

Masterarbeit

Abstract

Success Indicators of Start-ups in Comparison: Evidence from the Start-up Panel NRW

- An empirical analysis-

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Although start-ups are a critical component of a vital economy, their failure rate is still very high. This empirical research was conducted to find similarities, differences, and correlations of alternative indicators of founding success; therefore, the following research question is formulated: “How do structural firm characteristics influence alternative indicators of founding success?”.

To address this research question, 1,544 start-ups from the skilled crafts sector were drawn according to various criteria from the longitudinal database of the North Rhine-Westphalia Start-up Panel. The data was prepared and statistically analyzed using Python-based software. The analysis found that sector and (initial) firm size influence the founding success significantly at a 0.05 level. Due to the lack of class representation, no meaningful results could be obtained for the influence of the level of risk.

The results indicate that start-ups from the electrical and metal trades perform better than those from the construction and finishing trades and that the smaller the start-up, the more successful it is. Moreover, similarities among the indicators were found for the market exit, employment development, net sales development, and change in operational utilization. In contrast, the development of perception of the business situation was found to differ in that it produced divergent findings. Finally, net sales and employment development appear to be more sensitive indicators of founding success, as these respond to more structural characteristics.