



ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

**Entrepreneurial project management problems in startups:
exploratory study of small and medium enterprise startups in Addis
Ababa's construction industry.**

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Entrepreneurial project management Problems in startups: exploratory study of small and medium enterprise startups in Addis Ababa's construction industry.

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I, the undersigned, declare that this project work is my work and that all the source materials that have been used for this study have been dully acknowledged.

I declare that this project work is my personal work and that all sources of material used for this research have been acknowledged accordingly. This Paper has been submitted in partial fulfillment of the requirements for an advanced (MSc) degree at AddisAbaba University, College of Business and Economics and deposited at the University library to be made available under rules of the Library. I declare that this project work has not been submitted to any other institution anywhere for the award of any academic degree or certificate.

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LIST OF ABBREVIATIONS AND ACRONYMS

EPM	Entrepreneurial Project Management
NVC	New Venture Creation
NV	New Venture
PM	Project Management
PMI	Project Management Institute
SME	Small and Medium Enterprise
TO	Temporary Organization

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ABSTRACT

This study explores the project management problems with in the entrepreneurial and new venture creation area, specifically with regards to start-ups in order to gain an inclusive picture of project management problems within them. This research takes the form of a qualitative study. It is a case study, wherein semi-structured interviews and interviewer-administered questionnaires were carried out with entrepreneurs who were the founders of these startups. The selected respondents were chosen for the study due to their small size and young age, proactive innovativeness as well as centralized decision making processes and their characteristics, which are in line with start-up features outlined in the literature review. Due to time constraints the research is cross-sectional while the exploratory nature focusing mainly on start-ups in different sub cities of Addis Ababa. There were three specific areas the study concentrated on to identify problems in the startups, which are characteristics of the startup, Project management competency and practices, and the new venture creation process. The use of project management practices, with the exception of communication and scheduling tools, were found to be limited in start-ups due to their rigidity, high costs and time-consuming nature. This presented the basis for why project management within entrepreneurial, new venture creation needs to be adapted through the development of a more appropriate version which will provide adequate management practices. The findings of the study show that there is great need for Project management education among entrepreneurs. Findings also indicate that a start-up's process is characterized by the need for flexibility and adaptability, due to inherently high levels of uncertainty and risk. The study also indicated that the tedious processes of establishment caused great deal of problems for entrepreneurs. The need for further research which will contribute to the development of Entrepreneurial Project Management is evident.

KEYWORDS: Entrepreneurial project management, new venture creation, startups, Project, small and medium enterprises (SMEs)

CHAPTER ONE

INTRODUCTION

1.1 Background

According to the current economic assessment by the IMF Global “economic activity is experiencing a broad-based and sharper-than-expected slowdown” (International Monetary Fund, 2022). In this current setting where the economy is subject to the pandemic and high impact war, sustainability and autonomy is by far the most sought out quality for countries.

The endeavor to be financially self-sustaining has many scales, the self-sustenance of a country highly depends on the sustenance of its people. Entrepreneurship is one of the solutions for the problems faced by countries concerning economic growth, unemployment, and social issues as a result of global problems. (Salvaggio, 2016)

Entrepreneurship is the preparedness of an entrepreneur to develop a new concept, organize the establishment and administer operations taking all the possible risks to get financial gain. (Stevenson & Jarillo, 2007) The purpose of entrepreneurship is the creation of wealth out of available resources.

Enterprises are the outcome of entrepreneurship. The **Merriam-Webster dictionary** defines an enterprise as a project or undertaking that is especially difficult, complicated, or risky, a unit of economic organization or activity, and a systematic purposeful activity.

The concept of Entrepreneurship is highly dependent on the innovation aspect (Trokic & Sahatqija, 2015). The entrepreneur is a risk taker introducing a new product and service or a new way of delivery. The entrepreneur doesn't have the comfort of lessons learned from other previous projects because the company is usually a pioneer. It makes the entrepreneurial activity unique with a different set of benchmarks throughout its lifecycle. (Ahmed & Seymour, 2008) One of the main factors that distinguish entrepreneurs from business owners is the ability to take risks with one's innovative ideas.

The initialization of a purposeful organization and/or enterprise is called a startup (Salamzadeh & Kawamorita, 2015). A startup can be characterized as an enterprise that is in the initial phase and hasn't become fully operational and that functions as an entrepreneurial project. Startups may have time constraints, the estimated time the enterprise

can dispense for this phase, and financial constraints i.e. the availability of finances is a risk to be undertaken even though the first initial investments of an enterprise are usually covered by the entrepreneur, often than not more funding is necessary to get the company underway. The enterprise startup has performance constraints i.e. the quality and level of delivery of the goods or services and competence is the primary goal of the enterprise. In this phase of the enterprise responsiveness to change is a good quality to strive for. Discussing the constraints of the enterprise startup will be important to explain the view of managing startups as the project themselves.

Entrepreneurship and project management are two disciplines with a lot of similarities even though they have grown parallel to one another. The necessity of their linkage is predominantly showing in project-based companies in recent years. A project manager in managing projects can develop an Entrepreneurial mindset. This is to mean thinking and behaving and serving as the advocate for the executive (stockholder) focusing on the improvement of the process and outcome of the project. On the other hand, the Entrepreneur must employ project management tools to realize the vision of the enterprise.

Entrepreneurial project management is a new forward concept where the focus is the entrepreneurial project. Project managers need entrepreneurial traits to better achieve the objective of projects and companies. Entrepreneurial project management as traditional project management involves applying tools to keep in progress the initiation, execution control, and closing of projects as a science and keeps in consideration the needs of the stakeholder in every task. In the traditional sense, startups are managed by the entrepreneur who may or may not be clear on the use of project management tools .whether intentional or not, some project management tools are used in the process.

The unstable global economy brings forth instability to the country's economy, the current economic environment is very unpredictable. According to the IMF the most affected sector (as a classification in the economic sense) are small and medium enterprises (SMEs). A vibrant SME sector could be a major source of employment and innovation, helping boost productivity, growth, and economic diversification. (Collyer & Warren, 2010). SMEs are enterprises that range between a certain criteria (Zutshi, Mendy, Sharma, Thomas, & Sarker, 2021) .The factors used to categorize these enterprises can be investment capital, number of employees or other country specific criteria depending on a country's guidelines.

In Ethiopian context, SMEs enterprises are those defined by the total funds they invest. Small enterprises are those with total investment that ranges between Birr, 20,000 to Birr, 500,000 and Medium enterprises are those with total investment that ranges between Birr, 500,000 to Birr 1 million.

Due to pressures from the external economic conditions, SMEs in Ethiopia are forced to focus on few sectors as the service industry that seems to be sure to be profitable.(Bogale, 2022).The service sector has maintained a somewhat steady share in the GDP over the past 10 years(O'Neill, 2022).As the urban center of Ethiopia, Addis Ababa has attracted the majority share of the service industry and mainly construction industry in the process of striving towards urban development. This industry is highly integrated with projects, project organization and management. This study investigates SME construction startups and the state at which project management is being used in them.

In the startup phase, where there is risk and innovation, the entrepreneur has to use all possible tools at ones disposal to insure the success of the establishment of the enterprise. Risk management among other management areas is important more than ever to insure the utilization of resources being put in to new enterprise creation.

The benefit of exploring the drawbacks faced by startups in the startup phase lies in understanding the organization and process of new venture creation in Addis Ababa. In order to gain a complete understanding of the new venture creation, it has to be studied as an innovative project itself where the entrepreneur functions as the project manager.

This study will structure a framework within which future entrepreneurs function, and direct their focus in order to avoid unforeseen circumstances in the process of new venture creation.

1.2 Statement of the problem

Project management knowledge is only a recent phenomenon in Addis Ababa. Due to the need for efficiency of resources in the construction sector completing projects has caught the attention of different institutions including the government.(Ahmed & Ahmed , 2021) There are researches on the organizational level and in academia to resolve the pandemic of unfinished projects and the quest of finding the reasons why it is so. The concentration of this

research in the construction service industry is not without reason. The economic impact of delayed construction projects especially in government-financed projects is going to be without a doubt be implicated in the country's economy(GIZ, 2020). One of the issues in the construction service industry is that the number of competent enterprises is not meeting the demand for construction services.(Global Data, 2022) The importance of startups of construction companies and their success has not been considered as one of the solutions for this issue. There is little to no research that indicates why the process of construction startups is dire and a task for the brave.

Construction companies in the SME scale have the biggest market share in Ethiopia even though not enough to meet the demand(Global Data, 2022). There is extensive research conducted on the role of SMEs in a country's economy and the macroeconomic problems it faces in other countries. But there seems to be little to no study on the internal functioning of the new venture creation until it becomes operational and the problems it faces in line with project management.

The entrepreneur creating new enterprise should have the necessary resources including a project team, in most cases the founders and co-founders of the startup(Blank & Dorf, 2012).Owner autonomy in the startup is a common occurrence therefore the entrepreneur should have entrepreneurial as well as project management competences.

Meeting competency levels in time using the available resources is the main goal of a new construction enterprise(GIZ, 2020).The success in doing so will insure the company to move to the growth stage of development. New construction enterprises in the SME category in AddisAbaba have the tendency to spur quickly in the market and disappear as fast as they were created. The continuance of the new venture has a strong tie with its foundation. How far a company goes is indication for how well the startup phase was handled.

Licensing and competency procedures for construction companies are subject to reform as in any other sector in Ethiopia at present(National Legislative Bodies / National Authorities, 2005). The increase in policy changes and new guidelines for the prevention of corruption and illegal activities surfacing are making it difficult to navigate the systems of the government licensing and authorization agencies in this sector. Entrepreneurs in this field are forced to figure things out as they go or relay on secondary information from other entrepreneurs that will be on the odd occasion useful in time.

In this study we will consider the process of new venture creation as a project. In doing so we can view the startup with respect to the lifecycle and components of a project for a comprehensive project management and assess the bottlenecks for the successful establishment of the enterprise.

1.2.1 Research questions

- What are the general characteristics of entrepreneurial projects and the problems in the context of construction enterprises in Addis Ababa?
- What are the problems in the use of project management tools and techniques involved in the entrepreneurial project and the process of managing with regards to (knowledge areas of project management) basic project management knowhow?
- What are the processes and drawbacks of new venture creation in the entrepreneurial ecosystem in the construction sector in AddisAbaba?

1.3 The objective of the study

The objective of this study is to shade light on the management of new construction SMEs and try to uncover problems related to the process of handling their startup phase and the use of project management in the process. On the other hand provide the perspective of viewing startups as projects and managing them accordingly which will be investigated to be applicable to all sectors.

Specific Objectives

1. To Study the characteristics of the small and medium new venture/startups in the construction industry in Addis Ababa and accessing the contextual problems.
2. To identify problems associated with the project management application in the process and development of the entrepreneurial project.
3. To explore the nature of the environment and problems associated with the requirements of entrepreneurial project in striving for desired competency levels.

1.4 Scope of the study

This study will be conducted in Addis Ababa, the capital city of Ethiopia as the majority of construction companies are concentrated in this rapidly developing urban center of east

Africa(GIZ, 2020). The construction industry has increased demand in recent years and new construction companies are emerging as a result. This demand has led to a platform where new and cutting edge ideas are necessary for the much required efficiency of the industry. Therefore this study will focus on new ventures with new ideas, adding value or pioneering in this industry. Many entrepreneurs in this sector have to meet certain capital competencies which leads this study to the small and medium enterprises most of this new ventures fall under(Bogale, 2022).

1.5 Limitations of the study

The researcher faced the following bottlenecks during the research process:

The first and most important limitation in this research was time constraint. The time given to do this research was shorter than anticipated and these made the decision to use purposive sampling to keep the integrity of the paper intact. The sample size of the study is within a specific industry. The sample size is small, 11 to be specific, which means the process of drawing generalizations is tricky. The candidates for this study have been selected according to the definition of startups discussed in the review of related literature. Even though the sample size was small the overall analysis has provided sufficient analytically generalizable data that can be useful for enterprises under similar conditions. Further study with an increase in the number and diversity of samples can lead to a greater degree of application of this study, and help explore the relationships of enterprises within different industries.

The second bottleneck was the availability of the limited study in entrepreneurial project management therefore the use of PM components was necessary because of the lack of a contextual (case of entrepreneurial organizations) framework. These components were derived from the PMBOK. Further study to evaluate these components and create a framework for the concept of EPM is important.

Lastly cooperation from respondents of this study is who all entrepreneurs that founded the enterprises were time sensitive. There were schedule changes and repeated meetings in order to complete the interviews.

1.6 Significance of the study

This study will point out which components of the PM knowledge are given attention to and their relevance in the startup. It will open discussion on the specific components of entrepreneurial project management and the difference with traditional PM.

In this study, the combination of three frameworks has been attempted. The contextual construction startup process, the generic framework of the lifecycle of startups and the stages of a project by including the nine best practice in project management.

To guide the entrepreneur who wishes to work in the construction industry. These frameworks attempt to provide a comprehensive roadmap to a successful construction startup company in AddisAbaba.

1.7 Definition of Relevant Concepts

The concepts here under are defined briefly and have been used repeatedly throughout the study. Further elaboration and the relationships between them have been discussed in the next chapter (chapter 2).

Entrepreneurship: Entrepreneurship refers to the act of doing something new and different in order to create wealth for oneself and add value to society(Kao, 1996)

Entrepreneur: Entrepreneurs are people who collect means of production, organize a business, innovate, create new things, and take risks in the hope of reaping financial rewards. (Muley, 2012)

Entrepreneurial Project :

Temporary Organization: A temporary organization (TO) is formed to complete an ex ante-determined task with a predetermined end point.(Packendorf, 1995)

Project : according to(Kerzner, 2009) “A project can be considered to be any series of activities and tasks that:Have a specific objective to be completed within certain specifications,Have defined start and end dates, Have funding limits,Consume human and nonhuman resources and Are multifunctional”

Project management:Project management is an integrative undertaking that requires each project and product process to be appropriately aligned and connected with the other processes to facilitate coordination (Project Management Institute, 2013)

Entrepreneurial project management

Entrepreneurial Project management:is the application of PM practices within the entrepreneurial setting

Startup/New venture Creation:is the creation of new organizations through planning, organizing, and establishing them (Gartner, 1989).

1.8 Organization of the study

The organization of the study will be discussed hereafter to lead the reader through the research paper

Chapter 1: the first chapter will be the introductory section where we discuss the context of the research on a theoretical level and in the case of Addis Ababa. It will provide clarification on entrepreneurship, startup of enterprises and projects, and entrepreneurial project management in the existing scenarios of Addis Ababa. In addition to this the research question will be discussed and will point out the research gap.

Chapter 2: In this chapter, there will be a review of relevant literature chosen about the following topics to lay the foundation of the study:

Entrepreneurship, Temporary organization, Project management and Entrepreneurship, Startup enterprises/new venture creation, Characteristics of startups (the entrepreneurial project), Entrepreneurial Project management practices, Process of NVC in Ethiopia, Addis Ababa

At the end of this chapter, the concluded conceptual framework is discussed and illustrated according to the concepts and findings of the literature review.

Chapter 3: this chapter outlines the selected research method where we show the design of research tailored to this specific research topic. Related tasks i.e. Data collection, the logic of selection of participants, and interview methods will be discussed for a qualitative research

Chapter 4: this chapter provides the findings and analysis of data that have been collected in the data collection phase, discussed in chapter 2.

Chapter 5: This analysis will be framed in the discussed in context of the study in this chapter focusing on identifying problems that have been indicated by the data analysis.

Chapter 6: the reader will find the conclusion of the study. In this section all the findings will be summarized and presented. Further research recommendations will be made accordingly.

CHAPTER TWO

REVIEW OF RELEVANT LITERATURE

2.1 Theoretical framework

The three main sectors in Ethiopia, are agriculture, industry, and service sector. The shares in the GDP of the country on average have been 40.78%, 20.85%, and 38.24% respectively. (O'Neill, 2022). Where the agriculture sector has been concentrated in rural areas of the county, the other two i.e. are highly concentrated in urban areas specifically Addis Ababa. According to O'Neill(2022) even though the service sector has maintained a somewhat steady share of the GDP for the past 10 years there has been a significant increase in the industry sector from 9.66% in 2011 to 21.85% in 2021.

The creation of a new venture is at the heart of entrepreneurship and shares parallels with project-based organizing: embedded in an institutional context, founders have to assemble a team that works on specified tasks within a strict time constraint, while the new venture undergoes various transitions.(Auschra, Braun, Schmidt, & Sydow, 2018)

2.2 Entrepreneurship

Entrepreneurship is the process of doing something new and something different for the purpose of creating wealth for the individual and adding value to society(Kao, 1996).it is the an endeavor to create or add value through the process of solving a problem in society, undertaking the risks entangled with it by organizing different resources available.

Entrepreneurship is a set of abilities that includes a propensity for taking risks and the desire to build fortune. (Hindle, 2008).

The definition of Entrepreneurship has been wide-ranging in the past two decades. It has a multidisciplinary definition which leads to Eclectic theory of entrepreneurship. There emerged two schools of thought during this past 20 years. The First view perceives Entrepreneurship as the behavioral trait of the Entrepreneur. It was viewed as a study that only investigated the quality of the individual that makes him/he an Entrepreneur. This view point was seen unproductive in the growth of the concept(Gartner, 1989).the lack of a functional definition of the concept of entrepreneurship led the field away from being accepted independently (McKenzie, Ugbah, & Smothers, 2007).This brought about the view that entrepreneurship is the study of how a new venture comes about. Shane& Venkataraman

(2000) define the field of entrepreneurship research as “the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited.”

Entrepreneurship according to Waite (2006) was viewed to have Macro “School of Thought” Views and Micro “School of Thought” Views

He stated the Macro aspects as,

Environmental aspects as focus on external variables, such as physical institutions or sociopolitical conventions that have an impact on an entrepreneur's way of existence, Financial/Capital focusing on external variables, such as physical institutions or sociopolitical conventions that have an impact on an entrepreneur's way of existence, Displacement – a collective phenomenon; a catalyst for forcing a person into an entrepreneurial condition as a result of their "eviction" from more conventional job types.

Micro “School of Thought” Views

Entrepreneurial Trait which was a concentration on studies that have been done on individuals who are categorized as entrepreneurs and trying to determine which traits are shared by each of them. For instance, the four most frequent traits might be achievement, originality, tenacity, and technical expertise, Venture opportunity concentrating on the possibilities for idea sources, concepts, and business potential. Market savvy and creativity are regarded as essential, strategic formulation identified as the importance of planning in the establishment of successful ventures. (Waite, 2006)

The above definition takes into consideration that the concept of entrepreneurship is vaster than the NVC. It includes among other things, market opportunity evaluation in a country. The economy of a nation is always driven by its industrial development. And the Entrepreneurship is directly linked to economic growth (Schumpeter 1934).

The entrepreneur is an individual engaging in business activity. There are many definitions of the entrepreneur in literature. The earliest attempt to define the concept of the entrepreneur was by Richard Cantillon. He explained the entrepreneur was a person who buys goods combines them in to a product and sells them for a price. This definition as the time dictated was in the brink of the industrial era and the focus was addition of value to goods only. Later Jean Babsite Bay a French economist defined the entrepreneur as ‘one shifts economic resources out of an area of lower and into an area of higher productivity and grater

yield.(Muley, 2012) Babsite Bay thought that the economic implication of the individual was to be reflected in the definition. It was the first indication of the concept of entrepreneurship in an economic sense. As Schumpeter indicated, the entrepreneur was the cornerstone of capitalism.(Liberto, 2022).The most comprehensive definition is that an Entrepreneurs are individuals who collects means of production, organize an enterprise innovate create new things and bear the risk in expectation of reward in the forms of profit. (Muley, 2012)

Entrepreneurs controlled the economy, they are responsible for delivering innovation and technological change(Liberto, 2022).The main constraint on entrepreneurs has traditionally been a shortage of finance, not of ideas.(Hindle, 2008). As a result Venture capitalists respond to this financial problem faced by the entrepreneur and they boost the richness of the entrepreneurial ecosystem of a country.

The entrepreneur may have different motivations other than financial gain. He /she must provide timely project direction within a specific window of opportunity to meet customer needs and goals (Mehr, 1989). Innovation is one of the driving forces and tool for achieving this. Innovation can be a response to different environmental pressures. The infrastructure, facilities, and convenience of a business environment in developed countries lead to the need for new innovation in new ventures to insure competitiveness in the market. On the other hand new ventures in underdeveloped countries use Innovation as a response to problems, making these countries promising ground for innovation.

The inclination to focus on innovation when talking about entrepreneurship doesn't mean that there are additional kinds entrepreneurs. For example there are new ventures that imitate existing ideas. There are different types of ventures in the economic platform that respond to the context of their own market opportunity. They can be categorized using factors such as degree of innovation as innovative or imitative means of adding value, characteristics of their entrepreneurs like gender, generational attribute, groups or individuals and geography as rural or urban.

The entrepreneur is expected to undertake the tasks of innovation, bear grate risk, make decisions, organizer team and other resources and manage the whole process.

2.3 Temporary organization

The term temporary organization (TO) refer to a group of multidisciplinary people functioning towards completing a complex activity over a limited time period(Goodman

&Goodman, 1979). Even though the literature about TOs is dispersed because of their representation as temporary systems, temporary groups and projects, it is an established fact that projects are” empirical materializations of the concept of TO”(Turner & Müller, 2003).TOs are a conceptual category that encompasses projects but also other forms of temporary organizing.(Janowicz, Bakker, & Kenis, 2008)

The common characteristic of all groupings that are a subset of TOs is temporariness. There are three aspects to the concept of temporariness in literature. First the short time duration concept of temporariness of TO was devised by (Shenhar, Dvir, Levy, & Maltz, 2001) as short lifespan driving on the definition of (Kreiner, 1994) and define the TO as an organization process of planning organizing directing controlling for a relatively short term objective”. The emphasis of the word here is the use of a relative time frame as short term which can be highly subjective.

In the conditions where TOs take many years to be completed, the temporariness of the organizations falls in to questions. The short term aspect of the TO temporariness will not be enough to distingue it from non-temporary organizations. Which brings as to the second concept of temporariness as a time limit (duration) (Grabher, 2002). This author pointed out that the termination deadline of TOs is a more important aspect than considering the length of the time it takes to complete it. In this definition of a TO, the temporariness aspect is independent of the length of the time it is active for. In this case the perception of the members of the organization become an influential factor. This brings as tot the third concept where the awareness of the team members of the “impending termination “can affect their productivity (Bryman A. B., 1987).

2.4 Project management and entrepreneurship

A project is a short-term endeavor undertaken to create a one-of-a-kind product, service, or result. According to PMI(2022)Project management is the use of specific knowledge, skills, tools and techniques to deliver something of value to people. Project management is an integrative endeavor that requires that each project and product process be properly aligned and linked with the other processes in order to facilitate coordination (PMI, 2013). Projects can be phased in to five stages, named process groups, developed by PMI (2013), include:

- **Conception and initiation:** During this stage, the project manager defines the project in broad terms, sometimes defined by a business charter.
- **Planning:** The planning stage is paramount to project success and involves defining the project's scope and creating a roadmap for a team to follow.
- **Execution:** During the execution stage, the team works through tasks and activities and produces deliverables to move the project along.
- **Evaluation and control:** measures the results of the execution to determine whether a project is on track.
- **Project close:** The final stage is the formal project closer, where the team measures their successes and setbacks and identifies pain points where they can improve for future projects (PMI 2020).

This classification of project phases is applicable to any project and can be adopted to the specific need of the project as well.

Managing a project typically includes: according to PMI (2013)

- Identifying requirements;
- Addressing the various needs, concerns, and expectations of the stakeholders as the project is planned and carried out;
- Setting and maintaining active communication with stakeholders; and
- Balancing the competing project constraints, which include, but are not limited to: Scope, Quality, Schedule, Budget, Resources, and Risks.

The main aim of projects is to produce change. The successful delivery of this change within the specified constraints is called project success. The prevalence in research of the constraint triangle (of time, cost, quality or performance) solidified its position as a standard for the assessment of project success (Soderlund, 2011) even though there are complex set of constraints in different project settings.

The other aspect is Competence of the project manager is the most important aspect to project success. The PMI indicates the three competencies of the project manager as

Project Management Knowledge Competence which means what the project manager knows about project management in accordance to the project management book of knowledge.

- Project Management Performance Competence - what the project manager is able to do or accomplish while applying their project management knowledge
- Personal Competency - how the project manager behaves when performing the project or activity; their attitudes and core personality characteristics

Project management and entrepreneurship have developed as separate fields of study. Both have an established framework that can be transferable. Recently project based companies are aiming towards the entrepreneurial mindset for the efficiency conceptualization and initiation phases of projects and project appraisal process.(Blank & Dorf, 2012)

In definition we have seen that the process of project management is a systemic approach that goes about using the above five interrelated process groups. It is a flexible and adoptable to different industries despite their complexity(Waite, 2006).Whereas entrepreneurship is defined as a multi scale concept where on one hand environmental, financial and displacement of the individual are considered and on the other hand one's entrepreneurial ability, market opportunity and the process of new venture creation are considered.(Kuratko & Hodgetts, 2001)

There are grate similarities between these fields of study. Some of which are

- Both entrepreneurship and project are directing temporary endeavors.
- They both comprise the element of uniqueness both the entrepreneur and the project manager bear the responsibility of success or failure of their respective endeavors as decision makers.
- Both are concerned with the solution to a problem/market opportunity aiming for adding value to society and growth.
- Both share constrains, a limiting factor that affects the implementation of a project, program, portfolio or a process(PMI, 2013)

Even though there are grate similarities between these fields of study, there are two significant differences. As (Trokić & Sahatqija,(2016)put it ,the biggest obstacle to bridge the gap between entrepreneurship and project management is the temporal nature of the two. entrepreneurship is a function of a permanent organization but the project management is the process of managing a temporary organization. The other issue is that entrepreneurship peruse opportunity without regard to the resource that it currently controls(Stevenson

&Jarillo, 2007) whereas project management tries to gain control over resources before committing to an opportunity.(Waite, 2006)

EPM is only an emerging concept. The focus on balance between entrepreneur and project manager attributes is emerging in corporations through Strategic Project Management and Project Portfolio Management. A project manager in managing projects can develop an entrepreneurial mindset. This is to mean thinking, behaving and serving as the advocate for the executive focusing on the improvement of the process and outcome of the project. On the other hand, the entrepreneur must employ project management tools to realize the vision of the enterprise.

The main contribution of these new concept is focusing on this balance and the value of the attributes of both the entrepreneur and the project manager for organizations towards sustainable development.(Waite, 2006). Sustainable development is a market opportunity which engages the entrepreneurial approach and entrepreneurial project and bridges the concept of entrepreneurship and projects (Cerne & Jansson, 2019).Entrepreneurs in some studies pointed out the importance of understanding project management for the entrepreneur is crucial because they needed to understand what it takes to effectively implement an idea.

In the framework for success criteria for start-up or new venture was developed by Trokic and Shahatqija (2015).this framework combines frameworks presented by as cited in the study ,Shenhar and Dvir (2007) who provided success criteria for projects and Kakati (2003) whose research focused on the success criteria of new ventures(Trokic & Sahatqija, 2015).It is empirical to evaluate the degree of challenge these activities impose on the startup in order to understand the success of the startup as well as the process of EPM.

2.5 New venture creation /Startups: a project

A startup is a temporary organization in search of a scalable, repeatable and profitable business model(Blank & Dorf, 2012).Building on the definition of the temporary organization, According to (Lundin & Söderholm, 1995) who studied the theory of temporary organization a temporary organization can be described by the aspect of time, task, team and transition.

Shaped by their industrial context, patterns of project-like organizing have become appropriate to the new venture creation process(Muley, 2012) in recent years. As a result the concept of Projectification is now becoming imperative. Projectification happens when

activity is organized in terms of time limited sequence of actions. Project in this case is caused by a lack of capability to undertake (Van der Hoorn & Whitty, 2016) the activity. Bergman, Gunnarson, & Räsänen (2013) explains projectification in four perspectives. Product, process, structure and people which can be seen as the task and team aspects of Lundin & Söderholm's theory of the temporary organization (1995). Operations and supply chain management are not covered by projectification. The decision of projectification is a strategic discussion by stakeholders to facilitate the activities and the use of management tools. Projectification helps frame NVC process to facilitate execution of activities in this entrepreneurial project over its lifecycle (Li, Liu, Wang, Xia, & Zhu, 2019).

In order of enterprises (startups) to identify themselves as sustainable they should make the distinction of being a project based company or a project supported company. This is useful in the identification of the coordination of core processes (Lundin, 2016) towards evaluating and appropriating managerial styles and tools.

The creation of a new venture is at the heart of entrepreneurship (Auschra, Braun, Schmidt, & Sydow, 2018), therefore the new venture that is a result of an entrepreneurial decision will benefit the most if it is managed as a project. The new venture is a process constrained by time and resources (Li, Liu, Wang, Xia, & Zhu, 2019).

New venture creation is the process of organizing resources for achieving an economic goal. 'Startups are a driving force in the business community, responsible for the creation of new jobs, development of innovative products and services, and expansion of overall productive economic opportunities' (Fekadu, 2022).

Time limits for NVC are specified which is important to evaluate and control the development of the NV, and scale its maturity to determine the allocation of resources (Li, Liu, Wang, Xia, & Zhu, 2019). Project schedule is the backbone of a workable business plan as a part of the conceptualization process. The business plan functions as the project charter. It can be used for the initiation and approval of the NV for different institutional requirements such as financial sourcing by banks and venture capital companies.

The tasks execution of unique tasks involved in NVC are the formulation of the business plan, the formulation of the business model, product/service development and appropriation, Establishment of the new venture. The tasks are to be performed by capable group of people where the team of the NV is usually only the entrepreneur or a group of people and the entrepreneur forming the startup team (founding members). In startups, there are only few

people working on tasks which entails that each person may be taking on more responsibilities and racing between roles. In traditional sense, the startup continues to become the operational company. Lundin & Söderholm (1995) point out that it goes in to the transition phase. This phase entails dissolution of the temporary organization if not profitable or it is the beginning of operational day to day activities which brings us to the lifecycle of the startup.

All types of NV regardless of their orientation to technology or market have comparable creation process. These processes are applicable repeatable and reproducible patterns.(Li, Liu, Wang, Xia, & Zhu, 2019)

2.5.1 Lifecycle of startups

Early-stage business sectors are seen as a crucial platform by governments that are battling high unemployment rates to make significant progress toward the creation of new jobs. For some social groups looking for change, they are also seen as a major catalyst for change. Understanding the startup life cycle is crucial before looking at the important aspects that affect whether a firm succeeds or fails. Despite their diversity and complexity, startups go through the same lifecycle as every other organization. In this paper, a holistic viewpoint is offered to provide a better understanding of the lifecycle of startups, even though the order of tasks and stages may vary among various firms. The following diagram explains the lifecycle of startups.

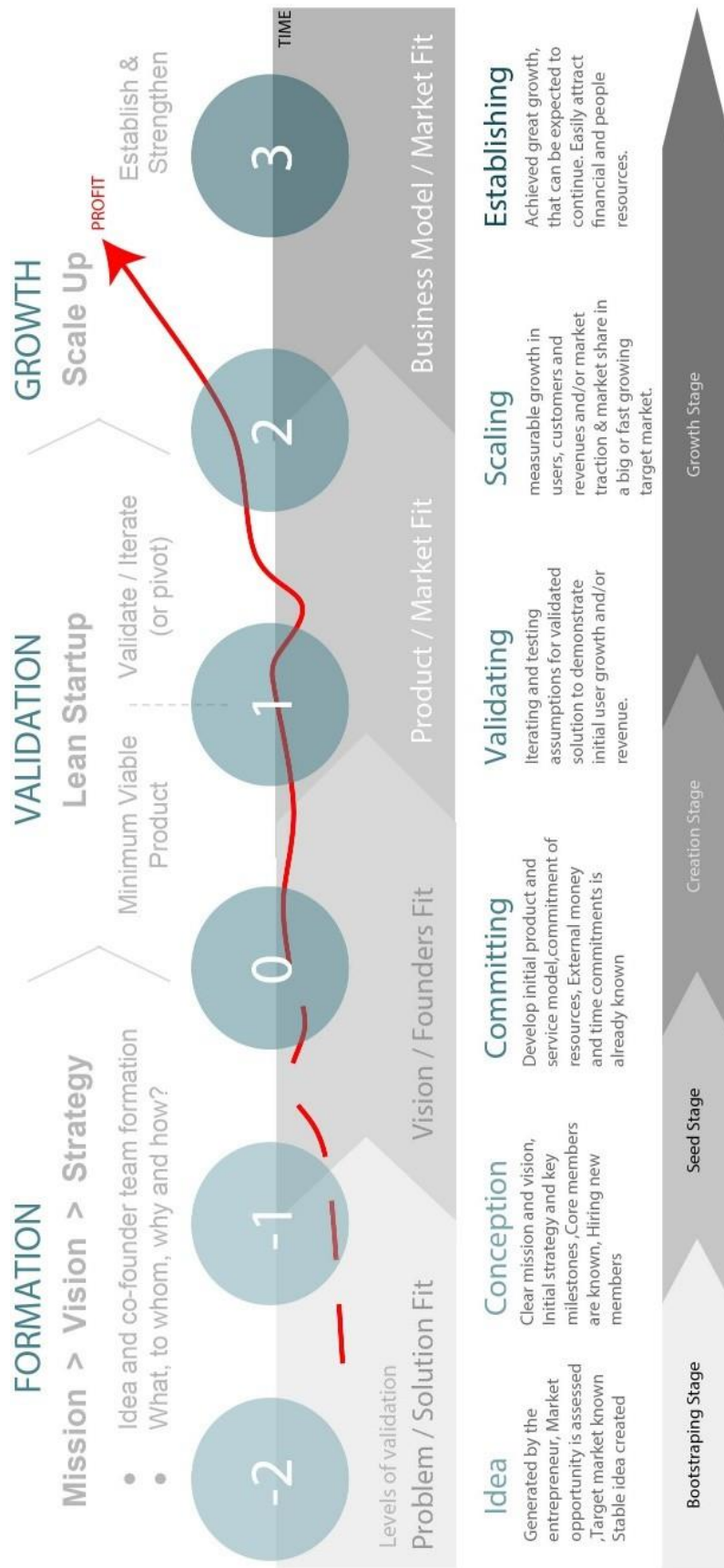


Figure 1: Lifecycle of startups (adopted from Startup commons website)

2.5.2 Characteristics of startups

One of the earliest attempts to provide a framework to describe new venture creation was Gartner as cited by Trokic & Sahatqija (2015, p.29) which consisted of four factors:

- Characteristics of the entrepreneur
- Characteristics of the Firm/Organization
- Environment : The Problems that can arise from dynamic project environments, can be difficulty to plan, short timeframes, increased interdependence among activities, balancing flexibility with accountability, balancing decision making with promptness and timing scope freeze (Collyer & Warren, 2010)
 - Process of creation

Start-ups, which are undoubtedly the best examples of new venture development, represent the process of new organization creation through the union of innovation and entrepreneurship (Sahut & Peris-Ortiz, 2014, p. 665). On how to define start-ups, there still doesn't seem to be agreement, which poses a difficulty for external validity. There have been numerous attempts to define and categorize start-ups in terms of their common traits; however, because the definitions and concepts are scattered, it is challenging to arrive at a single definition (Luger & Koo, 2005, p. 17; 24). However, it seems that "fresh," "active," and "independent" are the three main criteria for distinguishing start-ups that are frequently used in the literature (Luger & Koo, 2005, p. 17).

The underlying definition, according to Keeble and Nachum (2001, p. 17), depends on the development of new companies that did not previously exist in the form of an organization. It is believed that the core of the development of these new entities is the accumulation of new information through cooperative actions. However, labeling start-ups as merely new entities without taking into account their status in terms of their operations and activities has come under heavy fire, necessitating a separate separation between "newly" established entities and "newly and active" start-ups (Winkler & Hadden, 1977, p. 94).

A step further is taken by Johnson & Cathcart (1979, p. 272), who include independence as a condition; a company must not only be recently founded and operational but also autonomous to qualify as a start-up.

Start-ups are described by Lester et al. (2003) as tiny, recent businesses with a straightforward organizational structure and casual communication. The proprietor of the start-up, who also makes the final decisions, gives the impression that decisions are made in a trial-and-error manner. Ferreira et al. (2011) describe start-ups in a similar manner, adding that they frequently exhibit high levels of innovation and risk-taking and that, while being informal and based on trial-and-error, their decision-making processes frequently turn out to be erroneous.

Miller and Friesen (1984) also highlight how start-ups are risk-takers and proactive, which is easily attainable given that there are typically just one or a few proprietors.

While the majority of writers simply refer to a venture as fresh, the proposed startup statute specifies that it must be less than five years old. It is possible to establish and agree upon a summary of start-up features for the purposes of this study by synthesizing the many characterizations of a start-up found in the literature. Table 2, reflects this.

2.5.3 Entrepreneurial Project management practices

PM approaches used by projects as a response to rapidly changing environment. Dynamism of the project environment is a linear dimension (among other dimensions) which can be translated to startups.

In literature change can be caused by

- Change in materials resources tools and techniques
- Change in relationships among constraints and factors

Changing goals which entail, possibilities of what can be achieved, competition, business environment and government policies.(Collyer & Warren, 2010).The prospects of new ventures are very dynamic and certainty is at its lowest. Most new ventures fail because of their own weaknesses in responding and managing these changes. White and Fortune (2002) and Larson et al. (1991), revealed that the majority of new businesses look for formalized versions of PM to replace unstructured organizational structures.

The formal and informal use project management tools has been fruitful for projects in managing their tasks successfully. The nine best practices for project success that have been developed by Salaptas (2000) derived from the standard of managing projects as stated in the PMBOK is, summarized in the table below. Most organizations involved in project

management use these elements to some extent, according to experience states Salaptas (2000). These nine practices can be used to evaluate the degree of use of PM practices.

Best practices in project management	Description
1. Defined lifecycle and milestone	Definition of phases applicable to their own industry, deliverables and key milestones must be clear. The 5 phases of PM can be used as a baseline.
2. Stable requirements and scope	Clear project requirements ,objectives and scope of the project must be documented
3. Defined Organization, system and roles	Definition of responsibilities of team members should be clarifies as well as accountability of each and information flow
4. Quality Assurance	Defined quality assurance measurements applicable to the project must be set. Quality assurance process must be progressive at each point where there is a deliverable.
5. Planned Commitments	Realistic goals about time and cost should be in place in accordance with the capacity of process.
6. Tracking and Variance Analysis	Progressing according to plan is the ideal scenario but tracking and measuring variances will evaluate progress.
7. Corrective Action Decisions	The response for variations as tradeoffs of constraints should be planned and managed
8. Escalation and Issue Management	Communication and team issues should be dealt with in lower level, if that is not possible, issues will climb the authority ladder until they are resolved
9. Work Authorization and Change Control	Management of changes throughout the lifecycle of the project to avoid overruns.

Table 1: Summary of “Best practices--the nine elements to success” (adopted Salapatias, 2000)

The above-mentioned procedures deal with PM practices in a coordinated manner to provide a brief overview of how the project manager need to manage the project. They are a less formalized list of criteria which directly implicate to the success of a project and are used as tools to measure the level of EPM practices in this study.

2.5.4 Process of NVC in Ethiopia, Addis Ababa: small and medium construction startups.

The three main sectors in Ethiopia, are agriculture, industry, and service sector. The shares in the GDP of the country on average have been 40.78%, 20.85%, and 38.24% respectively. (O'Neill, 2022) .Where the agriculture sector has been concentrated in rural areas of the county, the other two ie are highly concentrated in urban areas specifically Addis Ababa. According to O'Neill (2022) even though the service sector has maintained a somewhat steady share in the GDP over the past 10 years there has been a significant increase in the industry sector from 9.66% in 2011 to 21.85% in 2021.

‘Today, of all the effects of the economic crisis, unemployment of young people is oneof the most worrying subjects. More than half of the young people aged below 25 whowant to work cannot find a job opportunity, and almost 35% of unemployed youngpeople have been in this situation for over 1 year. Youth employment is a key concernin Ethiopia, as almost two-third of the population is younger than 25 years.’ (Ahmed & Ahmed , 2021).The economic growth of Ethiopia with gross domestic product (GDP) rate of 8%-9%according to the international development research center as sited by (Ahmed & Ahmed , 2021) .As a response the micro and small enterprises policy was underway. These enterprises provide critical input to medium and large enterprises.

Ethiopia has one of the lowest rates of entrepreneurial activity in the sub-Saharan Africa, according to recent data available for the status of entrepreneurial activity in Ethiopia. This study goes in detail and measures constraints of youth entrepreneurs in ethiopia.it doesn't cover the inner workings of the enterprise itself. In its findings, the most prominent constraint was unfavorable government policies. And the second constraint was financial access. It indicates the existence of multifaceted problems of varying degree of severity. It recommends that the diversity of industries calls for the industry focused solution.

Ethiopian markets are underdeveloped, and the majority of small businesses rely on informal trade. While this is true, SMEs across the country face a lack of technical skills and business knowledge. Because SMEs are plagued by a lack of managerial competence and robustness to transform themselves into viable profit entities, for reasons both internal and external, it is critical to investigate ways to mitigate the challenges.(HAGOS, 2012)

The government of Ethiopia has been active in implementing policies to address unemployment by the use of micro and small enterprises. There is little to no research done that has indicated the status of these enterprises or the problems faced by entrepreneurs. According to (Ahmed & Ahmed , 2021) despite the fact that there are attempts to address unemployment studies don't focus on the relationship among the constraints faced by youth entrepreneurs in Ethiopia. Mehari and Belay (2017) indicate that most studies focused on limited factors such as access to finance, access to market, government policies, infrastructure, and technology as cited by (Ahmed & Ahmed , 2021)

There was great hope among the youth of Ethiopia and entrepreneurs in 2019, about the news of a proclamation to be approved by the council of ministers to formalize and help startups in Ethiopia. It has been three years since it was first drafted in 2019 but it wasn't put forward to the council of Ministers.(Bogale, 2022).The act was aimed at encouraging the cooperation of government agencies to help new ventures.

The draft of the act states in order for a business to be labeled a startup(Information communication technology association Ethiopia(ICTA ET), 2020)

1. The innovation of the product, process or service the enterprise proposes should be influential enough to disrupt existing norms
2. Scalability of the new venture should be guaranteed
3. Quarter of the capital of the startup should be in the hands of the innovator/ entrepreneur
4. The enterprise should be among micro, small and medium enterprise
5. And the legal presence of the company shouldn't be more than 5 years.(Information communication technology association Ethiopia(ICTA ET), 2020)

This proclamation wants to recognize the period which many new ventures face as transition period from the conception of the venture until its truly operational/Launch by applying for a

startup label where all taxation responsibilities was elevated. In this research we will use the definitions to study the characteristics of our participant startups.

Ministry of works and urban development, the governing body for the construction industry in Ethiopia has the powers and responsibilities to

- Set standards for design, construction works and follow-up and supervision
- Register and issue certificates of professional competence for engineers and architects, Grade constructors and consultants
- Provide capacity building support to urban centers for improving the service and delivery by establishing training centers and research institutions(National Legislative Bodies / National Authorities, 2005) among others.

Deducting the scope of the construction industry from this document, in Ethiopia's context, the construction industry entails designing and supervising consultants, engineering consultants, construction (building) enterprises and any company that gives any of the above services in combination. A new construction venture has to go through two different establishment processes, namely business licensing and acquiring competence certificate.

The generic procedure for establishing a limited liability company according to World Bank Group(2020)in Ethiopia are:

1. Reserve a unique company name
2. Authentication of the company documents and the lease agreement at the Documents Authentication and Registration Office
3. Obtain a tax identification number (TIN)
4. Register the company and obtain the Commercial registration certificate
5. Make a company seal
6. Register the company and employees with the Private Organization Employees' Pension Fund
7. Register with Ethiopian Revenue and Customs Authority for VAT
8. Publish name in nationwide newspaper
9. Reserve a unique trade name
10. Obtain a business license
11. Install a cash registration machine

The above process is only one stage of establishing construction companies in Ethiopia. The competence certification entails the identification of the works done by the startup by the set country based standards. The requirements range from capital investment to number of professionals to be employed and as detailed as mandatory office facility, space, machinery and vehicle requirements.

Most construction companies are lower than grade 3 construction and grade 3 consulting companies because of their invested capital which makes these companies fall under the SME category.

SMEs are a crucial pillar to the success of the development cycle of economies in industrialized, emerging, and developing nations as they are considered the significant primary source of employment generation (Zutshi, Mendy, Sharma, Thomas, & Sarker, 2021). The Ethiopian Ministry of Trade and Industry (MoTI) defines Small enterprises as businesses with a total investment between Birr, 20,000 up to Birr 500,000 and do not include these enterprises with advanced technology and high technical consultancy, and Medium enterprises as business enterprises with a total investment between Birr 500,000 up to Birr 1 million and including those enterprises that have high technical consultancy and excluding other high-tech establishment. (HAGOS, 2012):

The small manufacturing sector was incorporated with the medium manufacturing sector by Regulation No. 373/2016 of the Council of Ministers and the organization was established under the name the Federal Small and Medium Manufacturing Industry Development Agency. (Ethiopian Enterprise Development, 2020)

SME sector of a county should have a clear strategy towards resources such as financial resource, raw material, energy and human resource (Dwikat & Arshad, 2022). A vibrant SME sector could be a major source of employment and innovation, helping boost productivity, growth, and economic diversification. (Collyer & Warren, 2010). There is no significant data as to the increase or decrease in new businesses in Ethiopia. SMEs must be encouraged to sustain the region's economy as they are great in number as taxpayers. The focus of the Government at present is SME manufacturing sector. The construction sector needs attention and facilitation with policies to properly have a thriving entrepreneurial ecosystem within its extents.

2.6 Conceptual framework of the study

This study is focused on new ventures that have overcome the many external problems to be created and reached a certain stage in this very dynamic environment but fail to utilize their resources according to plan and fail to exist after a while.

The startup is defined contextually as follows after the study of literature, summarized in the table below

feature	description
Size	Micro, small and medium (Ethiopian context)
Capital	Birr 20,000- Birr 1,000,000
age	<5 years
Organizational structure	Owner centralized, Informal
Legal entity	Established
Autonomy	Independent
Registration and Certification	Acquired
Innovation and Risk	Medium to high
ROI/ profitability	Breakeven

Table 2: Characteristics of the construction SME startup in Ethiopia

The study will be conducted as the exploration of drawbacks in consideration of the characteristics of the respondent startups, their personnel competence with PM, the PM tools and practices that are used (if any) and finally the process of establishment of a NV in Addis Ababa's context as summarized and illustrated as follows.

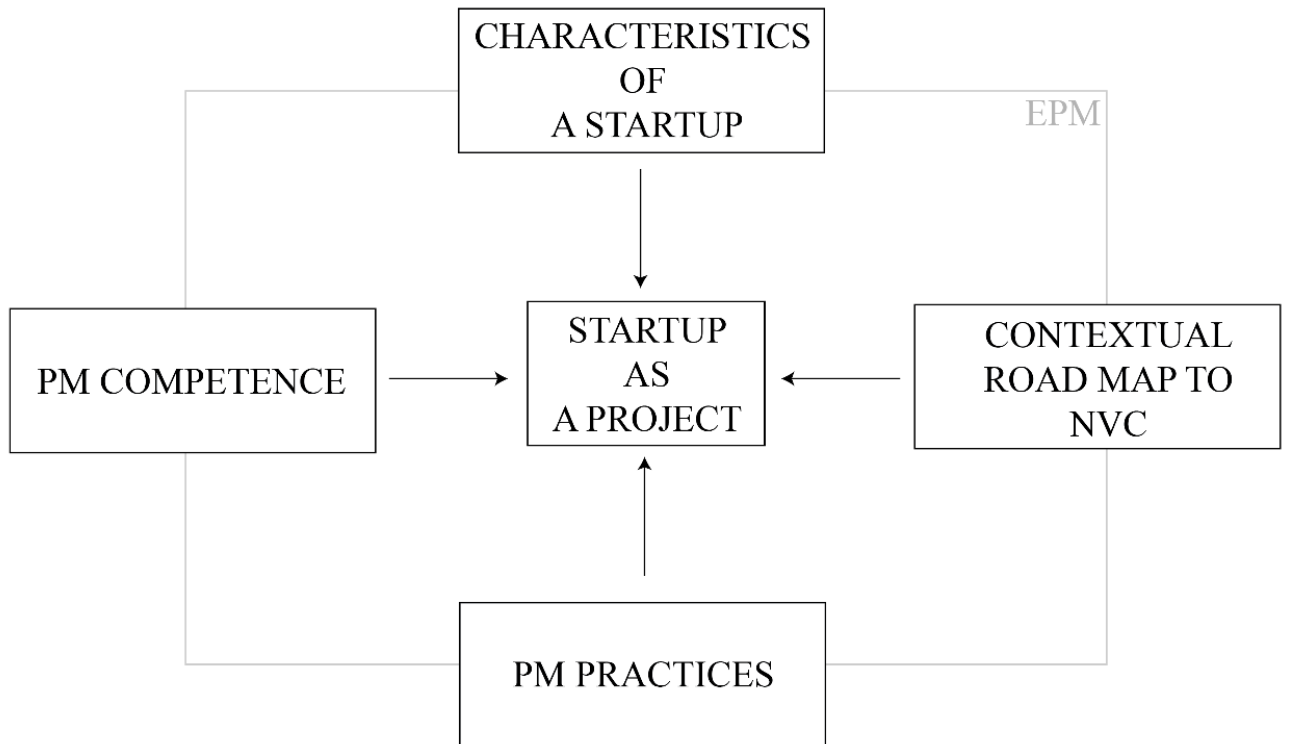


Figure 2: Conceptual framework EPM in construction SME startup in Addis Ababa

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The following chapter explains the practical approach taken in the design and application of research methodology to explore the entrepreneurial platform in SMEs in the construction industry. Research design, method of execution for data collection, instruments of data collection and analysis will be discussed with respect to the problems that are faced by entrepreneurs in the said industry.

3.2 Research Design

The research design is the framework within which this study will be conducted and the collection of data to provide answers to the research questions as well as to meet the objectives of the study (Bryman & Bell, 2011, p. 37). The research questions this study will answer are about the status of and problems respondents face in the process of new venture creation. In order to identify and clarify the extent and nature of the problems of entrepreneurial project management in new ventures the study will be exploratory in nature. Because of the vastness of the topic at hand the flexibility of an exploratory research will provide direction for further study. Exploratory research is used to investigate the undefined problems and gain a better understanding of the existing problem.

A study calls for the research approach to be exploratory when there is limited data knowledge about the subject and the research needs to be conducted in a short period of time. The proposed idea of understanding of new venture creation as a project on its own being unexplored and the underdevelopment of the concept of entrepreneurial project management makes this research design well fitted for this study.

Some researches indicate that the lack of research in the field of entrepreneurial project management justifies the methodology to be qualitative in order to reach a hypothesis generating research. (Trokic & Sahatqija, 2015). The exploratory research can be conducted in several strategies. The first and foremost will be conducting a secondary data analysis by

reviewing the existing literature which has been compiled under chapter two of the study. Secondly formal qualitative study by designing it as a multi -method qualitative study. This indicates that several data collection techniques will be employed. The subjective experiences and opinions of the study's participants are highlighted through the qualitative research. (Saunders, Lewis, & Thornhill, 2012). This approach is regarded suitable for this study because its purpose does not call for the gathering of numerical data but rather the investigation of the issues raised by the study. The information gathered will be utilized to analyze the issues and draw an inductive conclusion. This study will be carried out cross-sectional, meaning that only one period will be used to examine the respondent's inner workings and allow a range of responses.

3.3 Respondent selection and description

The populations of this study are small and medium enterprises that have been established in the last 5 years and have entrepreneurial quality ie innovative companies which have pioneered their category at least in the context of Addis Ababa.

- 1 The interview will be conducted face to face. Helps to get full experience of the interview interpreting body language and facial expression
- 2 The language of the interview will be mainly English, but due to the context of the study the occasional use of Amharic language is to be expected. The multilingualism of both the researcher makes translation no concern.

Startup code	Age (years)	No of employees	Startup capital(in birr) (Rounded up and including fixed assets)	Startup description
AR1	1.5	4 +	450,000	Constructing site cleanup and cart away service
AR2	4	3	700,000	Spray foam installation
BO1	1	3	300,000	Construction Photography and Videography, Architectural 3D model Production
BO2	2	5+	200,000	Fountain and Aquarium works
BO3	3.5	2	350,000	Lighting design firm
GU1	4.5	11	1,000,000	Sustainable Building Materials production/Agro stone production
NF1	5	6	800,000	Water proofing works
NF2	2	7+	250,000	Stone art/ interior and exterior stone finishing materials and installation
YE1	1	5	550,000	Sound proofing works
YE2	1.5	3	300,000	Interior Design Firm
YE3	4	8	750,000	Soil testing and geotechnical survey firm

Table 3: Description of Interviewed Start-Ups (Respondents)

3.4 Data collection instruments

AsSaunders, Lewis, & Thornhill(2012) point out the use of non standardized questionnaire and procedure is suited for exploratory research. The respondents selected will be producing data

by using in depth interview and semi structured questionnaire somewhat along the lines of multiple case study.

3.4.1 Interview guide

The in-depth individual interviews were semi-structured and done in accordance with the interview guide, which is contained in Appendix 1. All interviews were mainly conducted in English, but occasionally respondents were able to express themselves in Amharic.

The researcher and a succinct statement of the research's goal and aim should all were briefly introduced before the interviews begin. The interview is divided into three sections, each of which is intended to gather information about a certain topic important to this research. A rough outline of what needs to be addressed and a sort of strategy are supplied by the questions, but flexibility in the form of follow-up questions is encouraged to promote a better comprehension of the phenomenon under investigation.

The goal of the first section is to ascertain the start-up/new venture's features in terms of background information, the respondent, and his or her position within the enterprise. The second portion of the interview was on project management methods and startup project management competencies. Additional five-point Likert scale was provided and described in section 3.3.1.2. This section is crucial for determining what components of PM are already present in the start-up, whether on purpose or not, and it contributes to the field of enterprise performance management.

3.4.2 Questionnaire

In order for the respondent to correctly identify, first a definition of PM competency is given. The participants were then instructed to list the top PM-related issues that affected their startup. Following that, the responder is asked to rank the most problematic PM practice using a Likert scale with a 5 point score.

3.5 Data analysis

Coding is the preferred method used to create thematic content for analysis, as the primary goal of the data analysis in this research is to detect patterns. To organize and guide the data analysis, data categories are made based on the main themes of the theoretical framework (Saunders et al., 2012, p. 489). Additionally, this will make it easier to draw connections between the theoretical framework and the empirical findings from the semi-structured and structured interviews that were conducted using questionnaires.

3.5.1 Transcribing interview

In order to prepare qualitative data for analysis, especially when it comes from interviews, it is frequently essential and beneficial to record and transcribe interviews. For a content analysis, recording and taking notes during the interview is essential since it enables reflection and interpretation of the results. When analyzing qualitative data of a social character, it is important to evaluate both what was said and how it was conveyed. After each interview was over, the transcripts were painstakingly typed out by listening to the recorded content. This procedure was crucial for reducing workload and enabling better analysis in the future.

3.5.2 Categorizing data

After all of the interviews have been transcribed, it is critical to sort the information into dominant and important themes in order to better comprehend and interpret the results. As previously said, the classification will begin with the generated theoretical frameworks, which also help to form an analysis framework (Saunders et al., 2012, p. 488). This facilitates finding the pertinent patterns within the topics that facilitate analysis.

The data analysis was possible to be classified into three primary areas as a result of the template: project-based start-up characteristics, PM Company and practices in start-ups, and the process of starting a new business. Consulting the literature or the theoretical framework helped define and further categorize these groups. Using the defined categorization, a deductive technique was employed to collect and validate the data throughout time.

3.6 Data Quality Assurance

In this research we used both thematic as well as comparative technique. Document analysis would be undertaken as follows. Questionnaire and interview questions were prepared in a way that closely relates to the research questions using the conceptual framework as a basis of analysis. An appropriate and careful data collection technique was used. The Likert questionnaire was developed following the research questions and the interview questions were adopted and modified to fit the purpose of the study.

To provide a theoretical and practical contribution to the field of EPM, however, close attention has been paid to every stage of the research. In addressing reliability, the researcher seeks to comprehend whether identical results would be reached if the work were to be repeated in the same setting, using the same techniques and participants as in the initial study (Shenton, 2004, p. 71).

3.7 Ethical Considerations

When conducting research, especially in the social sciences, ethical considerations are crucial. These ethical considerations and their significance must be understood by researchers at all stages of the study process (Bryman & Bell, 2011, p. 128). The researcher agrees with the consensus among scientists on what constitutes ethical research practices. The following research-related ethical considerations were applicable:

- Participant protection, informed consent, confidentiality, and privacy; absence of fraud; and

Prior to the interview, the respondents were given a clear explanation of the study's objectives. Interviews and questionnaire distribution followed the respondents' complete consent.

- Respondents were handled with respect; there was no risk of harm or any other difficulty associated to participation in this study.
- Respondents were informed that they would remain anonymous to everyone except the researchers.
- Confidential information provided by participants was respected, and appropriate security measures were implemented to safeguard it.
- This study avoided bias in all areas, including the design, data analysis, interpretation, and peer review.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.1 DATA ANALYSIS

This chapter includes the findings of the study with the incorporation of the concepts of the literature review, on which the data collection is based. The first part discusses the characteristic of the startup, in the second part the Problems in Entrepreneurial project management/framed as problem in the criteria for success, in the third part we clarify the importance of Project Management Practices In the company and ending with the conditions of establishment of the company. The complete analysis data is found in the appendix section.

4.1.1 Characteristics of Start-Ups

The first order of the interview was that respondents were required to give a brief description of their company and the responsibilities they have in the organization. There were companies from different areas of Addis Ababa. Their sub city was used to code them accordingly. the sub-cities included in this research were AR(Arada sub city),BO(Bole sub city ,GU(Gulele sub city),NF(Nefas Ssilk sub city),YE(Yeka sub city).There were communalities in terms of the age and size of the startups, all were small and medium enterprises with less than 5 years of life span. Two respondents were up high in the age and are thinking to scale (GU1 AND NF1). One aspect on the number of employees that can be observed is that for all respondents had less than 11 employees. Out of 11 startups only two were sole proprietorships, the rest were privet limited companies (Plc.). The respondents didn't give particular reasons for their choice of legal presence. All the startups had been registered to trade and had tax registrations as well.

Specific characters of the company was asked according to the definition of new venture discussed in the literature review. In this definition the organizational structure, level of innovation, competitive advantage, decision making ,affinity to risk, growth goals and financial situations where discussed. The findings from this aspect of the data collection is primarily to ensure that the organizations which participated in the research encompass the basic features and characteristics of a start-up, and explore problems in relation with the

characteristics of the new venture if any, based on the literature review provided. The detailed findings for start-up characteristics can be found in Appendix 2. The general description of the findings is presented as follows.

The respondents first explained what their respective startups did and clarified all their ideas were scalable. Next they answered questions about competence certificates by The Federal Construction Works Regulatory Authority. Three startups (AR1, NF1, and YE1) needed no competence certificate because it was not required by law. The other seven startups had to get competencies as in other categories of work because their specific line of work was too specific or not identified yet by the regulation. Afterwards they answered questions with regards to organizational structure, two start-ups claimed to operate under a simple organizational structure, describing it as informal and flexible where information processing is devoid of a set hierarchy. In terms of decision-making, it too was described as informal and, where discussions were had for the final say. Four startups described decision-making as a trial and error learning process, where mistakes are lessons a start-up needs to learn from. The one exception in this study (BO1) who described a more formal organization structure, described the information processing and decision-making processes in the start-up as more decentralized structure, where departments were given more responsibility because of the different types of services the firm provided.

The topic of innovation was also similarly answered by all respondents. When asked how innovative their start-ups were, the majority of respondents agreed that the concept was available in other countries and was sometimes quite common. Some claimed that in terms of innovation, the word should instead be used to describe their processes, services and products where multiple respondents pointed out that their start-up was the first to develop and provide their service/product in Addis Ababa. Some of the respondents said they were hands-on towards innovation, the market required constantly rethinking products and services to keep their competitive edge. Investing in up to date technology was a key factor in developing a competitive strategy (GU1, YE2). However, most start-ups showed little concern for competition or developing a competitive strategy.

The section about risk, all respondents explained that risk is the default state, often used to describe risk taking in start-ups, with all participants saying that high risk was undertaken by each their own respective way. All respondents pointed out that the prominent risk factor was starting a new business in Addis Ababa's changing environment, with increased cost of goods and

labor. The other sources of project uncertainty among all respondents was introducing a new idea in the start-up's offering. Two respondents also cited the importance of the speed of services (NF1, YE2) while they mentioned technological advancement.

All the participant Startups were self-financed, Profit was often described as being a primary goal because for most of the entrepreneurs, these companies were the only income sources. Most of the start-ups expressed wanting to grow in terms of their offering and market penetration, citing a desire to enter regional markets whether in terms of opening offices in different cities in Ethiopia. Only one of the respondents mentioned brand growth (BO3).

4.1 .2 Project-Management competency and Project-Management Practices in Start-Ups

4. 1.2.1Project-Management competency

Respondents were also asked a set of PM oriented questions in the first section concerning their capability in PM as well as their employees' capacity. Next about their experience with PM exposure and the PM conditions in their startup. A summary description of the responses is compiled in appendix 3. The following is a detailed analysis of the responses.

In terms of PM experience, only some respondents stated they had PM experience on projects of any kind prior to founding their respective start-up (GU1, YE2). These experiences range from a few month to 2 years. Six of the respondents said they had no exposure to projects or project based companies before this startup (AR1, AR2, BO2, NF2, YE1, and YE3).

With regards to PM knowledge, education and training, most of the candidates had very brief exposure to PM courses due to their educational background in Architecture and Engineering as a form of construction project management, which they claimed to have been not as useful. (BO1, BO3, GU1, NF1, YE1, YE2, YE3).The others responded that they had no education or training about PM. In relation to this respondents were asked if any of their team members had any PM experience prior to joining their team, only two (BO3, YE2) explained that they had partners who have worked in other consulting firms on projects. Building on that question, they were asked if PM exposure and experience was a criteria for hiring employees, all of the respondents explained it was not, also one startup explained because of the financial

problems, they will work with anyone that is willing to work with them by sharing their vision of a future big company.

When asked if they applied a project-based view to their start-up, almost all of the respondents appeared to have the same answer, at first they had been confused by the question and responding no. with further discussion and using likert scale to rate the importance of PM tools in their startup process, they came in to the self-discovery that they were in fact treating their startups as projects. Three respondents (BO2, NF1, and YE2) claimed they did not want to associate their start-up with an end date, like in projects, but added the way they run the startup can use PM tools. One respondent (NF1) explained that even if they have used PM tools till now, their startup is requiring structuring to departments so that they can scale soon. One respondent (BO1) who initially claimed not to have a project-based view, later described using agile PM in their start-up thinking that they were departmentalizing the startup up from the start.

In terms of the main PM tasks, explained as the process groups of Projects, focused on by start-ups, many respondents claimed they spent most of their time on execution phase, while others claimed communication with their staff and clients as part of the initiation phase of the startup was the task most focused on. Only two respondent cited planning as a main task (BO1, YE1), while another completely disagreed, once again, citing the need for flexibility as a main reason. Some respondents explained the existence of commonly used tools, scheduling, and communication techniques in project management practice (BO1, BO3, GU1, and NF2). Gant charts were mentioned two times (BO1, NF2). while one respondent claimed to use multiple project management tools but was unable to provide examples or details (YE3).

When asked about the difficulties in applying PM to start-ups, some respondents who were familiar with the concept of PM (BO1, BO3, GU1, NF1, YE1, YE2, YE3) claimed the rigidity of the tools and techniques often limited its applicability to start-ups which required immense flexibility and adaptability to change. Some of which (NF1, YE1) added that PM practices take too much time to develop for our startup which makes it also costly.

4.1.2.2 Project-Management Practices in Start-Ups

Respondents were given the definition of PM based on the literature review and asked to create a list of the most relevant problems related to PM for their startup. Table 2 shows the results of this exploratory phase, where the items listed by the respondents were categorized within the nine PM practices.

PM practices	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3	TOTAL
1. Defined lifecycle and milestone	X	X		X	X	X	X	X		X	X	9
2. Stable requirements and scope												0
3. Defined Organization, system and roles		X		X		X		X	X			5
4. Quality Assurance	X					X						2
5. Planned Commitments	X	X	X		X	X	X	X	X	X	X	10
6. Tracking and Variance Analysis												0
7. Corrective Action Decisions	X	X	X		X		X		X			6
8. Escalation and Issue Management		X	X	X	X	X		X	X	X	X	9
9. Work Authorization and Change Control												0

Table 4: summary of exploratory question about PM practices

The second part of the question was more structured, with respondents given a list of based on the above discussed PM practices in the theoretical framework and asked to rate them on a Likert scale of 1 to 5, 1 being unproblematic and 5 being very problematic. They were then asked to explain their ratings reasoning.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
1. Defined lifecycle and milestone	5	4	4	3	2	4	4	5	3	5	1

Table 5: summary of Likert scale responses for Defined lifecycle and milestone

The definition of lifecycle and milestone received polarized responses, with three respondents rating it as absolutely problematic and three rating it as moderate or problematic. Those who rated the definition of lifecycle and milestone highly problematic stated that it was critical for identifying activities, before charting a course for long-term plans which was in most cases a shot in the dark. For those who rated this practice slightly problematic explained that they had experience in NVC prior to this startup but it was challenging to contextualize.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
2.Stable requirements and scope	2	3	3	1	2	3	2	2	3	2	2

Table 6: summary of Likert scale responses for Stable requirements and scope

Stable requirements and scope was mentioned by no respondents in the exploratory section. It also was not rated very high by most respondents, one even rating it as unproblematic (BO2). Multiple respondents mentioned there was little difficulty associated with it because there was no definition of scope. Of those who claimed stable requirements and scope was slightly problematic, rating it with a 2 or higher, they had all refrained from doing any customer survey or feasibility study beforehand. One respondent mentioned that they had not decided

about the final service they were to provide continuing on to explaining that there were no standards they had set. One respondent stated that constraints were considered as only time and cost which caused a lot of surprises along the way.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
3. Defined Organization, system and roles	2	5	3	3	1	5	2	5	3	4	2

Table 7: summary of Likert scale responses for Defined Organization, system and roles

Three respondents mentioned defined organization, system and roles as very problematic because they could not decide about which organizational structure to plan for in the growth phase. Some respondents on the other hand rated it as unproblematic because as stated by one, accountability was easy to determine because of the few no of people involved. However, one respondent mentioned that while deciding the organizational structure was beneficial, it often was not worth it if too many tasks are a burden of the project manager/entrepreneur.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
4. Quality Assurance	2	1	1	3	1	2	3	1	1	2	2

Table 8: summary of Likert scale responses for Quality Assurance

Was only mentioned by two respondents in the exploratory section. A total of four respondents mentioned the quality assurance was slightly problematic or less because there were no criteria set in each phase, providing no need to strive for reaching commitments. The quality of the

brand was viewed as directly related to the quality of the team working within the start-up. One respondent even mentioned how the incompetence of individuals could make it difficult for everyone else, bringing down the process.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
5.Planned Commitments	5	4	3	5	3	5	5	2	1	3	5

Table 9: summary of Likert scale responses for Planned Commitments

Planned commitments was the exploratory questionnaire's most often cited problematic element. Four respondents ranked it highly problematic. One respondent mentioned the issues was the absence of a clear schedule. Three respondents mentioned that they were unable to plan how to allocate their resources. Most cited the political and economic unpredictability in Ethiopia as reasons why flexibility was crucial to their start-up, which frequently made it challenging to implement scheduling and planning techniques. One respondent claimed that there was insufficient data to create a thorough plan.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
6.Tracking and Variance Analysis	2	3	1	1	1	1	1	3	1	1	2

Table 10: summary of Likert scale responses for Tracking and Variance Analysis

The exploratory phase made no mention of tracking or variance analysis. The majority of participants gave it an unproblematic rating, noting that there was an anticipation of change. However, two respondents found it problematic, describing it as being too late when they realize things are off course. One of the respondents highlighted the fact that they lacked any tools or processes for tracking or analyzing variance and claimed that because their process did not involve any reporting, information loss was a common problem.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
7. Corrective Action Decisions	3	2	5	4	2	3	4	5	3	1	3

Table 11: summary of Likert scale responses for Corrective Action Decisions

Corrective action and decision were more or less equally mentioned in the exploratory stage. Four startups gave it a negative rating, noting that because they learn about the variations too late, their responses have little to no impact or their choices typically have a cost impact. One startup stated that after taking corrective action and making a decision, they ultimately change the goal completely. Three respondents who gave timely corrective action and decision making a rating of slightly problematic or below explained that they were able to do so because of the size of their team.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
8. Escalation and Issue Management	1	4	4	3	5	4	1	5	2	5	3

Table 12: summary of Likert scale responses for Escalation and Issue Management

The exploratory questionnaire commonly identified Escalation and Issue Management as problematic. When evaluating the responses, Escalation and Issue Management talked more about office contact. Escalation and issue management were regarded as being extremely problematic by two respondents, who attributed this to the drawback of a small team size. One of these responses noted that since there is no lower level to manage it, all problems are our problems. One responder recounted their experience in past firms where interpersonal issues reached the point of the startup's disintegration and said that interpersonal issues typically get out of hand. Management of issues as they escalate.

PM practice	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
9. Work Authorization and Change Control	1	1	1	1	1	2	1	2	1	1	1

Table 13: summary of Likert scale responses for Work Authorization and Change Control

In the exploratory questionnaire work authorization and change control was the least mentioned. There were just two people who rated it as slightly problematic on a Likert scale when asked to do so. They emphasized that work orders are not official documents and that misconceptions resulting from informal communication might have an impact on both time and expense. One of the two responders brought up the possibility that workers engaged in activities on the job might not alert senior management to changes.

4.1.3 The process of new venture creation

In this section, the respondents were asked a set of questions focused on the problems in the process of establishing their startups. In appendix 4, a summary of the responses is compiled.

Four respondents (AR1, BO2, GU1, YE2) indicated to have some sort of information when asked if they knew the process of creating a Limited Liability Company or sole proprietorship. The remainder of the startups said that they were unaware of how a firm was founded but did not anticipate this many steps. The respondents who were aware of the procedure beforehand stated that they obtained the knowledge through social interaction (AR1, GU1), word-of-mouth from friends and family (GU1, YE2), online research (BO2, YE2), and inquiries to the ministry of trade in their local sub city (BO2). None of the respondents receive a complete picture from any of the sources described above. Only two respondents (BO2 and YE2) reported dispersed information on several websites, which are typically out-of-date information, when asked if there was a platform from which they could acquire the complete information.

When asked what they found to be the most difficult part of starting their business, the respondents all provided varied responses. According to two respondents (AR2, BO2), obtaining a competency certificate was difficult because there was no category for their field of work. One respondent said that for the same reason, (AR2) business registration was difficult for them. One respondent named tax registration (GU1) as the most time-consuming procedure because it requires working with a different institution and frequently results in delays. In light of the fact that acquiring space is also one of the conditions for competence certification, three respondents (BO3, NF2, and YE2) said it was difficult. Unique name reservations (BO3, NF2, and YE2) were said to be difficult. One of the respondents claimed that because the name they had chosen for their startup was already in use, they had to reprocess activities. One responder said that registering for a pension was difficult and that they only learned about it after they began paying taxes (BO3). Three respondents said that the entire procedure was very annoying and tedious (BO2, NF1, YE3). One person made the observation that the time spent on these activities may have been better spent on activities that would have helped a startup succeed.

Most startups were aware of the need for a competence certificate within this entrepreneurial community. The issue was that the other companies discovered this information in the middle of their operations. One respondent explained that this required them to increase the scope of the startup and take more time to complete. All except one of the startups that were questioned received a certificate of competency in their own specific category. According to the responses, all other startups were required to demonstrate the requirements for obtaining competency certificates in similar categories (BO3, NF2).

4.2 DISSCUSSION

The statistics gathered and presented in the previous subsection are discussed in this section as follows. It analyzes the findings in light of the study's theoretical foundation and surrounding circumstances. The discussion is structured following the sections covered in the data analysis.

4.2.1 Characteristics of a Start-Up

Nearly all of the start-ups that were questioned had many of the start-up characteristics that were addressed in the literature review. Specifically, in terms of having informal organizational and informational structures, small and medium in size, age, as well as owner-centered, centralized decision-making processes characterized by high risk and active innovativeness. The most relevant finding was that most startups pointed out that decision making processes was a trial and error process. Scalability of the startups has also been found out to be a common attribute. Given the industry the respondents worked in, it is evident that the characteristics of a start-up are more or less the same regardless of the difference in what they do specifically. Competency certificate is one of the characteristics of construction startups, these construction startups for the most, was a requirement to have competency certificate. The findings indicate that there is a significant issue in the specificity of the category of registration which was further investigated in the process of establishment of startups section.

Interesting results were also produced by innovation, as respondents linked innovation to fresh, previously unheard ideas. Nearly majority of the respondents claimed that their business concepts were not particularly original because similar organizations already existed all over the world. They would, however, view innovation as being incredibly essential and were aggressive in trying to be more innovative in their offering because they were the first and/or only firm to be providing the product or service in Addis Ababa and they were taking a fresh method to it. This motivation brings its own array of problems with regards to the scope of the startup. Evidently, innovation for developing economies is more concerned with bringing about a paradigm change in the ways that things are traditionally done than it is with coming up with a previously unheard of concept on a global scale. Even yet, whether or not it already exists abroad, the start-up does in that aspect bring a novel concept to the local market. Therefore, it stands to reason that start-ups have distinct perspectives on risk and innovation in the Ethiopia. The majority asserted that their start-up was the first or only one

of its sort in terms of specialty and that there was little to no direct competition. Indirect competition, on the other hand, was brought up by a few respondents and essentially pertained to construction firms that used conventional methods.

Most of the respondents seemed to view taking risks as a given, pointing out that doing business in Addis Ababa has risks of its own because of the region's political and economic unpredictability. In that sense, risk is a part of every choice, and an entrepreneur in the area doesn't need to be asked if their start-up is high-risk because this seems to be a given. Since risk is a natural part of the organization that is innovative, it has to come to be accepted.

For all start-ups who wanted to see their businesses expand in terms of services, majority of respondents stated a goal to dominate the native market before breaking into other regions in Ethiopia.

All replies met the requirements and supported the expectations of the literature in terms of problems related fundamental startup aspects. Every respondent matched the general requirement, they were all considered start-ups and made good study subjects. However, the results also present minor but intriguing discrepancies with the literature. It would seem that start-ups in developing economies are much more focused on surviving (breaking even) and picking up lessons from the experience than taking over markets. While literature describes a growth strategy to be not focused on profit, respondents explained that profit as a primary objective of the organization.

4.2.2 Project-Management competency and Practices in Start-Ups

4.2.2.1 Project-Management competency

The empirical results regarding project management in start-ups were intriguing and offered a distinct viewpoint on how startups are handled in AddisAbaba, which is easily transferable to other regions.. First off, it was clear from their understanding of PM theory and techniques that the start-up founders had very little prior project experience and it was appropriate to communicate in plane terms.

Considering that all the respondents were graduates in their field of study none of the respondents indicated having had formal education in the discipline, other than few courses

here and there .it is clear that PM education is not a particularly developed or a complimentary field of study in schools. Even individuals with management-related academic backgrounds did not particularly mention project management as a prior area of study.This highlights the need for more formal education and training, a factor that can unquestionably affect startup success and once again suggests an area of interest for further study.

This may have also contributed to the initial claims made by several respondents that they would not use a project-based approach for their start-up because they did not want to be associated with the ephemeral nature of projects. The fact that many start-ups may be wary of implementing a project-based vision in their company may be seen in the narrow view of projects .However, after additional discussion with respondents, it became clear that every start-up applied PM in some capacity to their business, frequently leading the respondents to acknowledge that they had in fact adopted a project-based perspective.It should come as no surprise that entrepreneurs struggle with the idea of termination the most when adopting a project-based perspective of a start-up. The basis of EPM is not considering an organization as one with a termination date, but rather by viewing the start-up period as temporary and thus applying a project-based view to this phase alone, as has been extensively explored and contested in the literature.

Thus, it is evident that there is a great need for PM education and that international PM groups should make a greater effort to provide programs that are specifically geared toward emerging businesses in developed countries. Not to mention the requirement for EPM development and further general field research.

Flexibility was emphasized even more given the instability of these country. This may be the reason why only two responder from the start-ups reported that planning was a big responsibility, while the majority claimed to focus mostly on initiation and execution.

Execution aids in ensuring that the start-up gets its product and/or service onto the market swiftly and effectively to attract the target market's attention. Evidently, all of the respondents implement PM practices in their startups in certain ways. Among which scheduling and communication tools to be the most used.

However, the respondent's comments about high expenses, time-consuming features, and particularly their rigidity made it clear that traditional PM approaches were not appropriate

for start-ups. Construction startups in Addis Ababa need a great deal of organizational flexibility, which makes it challenging to implement PM practices. This is consistent with earlier research which revealed that the majority of new businesses look for simplified versions of PM to use.

The development of EPM approaches, tools, and procedures is clearly important given the requirement for PM practices that support new business initiatives. Additionally, there is a need for EPM that takes into account the unique characteristics of start-ups in underdeveloped economies, i.e., a methodology that takes into account higher risk, greater volatility, and lower resource requirements.

4.2.2.2 Project Management Practices

Defined Life Cycle and Milestones

Defining the stages, deliverables, important milestones, and sufficient criteria was challenging for most respondents because there was no reference that can be accessed. A startup's life cycle comprises uniquely staged activities for each startup as the respondent mentioned. Making sure everyone is aware of the same methodology or process for carrying out projects is the biggest challenge for identifying and developing stages in a project life cycle.

Stable Requirements and Scope

Project requirements, objectives, and scope must be outlined in writing and stabilized at some point early in the project's life cycle in order for the [processes of the startup to be effective. The definition of scope, as well as the clear identification of the startup constraints was identified to be challenging. The concept phase should be used to establish the project requirements but it was evident that services and products were evolving as needed in most of the participant startups which put strain on the schedule and budget.

Defined Organization, Systems, and Roles

Project roles for the entrepreneur and startup team members must be clearly defined in any organization. The findings indicate that while the clarification is well and good, the size of the team is a crucial aspect. These clarifications are ideal with big groups of people while this practice is just time consuming since the project manager has overlapping tasks.

Quality Assurance

The quality dimension of many project management methods is insufficient according to literature. The lack of criteria in each phase meant there was little need to strive to meet obligations, making the quality assurance slightly troublesome or problematic. It was believed that the caliber of the start-up's personnel directly affected the quality of the brand. In order to ensure project quality, standards and criteria must be established for both the product and the process at each stage of the project's life cycle. Making and keeping commitments with a continuing focus on improvement is what quality entails.

Planned commitment

Plans must be based on the organization's ability to execute processes, Problem of a vague schedule, cost baseline and the inability to allocate their resources according to plan were the planning inadequacies seen in the study. The study indicated that flexibility was essential to their start-up due to Ethiopia's unpredictable political and economic climate, which usually made it difficult to adopt scheduling and planning procedures. The lack of sufficient information to formulate a comprehensive plan

Tracing variances and analysis

This PM practice involves reporting and resolving differences from plans must be managed. Any other approach is ineffective. The earliest possible action must be taken to address schedule slips, cost overruns, and unresolved difficulties which is not the case for most respondents that indicate the inability to respond promptly. The lack of any tools or procedures for monitoring or assessing variance and asserted that information loss was a frequent issue in most startups.

Corrective actions and decisions

The default assumption is that the team or functional groups will work to get the project back on track when deviations from the plan are discovered. Corrective action without a clear protocol might result in a variety of results, not all of which are in line with the startup objectives. Their solutions are usually ineffective or have an expensive effect because the differences are discovered too late. Often, trade-offs must be made, such as raising the price to speed things up or reducing the scope to speed things up. Taking remedial action, was

identified to have made the objective ultimately changed in full. Prompt response was only implicated in those startups with small number of people in their team.

Escalation and Issue Management

The lowest acceptable level must address issues and problems first in order for the escalation method to be effective. This is not the case in most startups because of their small team size. Managing problems when they get more serious.

Work authorization and change control

Late project changes are a significant source of disruption that cause schedule slippage, cost overruns, defect introduction, and rework as discussed in the literature. In most startups, work orders are not official papers and that misunderstandings arising from informal communication could affect both time and cost. There must be a formal structure in place for managing and controlling changes.

4.2.3 The process of New Venture Creation

The generic process of establishment process of limited liability and sole proprietorship companies was discussed in the literature review. The process was inclusive of different sources. The lack of comprehensive resource for preparing for a startup establishment process was identified as the most prominent problem. Government institutions have not yet refined their online presence to provide an efficient and reliable source of information and service.

Among the processes Competence certificate requirements were identified to be rigid and have very little room for substitution of requirements for different companies in the same sub category. Some companies with new ideas don't even fit into any category to be certified. Most companies end up getting competence certificate in other categories just to compete in the market. Registration of competence certificate are very generic even in the small sample taken in this study, where there is a lack of specificity in the creation of the categories. After reserving a unique name, all other documents had to be finished before it was approved for our startup. It caused reprocessing if the name had been taken, it appears to have been just a formality. It doesn't assure the avoidance of brand repetition because it is specific to only

sector database. Its legal use is only to make sure there are no taxpayers with the same name. Lease agreement had to be signed before all things. This causes problems when office space requirement is one of the prerequisites for the competence certificate. Office space lease is also a requirement for application of tax registration. Pension registration is a jurisdiction of another government institution other than ministry of revenues. This registration is not a prerequisite for any documentation. The research identified that there was a possibility of finding out about pension registration after they starting to pay taxes which was late in the startup phase. It causes a lot of backdated tasks to add up.

Competency certificates are a necessity in the construction industry. Companies must have the requirements met to be declared competent. In this study, it is evident that the system that governs this endeavor is not specific enough to accommodate any possible category and type of work that can be up for certification.

Most startups were aware of the need for a competence certificate within this entrepreneurial community. The issue was that the other companies discovered this information in the middle of their operations. One respondent explained that this required them to wear more clothing and take more time to complete. All except one of the startups that were questioned received a certificate of competency in a specific category. According to two responses, all other startups were required to demonstrate the requirements for obtaining competency certificates in similar categories (BO3, NF2)

All the results of these analysis indicated that the steps taken towards the establishment of a construction startup had two main category of tasks, the acquisition of business license and the competence certificate. All of the activities were unclear and redundant. The lack of information within all the possible platforms was a surprising revelation. There was time wasted that could have been avoided. The analysis also indicated that there were few procedures that could have been combined or avoided all together as they seem to have missed to fulfil their purpose.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

The following section provides conclusions made based on the findings of this study, including the theoretical and practical contributions of the study.

The goal of the study is to uncover the difficulties business owners encounter when managing their startups, a project based view has been taken into account throughout the research. A survey of the literature revealed four factors that were crucial to a startup's internal operations and served as its primary predictors of success. Specifically, identifying the characteristics of startups, the entrepreneur's and the startup team's PM skills, the PM techniques used to manage the startup, and the process of creating the NV. The study set out to address the following question using a thorough investigation of the body of literature, the proposed framework, and participant data analysis.

What are the problems in EPM of construction SME startups?

The results of the empirical study, which relied on semi-structured interviews with respondents who were the founders of these companies, provided illuminating information on the issues that arose in EPM when a project-based approach was adopted. The analysis of semi-structured questionnaires and interviews produced enough reliable data to address the main study issue.

According to literature and the Ethiopian environment, the interview mostly focused on typical startup qualities and characteristics. Since the organizational environment of startups is fluid, additional research is needed to better understand it. Similar to how using a project view on startups allows for a more thorough investigation, rigorous PM implementation is frequently accompanied by issues despite having considerable potential benefits.

Startups are frequently characterized by considerable unpredictability, making planning and scheduling impossible without adding a significant amount of flexibility. It stands to reason that start-ups have distinct perspectives on risk and innovation in Ethiopia. Since risk is a natural part of the organization that is innovative, it has to come to be accepted.

These studies found that the context of managing a new enterprise and the PM viewpoints of the entrepreneur have been overlooked in the study of PM and entrepreneurship. This study therefore made an effort to highlight these issues. The study's findings shed light on PM in

the startup with reference to the importance and difficulties of EPM. This lays the groundwork for EPM's future growth in the context of Ethiopia and its applicability to other nations with comparable economic structures.

This study can be used to startups with comparable traits. Projectification is an important strategic choice for start-up businesses. Despite the startup teams' awareness, project-based views were already present in all of the participating startups.

The study' findings about the process of establishing a new venture suggested that there were two primary categories of tasks involved in setting up a construction startup: obtaining a company license and obtaining a certificate of competence. The activities were all ambiguous and some unnecessary. A startling realization was the scarcity of information across all potential venues. Time was lost that could have been prevented. The investigation also showed that just a small number of operations could have been combined or completely eliminated because they didn't seem to accomplish their intended aim.

Results can be used as standards for setting priorities for new businesses. The results make it abundantly evident where the government should direct its support in order to increase the success rate of these startups in the construction sector, which are introducing innovation in the form of new services, goods, and procedures to the nation.

5.2 RECOMMENDATIONS

Based on the findings of this study the researcher recommended the following issues to Improve the condition of EPM in Addis Ababa's Construction Industry

- Further study should be done in this study with how much impact these problems that were found in this study among larger groups of startups.
- Further study in the use of project view should be done in the entrepreneurial ecosystem
- The Ethiopian Emphasis in training skills of project management and inclusion of EPM to the educational curriculum would better equip the workforce of Ethiopia for the real world of business.
- The government should focus on providing appropriate training to improve technical and managerial skill of enterprises owners to encourage innovation and new product development in these SMEs

- The Ethiopian government, and in particular these institutions, should work to create systems that are useful and convenient. The procedure should have an impact on the startups' quality rather than just serving as a to-do list of tasks.
- Establishment of entrepreneurial universities which are engines of socio-economic development and their growth will considerably elevate the status of EPM studies.

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APPENDICES

APPENDIX 1 - GUIDE FOR IN-DEPTH INTERVIEW

The purpose of this interview is to gather information about the status and management related problems in your startup

You are selected to complete the questionnaire as part of the sample of the target population.

Please note that, your honesty in providing genuine information will make the study meaningful. You are, thus kindly requested to be honest and frank in your responses as this will have direct bearing on the success of the research.

Thank you in advance for your cooperation.

1. Company background information and Characteristics of the startup

1. Name of Start-up:
2. Name of respondent position (title) at company:
3. Academic level and field of study:
4. Address of company:
- Sub city:
5. Age of start-up:
6. Number of employees (if any):
7. Legal presence:
8. Trade License Registration:

1.1 Characteristics of the startup

1. What does your company do, who are your end users (company's niche market)
Is your company scalable?
Do you have competency certificate, what are the conditions for your certification
5. Describe your organizational structure -Formal or informal
7. Who is the Decision maker in your startup? What is the informational flow like?
3. What is the degree of innovation (what's new about your company)?
4. What is your market position? Describe if the company is a pioneer in providing this product or service.

8. What is the level of risk you have and what are the biggest risks you are taking in your startup?

10. How is the company being financed? And what has been the financial situation you are in right now?

9. What would you like to achieve, in competence level and market share?

2. Startup team and Project Management knowledge in the company

2.1 Interview guide for

1. Do you have experience working on projects/project management?
2. Do you have any exposure to project management knowledge, training and or education?
3. Do any of your startup team members have project management experience?
4. Do any of your requirements for hiring involve the above listed project management topics
5. Is your startup run as a project in your opinion?
6. What would you say is the main PM task in your startup?
7. Are there any PM practices used frequently?
8. What do you think is the problem in applying pm practices?

The purpose of this questionnaire is to gather information about the status and management related problems in your startup.

2.2 .Rating the importance of project management tools in your opinion

Rating Scale				
1- Unimportant	2- Slightly Important	3- Moderately Important	4- Important	5- Very Important

Project management tools	Rating1-5	Explanation
Defined lifecycle and milestone		
Stable requirements and scope		
Defined Organization, system and roles		
Quality Assurance		
Planned Commitments		
Tracking and Variance Analysis		
Corrective Action Decisions		
Escalation and Issue Management		
Work Authorization and Change Control		

4. Establishment of the company

1. Did you know the process of establishing Limited Liability Company / sole proprietorship?
2. If yes what was your information source
3. Was there any platform with comprehensive information about the process of establishing a NV?
4. What was the most challenging task for you during establishing your startup?
5. Did you know there was requirement for competence certificate for your specific startup?
6. If not when did you find out there was requirement for competence?
7. What problems did you face in acquiring competence certificate?
8. What were the specific requirements for your competence certificate?

APPENDIX 2: RESULTS FOR CHARACTERISTICS OF A START-UP

Feature	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
Capital Investment	450,000.00	700,000.00	300,000.00	200,000.00	350,000.00	1,000,000.00	800,000.00	250,000.00	550,000.00	300,000.00	750,000.00
Size	Small	medium	small	small	small	medium	medium	small	medium	small	medium
Age	1.5	4	1	1	2	3.5	4.5	5	2	1	1.5
Legal Pesence Registration	Plc	Plc	Plc	Plc	sole	Plc	Plc	Plc	Plc	Soal prop	Plc
Scalability	highly scalable	highly scalable	highly scalable	highly scalable	highly scalable	highly scalable	highly scalable	highly scalable	highly scalable	highly scalable	highly scalable
Cirtification of commpetance	no certification required	had to get certified as a finishing work firm	had to be certified as a grade 4 architectural firm	had to get certified as a finishing work firm	had to be certified as a grade 4 architectural firm	had to be certified as a manufacturing company	no competance required other than the licence of the sanitary engineer	had to get certified as a finishing work firm	No competence was asked because there was no field for it	had to be certified as a grade 4 architectural firm	Certified appropriate to field
Organizational Structure and information flow	Informal Flexible	Owner centralized Informal	Semi-formal Decentralized; Department	Owner centralized Informal	Owner centralized Semi-formal	Informal Flexible	Owner centralized Informal	Owner centralized Semi-formal	Owner centralized Semi-formal	Owner centralized Semi-formal	Owner centralized Informal
Disision Making	Flexible, no hirarchy	Owner, Informal	Department heads	Owner Informal	Owner Semi-formal	Flexible	Owner, Informal	Owner Semi-formal	Owner Semi-formal	Owner Semi-formal	Owner Informal
Innovation and market position	medium, provis ion of one stop service to differentiale from market	high: used innovatively besides traditional use, use of uptodate machinery	high first of its kind in addis ababa, artistic touch included	medium, creative work for customers	high We are first to offer this in Addis Ababa as an independent firm	high ,innovative in product and service offering	medium, we try to differentiate in using innovative materials	high, exists But processes and innovative, but creativity is more important	high, individuality – customer tailored	high,area doesn't need to be innovative, what you offer does, use of uptodate software to enhance customer	medium, offer better completion time and service
source of risk	risk is constructions can do it inhouse	product being an option for application is not yet developed	new concept	shotage of specialized materials	few experts in lighting design	expensive technology	skills must be developed using new materials	knowhow for the art of stones is not developed	market competition	new software use, cost of training	market competition
investmet/and ROI/ profitability/growth strategy	self Financed,Not doing so well, need financing	self Financed,profit able	self Financed,not yet profitable because we just started working, add products	self Financed,profit able, want to add products	self Financed,profit able, establishi ng the brand as one of the achievements	self Financed,profit able thinking of adding products	self Financed,profit able and thinking of scaling	self Financed,profit able, thinking about scaling	self Financed,reach ed brakeven	self Financed,profit able, thinking about scaling	self Financed,reach ed brakeven point

APPENDIX 3: RESULTS FOR PM COMPETANCY AND PRACTICES

question	AR 1	AR 2	BO1	BO2	BO3	GUI1	NF1	NF2	YE1	YE2	YE3
pm experience	no experience	no experience	No before, After founding yes	no experience	yes for 8 month	Yes; Small short-term projects	no experience	no experience	no experience	Yes; 2 years	Before no; Yes after founding start-up
pm education and training	none	none	had PM course	none	had PM course	had PM course	had PM course	none	had PM course	had PM course	had PM course
pm experience in the team	-	-	-	-	one partner has PM experience	-	-	-	-	one partner has PM experience	
Pm as a hiring requirement	none	none	none	none	none	none	none	none	none	none	none
startup run as a project	Yes; most of our activities are run as projects	no	Use agile PM, using departments	no, I don't consider it a project, PM tools are used	I don't think so	no	Pm tools are used for, growing out of project of project view.	no	no	my startup has no termination date, PM tools are used	no
main pm task in startup	execution	initiation and execution	planning	execution	initiation	execution	execution	execution	planning	execution	execution
frequently used pm practices			Scheduling tools, Grant Chart, communication	Scheduling tools, Grant Chart, communication		Scheduling tools, calendar, communication in tools		Scheduling tools, Grant Chart, communication			Multiple PM tools
limitations in project management			PM is too rigid to be applied to a small startup		rigid	rigid	rigid, Developing contextual PM is costly.		rigid, Costly and time taking	rigid	rigid

PM competence

PM practices

APPENDIX 4: RESULTS FOR PROCESS OF ESTABLISHING NV

question	AR 1	AR 2	BO1	BO2	BO3	GU1	NF1	NF2	YE1	YE2	YE3
knowledge about establishing limited liability company or sole proprietorship	yes	none	none	yes	none	yes	none	none	none	yes	none
information source	social interaction	-	-	institution information, internet	-	family members, social	-	-	-	Friends and family, internet	-
platform for information	none	none	none	wiki procedure s website	none	none	none	none	none	world bank website	none
Most challenging task	tax registration an cash machine process	acquiring competence certificate, commercial registration	the whole process was tedious	acquiring competence certificate	reservation of unique name, pension registration	acquiring space	all task involved going to the same place at least 2 times	reservation of unique name	tax registration an cash machine process	reservation of unique name, tax registration an cash machine process	everything was difficult to navigate
aware of needing competence certificate or not/	yes	no	no	yes	yes	no	no	yes	no	yes	no
time at which competence certificate was a requirement	I had known from the start	after acquiring tax identification number	when I went to apply for commercial registration	went to ministry of trade to ask prior to the startup	I had known from the start, had experience in other firms	application for commercial registration	in the middle of the establishment process	I asked a friend prior to starting the process		I had known from the start	when I went to apply for commercial registration
problems in acquiring competence certificate	category was not available	category was not available	category was not available	category was not available	category was not available	category was not available	category was not available	category was not available	category was not available	category was not available	available to get competency certificate
specific requirement for competence certificate	-	space, professionals	space, professionals, office facility,	space, professionals	space, professionals, office facility,	space, machinery, vehicle	-	space, professionals	-	space, professionals, office facility,	space, professionals, office facility, machinery, vehicle

process of establishing a NV