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Research article

Determinants of success and longevity of nascent enterprises: A literature review of explanatory factors

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ABSTRACT

The success and longevity of nascent enterprises remain significant challenges in entrepreneurship. Although entrepreneurship is increasingly seen as a driver of economic development and innovation, many newly created small and medium-sized enterprises (SMEs) fail in their first years. This study synthesizes the main determinants influencing the survival and performance of emerging firms, drawing on theoretical frameworks such as resource theory and environmental contingency theory. Our results highlight the decisive role of individual entrepreneurial characteristics, access to financial, human, and social resources, and the impact of the economic and regulatory environment on firm viability. Furthermore, this research highlights the importance of strategic adaptability, managerial skills, and institutional support in reducing the risk of entrepreneurial failure. Based on these findings, we recommend strengthening SME resilience for policymakers and practitioners. Future research should delve deeper into sectoral variations in business survival and examine the impact of digital transformation on their sustainability.

Keywords: Entrepreneurial failure, SME survival, resources, business environment, personality traits, access to financing, institutional support.

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Abstrak

Kesuksesan dan keberlangsungan perusahaan baru tetap menjadi tantangan utama dalam kewirausahaan. Meskipun kewirausahaan semakin dipandang sebagai pendorong pertumbuhan ekonomi dan inovasi, banyak perusahaan kecil dan menengah (UKM) yang baru dibentuk mengalami kegagalan di tahun-tahun awal kemunculannya. Studi ini merangkum faktor utama yang mempengaruhi kelangsungan dan kinerja perusahaan baru, dengan mengacu pada kerangka teori seperti teori sumber daya dan teori kontingensi lingkungan. Hasil penelitian menyoroti peran penting dari karakteristik kewirausahaan individu, akses terhadap sumber daya keuangan, manusia, dan sosial, serta pengaruh lingkungan ekonomi dan regulasi terhadap keberlangsungan perusahaan. Selain itu, penelitian ini menekankan pentingnya adaptasi strategis, keterampilan manajerial, serta dukungan kelembagaan dalam mengurangi risiko kegagalan usaha. Berdasarkan temuan ini, disarankan agar kebijakan dan praktik disebutkan dapat memperkuat ketahanan UKM. Penelitian mendatang seharusnya mengeksplorasi variasi keberhasilan usaha berdasarkan sektor dan menganalisis dampak transformasi digital terhadap keberlanjutan mereka.

Kata Kunci: *Gagalnya kewirausahaan, keberlangsungan UKM, sumber daya, lingkungan bisnis, karakteristik kepribadian, akses terhadap pendanaan, dukungan kelembagaan.*

1. Introduction

Entrepreneurship has become a key driver of economic development and wealth creation. Faced with the stagnation of salaried job creation, many individuals turn to entrepreneurship as a more stable and satisfying alternative to guarantee their professional inclusion and promote economic revitalization. However, while creating new businesses is seen as a decisive lever for reducing unemployment, it is severely hampered by a high failure rate among fledgling small and medium-sized enterprises (SMEs). Indeed, fewer than two out of three businesses make it past the first three years, and only half survive beyond five years (Picquenard & Reyes, 2021). Similarly, Mayegle & Ngo Omam (2015) find that fewer than two out of five companies survive beyond five years. While varying from country to country, this structural fragility of SMEs remains a persistent reality on a global scale. So, although the number of emerging entrepreneurs is increasing, most struggle to establish sustainable, competitive, long-term businesses. This situation limits the expansion of the entrepreneurial fabric, hindering the potential for growth, job creation, innovation, and economic dynamism.

The factors determining the survival or failure of new businesses lie at the intersection of the entrepreneur's characteristics, the external context in which the company operates, and the resources available to meet the challenges encountered. Parmar & Patel (2023) identify six categories of causes explaining small business failure, including accounting, commercial, financial, endogenous, and exogenous causes, as well as the specific behavior of the entrepreneur. Meanwhile, Duquenne (2021) proposes a model for creating a viable business by considering three fundamental dimensions. According to this model, the entrepreneur's dimension, influenced by their professional and relational dimensions, interacts with the company's environment and economic context, thus constituting a crucial determinant of the success or failure of the fledgling business. These elements suggest that entrepreneurial success depends on a complex combination of internal, external, and individual factors that guide the company throughout its life cycle.

The central question that emerges from this reflection concerns the factors determining the survival and performance of nascent enterprises. In other words, we need to understand how the key players in each entrepreneurial project - the entrepreneur, the company itself, and the environment in which it evolves - affect the company's chances of success and longevity. Several studies (Duquenne, 2021; Le Marois, 1985) reveal that these factors are multiple and interconnected: the skills and behavior of the entrepreneur, the management of financial and human resources, as well as the specificities of the economic and institutional environment play a crucial role in the sustainability of the business. Understanding these determinants is essential to identifying the levers likely to improve the resilience of start-up SMEs and enhance their long-term performance.

In light of these considerations, it is essential to examine the factors determining the durability and success of nascent enterprises. More specifically, we need to understand how the interaction between the entrepreneur, the company's characteristics, and its environment's dynamics shapes its survival and growth prospects. These three dimensions interact in complex ways, influencing a nascent enterprise's ability to adapt, innovate, and overcome the challenges inherent in its development.

This article explores the multiple factors influencing the survival of Tunisian SMEs, with particular emphasis on the levers available to entrepreneurs to maximize their chances of success. To this end, our analysis is structured around three principal axes. Firstly, we will examine the impact of entrepreneurial personality traits and their correlation with business success and sustainability, highlighting the skills and attitudes that foster adaptability and innovation. Next, we'll look at the resources available to the company, notably human, social, and financial capital, which play a key role in its development and competitiveness. Finally, we analyze the influence of the environment, putting into perspective the role of coaching systems, support networks, and public policies in SME growth and consolidation.

The results of this research offer concrete perspectives for developing public policies and support programs better adapted to entrepreneurs' needs. This study aims to guide institutional and economic players towards targeted support strategies by identifying key success factors and the most effective support mechanisms, thus fostering a more dynamic and resilient entrepreneurial ecosystem. In particular, these recommendations could contribute to implementing more effective support mechanisms, improving access to financial resources, and structuring entrepreneurial self-help networks, thereby strengthening the competitiveness and sustainability of SMEs in Tunisia.

2. Methods

This study is based on a structured literature review aimed at identifying the main factors influencing the success and longevity of nascent enterprises. It mobilizes several complementary theoretical frameworks, including resource, institutional, and environmental contingency theories, to propose an integrated reading of the determinants of entrepreneurial performance. The analysis was based on a corpus of 56 scientific articles published between 1966 and 2025, selected for their thematic relevance, methodological rigor, and publication in peer-reviewed journals. These articles were collected and analyzed over four months, between November 2024 and February 2025. Sources were extracted from recognized academic databases such as Google

Scholar, ScienceDirect, Cairn, and JSTOR, using French and English keywords relating to entrepreneurship, SMEs, business survival, success factors, and performance.

Each text was subjected to in-depth reading and manual thematic coding, enabling the factors identified to be grouped according to three main dimensions: individual, organizational, and environmental. This approach helped us identify the favorable or unfavorable conditions for nascent enterprises' viability, highlighting factors such as entrepreneurial motivation, access to human, financial, and relational resources, and the institutional and economic framework SMEs operate. Although based on theoretical analysis, this approach provides a solid basis for academic reflection and for guiding policies to support entrepreneurship

3. Results and implications

The impact of the entrepreneur's individual factors on the performance of nascent enterprises

The personality trait approach focuses on the entrepreneur as an individual. It seeks to identify the characteristics that distinguish them from others to understand nascent enterprises' success factors better. This perspective highlights the importance of the psychological and conative dimensions of the entrepreneur, emphasizing their role in decision-making, risk management, and adaptability in the face of challenges. Examining these aspects in greater depth provides a clearer picture of the influence of personal dispositions on the entrepreneurial trajectory. Thus, an entrepreneur's ability to navigate an uncertain environment and mobilize resources effectively is key to understanding the link between individual traits and business performance.

Individuals who dare to undertake despite uncertainties and the risk of failure tend to demonstrate greater optimism and effectiveness than those who allow themselves to be discouraged by these obstacles (Frese & Gielnik, 2023). In the emotional approach, the success of a business depends mainly on the entrepreneur's characteristics, including motivation, commitment, resilience, and perseverance. Research in neuroentrepreneurship suggests that activation of the prefrontal cortex, involved in risk assessment, plays a significant role in entrepreneurial decision-making, offering a deeper understanding of the neural mechanisms underlying entrepreneurial success (Laureiro-Martinez et al., 2023). These factors play a decisive role in the entrepreneur's ability to overcome the difficulties inherent in the entrepreneurial process and to ensure the continuity and growth of his or her business.

Drawing on self-actualization theory, Azeem & Khanna (2024) suggest that individuals with strong achievement motivation seek to solve problems autonomously, set ambitious goals, and strive to achieve them independently. Intrinsic motivation is essential for entrepreneurship and is based on an internal need for achievement, competence, and self-determination. It drives the individual to take on personal challenges and adopt proactive behaviors to satisfy their aspirations. However, as these challenges involve taking risks and exploring the unknown, the entrepreneur must be able to broaden his or her skills and fully exploit his or her interests (Meekaewkunchorn et al., 2021). Thus, this theory highlights that highly motivated entrepreneurs are generally more successful than others. The theory of growth mindset, developed by Carol Dweck, complements this perspective by demonstrating that cognitive adaptability and belief in the possibility of developing one's skills outweigh fixed traits, particularly during transitions and strategic pivots in digital environments (Dweck, 2006).

However, to persevere in this quest for accomplishment, a certain degree of self-confidence and a belief in one's abilities are necessary to face uncertainties and overcome obstacles. Self-confidence is based on how an individual perceives the origin of his or her success. The locus of control theory, developed by Rotter (1966), distinguishes two profiles: on the one hand, individuals with an external locus, who attribute their success or failure to external factors such as luck, fate, or chance, and on the other, those with an internal locus, who consider their success to depend primarily on their efforts and skills. According to Rotter (1966), an internal locus promotes learning by stimulating motivation and commitment, while an external locus tends to inhibit initiative and encourage passivity. With this in mind, Cantamessa et al. (2018) emphasize that entrepreneurs need to develop an internal locus and have confidence in their abilities to maximize their chances of success. Indeed, this conviction enables them to make strategic decisions, persevere in the face of obstacles, and adopt a proactive posture essential to the growth and sustainability of their business.

Motivation plays a decisive role in entrepreneurial success, explaining why some entrepreneurs succeed while others encounter more difficulties. Indeed, the very nature of entrepreneurial motivation directly influences a company's performance and chances of survival. With this in mind, several studies point out that entrepreneurs motivated by opportunity are more successful than those who undertake out of necessity (Cantamessa et al., 2018; Martínez-Cañas et al., 2023). Indeed, the former adopt a proactive approach, exploit buoyant markets, and mobilize their resources more effectively, while the latter, often constrained by unfavorable circumstances, may face structural limitations hindering the growth and sustainability of their business.

The entrepreneur's drive and ambition for growth are key indicators of business performance and development (Karlsson & Wigren, 2012). Afsar & Masood (2018) establish a direct link between entrepreneurial motivation, SME growth, and profitability, highlighting the importance of entrepreneurial orientation in this process. Indeed, SMEs, often lacking formalized strategies, generally adopt a reactive posture in the face of market developments (Ritala et al., 2021). Basco et al. (2020) enrich this approach by integrating behavioral dimensions such as autonomy and competitive aggressiveness. Thus, entrepreneurial orientation rests on three essential pillars: innovation, responsiveness, and risk-taking. According to these authors, the entrepreneur's motivation is decisive in reinforcing his or her entrepreneurial orientation, promoting the company's growth and success.

Entrepreneurial success depends on the individual's ability to mobilize three forms of intelligence: analytical, creative, and practical. These intelligences enable entrepreneurs to adapt to, transform, or change their environment in response to opportunities and challenges. According to Sternberg (1999, 2004), these skills can be reinforced by experience and effective use of accumulated learning. Combined, they form what the author calls success intelligence, a key factor in entrepreneurial success. This theory defines success intelligence as an individual's ability to achieve goals according to their standards while considering the demands of their socio-cultural environment. Entrepreneurs who develop these different forms of intelligence maximize their chances of performance and sustainability in a competitive environment.

From this perspective, entrepreneurial success takes on a personal and subjective dimension, influenced by each entrepreneur's objectives, an approach also supported by Witt (2004). In other words, not all people perceive success in the same way, which leads us to question the idea that a simple satisfaction index can accurately reflect a company's actual performance (Przepiorka, 2017). This variability in the interpretation of success thus underlines the significant impact of the entrepreneur's personality on his results. An ambitious, motivated, and confident individual will set higher goals and actively mobilize analytical, creative, and practical skills to achieve them. Conversely, an entrepreneur with more moderate ambition and self-confidence might settle for more modest goals, thus directly influencing the trajectory and growth of his company.

The role of resources in the performance of nascent enterprises

The success or failure of a new business depends mainly on its creator. Still, the latter cannot guarantee the long-term viability of his project without adequate access to the necessary resources. In addition to personal skills, the entrepreneur must mobilize resources such as capital, information, networks of partners and customers, and essential technologies. What's more, certain specific skills, such as the expertise of consultants and the qualifications of staff, play a decisive role in the company's development. To explain the survival and performance of emerging SMEs, we draw on resource and competency theory, with particular emphasis on three fundamental levers: human capital, social capital, and financial capital.

Human capital as an essential lever for performance

Current research continues strengthening the behaviorist school while adopting a cognitive and processual approach. The entrepreneurial phenomenon is now seen as a dynamic and constantly evolving learning process in which the entrepreneur develops and applies various skills to adapt to challenges and opportunities (Amans, 2008). This perspective provides a better understanding of entrepreneurial behavior, which is not static but evolves (Flavio et al., 2025). For Bréchet (2010), the company should be seen as a place of learning and skills development, where individuals acquire and perfect their know-how while interacting with their environment. This vision highlights the importance of adaptability and continuous training in entrepreneurial success, particularly in a rapidly changing economic context.

Formal education plays a key role in developing an entrepreneur's cognitive abilities, strengthening their capacity to identify and analyze strategic opportunities. This process is part of building human capital, which is defined as the set of skills, knowledge, and valuable experience that an individual mobilizes within an organization (Deepani & Naotunna, 2025), like physical capital, shaped by transforming raw materials into productive tools, human capital results from intentional investment. It emerges through structured learning - academic curricula or specialized training - and through informal experiences, which gradually shape aptitudes and innovation capacity (Fuente & Ciccone, 2002). In this way, each educational stage, whether institutional or experiential, contributes to accumulating intangible resources, enabling the entrepreneur to act with agility adapted to economic challenges.

Formal education provides a structured foundation of explicit knowledge, transmitted via academic institutions and training programs, offering the entrepreneur clearly defined theoretical and methodological reference points. However, entrepreneurial effectiveness rarely emerges from this codified knowledge alone: it results more from its articulation with tacit, implicit, and contextual knowledge acquired through practical experience. This hybridization of formal and informal knowledge makes it possible to navigate ambiguous situations, interpret incomplete information, and make decisions adapted to complex challenges (Pham et al., 2025). So, while formal education provides structuring frames of reference, their combination with intuition, interpersonal skills, or the often unspeakable but essential creativity forges the ability to act in an uncertain entrepreneurial context.

However, significant digital skills deficits persist in emerging economies, hindering technological adoption within companies and limiting productivity and job creation, particularly in areas requiring high-level skills (World Bank, 2023). Furthermore, forecasts indicate that technological skills, including artificial intelligence and metadata, will become increasingly crucial over the next five years, underlining the importance of continuous training and adaptability for entrepreneurs (WEF, 2025). In addition, recent research has highlighted biases in venture capitalists' assessment of candidates' skills, with investors giving disproportionate weight to specific skill signals, which can affect diversity and inclusion in the entrepreneurial process (Vazirani et al., 2023).

Social capital as an essential pillar for the performance of nascent enterprises

Several researchers (Heysham & Elkadi, 2025; Moreira, 2025) point out that individuals and social groups mobilize three forms of capital. Physical capital is materialized and tangible, which contrasts with human capital, which is embodied in individual skills and knowledge, and social capital, which is even more intangible, as it is rooted in interpersonal relationships. The latter, defined as a network of material and symbolic exchanges, enables an agent to indirectly mobilize the resources of a collective (family, professional networks, etc.) (Moreira, 2025). It constitutes a reservoir of potential resources dispersed throughout a relational structure, the quality of which depends on the individual's economic and cultural capital and social investment, whether conscious or not (Dussuc & Geindre, 2012).

Ennesraoui & Aboussaad (2024) specify that maintaining this capital requires continuous effort proportional to the network's size, density, and hierarchy. In the entrepreneurial context, these dynamics are decisive: networks facilitate access to information and offer a strategic capacity to identify and exploit lucrative opportunities, notably thanks to relational structures favoring agility and diversity of connections (Burt, 1995; Ennesraoui & Aboussaad, 2024; Souissi & Boujelbene, 2023).

The quality of social capital provides strategic leverage for companies, notably by facilitating privileged access to rare and timely information (Souissi & Boujelbene, 2023). Geindre (2009) demonstrated that this early access to information resources confers a decisive competitive advantage, enabling companies to anticipate market trends or seize opportunities invisible to less well-connected players. Ennesraoui & Aboussaad (2024) take this dynamic a step further, emphasizing that rich networks maximize the diversity and value of accessible information far exceeding what an isolated individual could obtain.

The performance of companies depends not only on their strategies, the quality of their products, or the experience of their managers but also on the value of their entrepreneurial social capital (Purwati et al., 2021). An extensive relational network enhances organizational performance, while strong ties between managers facilitate access to financial resources. This relationship has also been highlighted by El Agy & Bellihi (2013), who point out that strong connections favor obtaining external funding. On the other hand, many weak or external ties do not necessarily guarantee better access to informational resources. In addition, several studies show that the quality of social capital has a greater influence on company performance than its size (Mayegle & Ngo Omam, 2015; Zerarga & Sadoud, 2016).

The importance of financial capital and access to funding for the performance of nascent enterprises

The level of capitalization plays a decisive role in the survival and growth of nascent companies. Its influence is exerted through direct and indirect mechanisms. A solid capital base directly provides the company with the resources to secure critical deadlines, implement ambitious expansion strategies (e.g., innovation, recruitment), and meet the financing requirements of rapid growth. Indirectly, capitalization often reflects improved managerial expertise (training of executives) and long-term planning capacity (risk analysis, anticipation of needs), key factors in optimizing performance (Malik & Sahu, 2024). So, beyond immediate liquidity, capital is a structural lever to transform constraints into long-term opportunities.

Several empirical studies have highlighted the impact of initial capital on company survival. Sambou et al. (2023), by comparing the profiles of companies created in 1998 that survived five years with those that disappeared before that milestone, demonstrate that a high level of invested capital doubles the chances of survival, underlining its stabilizing role in the face of the uncertainties of the early years. This observation is complemented by the work **of** Béziau & Bignon (2017)**,** who identify structural inequalities in sustainability according to the business sector, legal status, and entrepreneurial characteristics. Their survey reveals that the combination of a substantial initial financial investment, prior sector experience, a high level of training for the project leader, and a solid network of stakeholders (customers, suppliers) constitutes a decisive foundation for exceeding critical growth thresholds. So, beyond monetary resources, survival depends on integrating human, social, and financial capital Béziau & Bignon (2017).

The initial investment, perceived as a structural lever for sustainability, is closely associated with the robustness of nascent enterprises Albert et al. (2024). In particular, the size of nascent companies' capital proves decisive in crossing the critical survival threshold: studies show that resources allocated at launch (e.g., acquisition of machinery, equipment costs) significantly increase the probability of longevity by securing nascent enterprises phases and reducing vulnerabilities Teurlai (2004). This dynamic is particularly true in technology-intensive sectors. For example, Hichri et al. 2017) point out that, for companies in the information and communication technologies (ICT) sector, the value of initial capital acts as a growth gas pedal and a marker of sustainable performance, enabling them to finance innovation and adapt to rapid market changes. This work converges on a key finding: initial investment is not just a financial buffer but embodies a proactive strategy for transforming constraints into competitive advantages Hichri et al. 2017).

In short, financial capital and access to financing represent a strategic lever for companies facing an environment marked by uncertainty and increased competitiveness. According to Viennet (1990), these resources help strengthen operational resilience by securing adaptability in the face of external shocks. More concretely, substantial initial capital offers companies a wider strategic range: it facilitates the acquisition of legitimacy (via investments in R&D, marketing, or infrastructure) and offsets the handicaps associated with smallness (limited visibility) or novelty (lack of credibility with stakeholders) Teurlai (2004). In dynamic sectors such as ICT, Hichri et al. 2017) point out that this capital makes it possible to finance key innovations and structure strategic alliances, transforming financial constraints into opportunities for differentiation. In short, access to finance cannot be reduced to mere cash: it embodies an ability to anticipate, innovate, and negotiate one's place in a competitive ecosystem (Hichri et al., 2017; Viennet, 1990).

The environment as a determining factor in the success or failure of nascent enterprises

The third dimension highlights approaches focusing on the predominance of the environment, notably the theory of organizational population ecology (Hannan & Freeman, 1977). Population ecology analyzes the collective evolution of an industry or population of organizations, studying how environmental mutations (regulations, competition, technological innovations) shape their survival or decline on a macro scale. Conversely, evolutionary economics focuses on the individual company, examining its internal adaptations in the face of these external pressures. This duality reveals a paradigm shift: to understand inequalities in entrepreneurial success, attention no longer focuses on entrepreneurial traits but on the environmental forces (resource availability, market density) that condition the durability of structures (Martínez-Cañas et al., 2023). Thus, a company's survival emerges less from individual will than from a critical fit between its characteristics and the systemic constraints of its ecosystem (Hannan & Freeman, 1977; Martínez-Cañas et al., 2023).

The success of nascent enterprises depends on the characteristics of the entrepreneur and the resources he mobilizes, as well as on the industrial framework and the strategy adopted. Indeed, even with adequate resources and proven skills, an entrepreneur may come up against structural and economic obstacles that compromise the viability of his project. The survival of SMEs depends not only on internal factors but also on the environmental conditions in which they operate. This phenomenon, known as environmental selection, highlights the decisive influence of sectoral dynamics, economic policies, and competition on company survival. The constraints faced by nascent enterprises are manifold and can take different forms. They include tax pressure, bureaucratic red tape, market regulation, unfair competition, inadequate protection of intellectual property rights, and a lack of support services tailored to the needs of nascent enterprises. These obstacles can also limit access to essential resources, such as skilled labor, raw materials, distribution networks, and strategic information. In addition, the level of market competition and the strategies adopted by existing players, such as price wars, cost control, or innovation, play a decisive role in the survival and competitiveness of SMEs. So, as Khelil et al. (2012) point out, these various external factors represent significant challenges for entrepreneurs, who need to demonstrate agility and resilience to overcome these constraints and ensure the sustainability of their business.

Focusing on integrating context and process, Martínez-Cañas et al. (2023) have highlighted the relevance of an evolutionary approach to understanding business development and survival. This approach is based on four fundamental concepts: variation, adaptation, selection, and retention. Variation refers to the creation of new organizational structures. At the same time, adaptation concerns how entrepreneurs adjust their strategies and mobilize their resources to cope with the changing dynamics of their environment. Conversely, selection refers to the conditions under which specific organizational models favor business continuity while others fail. Finally, retention highlights the tendency for successful practices to be reproduced and adopted by other entrepreneurs. By combining these elements, evolutionary theory offers an analytical framework for understanding the complexity of entrepreneurial journeys and the factors that influence the success or failure of new ventures.

Benhaddouch et al. (2023) highlight the decisive influence of geographic location on business development. According to their work, several regional factors play a key role in the growth and sustainability of SMEs. Among these, political conditions, infrastructure quality, access to skilled labor, and local cultural characteristics and lifestyles are particularly influential. These variables shape the entrepreneurial environment, facilitating or hindering access to the strategic resources required for business competitiveness. Thus, regional disparities can significantly impact the success or failure of entrepreneurial initiatives, making it essential to design policies tailored to the specific context of each region.

What is more, the intensity of competition exerts significant pressure on the profitability of companies by limiting their room for maneuvering and accentuating the challenges linked to their survival (Porter, 1980). Increased competition tends to reduce an industry's overall profits, making it more difficult for new businesses to survive, as they must contend with established players and aggressive strategies. Moreover, this competitive dynamic progressively reduces the advantages of pioneering companies, which, despite having accumulated a specific experience and notoriety, see their positions threatened by new, more innovative, and responsive entrants (Pisoni et al., 2020). In such a context, imitation is a strategy that enables companies to capitalize on the experience and innovations of other market players while minimizing the costs and risks involved in developing new technologies (Pozzi et al., 2023). By adopting proven solutions, copycat companies can benefit quickly from technological advances without suffering the uncertainties inherent in research and development. However, this approach also has its limitations, not least the risk of adopting an innovation prematurely, before it has reached optimum technological maturity. Too early an imitation can expose the company to inefficiencies, while late imitation can place it at a competitive disadvantage against established players. Therefore, the ability to identify the right moment to integrate a technology remains a major strategic challenge for SMEs in their quest for competitiveness and longevity.

According to Brema et al. (2024), demographic models for new businesses, based on the theory of organizational population ecology, suggest that new businesses have a life expectancy below the industry average, as is clear from the study by Mayegle and Ngo Omam (2015) who state that fewer than two out of five companies manage to survive after five years of existence. This fragility is mainly due to a lack of available information, preventing the entrepreneur from correctly anticipating changes in the economic environment. As a result, the profitability expectations entrepreneurs formulate are often simplistic, and they fail to consider all the variables influencing their business. Moreover, these young companies struggle to reach critical mass quickly enough to become viable on the market, resulting in insufficient production and a disadvantageous cost structure. However, those who overcome this initial vulnerability phase generally grow faster than the average company in their sector.

Moreover, emerging companies have particularly high failure rates, a phenomenon widely documented by Camara (2023). This observation is linked to the "handicap of newness," which refers to the heightened vulnerability of young companies in their first years of existence. Indeed, these nascent structures lack resources essential to their survival: the entrepreneur must simultaneously take on new managerial functions while the company struggles to establish practical management standards and build solid relationships with its customers and partners (Nazir et al., 2024). This issue ties in with the work of Zineb (2023) on organizational legitimacy, who emphasize that the acquisition of external recognition considerably reduces the risk of failure. Indeed, organizational legitimacy attenuates the impact of a company's youth on its survival, thus reducing its mortality rate. As Cullière & De Freyman (2024) point out, legitimacy is a key factor in ensuring the sustainability of organizations by aligning their practices with stakeholder expectations and consolidating their credibility in the marketplace.

However, according to the population ecology movement, company size is decisive in survival. The risk of failure is particularly high in the first few years of creation and tends to diminish progressively as the company acquires market legitimacy. Hannan & Freeman (1977) argue that firm mortality rates decrease as firm size increases. This is because small firms are more vulnerable to economic fluctuations, as they have limited resources and less scope for downsizing in times of crisis. In addition, they face difficulties in accessing finance, skilled labor, and distribution networks, compromising their ability to grow and stabilize. Aldrich et al. (2023) also point out that these companies are susceptible to high administrative costs and unfavorable interest rates, reinforcing their vulnerability and increasing their risk of failure.

Research limitations and prospects

This study, while rich in insights, has certain limitations. On the one hand, it is based on an essentially theoretical analysis, which limits the generalizability of the results to all SMEs. On the other hand, it does not consider sectoral specificities, which may influence company survival rates differently. Future research could deepen these aspects by adopting an empirical approach combining case studies and large-scale quantitative analyses. In addition, the impact of new and digital technologies on the resilience of SMEs could be a relevant line of research, enabling the identification of innovation levers likely to strengthen their competitiveness. Finally, a comparative study between different regions or countries would better understand the influence of institutional and cultural contexts on entrepreneurial dynamics and the survival of nascent enterprises.

4. Conclusion

Environmental constraints linked to the entrepreneurial context, lack of adequate resources, and insufficient motivation on the part of entrepreneurs are significant obstacles to the performance and sustainability of SMEs. Our study has shown that SME survival depends on individual, organizational, and environmental factors. To maximize their chances of success, entrepreneurs must be driven by strong motivation and an internal locus of control and mobilize sufficient human, financial, and relational resources. Without economic, institutional, and psychological support, nascent enterprises are more vulnerable and risk prematurely abandoning their activities.

However, our analysis is not intended to be fatalistic. This study shows that, by adopting a proactive approach, entrepreneurs can significantly increase their company's chances of survival. The initial phase of the entrepreneurial process must be marked by in-depth reflection and rigorous identification of market opportunities. In addition, a realistic assessment of potential obstacles, notably the complexity and uncertainty of the environment, is essential to anticipate challenges and provide appropriate responses. With this in mind, resource theory emphasizes the importance of a substantial initial financial contribution to overcome the handicap of novelty and increase the company's legitimacy in the marketplace. Human capital, for its part, determines the strategic choices that enable the company to adapt to environmental fluctuations. In contrast, relational capital and professional networks provide privileged access to information and growth opportunities.

Recommendations

Several measures need to be taken to strengthen the long-term viability of nascent enterprises. First, training schemes must be strengthened to support entrepreneurs in acquiring the managerial, financial, and strategic skills essential for effective SME management. In addition, facilitating access to financing is a key lever for ensuring the survival of nascent enterprises. To this end, financial institutions and support programs should make their eligibility criteria more flexible to give nascent enterprises easier access to financial resources tailored to their needs.

In addition, the implementation of appropriate support policies is essential. Structured institutional support, including incubation, mentoring, and advisory services, would strengthen entrepreneurs' resilience in the face of market challenges. It is also essential to encourage networking and partnerships. The development of collaborative platforms and entrepreneurial networks would promote the exchange of experience and access to new business opportunities, thereby strengthening the competitiveness of young companies.

Finally, improving the regulatory framework is a fundamental challenge. Simplifying administrative procedures and cutting red tape would create a more conducive entrepreneurial climate for innovation and SME growth. All these measures, combined with a more structured and inclusive entrepreneurial ecosystem, would increase the chances of success for young companies and boost the economic fabric

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