

TYPES OF YOUNG ENTREPRENEURS

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ABSTRACT

Unlike entrepreneurship in general, youth entrepreneurship lacks clear scientific criteria for entrepreneurs' classification, making it difficult and relatively poorly treated in the literature. This situation has, in our opinion, two major causes: a. there are, ultimately, major differences in entrepreneurial behavior of young and older entrepreneurs, many classifications of the last being not applicable for the first; b. orientation of most specialized studies on youth motivations to become entrepreneurs or how to promote entrepreneurship rather on their typology. This papers addresses and discuss main types of young entrepreneurs, according to literature.

KEYWORDS: *young entrepreneurs, SME, entrepreneurship, management.*

JEL CLASSIFICATION: L26, M10, M22.

1. INTRODUCTION

Youth is the period where most people gets employed and have their first job, gaining financial independence and assuming new responsibilities and roles further shaping their identity (Ceptureanu, Ceptureanu, 2010). Of course employment plays an important role throughout all life periods of a person, during childhood being present as a concern for what the person "wants to be when he grows up", during teenage as a struggle to develop vocational identity and decision making to employ in a specific field or to prepare for a new period of schooling (Ceptureanu, Totan, 2010). During maturity may arise situations where the person questioning her/his choice, changing profession or sometimes being forced to do so due to unemployment followed by the inability to find a job in initial specialization (Ceptureanu, Ceptureanu, 2012a).

In employment entrepreneurship, compared with older people youths usually have a lesser degree of involvement and manifest greater fluctuation rate and absenteeism due to occupational and subjective reasons, the effect of trying to find best profession and workplace (Fucec, 2012).

Young people are aware that during this period the changes are easier to make than later, assuming fewer costs and also being more critical about their job than after they have been closely involved in the exercise that role. This must be coupled with the main personality traits of today's young people: rationality, individuality and dynamism (Ceptureanu, Ceptureanu, 2012a). Young people are always driven by the desire to do something more for them and strive always report more fairly among effort and results.

Regarding young people preferences in setting up a new business, it is known that they prefer IT services, marketing or business to business, which requires fewer material resources for starting the business or less intensive political privileges (Ceptureanu, Ceptureanu, 2012a).

A general characteristic of youth entrepreneurship is that the young entrepreneur is at the same time manager of the business and employee, being deeply involved in operational processes, both emotionally and in terms of time spent in company. Also, another feature that often accompanies

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establishment and development of businesses run by young entrepreneurs relate to the prevailing style of organization, ie they adopt a participatory, democratic, consultative management style, relying on a direct relationship with their employees (Nicolescu, Ceptureanu, 2009).

Young entrepreneurs use intensively soft resources like their intellectual abilities and less hard resources like raw materials. Thus, young people appreciate human resource as the most important resource, along knowledge, creativity and determination as essential in business development.

A very popular tactic among young entrepreneurs is to "not refusing anything," at least in the first steps of business development, namely, first, all customers are important, taking care not to lose even one. They tend towards a simplification of company formation stages, so the transition from the initial idea to the organization itself is done in a very short time, bypassing the stage of research and market opportunities analysis (Ceptureanu, 2015a). Moreover, youth-led organizations advertise their products or services relying on personal connections and recommendations, use direct promotion or via Internet, considered particularly important in contacting external clients while advertising billboards or expensive types of radio or television advertisements are scarcely used.

Most young people exhibit excessive caution, precaution or even fear of investment, postponing or avoiding lending as much as possible (Ceptureanu, 2015b). They are trying to observe some advices from most experienced entrepreneurs, such as to avoid personal investment, at least in the first phase of business set up; where possible, to avoid full time employment and to use different forms, more flexible, of employment; and not least, not make loans and no guarantee with other people belongings (Ceptureanu, 2015d).

Another features young businessmen increasingly manifest is building solid business relationships in time, very close relationships, even partnership with customers, where trust plays significant role (Ceptureanu, 2015e).

2. YOUNG ENTREPRENEURS' TYPOLOGY

Unlike entrepreneurship in general, the young entrepreneurs' classification, based on clear scientific criteria, is difficult and relatively poorly treated in the literature (Ceptureanu, 2015c). This situation has, in our opinion, two major causes: a. there are, ultimately, major differences in entrepreneurial behavior of young and older entrepreneurs, many classifications of the last proving invalid for young people; b. specialized studies are rather oriented on motivation of young people to become entrepreneurs or how to promote entrepreneurship among youths and less on their typology.

One approach to classify different types of young entrepreneurs is based on significant structural differentiation in youth enterprise activities. Studies from different countries suggest that youth entrepreneurship varies according to age. Chigunta (2002) considers three phases.

1. Pre-entrepreneurs (15-19 years old). During this phase, the future young entrepreneurs are leaving the security of their home or education to start working. Often, as Curtin (2000) observes, the transition from education to work is a gradual process, requiring difficult decisions, choosing and then reconsidering choices previously made. Only some of the youths interested in becoming entrepreneurs emerges from this stage as still interested in entrepreneurship.

2. Budding entrepreneurs (20-25 years old). During this phase, young entrepreneurs are capitalizing on experience, skills and capital accumulated during previous stage, which enables them to set up their own businesses properly. Some of this entrepreneurs get stuck in marginal activities, unable to generate enough money to develop, some are abandoning the business and some are succeeding in running their own business, becoming established entrepreneurs.

3. Emergent entrepreneurs (26-29 years old). With valuable experience in business, emergent entrepreneurs have a higher level of maturity than youths in the previous phases. Hence they are more likely to run viable enterprises than younger people.

Another classification is made by Popescu (Popescu, 2005). She identifies two types of young entrepreneurs:

a) *The technician entrepreneur.* This type of entrepreneur is connected to current technological changes and focus on business innovation.

b) *"Out of necessity" entrepreneur.* This type of entrepreneur has the main motivations modest incomes or inability to find a job, which is common in situations of mostly young people.

Another classification, particularly interesting is performed in *The Entrepreneurial Spirit* (Culture Vulture, 2011). There are several general types of entrepreneurs identified comprising several subcategories:

A. Creators

Nonconformists, they are motivated primarily by self-expression. These young entrepreneurs are also driven by a desire to create something lasting, achieved by promoting continuous innovation.

1. *Gastronomic adventurers*

These entrepreneurs addresses one of the basic human needs as well as the source of numerous business, food. Young entrepreneurs in this category excels in developing communities or spaces where people enjoy food. Regardless the focus on online or on street commerce, they not only provide delicious food products, but embodies the vision that led them to start their own business.

2. *Artistic initiators*

This kind of young entrepreneurs is focused on harnessing creative art in all its forms in the communities in which they live. By exploring the cultural wealth they manage to resonate better with customers of the same age, whatever it is classical arts - music, film, dance or painting – or modern as graffiti or street festivals.

3. *Style stalwarts*

Fashion becomes a viable workspace for young entrepreneurs who use their own creative ideas in the process of designing and creating trends. This type of creative entrepreneurs are innovators in the proper sense, drawing inspiration from their own communities and emphasizing stronger focus on their relational system.

4. *Retro renegades*

Advanced technologies have given rise to a desire for simple lifestyle of the past, and young entrepreneurs were quick to capitalize on this trend. Keeping own cultural identity is the primary mission of these entrepreneurs, accomplished by trying to "turn back time" and presenting the past in a form simultaneously sentimental and easy to understand by their actual and future customers.

5. *Music modsters*

Music is, and always will be, a universal catalyst for self-expression. Young went beyond defining themselves by the music they listen to, and elected music as a turning point in their entrepreneurial journey. For these entrepreneurs destination does not matter so much - rather, it's about the journey traveled.

6. *Printing artisans*

Young people does not under evaluate business potential of traditional prints, which encouraged a dynamic exchange of ideas. Instead, they used it to their advantage by transforming the environment according to the needs of today's world, more technology oriented.

B. Social explorers

These young entrepreneurs are independent and adventurous, driven by a search for authenticity and relevance. As new leaders, they are marked by a desire to give something to the community by helping people to feel free and to express their own individuality. They also challenge brands by criticizing their lack of personality and by inviting consumers to try new experiences.

1. *Learning leaders*

Once they have developed learning by using existing learning opportunities, these young entrepreneurs have realized their potential in changing the way young people are educated. By raising awareness on issues relevant or introducing new educational approaches trying to change the

educational landscape, these entrepreneurs are at the forefront of innovation in education through the use of approaches that transcend existing academic standards.

2. Brave benevolents

The pursuit of originality motivates young people to introduce approaches to solve current social paradigm changes today in their own communities. Young people boldly embraced the concept of Social Entrepreneurship, trying to solve the problems of the disadvantaged, the disabled and those in need and to promote cultural diversity in the context of rapid globalization.

3. Expats Explorers

Giving up the comfort zone is a concept that for some young people is synonymous with the promise of success. This attracted various youth to leave everything behind to pursue their passions, often away from their own homeland. This way they gain a deep understanding of the psyche of another people, and a sense of self-fulfillment through immersion in local culture. These entrepreneurs not only engage in entrepreneurial activities in the classic sense, but seeks also to give something back to new culture in which they live.

4. Atypical avant-gardists

The choice of atypical way is more than just a trendy idea for these young entrepreneurs who strive to create their own niche, following a direction that have marked out themselves. Doing things differently, they chose the path between inspiration and innovation success through the creation of business that symbolize individuality and emphasize their own view of the world.

C. Pioneers

Known as some lone wolfs, pioneers want to become game changers. They go beyond the simple appeal of generally accepted conventions by presenting new products and services that not only change the way we look at the category, but revolutionizing the way we live. As pioneers, they are able to re-imagine the world and exploit new technologies, believing deeply in innovation and being change leaders.

1. New consultants

These young entrepreneurs have started businesses around a single idea, considered by themselves as brilliant, which they addresses both as a commodity and as the "heart" of a new method. Evolution is based on idea that young people become more aware of the need to face the challenges of life profoundly different than they currently do and using innovative approaches.

2. Crafty customizers

The customization process of everything, no matter if it is a product or a service, designed to meet the needs and desires of young people, to mark various items as individual preferences, is reflected in new business concepts. By providing a high range of customization options young entrepreneurs make specific products or services, focusing on originality and suitability to changing needs of their customers.

3. Ecological innovators

Concern for the environment in a world suffocated by warnings of impending destruction has evolved beyond being a trend - is now a choice, a lifestyle. Being eco-friendly is more than just a fad, young entrepreneurs in this category creating products made from recyclable materials and introducing sustainable and environmentally friendly innovations that relies primarily on a high level consideration for the environment.

4. Technology ecstasies

Growing up in the middle of the opportunities provided by the internet, the Y generation is inspired by new business ideas made accessible by easy access to information and advanced technologies. The changing digital landscape has opened the way not only for the broader coverage of available information channels, but for new ones, nonconformist. Young entrepreneurs are at the forefront of this phenomenon because they see these innovations as potential forces not only to generate profits but for changing perceptions.

3. CONCLUSIONS

The purpose of this paper was to illustrate the various typologies of young entrepreneurs. The conceptual base used to develop typologies by various authors can be questioned (Ceptureanu et al., 2010). For example, in the case of some of typology presented in this paper, we might question the criteria used or the scarcity of information about the various types of young entrepreneurs presented or lack of rigorous criteria. Some of the typologies focus on very specific aspects of a business while others are rather general. One of the difficulties common to several typologies is the fact that they are based on entrepreneurial categories drawn from very different contexts. At the same time, an important point of criticism is that it is not scientific proved without any doubt that age is a decisive factor in entrepreneurial behaviour. Whatever the difficulties and limits, however, operating with typologies in youth entrepreneurship appears to have more advantages than disadvantages, mainly when is about supporting youth entrepreneurship. Each group of young entrepreneurs should have sufficient incentives to be able to work and progress within its own perspective and interests. It is also useful to separate, or at least identify, the various types for courses in business development, according to their perception of the business and their interests (Petrișor et. al, 2014). Approaches based on typologies will certainly help us refine the methods we use to design and practise entrepreneurship education. Last but not least, young entrepreneurs classification fill a gap in current entrepreneurship literature, setting up a first step in research youth entrepreneurship.

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