

ЕКОНОМІКА / ECONOMICS

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MODERN WORLD CHALLENGES FACED BY ENTREPRENEURS OF THE USA AND UKRAINE

The article analyzes different challenges any entrepreneurs can face nowadays. The most difficult problems that arose during the pandemic are considered on the examples of the USA and Ukraine, options for dealing with these challenges in the modern world are proposed.

Key words: *modern world challenges, pandemic, entrepreneurs, women entrepreneurs, social entrepreneurs, business, economic effects, crisis, innovation.*

У статті проаналізовані різні виклики, з якими сьогодні можуть зіткнутися будь-які підприємці. Розглянуто найскладніші проблеми, що виникли під час пандемії на прикладах США та України, запропоновано варіанти вирішення цих проблем у сучасному світі.

Ключові слова: *виклики сучасного світу, пандемія, підприємці, жінки-підприємці, соціальні підприємці, бізнес, економічні наслідки, криза, інновації.*

Today we live in rapidly changing and developing society, where entrepreneurship has become one of the most dynamic forces in the economy. Entrepreneurship requires an entrepreneur to be a person of superior ability who strives to achieve own goals despite of obstacles, opposition and failure, finds ways to catch up to our changing society's expectations. Entrepreneurs often face much uncertainty and they should consider it, when they come up with the ideas how to run their businesses. Entrepreneurial challenges inspire entrepreneurs to explore more opportunity and more innovation, creation and new idea. If business fails to innovate effectively, it might be destroyed by those that do.

Entrepreneurship operates in society, so they are complementary to each other. The unpredictable circumstances force business to re-examine their costs and operations, interaction with customers. Entrepreneurs are the first who provide digitalization as a vital part of modern world transformation. Nowadays the globalization of business becomes more widespread and this aspect makes entrepreneurship very important from a macro-economic perspective.

What challenges can entrepreneurs face? In general, they are marketing strategy, choosing what to sell, cash flow and time management, hiring employees and delegating tasks, capital and strapped budget, business growth and self-doubts. Barriers to entrepreneurship often represent a constellation of factors, both direct and indirect.

If the entrepreneur is just the solo of his own, everything is on his shoulders and schedule is unpredictable. They sometimes do not know where their clients can come from. Those who start their business by their own do not think about team. It is very important to understand how to generate clients and sales for business. When business starts growing than building relationships becomes crucial. They have to start hiring people and determine for themselves what tasks should be delegated at first. Members of the team can leave, get fired, go on vacation, so it is better to systemize work and have everything documented, have spending and sales reports. Staying focused is important because if they want to grow everything at once, it will not work. Without sticking to own vision and concentration on what they are good at, they will not be able to delegate task [1]. Another challenge is a lack of knowledge when it is time for business to move forward or to the next level. Entrepreneurs have to find mentors or trustworthy people who are beyond them to know how to grow business in a way that is proven and sustainable, successful. Take also into account the challenge like fear that copycat is going to build a bigger business. This prevent entrepreneurs to stay on own lane, focus on own business, brand and product, build relationships with own clients.

Special words have to be added about women as entrepreneurs. Now the support of women and the belief that they can change society is a global trend. Global leaders strive to help women to take bold steps of entrepreneurial self-realization. If we compare the USA and Ukraine, the challenges for women in both countries are almost the same. The difference is that Ukrainian economy women's entrepreneurship is relatively new phenomenon. So, large percentage of women's business doubts in their abilities when opening their own business in Ukraine. The first and most important obstacle in this country is the bureaucracy in state bodies.

Women in both the USA and Ukraine can feel overwhelmed because they should combine job, family, responsibility, community involvement and it is hard to decide where they can pull out. The lack of independent funding and skilled labour is the next major obstacle for women. Women often cannot delegate some work especially on the first steps in business. Unrealistic expectation about what they could accomplish lead to frustration and it can be required to set a slower pace. Women tend to seek for permission, they can look for someone else's advice. Women's partners feel threatened by their success, because when most women grow, they want to see partner's success as well. It requires more time to work not only for business grow, but relationship too.

Some words about social entrepreneurs in both countries. They might have duality of their mission. From one side they are going to solve social problems or inspire social changes, from another side they also want to have money from their venture [5]. If they earn profit, they can face misunderstanding of their business by other people. They can also face the lack of strategy, proper vision of business model in the competitive market. As many countries still do not have enough policy or financial institutions supporting social ventures, it becomes a problem to scale up the business to the next level. Funding for social enterprise is a big challenge as well.

The last but not least challenge is the pandemic situation, which all business has faced lately. Some experts predict that we will have such kind of challenges until 2025 year. Therefore, it should be studied more properly. COVID-19 has brought widespread changes to the lives and livelihoods of entrepreneurs all over the world. The impact varied by industry [2]. Restaurants and barbershops, which often faced mandated closures during the pandemic, struggled to stay afloat. However, some industries found ways to adapt and did fine. For example, retail businesses went to online sales, fitness businesses began delivering classes remotely. A minority took advantage of government loans. Many entrepreneurs reduced their expenses often by laying off employees during the pandemic.

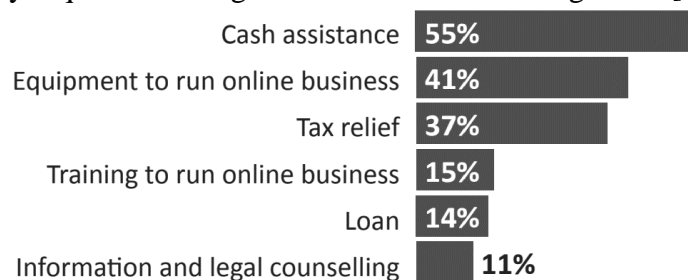
Many enterprises closed their business operations during pandemic, but some of them adjusted to the new government laws, market requirements and public responses. The widespread economic effects of the crisis have changed consumer demand and behaviour, and its global impact has had implications for supply chains. The importance and difficulty of challenges facing entrepreneurs can vary based on where they are in their entrepreneurial journey. Findings presented in this report are based on surveys, conducted by Global Strategy Group on behalf of the Kauffman Foundation. Entrepreneurs were identified as individuals who had either opened or co-opened their own business [4].

	New Businesses	Young Businesses		Mature Businesses
	<1 year old	1–5 years old	5–10 years old	10 years or older
Finding new customers	80%	76%	70%	69%
Keeping existing customers	68%	59%	61%	54%
Funds to start the business	72%	56%	39%	39%
Funds to grow the business	64%	64%	45%	47%
Self-doubt and fear	58%	59%	47%	43%
Laws, policies, and regulations	52%	42%	46%	43%
Skilled employees	52%	34%	34%	35%
Networks and connections	51%	49%	43%	33%
Information, education, or knowledge	48%	43%	27%	21%
Social support	43%	34%	24%	18%
Time to devote to the business	41%	38%	32%	24%
Location, region, or geography	39%	39%	24%	24%
Technology	38%	33%	29%	32%
Mentors who can provide guidance	34%	38%	26%	21%
Inclusion	28%	21%	15%	14%

Tab 1. Challenges among owners of new, young and mature businesses during Covid-19 in the USA

As we can see from the table, finding new customers was the biggest challenge for all business, although new and 1-5 years old ones struggled more (76%-80%) comparing with 5-10 years old and mature business (69%-70%). Entrepreneurs with a new business face the greatest difficulty keeping existing customers: nearly 7 in 10 reported this to be a challenge (68%) compared to just over half of those with a mature business 10 years or older (54%). Entrepreneurs with a business under 1 year old were almost twice as likely to report funds to start the business as a challenge compared to those with a business older than 5 years (72% vs. 39%). Self-doubt and fear were reported to be a challenge for entrepreneurs whose business was less than 5 years old (58-59%). All entrepreneurs identified laws, policies and regulations as a challenge (approximately 42-52%). Business less than 1 year old reported as challenge skilled employees (52%), networks and connections (51%). There were other problems with 18% -21%.

As for Ukraine, over a half of the businesses surveyed by International Organization for Migration (IOM), 55% indicated as a challenge financial assistance to cover their fixed operation costs; 41% needed equipment to run businesses online; 37% wanted additional tax holidays or tax reduction; 15% stated they required training on online business management [5].



Pict. 1. Support necessary for keeping operational status of business (six most frequently mentioned) in Ukraine

According to survey, only 4% of respondents consider the business climate favourable in Ukraine. Business leaders view an effective fight against corruption as the top priority for improving the investment climate. In addition, significant market challenges in Ukraine also include a lack of transparency within tax and customs institutions; high tax rates, a dysfunctional court system; costly regulatory environment [3].

To sum up, every change in the economy brings challenges to businesses, which matter because entrepreneurs have to consider them to improve their performance. Business now should consider what action plans have to be developed to ensure the ability to give high quality services and gain desired profits. Although financial capital is crucial in many cases, but creative ideas or insights are

more required in the modern world. They can lead economy to the new or altered business processes or changes in the products and services provided. In today's business environment, entrepreneurs must be ready to change frequently. Many entrepreneurs face challenges not only as business owners, but also as family and household members. Many speak of financial hardships, the need to pay bills and cover rent. Entrepreneurs' personal financial well-being and their household financial situations are closely tied to the well-being of their businesses.

The pandemic not only brought obstacles and challenges, but it also compelled business to innovate and adapt nearly all processes to the new reality. Structural changes took place for entrepreneurs who had begun working remotely during the pandemic. Therefore, lockdown had both negative and positive impacts on the business. In general, during the pandemic, entrepreneurs with a younger business were more likely than those ones with an older business to report that potential barriers were a challenge.

Experts believe that one of the likely options for dealing with the hard obstacles for entrepreneurs could be the development of comprehensive support programs related to entrepreneurship. Banks, local funds and investors should turn their attention to women by providing them with financial assistance. Educational programs offered to all entrepreneurs (men, women, social entrepreneurs) can be another solution to the problem, helping to acquire additional skills and confidence. The development of women's business should be a response to the features of rapid business development in the countries. Entrepreneurs must always remember that fostering entrepreneurship means channeling entrepreneurial drive into a dynamic process, which takes advantage of all the opportunities that economy can provide.

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