describe your products and services by features and narrate benefits from your customer's point of view (SMEDA, 2016,p3);
- The product/ service will be different and unique (MaRS, 2015, p11);
- Describing the bundle of product/service that create quantitative and qualitative value (newness, performance, customizing, cost reduction, design, usability, accessibility) (Barbara Dielh & al, 2013, p8);
- The customers will gain through buying the products or services (IOD, 2011, p1);
- The product/ service will provide a competitive advantage;
- Describe any unique or proprietary feature of the product/ service (JSU, 2015, p5).
- Describing the Product support or after-sale services, some examples are delivery, warranty, alteration services, product follow-up, and refund policy.

2.2. The role of marketing plan in startup success:

The marketing plan describes how the firm will reach and service customers within a given market. In reality, small business marketing is much broader. It consists of many activities, some of which occur even before a product is produced and made ready for distribution and sale. Also it should present the marketing strategy, including the methods of identifying and attracting customers; pricing strategies, selling approach, type of sales force, distribution channels; types of sales promotions and advertising; and credit and pricing policies.

2.2.1. Market analysis:

A market consists of a group of current and/or potential customers with the willingness and ability to buy products – goods or services – to satisfy a particular class of wants or needs. These potential

customers may be consistent in their geographical location, purchasing power, or buying attitude (Mullins, John, 2004, p7). An industry, by contrast, consists of sellers, i. e., you and your competitors (Mullins, p. 7.).

Analyzing a market can and should be done on two different levels: The macro- and the microenvironment. The macro level analysis typically asks questions about things such as:

- The number of customers, aggregate money spent, and number of units and usage occasions;
- The analysis of possible political, technological and socio cultural developments.

The micro level analysis is somewhat more intricate. It is about segmenting the market and putting a name to potential customers.

- Determine if there is a sufficient market to support the business (www.kawerak.org), and describing the target market. Typically, a startup will initially concentrate on a select few target markets- or even just one;
- Develop a basic Market Analysis table, which gives a simple list of market segments. Each segment is a group of customers. Define the groups according to what needs you supply, demographic/ psychographic characteristics (gender, income, age, occupation, education, family life cycle, geographic region, lifestyle, attitudes, purchasing characteristics), buying habits, preferences, or whatever other classification system works for your plan. Fill in the total potential customers estimated and the annual growth rate expected for each segment;
- Describe the needs/benefits sought by market, the product usage, the positioning and what people's attitudes are regarding the product you are selling and the product category in general (Steven Ficher, 2009, p9);
- Give a detailed discussion of the major benefits to customers provided by the new product or service (Justin G & al, 2008, p185);
- The actual sales forecast. It is usually desirable to include three sales forecasts covering the "most likely", "pessimistic", and "optimistic" scenarios. These scenarios provide investors and

entrepreneurs with different numbers on which to base their decisions(Justin G & al, 2008, p185);

2.2.2. Analysis competition:

- Find a startup that was in a similar situation in a similar market and explain what its market share was and why yours would deviate (or not) from that of the other startup. Then, assuming there will be some competitive reaction, discuss how your company would respond and what your long-term market share would be. Make a table with the competitive advantages and disadvantages of all the players in the market;
- The plan should lay out what percentage of the market the startup could realistically achieve, both at the beginning and five years on once the big players and other startups enter the fray;
- List the advantages and disadvantages of all your competitors and their products;
- Understand your competitors' reaction to losing business and demonstrate how you will respond to it (IOD, 2011, p2);
- Don't just compare obvious things like product and price. Compare your quality, promotion, perceived value, flexibility, prestige, knowledge, innovation, reliability, and schedules (ILLINOIS, p7);
- A SWOT analysis is always a good idea. It is important that your company have a clear understanding of what it does well (strengths), what it doesn't do so well (weaknesses), available market opportunities, and threats from competitors as well as from changes in the company's operating environment (social, technological, economic, political, and other environmental variables) (Justin G & al, 2008 ,p185).

2.2.3. Marketing Strategy:

Four areas of marketing strategy should be addressed: (1) product decisions that will transform the basic product or service idea into a bundle of satisfaction, (2) distribution activities regarding the delivery of the product to customers, (3) pricing decisions that will set an acceptable exchange value on the total product or service, and (4) promotion activities that will communicate the necessary information to target markets (Justin G & al, 2008, p186).

And there are several types of strategies based on market segmentation efforts which are appropriate with the startups. The three types are the un-segmented approach, the multi-segment approach, and the single-segment approach.

2.2.4. Sales forecast:

Use the Sales Forecast spreadsheet to prepare a month-by-month projection. The forecast should be based upon your historical sales, the marketing strategies that you have just described, upon your market research, and industry data, if available. You may wish to do two forecasts: 1) a "best guess", which is what you really expect, and 2) a "worst case" low estimate that you are confident you can reach no matter what happens.

2.3. The role of Organizational Plan in startup success:

2.3.1. The management team

The management team consists of individuals with supervisory responsibilities, as well as nonsupervisory personnel who play key roles in the business (Iris Vanaelst & al 2006, p251).

2.3.2. Strategic Alliances: the startups can adopt many alliance strategies to achieve their objectives**.**

- <u>Strategic Alliances with Large Companies:</u> Typically, these alliances are formed to join the complementary skills and expertise of the partnered firms, in order to promote the competitive edge of both (or all) parties.
- <u>Strategic Alliances with Small Companies:</u> Small businesses can also form strategic alliances with other small firms because they were more flexible, dedicated, creative, and understanding of the specific needs of small business, in ways that enhance mutual competitive strength.

2.4. The role of Financial Plan in startup success:

A normal financial plan consists of three types of statements: a 12-month profit and loss projection, a cash-flow projection, a projected balance sheet, in addition to a break-even calculation, an 8-year profit and loss projection (optional). Together they constitute a reasonable estimate of your company's financial future. More important, the process of thinking through the financial plan will improve your insight into the inner financial workings of your company (SMEDA, 2016, pp6-7).

3. Factors which Lead to Start-up Business Failure

There are many factors lead to startup business failure such us (David Boyer, Heather Creech and Leslie Paas, 2008, p12):

- Inadequate planning of the business
- Insufficient initial capital for start-up period and development stages due to inadequate planning
- Mistaken estimate of market demand for product or service;
- Lack of management ability;
- Failure to select and use appropriate outside professional advisors;
- Inability to market product or services effectively;
- Over dependence on a single individual or on a predicted specific event;
- Failure to understand capital requirements of a growing business;
- Poor timing of expenditures due to poor planning;
- Expedient rather than reasoned decision-making.

4. Research Methodology:
4.1. Instruments of the research:
Table (1) describes the dimensions of the study. Where we have been relying on questionnaire includes 5 fields and 20 items, to be briefing the components of business plan in Algerian startups.

Table (2): Dimensions of the research

N^o	Dimension	No. of Items
1	Product/ service plan in Algerian startups.	4
2	Marketing plan in Algerian startups.	8
3	Organizational plan in Algerian startups.	3
4	Financial plan in Algerian startups	5
5	Factors of success in Algerian startups.	4
Total		**24**

4.2. Sampling
Sampling techniques can be divided into two types: probability and non probability sampling (Ayache Zoubeir, and Dallel Adjali,2015). In this research, we prefer to use probability sampling. We are used a simple random sample, where 40 founders members in 17 startups (ouedkniss.com, SMS Bridge, Emploitic.com, Guidini.com, Startupschool, Winny launch, linkibus, Nreserve.com, Freetali.com, Entrepreneurs, Dalil, Sihha Tech, Aquasafe, Autopub, Baytic, Cogito, ioGrow) were surveyed and 34 founders responded (response rate 85%).

4.3. The statistical treatment used in our research

For each type of measurement there is an appropriate method that can be applied and not others. As table (2) illustrate, in this research, we use the ordinal scales, which is a ranking or a rating data that normally uses integers in ascending or descending order. The numbers assigned to the importance (1,2,3,4,5) do not indicate that the interval between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels.

Table (3): The Likert scale model in answering the questionnaire

Weight	Descriptive interpretations
5	Strongly agree
4	agree
3	neutral
2	disagree
1	Strongly disagree

In statistical treatment of the instrument of our research we use Kolmogorov-Smirnov test of normality, validity to choosing tests that suite our research. From table (3), the p-value for each field is smaller than 0.05 the level of significance, then the distribution of each one is not normally distributed and the instrument of research (questionnaire) is valid, so it can be used to measure what it supposed to be measuring.

Table (4): Kolmogorov-Smirnov Test of Normality, Validity and reliability

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistique	ddl	Signification	Statistique	ddl	Signification
Product/ service plan	,497	34	,000	,484	34	,000
Marketing plan	,226	34	,000	,814	34	,000
Organizational plan	,539	34	,000	,165	34	,000
Financial plan	,256	34	,000	,809	34	,000
Factors of success in Algerian startups	,203	34	,001	,866	34	,001

a. Correction de signification de Lilliefors

Consequently, we will use non-parametric tests to analyze the statistical data of this research. The data will be analyzed by (spss), and we would utilize the following statistical tests:
- Cronbach's Alpha to test the reliability statistics;
- Spearman rank to test the correlation coefficient;

- Frequency and descriptive analysis;
- Nonparametric tests.

4.4. Questionnaire

4.4.1. Questionnaire validity

The statistical validity of the questionnaire is used to evaluate the instrument validity for using it in measuring what it supposed to be measuring. And it refers to the correlation degree between each field in the questionnaire and the whole questionnaire, what is named structure validity.

In table (5) we have tested the structure validity of the questionnaire by using Spearman Rank Correlation Test for Validity to calculate the correlation coefficient for each field and the whole questionnaire. The result shows that, there is a high degree of consistence and validity of the instrument of research (questionnaire). Where the test of Split Half gives very high levels of correlation, they were in the range from 0.903 and 0.980.

Table (5): Correlation coefficient of each field of the questionnaire (Split Half Method)

N°	Fields	Split Half Correlation Coefficient
1	Product/ service plan in Algerian startups.	0.951
2	Marketing plan in Algerian startups	0.980
3	Organizational plan in Algerian startups	0.963
4	Financial plan in Algerian startups	0.924
5	Indicators of success in Algerian startups	0.903
6	All paragraphs of questionnaire	0.975

4.4.2. Questionnaire Reliability

The reliability of an instrument is the degree of consistency which measure the attribute; it is supposed to be measuring (Polit & Hunger, 1985). The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (Polit & Hunger, 1985).

In this research we used the test of Cronbach's coefficient alpha to measure the reliability of the questionnaire between each field and the mean of the whole questionnaire.

Table (6) shows the values of Cronbach's coefficient alpha for each field and the whole questionnaire. For each fields, the values were in the range from 0.748 and 0.923. This range is considered high; the result ensures the reliability of each field of the questionnaire. And Cronbach's coefficient alpha of the entire questionnaire is **0.849,**

which indicates an excellent reliability of the instrument of our research (the questionnaire).

Table (6): Cronbach's Alpha for each field and the entire questionnaire

N°	Field	Cronbach's Alpha
1	Product/ service plan in Algerian startups.	0.748
2	Marketing plan in Algerian startups	0.913
3	Organizational plan in Algerian startups	0.871
4	Financial plan in Algerian startups	0.923
5	Indicators of success in Algerian startups	0.825
6	All paragraphs of questionnaire	0.849

4.5. Profile of the study sample

To perform the aim of our research we choose some profiles of the study sample table (7), which include the gender of innovators in Algerian start ups, their age, and education level, to illustrate the impact of these profiles on the success of these startups.

Table (7): Profile of the study sample

Gender	Frequency	Percent
Male	28	82.35
Female	6	17.65
Total	34	100.00
Age	**Frequency**	**Percent**
Less than 20	5	15
20 to 30	25	73.53
30 and older	4	11.47
Total	34	100.00
Education level	**Frequency**	**Percent**
student	1	2.95
College student	10	29.41
Engineer	15	44.11
Other level of education	8	23.53
Total	34	100.00

4.6. Results of research

H1. The statistical tests used in this research proving the existence of **"*Business plan*"** and **"*the indicators of success*"** in Algerian startups.

Table (8): mean and test values for "Using business plan" and "the indicators of success" in Algerian startups

		Valeur du test = 0				
		t	ddl	Sig.	Mean	SD
1	Product/ service plan	82,434	33	,000	4,84559	0.342
2	Marketing plan	99,235	33	,000	4,021	0.236
3	Organisational plan	154,811	33	,000	4,059	0.153
4	Financial plan	59,713	33	,000	4,012	0.362
5	Indicators of success in Algerian startups	68,685	33	,000	4,25735	0.362
6	all the questionnaire	144,651	33	,000	4,165	0.361

There is a statistically significant on the existence of the using of business plan in Algerian startups. Table (8) shows the following results:

The mean of paragraphs number (1, 2,3,4,5 and 6) are successively equal to (4.84, 4.02, 4.06, 4.01, 4.26 and 4.16), their S.D = (0.342, 0.236, 0.153, 0.368, 0.361 and 0.17), and their P value=(0.00) which is smaller than the level of significance α=0.05. So we can conclude that the founders in Algerian high tech startups are ***strongly agreeing*** to these paragraphs, because its mean is greater than 4 and the sign of its test is positive.

H2. The statistical tests used in this research proving the relationship between **"the using of *Business plan"*** and *"the success"* in Algerian high tech startups;

The table (9) of spearman coefficient correlation shows Test value= +**0.754** the p-value (sig) =0.00 which is smaller than the level of significance 0.05. The sign of test is positive, so there is a statistically significant relationship between **"the using of** business plan**"** and *"the success"* amongst Algerian startups.

Table (9): correlation coefficient of each field of "business plan" and the field "success of Algerian startups"

Spearman test		Product/ service plan	Marketing plan	Organisational plan	Financial plan	Business plan
Success of Algerian startups	Coef	0.753	0.835	0.832	0.685	**0.754**
	(Sig)	0.000	0.000	0.000	0.000	**0.000**
	N	34	34	34	34	**34**

H3. There is a statistically significant difference amongst Algerian startups toward the success due to privacy determinants (gender, age, and education level).

H3 a: There is a statistically significant difference amongst Algerian startups toward the success due to gender as personal determinants.

Table (10) shows that the p-value (sig) =0.000 of all fields are smaller than the level of significance 0.05, and then there is significant difference in respondents' answers toward these dimensions.

Table (10): Mann-Whitney test of the fields and p-value for innovators gender**.**

N°	Field	Test value	(sig)
1	Product/ service plan	-8.199	0.000
2	Marketing plan	-9.26	0.000
3	Organizational plan	-8.55	0.000
4	Financial plan	-8.69	0.000
5	Success of Algerian startups	-8.64	0.000
6	All paragraphs of the questionnaire	-8.69	0.000

**The mean difference is significant a 0.05 level.

H3 b: There is a statistically significant difference amongst Algerian high tech startups toward the competitive advantage due to age as personal determinants.

Table (11) shows that the p-value (sig) =0.000 of all fields are smaller than the level of significance 0.05, and then there is significant difference in respondents' answers toward these dimensions.

Table (11): Kruskal-Wallis test of the fields and their P-values for age

	Khi-deux	N	Sig
Product/ service plan	76.113	2	0.000
Marketing plan	89.405	2	0.000
Organizational plan	76.0.86	2	0.000
Financial plan	76.38	2	0.000
Success of Algerian startups	80.321	2	0.000
All paragraphs of the questionnaire	100.625	2	0.000

**The mean difference is significant a 0.05 level.

H3 c: There is a statistically significant difference amongst Algerian high tech startups toward the competitive advantage due to education level as personal determinants.

Table (12) shows that the p-value (sig) =0.000 of all fields are smaller than the level of significance 0.05, and then there is significant difference in respondents' answers toward these dimensions.

Table (12): Kruskal-Wallis test of the fields and their P-values for education level

N°		Khi-deux	N	Sig
1	Product/ service plan	94.207	2	0.000
2	Marketing plan	110.010	2	0.000
3	Organizational plan	116.962	2	0.000
4	Financial plan	88.428	2	0.000
5	Success of Algerian startups	111.025	2	0.000
6	All paragraphs of the questionnaire	104.633	2	0.000

**The mean difference is significant a 0.05.

5. Discussion:

From this research we proved our hypothesis about the success of Algerian startups from their using of business plan, where we can conclude some results, as:

- The basis for starting the Algerian startups is the business plan, where they start with new ideas, they work to transfer it to invention, then to innovation for solving the customer's problems;
- They offer innovative products and services, and they rely heavily on the use of information and communication technology in their delivery to the customer;

- Most of the founding teams of Algerian startups are engineers and university students, and they have high proficiency skills;
- They focus on the segments of the market, and they determine the markets trends, such as: growth trends, customer preferences trends, and trends in product or service development;
- They show their ways of selling to customers, by phone, through their websites, face to face, or through an agent, which facilitates the sale process and after-sales service;
- They do not pay much attention to use a SWOT (strengths, weaknesses, opportunities and threats) to analyze their competitors;
- Most of the Algerian startups are promoting their products, by using advertising, direct mail or via email and websites;
- They cannot demonstrate that they have considered the key factors affecting cash flow and benefits, Which makes it difficult for them to obtain financial funding from banks;
- They have assessed risk to minimize problems and build up their credibility with any investor or bank;
- Most of the Algerian startups have an average of sales and profitability over than their forecasting, and their competitors;

6. Conclusion:

The study concluded with the summary in the light of results revealed with mean, standard deviation and t-value that the Algerian startups based in their starting on business plan, which including the product or service plan, the marketing plan, the organizational and financial plan, and they apply them to get competitive advantages and to be success in the market, and to ensure their success in the future. The previous analysis of the data revealed the following conclusions:

- There is a statistically significant relationship between "product/ service plan" and success of Algerian startups;
- There is a statistically significant relationship between "marketing plan" and success of Algerian startups;
- There is a statistically significant relationship between "organizational plan" and success of Algerian startups;
- There is a statistically significant relationship between "financial plan" and success of Algerian startups;
- There is a statistically significant relationship between "business plan" and success of Algerian startups;

Recommendations:

- There is a need to design your product/ service from the customer point of view;
- There is a need to done a Comprehensive survey of the market to determine all the opportunities, threats, strengths and weakness of all competitors in the target market;
- There is a need to determine the barriers to entry in the target market;
- There is a need to show how much time and money each of the management team wimm contribute, and what your salaries and benefits will be;
- There is a need to be your profit and loss forecast gives a clear indication of how the business will move forward.

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