

Startups and Their Influence on Economic Development

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ABSTRACT

The human being has always wondered about how to achieve the maximum benefit and gain while spending the minimum cost and using the minimum equipment. Now, after a while and with the global advancement of the technology and therefore, upgrade of literacy and population growth, and the fact that the current number of occupations is unable of addressing this size of the population requires intellectuals and elites of the science and industry field to create models of occupations knowledge that are able to address the state-of-art demands and are effective on increasing the welfare of the society according to their knowledge. Now the causes of the growth of these newfound phenomena, factors influencing their development, and the quality and quantity of their direct and indirect impact on the economy and the evolution of the society must be explored. Also, the reason for no developing of the startups must be probed. Can these serious phenomena respond to the economic demands of societies without interfering and supporting of the governments? How do these startups stir the thriving of production and the resistive economy? Do they result in an economic expansion? Is the professional application of these startups effective on the national economy and international business relationships or not? How much is the degree of cooperation and interference of the state organizations in the strengthening of the startups and economic development and completion of the country in both international and domestic levels? This paper aims to retell these newfound phenomena moderately.

Keywords: startup, the incidence of damage, the damaged, compensation, economic development, the progress of the country

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1. INTRODUCTION

The maturity and improvement of human societies have made human relationships closer and more intricate than ever. The ever-increasing call of society for creating professions is perceived with the extension of the population while conventional businesses are inadequate to address this massive population consisting of the youth and the experts. Accordingly, innovative designs should be encouraged to create modern businesses without requiring immense spending and without needing the costumers to visit in-person. Furthermore, the influence of science and proficiency by utilizing the newfound phenomena perceived as startups on the economic advancement of the country both in native and international levels should be estimated. What are the factors inducing the prospering of startups? Are they able to address the demand for designing occupations? What percentage of these startups will help the government create employment? What is the civil responsibility of startups in the figure of a statutory entity? Recognizing that the law dictates compensation for causing harm to the client, what is the degree of the civil responsibility of the operators of these startups in the case of their carelessness that leads to doing damage to the customers? Who is accountable to repay the losses and damage in case the operation of these startups leads to extensive damage at the

domestic level? Do the penalties held for legal beings in the punishment law apply to startups? This paper intends to examine the judicial nature of startups and circumstances and constituents of their development as well as their influence weight on the economy and the country's policy somewhat. In addition, a few flourishing startups are introduced.

2. PRINCIPLE AND THEORIES

What is a startup?¹

Although it is not emphasized in the outline of a startup that its activity is in the scope of technology or IT necessarily, some times it is denoted when specifying a startup that it should be running in these fields for many startups have been established on the new technologies domains.

Nevertheless, we consider any class of infant activities as a startup in the supplement based on the primary literature of management -not its general sense.

Let us review some definitions regarding a startup:

- *Definition of a startup as an English word in the Webster dictionary:*
A new business.
- *Definition of a startup by the U.S Small Business Administration (USSBA):*
A business that is generally formed revolving technology and is of high development potential.
- *Definition of a startup by Steven Black:*

¹ - <https://motamem.org/> What is the definition of a startup?

An organization seeking for a business model that is repeatable and scalable.

➤ *Definition of a startup by Eric Ries:*

A startup is a human organization constructed to present a new product or service in the presence of high ambiguity (from the book *lean Startup* by Eric Ries)¹.

What is the definition of a startup in the supplement?

When we use the phrase "Infant business" or "Startup", we consider the following features:

- A business that tends to be value-creating.
- A business that stability is a concern for its members; and is prospector but not opportunistic.
- A business that is not necessarily scalable, although being scalable naturally counts as its benefit. Therefore, if the mother of a family creates an infant business that only affords its monthly costs and never extends, the supplement regards it as a startup if it is stable.
- A business that might be based on novel technologies or not.
- A business that is still ambiguous and is in its infancy.

Therefore, if particular forms of infant businesses are considered, they will be mentioned with the corresponding characteristics. For example, the following terms can be used:

- Novel technologies-based infant business
- IT-based startup
- Indoor infant business
- Prospective infant businesses
- Infant businesses making changes in the market ²

Types of startups³

To recognize the startups, we must know about their different types.

Currently, based on folk definition, Steve Blank who has a lot of experience on the famous "Silicon Valley" and is the author of the Xconomy weblog, defines 5 forms of successful startups as follows:

1. The Lifestyle startup

It is a startup that is involved in our daily life. For example, take a person who has an electric vehicle which he will lend to others for an amount of money. Hence, he can keep his vehicle at a desirable level while having fun.

2. Small businesses

Usually, a family owns and runs them mostly to afford its costs.

3. Extendible startups

They come with more benefits and gain and usually form groups together as innovative clusters such that several desirable ideas form a more lean idea together.

4. Startups designed to be sold quickly

For example, In the field of residence, a startup is created that can solve problems of real state agencies fast. The creator of this startup aims to only sell it to big companies.

5. Social startups

They tend not only to make revenue but also to make the world a better place for the human.

6. Big companies' startups

Due to variations in styles of the costumers, new technologies, new opponents, etc. big companies have to maintain their competitiveness by running novel programs and startups.

Overview

Development of internet businesses and the growth of startups together with management and technical complexities create juridical problems and challenges. Managers of startup companies must be aware of them. If you are looking to run a new business of your own in the form of a startup, you can benefit from this paper as a wholesome guide. We somewhat clarify the concept of the startup in this paper. Then we familiarize you with the laws of startups and legal issues of the startup business. Next, we will discuss the legal problems threatening new startups. Eventually, we will present 20 judicial tips on starting a startup.

20 judicial tips on starting a startup⁴

1- Avoid the "gentleman agreement"

You might have heard the "Gentleman agreement" and you might form your business relationships based on it. You should know that verbal agreement is in no way documented (except for the cases of having a good witness) and will cause you problems in the future. Document and sign your agreements with your colleagues and partners as much as possible.

2- Make sure that your field of activity is legal

Before starting your work, you might imagine that your field of activity is totally legal sometimes or you might not be in the mood to research it. Considering the explanation given on the problem of the activity being illegal, using instructions of experts and legal consultants, make sure there is no legal or judicial obstruction for your business before starting it.

3- Get the license

In case of requiring a license, obtain it to fortify the pillars of your business (read the problem of not getting the license).

4- Don't insist

If there is no ordinary license predicted for your business or the legislator or the corresponding guild is not willing to issue a license for your activity, don't look for it unduly.

¹ - Eric Ries , THE LEAN STARTUP , 2014

² - Disruptive

³ - <https://modirsun.com/Page/Detail/1529/> What is a startup and what are its types?

⁴ - <https://dadpardaz.com/blog/complete-legal-guides-for-launching-startup/>

Don't make them sensitive about your work with persistence. This tip is a well-known strategy that big companies such as Snapp and Tap30 used it.

5- Sign the cofounders' contract

Speak to your partner about the objectives and future of the business from the very beginning and discuss frankly and bravely your rights and duties, the percentages of the shares, probable conflicts, and the revenue and the capital. Surely, an ounce of prevention is better than a pound of cure. If you don't take into account these matters, you will definitely face multiple problems in the future.

6- Make sure intellectual insertions belong to you

If you use inventions, industrial designs, business secrets, software or other theoretic belongings at your business, make sure at the beginning that their intellectual rights are registered for you or your partner or are transferred to you by a precise contract.

7- Sign an NDA contract with all your colleagues and partners

Infant businesses usually contain business secrets. Exposing these secrets will do harm to the business and will provide opponents with advantages. We recommend gathering enough information on No Disclosure Agreement (NDA) and oblige all your colleagues and employees to secrecy by this agreement.

8- Register your brand

Before progressing much in your business and your business name becomes famous, register your brand. It is possible for you to not be able to do it sometimes due to similarity to other brands or anticipation of the opponents. To avoid such problems we recommend you register your brand a little after starting the business.

9- Don't rush in registering the company

the right time to register the company is often asked. You should know that registering the company in the beginning stages not only doesn't provide much help but also involves you in complex financial, fiscal, salary, and ceremonial affairs that consume significant time and money. Let your business progress a little and have some users and need serious trust build. Then, proceed to register your company.

10- Register the company as a private corporation or limited liability company

Considering the previous guidance, the best and the most flexible registration format for startups that need fundraising is the private corporation, and for startups that don't need much fundraising is the limited liability company.

11- Sign non-competition agreement with all your colleagues and partners

When an infant employs a person, it not only provides him/her with its intellectual properties and business secrets but also pays many costs to educate him and provide him with experiences. One of the measures that

some companies adopt to hurt their opponents is encouraging employees of the other companies to quit and to hire them for themselves. This strategy not only deprives the targeted companies of their expert employees but also results in transferring a big deal of experience and expertise and business secrets to another company. We recommend signing a non-competition agreement with the employees to tackle this unfair trend. By doing so, you can oblige your employees to not cooperate with the opponent companies in any way for a certain duration and be safe in this regard.

12- Participate in the name of everything

After registering the company, all cofounders and partners must ??? the domain, invention papers, software register licenses, real states, bank accounts, immovable properties, brand and trademark, guild licenses, organization symbol, etc. so that in case one of the partners passed away or went disabled (mentally or physically) a disruption wouldn't occur.

13- clarify and prevent information monopoly

Prevent the happening of information monopoly. Try to make a clear platform for your business while not letting anyone lock up the information and do your best to maintain the maximum cohesion of the team and don't run the startup as depending on individuals. We know that the startup relies mainly on teamwork but if one of the members passed away or one of the partners decided to terminate his/her partnership for any reason, should we label the startup as "failure"? we recommend that you clarify everything and distribute the accessibility to information fairly and just and maintain the company free of monopoly.

14- don't give the shares to the cofounders in wholesale

A useful important method used to incentivize the cofounders to continue their partnership is scheduled granting of the shares, which is known as the vesting. By doing so, a cofounder's share is granted to him/her within a 3- to 5-years duration monthly instead of having him/her possess a significant percentage of the company's share as soon as beginning the partnership. It is worth mentioning that many stockholders consider the vesting prerequisite for investing.

15- put aside a portion of the stock for the eminent employees

The Option Pool system –employees' stocks system- is an efficient strategy to identify the elite employees and retain them for startup companies. If you are willing to have more elite employees in your business in the future, abide by a separate term or agreement, save a part of your business stock for eminent employees whom you would like to hire in prospect.

16- Save room for dilution of your stock

The investing agreements sometimes include a unilateral term know as anti-dilution according to which, the entrepreneur team subscribes to not delude the investor's

stock in the next levels of fundraising. This matter that is considered unfair results in a significant reduction of the entrepreneur team's stock in the future and in turn, the fundraising will be less likely for the next levels. We recommend that you be wary of this term in the investment agreements and pay attention to important details.

17- anticipate the methods of settling the discords

Today, the courts are busier than ever. Existence of 16 million judicial files depict the business level of the judicial courts. It is worth mentioning that to settle the smallest discords in the courts one must be wondering for several months or maybe even years in the hallways of the courts. To avoid these problems, it is better to include judgment terms in your agreements in advance and choose one or three experts in the field of startups' rights who are trusted by both parties as to the judge and have him sign the agreement as well. By doing so, you won't need to attend to the courts in case of having discords and your disagreements will be settled by the judges in no time since their call is irrevocable.

18- exclude liability for the measures of the users

If your business is structured as a platform and you are a medium between the service provider and the service receiver, the best way to prevent being considered responsible for the measures of your user is to express clearly that you are a platform and to exclude liability for what the actions of the users.

19- don't use the agreement samples as much as possible

Many entrepreneurs imagine that juridical services are expensive and fruitless and that they can use the Farsi agreement samples available on the internet. They also believe that they can write a new agreement by translating foreign samples. Although doing so is permitted in case of insignificant agreements, it is worth mentioning that due to exclusiveness of the subject matters and the different laws of different countries and differences among different businesses, drawbacks of using samples are too much and they impose indispensable damage.

20- don't ask for help from unskilled jurists and advocates

Have in mind that assessment on judicial issues of startups requires knowledge on laws of electronic commerce, of representatives and companies, intellectual ownership, IT, cyber-crimes and relative acquaintance with technical issues in this field. Unskilled jurists and advocates not only can't help you properly but also might multiply your problem due to their outdated knowledge. We advise you to make sure of the existence of the expertise written in their resume.

What makes the development of the startups vital most is the creation of new markets for the products and services according

to the creativity within the country. The development of the startups in the economy embodiment of every country is equal to the expansion of the ideas and innovative creativities; formation of new markets of some products; replacing the new and low-cost trends with the old ones with low efficiency; independence of the country of importing some merchandize; or even exporting of new products abroad and thus importing currency into the country.

Many advantages to this field have made different countries think about creating a proper floor for its growth. But what is the approach to persuade people to begin such business? What are the government's duties in this regard? Can we expect creative ideas to flourish in a country in which creativity is not considered a value? It is worth mentioning that only expressing that the startup activities are supported in the country's economic system is not enough.

The researchers and economists believe that the development of an entrepreneur's activity scope stems from key factors including the cultural, political, and economic conditions of the country. In fact, these factors determine the value of entrepreneurship activities and their qualitative degree. It is possible that the startup activities lead to several new applications in product and service purchasing in one country while a company like Apple advents in the economy field.

What factors influence the development of startups?¹

It is expected for a country that pays exclusive attention to the education process and the eminent students and the elites are granted big praises and opportunities within it to host a flow of formation of entrepreneurship designs. Such a country would be higher than any other country in this regard. Different plans and designs would advance day by day in a close contest until finally, they become a high-quality output for such countries.

It is the hard life conditions and dire need in some other countries that can lead to the creation of creativity, although the number of the entrepreneurship activities for these cases is much lower than the previous one, and the plans made up here are not contestable. In some countries, it is the political circumstances that make some advance while removing others from the economic system. Nevertheless, it is obvious that the higher the quality of the raw material injected into a country's economy, the more effective its economy will be. In addition, with proper income from global markets, its nation will have welfare.

Let's discuss the status of startups around the world. For example, Latin America is in the second rank in entrepreneurship in the world in terms of the number of creative projects but most of its presented projects never lead to making money. For instance, 98% of the companies in Mexico are in fact micro-entrepreneur that provide insignificant income for the country. It is mainly because of the fact that big industries do not advent among an amalgam of innovations and creativity. The poverty of this country in proper investing in innovative projects also roots in this very reason. In addition, researches suggest this country has never considered finding a global market for these innovations and more importantly, the majority of the inventors in this country complain about missing

¹ - <https://donya-e-eqtesad.com/What-are-the-growth-factors-of-startups-63/3341969-Special-letter-section>

proper laws to register their inventions and no preservation of the registration rights. How can creative people influence their country's economy positively in these circumstances?

A good trend is forming in South Africa and a significant potential is gathering in the field of advanced technologies. Four major universities in this region properly host the innovative ideas of the students and inventors. Attractive ideas are assessed and executed with suitable supporting. A market is predicted for each product before production and it is invested according to the efficiency it will yield for the economy.

Although the trend employed in this country is desirable, it is slow. It is worth mentioning that the subject matter of entrepreneurship in this region is still passing the infancy period because the startups' development culture is formed based on high speed. Nevertheless, this gathering of knowledge can lead to significant advances for this country in the early future. The underdeveloping Asian countries also suffer from missing proper infrastructure for production where the necessary background to execute many of the projects is not provided.

The Far-east Asian countries, on the other hand, are advancing rapidly. The policy of these countries is vast financial supporting the creative projects to expand exporting to other countries – especially the West Asian ones. Major economic projects in these countries such as electrical appliances or vehicle manufacturing factories reach the exploitation level in a high multitude with financial and legal supporting of the government. The output of these projects is exported to the markets of the Asian countries depending on importation. If the U.S possesses the strongest economy in the world, its roots are the possession of consistent financial markets that support the entrepreneurship projects in various ways and provide the capital needed to execute them. In addition, there are big universities in this country that associate education with scientific innovations; and the major institutions and organizations of this country are always fed with the elite and talented people.

The supporting system in this country is so that annually thousands of students including the elites of other countries who have not been provided with proper opportunities move to this country to continue their education and eventually exploit it practically. Therefore, it is not surprising that Google, Apple, Microsoft, Facebook and etc. have emerged in so many various fields in this country. It is also not surprising that Germany has always produced the best products in quality in Europe and this country had 270 billion dollars' surplus instead of a budget deficit in 2016. These are all results of tidy, precise, and the desired mechanism designing to integrate the education and industry and to finally create innovative technologies that have sent the new high-quality products to the global markets and made the German brands one of the most authentic brands throughout the world. Correctly using and supporting the entrepreneurs both in terms of supporting their invention registration and financially are factors that have made the economy of this country the strongest in Europe¹.

Developing a startup²

1- The network

Creating the network is a priority at the beginning of any business and the development of the startups. Form an online network in your industry. By doing so, the members can share your brand the way they like. If you do not have a big network, be in touch with influential people and follow their weblogs and on the social media; Share their posts with your friends; attract their attention to yourself but do not do this in a bothersome way; show them that you are interested in them and their works; and make sure to add their link to your website. There are online tools that can help with finding the networks and weblog writers in the industry.

2- a small beginning

Do not trade with everyone immediately. First, be in touch with the costumers with good status. If this progressed desirably, after a while, you can extend your scope and do marketing on more people. But focusing solely on small opportunities can be good for you sometimes.

3- The content

The importance of good content is no secret to anyone. Publish your content on various subject matters frequently. It is better to have some of them on the work and potential clients. Post contents that your clients can share with their family and friends: "what is the content marketing?". Also, make sure that your posts include the keywords that searchers and users choose so that the search engine optimization, the SEO, progresses well. Remember also that your potential clients ask for content more than only text content. Images and videos draw their attention and help with developing a sense of connection with you in them. People tend to receive instructions for doing things. Providing the ability to download is also helpful. You can also add the "Option" form so that they send their Email to download. By doing so, you can get their Email address.

4- Email

If you do not have an email list, it is better to provide it as soon as possible. Doing this is similar to putting an option form on the website or the landing sheet. You must create enough motivation for the people to enlist in the newsletter or electronic automation. Holding events is a good way to obtain Email addresses. When you have them, you can stay in touch and present periodic exclusive products to keep them in contact. This interaction provides a background for your startup to flourish by itself.

5- social media

Today, social media practically involves everything. But it doesn't mean that any social media website is suitable for everyone. Take Instagram as an example. While it can be useful for someone working in the fashion industry, it is not for a technology company. Starting the business with social media is suitable for content enhancing. Seek what is proportional to your business and is along the path of your startup's

¹ - Online Economy, Entrepreneurship and Management, 2017

² - <https://cgr.ir/article/Factors-effective-in-start-up-growth>

development. Begin with one or two media only to avoid encountering large content. Post the useful content people would like to share. Respond to the comments and messages on time. Be active and stay in contact with your followers. "Like" the posts, share them, and put comments. investmentFacebook, Tweeter, LinkedIn, Google Plus, Instagram, Pinterest, Tumblr, Flickr, and Quora are some popular social media.

How do startups influence the economic growth of the countries? ¹²

Although startups are small and are exclusive to particular fields of production or services, they will dominate a large portion of the economic, financial turnover due to their multitude in the future. Therefore, the governments, organizations, and major private companies throughout the world have been observing the activities, gathering, and analyzing the data of the startups. To describe the global ongoing investing trend on the startups over the past two decades, we can say that an essential matter in the ecosystem of the startups is the existence of the capital and investing representatives that have a crucially practical and psychological role in formation, growth, and success of the infant businesses.

Risk-taking is a prominent characteristic of the startups that causes the investors of this field to look for successful companies in addition to having superior ideas. One of their criteria in this regard is being in the "Technology Unicorns" list. The startups with a value of higher than 1 billion dollars' are known as the "Unicorns". According to the data of the national cyberspace center, the statistics on the Unicorns of the different fields are published annually. These statistics are interesting geographically: 55% of the Unicorns exist in the U.S, 21% in China, 4% in India, 4% in England, 2% in Germany, and 2% in South Korea.

Studying and exploiting the experiences regarding investing in successful countries is critical for its extension in other countries. One of the most important reasons for the formation of the Unicorns is the increment of the capital of the companies that is the outcome of the existence of the risk-taking financial institutions and more importantly, the necessary rules and regulations that are needed to facilitate the fundraising and maintaining the capital by the startups and entrepreneurs. Moreover, initiating the technology city and providing desired conditions for fundraising for a large scope of the technologies is another reason to develop the startups.

The development of the technologies and the extension of the digital ecosystem depict the attractiveness and future opportunities of this industry that will lead to significant economic impacts in case of providing proper conditions to attain and preserve the capital as the main factor for growth and success of the technology startups. This matter together with a global approach to forming the startups along with the extension of the markets magnifies the importance of the country's economic gain from the global financial resources of the startups.

Thanks to the two-fold growth of the digital industry with the global income of 3 trillion dollars', the financial turnover of this field bested the traditional part of telecommunications. This

growth is a result of the attention of the investors in recent years to the field of startups. With the 220 billion dollars' investing of the investors in the field of digitals, the global growth of this industry will be accelerated even more. Evaluation results of the digital companies suggest the presence of 190 Unicorns with a value of about 600 billion dollars' and revenue more than 100 million dollars'.

Another reason for creating the Unicorns is the capital growth of the companies due to their excess accessibility to liquidity. Investment by several influential pioneer companies was a potential incentive to create Unicorns in 2014 so that 8 major companies invested in 42% of the set of Unicorns. The overall growth of the financial resources this year was 165% that caused the growth of digital companies by 20%. Most Unicorns will persist through preserving or increasing their value. the extension of the digital industry, development of the technologies and digital ecosystems such as the Internet Of the Objects and Cyber Security are among the future opportunities and attractions of this industry.

The results of the researches in the years 2014 and 2015 suggest that 13% of the technology startups in Europe with more than 1 billion dollars' have become the Unicorns of this field while 22 new Unicorns were created in the U.S at the same time. The value created by the European Unicorns since 2000 has been about 120 billion dollars'. This amount is significant in comparison to the value of the Facebook that is 229 million dollars' solely or it the value of Aubert with 40 billion dollars'. According to the Dow Jones Free Market Economic Index report, 40 European startups have been able to increase their value by 1 billion dollars' or more through fundraising. 17 companies of those 40 the number of which has been two-folded belong to England. Among these 17, 8 of them known as FinTechs, that is the financial startups possess the most stocks. Next, Swede is the runner-up with 6 Unicorns; Germany and Russia are in the next ranks with 4 and 2 Unicorns respectively; and at the bottom are Finland with 2 unicorns, and Italy, the Netherlands, and Ireland each with 1 Unicorn.

Considering that initiating the technology city of London has provided England with an Economic leaps platform within 5 years by obtaining a prominent placement as a Hub technology in Europe, it is safe to say that the statistics released suggest that the number of London's digital technology section companies have had a 46% growth since the initiation of the technology city. With a labor number of 200000 in 2015, this section has had a 17% growth since 2010. Also, more than 1000 international investment projects have been initiated in London between 2005 and 2014.

Mainly, the cowardliness of the investors and them directing their capital towards the lesser-known fields can be an obstruction to using the capacities, capabilities, and agility of the field of the startups. Creating the desired ecosystem for growth and advancement of the IT infants requires the presence of a set of elements without which the growth of the startups is impossible. The role of growth centers, accelerators, investing networks and centers, the media, public organizations, related

¹ - <http://nanomatch.ir/article/960901/>

² - <http://www.nasimeeghtesad.ir/news/51499/start-up-%E2%80%8C-UP%E2%80%8C-What%20role%20will%20they%20play%20in%20Iran's%20economy%3F>

state and public institutions, universities and vocational education centers is undeniable in this field.

The economy of different counters is divided into three categories: "natural resources-based economy", "exploitation-based economy", and "innovation-based economy. Currently, Iran is transiting from the natural resources-based economy to an exploitation-based economy and the share of the innovation-based economy is very limited.

The knowledge-based companies and the startups mostly based on technologies, particularly the information and service technologies, have improved significantly in recent years –the companies that are structured with the low funds and are based on the novel ideas of the educated youth and have achieved significant growth in a short duration.

The knowledge-based companies begin from startups but can become moderate and major companies quickly. A set of startups, infant companies, small, medium, and big companies in knowledge-based fields, and networks including various connections of small companies to moderate and big ones is required for the country's technology growth. Various domestic models of these connections must be developed in the upcoming years proportional to the country's business status.

The growth of the startups or infant companies in the country has been ascending. It is promising for those who are eager to work in this field. The field of startup activities is very extensive. Nevertheless, it mostly belongs to the infant companies of the field of technology while startups do not need to be on these exclusive fields necessarily throughout the world.

As an interested in this field, I become excited about witnessing the growth and development of the startups –especially since the youth have come to believe that they can decide their own future and initiate and manage a novel business.

However, there is a perilous mistake on infant companies that challenges the future of these businesses seriously.

While the pace of growth of the startups has caused the educated youth to tend to it, unfortunately, the majority of people do not know much about these companies and their functions. Startups have good interactions with each other. They often provide service and care for the maintenance of each other. But rarely do they try to provide public awareness and for maximum absorption of different classes of the society. The truth is that the startup universe is apart from the real-world currency.

Some startup activists consider lack of enough fund the reason why startups are not willing to introduce themselves to the society, but I believe that we cannot expect startups to become major authentic companies in the future unless all classes in the society are aware of the activities of these units.

The Snapp is successful because it introduced itself since the startup level to the public and could earn a good share of the market.

There are still many who would like us to regress and use the traditional payment services or would rather do their shopping in the traditional ways. This matter is because of slumber about introducing themselves. They must inform people about their importance and functionalities to achieve success in the future.

Some successful startups in Iran and throughout the world

1- Digicala

Digicala that was initiated in 2006 is the largest internet retail company in Iran. Today, Digicala is the most-viewed website of the Middle-East and is the largest website selling electronic and digital products in Iran. Only analyzed the digital products such as cellphones, laptops and etc. at the beginning of its way, this website considered selling such products gradually, so that today there are no products that u can't find it's alike on this website.

By providing a 1-week return warranty for the sold goods, this online shop assures the customer that the product he/she is purchasing is original and in case the merchandise is not satisfactory in terms of functionality and quality, he/she can receive similar merchandise or get the refund. It has been 11 years since Digicala was established. Known as the largest Iranian startup, its value is currently estimated 150 million dollars' by the foreigner level determination institutions.

2- Kafe Bazaar

This company is the biggest market for a variety of applications for smartphones in Iran. The founders of this startup have been able to connect together millions of users, internet advertisers, and smartphone programmers through platforms such as the Bazaar App Store.

Since the Google company put limitations for access of the Iranian users to the applications and programs included in the Google Play, by customizing an application similar to the Google Play, the "Aava-ye-Hooshmand" company could compensate acceptably the loss for the android users and took a major step in growth of the domestic games and software by them. Although this small basket was made less than 5 years ago, it has become a trusted path to download android games and software in such a short time.

3- Snapp

Inspired by the Aubert, the largest taxi driving company throughout the world, Snapp is a successful startup. This company succeeded to employ those who were willing to work as a taxi driver and to stay in contact with them only by having a cellphone application. It also gathered many clients by presenting high-quality services and strong supporting.

This company was founded by Shahram Shaahkar, an electrical engineering student of the Ferdowsi Mashhad university as the first Iranian startup in the field of transportation in 1393.

The application that this student proposed was funded several million Euros' by an international company in only 3 years! The Snapp, the first and the largest vehicle request software company in Iran, was injected a 20 million Euros' fund by MTN in 1395. It is worth mentioning that since 1393, with the monthly growth ratio of 100%, the Snapp has become a major electronic business player in Iran. This application includes 10000s users as drivers and hundreds of thousands of users as clients.¹

4- Apparat

¹ - <https://www.drfakher.com/Article-one-3/>

It has been 5 years since the Apparat website started to work. This site is, in fact, the customized version of YouTube. Since YouTube is filtered in Iran, the Apparat has been able to replace it well and achieve a significant income in doing this. This website was created in 1380. In 1393, with the creation of the President's user account on this website, it officially stepped into the online video broadcasting world. This website is a division of the Saba Ideh company that owns websites such as the Mihanblog and the exclusive Saba click advertisement website.

5- Snapp Food

Online food ordering applications are among the most attractive and successful startups in Iran. The main idea of this startup is to deliver food in the shortest time to any spots on in Tehran. According to the geographic position, this application shows all approximate restaurants to the user so he/she can order the favorite food from the desired restaurant and pay for it online. Recently, this company is renamed Snapp Food following the policies of the Rumak Complex.

6- Alibaba

Alibaba is the oldest, largest, and most authentic train and plane ticket buying system. Not only does it search all registered flights in the international flights that take off or land in Tehran, but it also does this search for all flight destinations and foreigner airlines with the possibility of buying their tickets online. Alibaba is also the safest way to purchase charter tickets because it assures refunding of the canceled flights.

7- Divaar

Divaar is one of the most popular and famous Iranian startups. It is particularly tailored for buying and or selling the used tools and stuff.

Globally successful startups¹

1- Aubert

Aubert is the highest valued startup in the U.S and throughout the world. It has bested its main opponent, the "Didi CHoksing" by about 20 billion dollars.

This taxi hiring startup has collected several billion dollars' of capital in recent years including a 3.5 billion dollars' fund from Saudi Arabia and 2 billion dollars' as a loan. In May 2017 Auber announced that it had suffered a 708 million dollars' loss in the first three months of 2017 which is 991 million dollars' lesser than the loss it had suffered in the previous three months.

Aside from the financial problems, Auber ended the year 2017 with many challenges considering sexual harassment and sexism reports; quitting of some of the executive managers; the Waymo lawsuit; and the self-driving company belonging to the Google accusing the Aubert of technology theft.

2- Airbnb

This house renting startup finished the year 2016 with many challenges. Nevertheless, this company is still the second most valuable startup in the U.S.

Although in 2016, Airbnb faced judicial obstructions in Saint Francisco and New York, still it gained 850 dollars' fund and

presented a new service called "Trips" in November of the same year aiming to convert to a full travel services company.

In March 2017, Airbnb gained 1 billion dollars' fund reaching the value of this company to 31 billion dollars'. It appears that Airbnb tends to turn into a public corporation now in the same manner that the Spotify company did.

3- Palantir

Palantir gained a 2 billion dollars' fund in 2016 and its value reached 20 billion dollars. Nevertheless, despite the 1.7 billion dollars' income from the contracts in 2015, it appears that it is not profitable yet.

This data exploration startup works with dire secrecy. In June, there were reports claiming that Palantir has purchased stocks of its employees worth 225 dollars in silence.

Palantir is supported by the risk-taking investment branch of the CIA. It is said that it works with the government. The role of Palantir was mentioned in one of Edward Snowden's disclosures about the espionage of the U.S government. It is also said that Palantir helped the U.S government find Osama Bin Laden and helped the police find the Boston marathon's bomber through sifting a large number of videos.

But it has had discords with The U.S Department of Labor and was accused of discriminating against the Asians in the employing procedures. This company agreed to pay 1659434 dollars' salary and stock to the workers damaged from this matter.

4- WeWork

The Mutual workspace startup, WeWork, reached a value of 18 billion dollars on the previous March by gaining a 300 million dollars' fund from the Softbank company and became the fourth most valuable startup in the U.S.

It is said that this startup will become a public corporation in the early future and might even buy a few smaller companies.

5- SpaceX

This company that belongs to Elon Musk reached the value of 12 billion dollars' after gaining 1 billion dollars' fund from Fidelity and Google in January 2015.

In one year, SpaceX launched the Falcon 9 missile into space, released a satellite, and came back to the earth intact. The success of this launching and landing proved that reusing the expensive missiles instead of having them fall into oceans is feasible.

But 2016 was a more challenging year for this company. In September, a SpaceX missile exploded while launching and destroyed a satellite Facebook wanted to employ. Since then, SpaceX postponed initiating a more powerful missile system (Falcon Heavy). This company also postponed launching a missile with the NASA astronauts crew until 2018.

3. CONCLUSION

With the growth of the population and advancement of science and industry and lack of the traditional business space, it is time for the startups to shine. Them becoming professional and extension of their activities and providing various services to people can yield a good income to the owners of such businesses

¹ - <https://shanbemag.com/10-successful-startups-in-the-world/>

in return for spending low costs and using the least facilities. These startups lead to the growth of economic development by forming financial turnovers and money wiring. The lesser the intermediates between the product producer or the service provider and the end-user become, the lesser costs should be paid for buying products or services. This, in turn, leads to more demand for services or products, influencing the economic growth and development directly on minor and major classes of the society and even the international level, and leads to the development of the society and the country. The biggest factor for the growth of the startups is their smart and innovative management that results in besting the opponents. Hopefully, every member of our society will increase the dependency of the society to the government and more monetization and economic development at domestic and international levels through exploiting the expertise and the youth power together with the experience of the elders and majors of the economy and business fields.

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