

## Actors of Creativity and Entrepreneurship in Romania

**Bogdan HRIB**

*Tritonic Publishing Group*

*5 Coacăzilor St., Sector 2, Bucharest, Romania*

*bohrib@gmail.com*

**Abstract.** *The new trends in the cultural and creative industries (CCI) that were theorized in the second half of the 20th century, simultaneously with the rapid development of technology, have created in post-communist Romania the premises of developing a new model of creative entrepreneurship. Nevertheless, the digitization of society and general strategic projects are not enough to create a catalyst for the explosion of entrepreneurial creativity. The unstable political climate and the lack of predictability have prompted the insecurity of the new business of "anonymous" creators - those who are not seen, those who are at the heart of cultural and creative industries - small and medium enterprises (SME), licensing individuals (PFA), family associations (AF). The Western models long described in the motivational literature published in Romania, as well as some notorious Romanian examples intensely publicized as the Romanian counterpart of Western companies, do not help and do not solve the generation of daily solutions or, more than that, Strategic Creative Solutions for grassroots companies. The present paper tries to define the terms necessary for the creative area and to analyze the situation today in Romania, presenting shortly, for comparison, the Western models, the Romanian models of notoriety, but also four examples of "anonymous" actors in the creative industries area: a floral workshop paper, an IT service company, a graphic design agency and a printing house. The conclusions of this punctual analysis are of an empirical nature, but they provide a picture of the fragility of the business environment in the area of cultural and creative industries, amid a timid and fragile but steady market growth.*

**Keywords:** *creativity; entrepreneurship; entrepreneur; small and medium enterprises; (SMEs); licensing individuals (PFA); family associations (AF); Cultural and Creative Industries (CCI).*

### Introduction

In Romania, after the fall of communism in 1989, the emergence of the legal framework for the business organization has produced a wave of entrepreneurs full of ideas and without managerial experience who have tried to take advantage of the opportunity to have an unformed and starved market for any kind of products or services. The establishment of small commercial companies simultaneously with the cumbersome privatization of state-owned companies and the bankruptcy of many of them, the unstable economic climate - sometimes contradictory and unprivileged fiscal procedures, inflation, implicitly the lack of predictability, generated a tumultuous dynamics of small businesses. Tax facilities were timid and had short application times.

Gradually the confidence of the first wave of investors eroded, and those who started in the 1990s began to give up, entered the administration or left the country. The few who have resisted have strengthened. In the early 2000s when many of the cultural industries began to develop, the market seemed to be moving towards a natural threshold. But the economic crisis that followed the year 2008 quickly broke down cultural-creative companies, advertisers, publishers, printers, etc., personal spending reorienting to vital needs and saving family resources.

"With only 2.2 small and medium-sized enterprises (SMEs) per 100 inhabitants, Romania is on the last place in the European Union, according to data from Eurostat. The number of SMEs in Romania is half the EU average, which amounted to 4,5 per 100 inhabitants in 2015." (Panaete, 2017).

Not only do small businesses operate in Romania, but entrepreneurs are avoiding areas that are not of the utmost need for the public. The creative-cultural sector is the most vulnerable to any fluctuation of the market, and the companies that make up it are the most exposed to any panic that includes customers, whether justified or not.

### **Main concepts of the field**

In the following section, we will present some key concepts of the field we are investigating: the entrepreneur, the creativity, the idea, the opportunity in business, all about the cultural and creative industries.

*The idea* as a thought or intention of action, as a "generic term for different forms of logical knowledge; notion, concept" (Dexonline) is a fundamental form of expression of humanity. Its spontaneous birth, whether or not generated by objective or subjective necessities, is basically the engine of creativity.

*Creativity*, as with the idea, is a difficult concept to define. Accepting that we are talking about a social and, above all, mental process involving the expression of new concepts or ideas, along with the mental associations between ideas and/or concepts already existing, creativity is a multidimensional term that can be expressed and defined in several areas: psychology, social psychology, arts, philosophy or economics and management. It is often associated with arts and related fields, so it is general and the term that we will define in the following paragraphs: creative industries.

"Two of the primary components of creativity include: *Originality* - The idea should be something new that is not simply an extension of something else that already exists; *Functionality* - The idea needs to actually work or possess some degree of usefulness." (Cherry, 2018).

Although no clear and simple method has yet been found to generate customized creativity, there are techniques that can potentiate a creative mind or a well-built team. "(...) current theories of creativity are deficient and remain a question mark on what creativity is and how it can be developed, being a creative person seems to be something desirable for many people. (...) In any case, in evolved managerial cultures, creativity has steadily established itself as a criterion for the selection/promotion of cadres. As it became one of the analyzes of education systems. Developing creativity is important for

both individuals and organizations and nations. Creative techniques develop per se the creativity of those who use them as a self-evident effect of the usage processes themselves. In addition, many of them are originally creative and creative training exercises, very easy and exciting to (re)mount as training exercises." (Onut, 2015, p.18).

### ***Idea versus opportunity***

An idea can turn into an economic opportunity (EO) after a serious analysis. EO recognition can be done using:

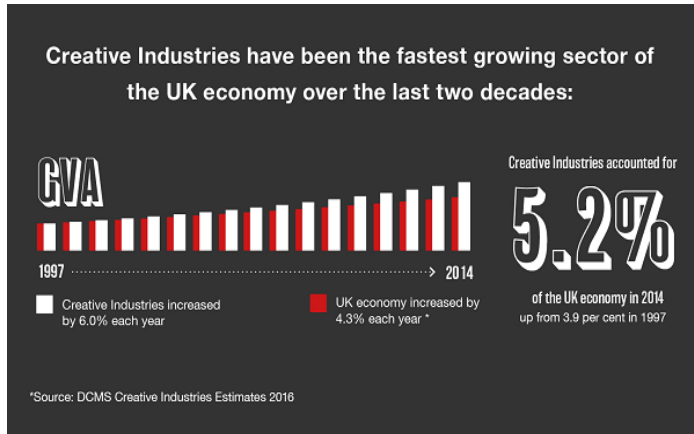
1. *Education* - general culture and specialized information;
2. *Experience* in life/work;
3. *The existence of information* (through networking)
4. *Fleur* (intuition) - it is not enough alone, but its lack even if the other conditions are fulfilled does not necessarily ensure success (Grigore, 2012, p.73).

The Entrepreneur - a key actor of the creative industries, the man with the idea, the creative character - is a multifaceted person: „Most simply defined, an entrepreneur is a person who identifies a need and starts a business to fill that void. But this basic definition provides little insight into the specific character traits and attributes that make a person thrive as an entrepreneur. Before quitting your day job to pursue that idea that's been brewing in the back of your mind, consider if you have the necessary constitution to make it as an entrepreneur.” (Fernandes, 2018).

John Howking's creative economy includes the following main areas of advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publications, research and development, software, toys and games, television, and radio (Howking, 2001, pp.88-117).

„The concept of cultural industries - the creation, industrial reproduction and mass distribution of cultural works - is not new. In 1948, Theodore Adorno and Max Horkheimer coined the term. Half a century has passed since they developed the concept and during this time the ways of creating, producing and distributing cultural products have changed dramatically. Cultural industries have incorporated, in addition to adapting to technological advances and the evolving place of media in society, sophisticated production processes and large-scale distribution methods to reach global markets.” (UNESCO).

Below an example of accelerated growth of creative industries compared to the UK economy:

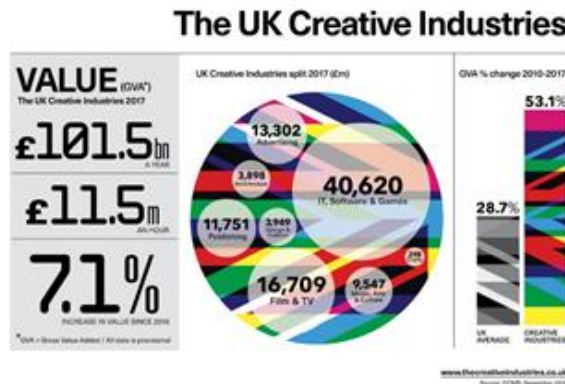


**Figure 1. An outlook of creative industries**

„Human creativity is the source of cultural and creative industries goods and services. They also share the common links of culture, trade and intellectual property rights, particularly copyright. The differences in the definitions adopted on a national level depend largely on the needs and scope defined within local policy evaluations and development initiatives.” (UNESCO).

The question arises as to the relationship between creative industries and cultural industries. Cultural industries are best described as a subsidiary sector of the creative industries. They include sectors that focus on cultural tourism, heritage, museums or libraries, sports activities and a variety of "lifestyle" activities. Cultural industries are therefore more concerned about providing other types of values - including wealth cultural and social wealth - rather than primarily supply monetary value, they are more likely to be attached to the cultural policies of the state than to entrepreneurial initiative.

We present the monetary dynamics of the cultural industries in the UK as presented in a report by the Department for Digital, Culture, Media and Sport (DCMS) in November 2018 (CCI UK to the World).



**Figure 2. An outlook of the UK creative industries**

## Where are we? About enterprises in Romania

In the '90s entrepreneurial development had an explosive dynamic. In 1997 there were 567,498 companies, then in 1999 - 636,777. But unfortunately, in 1997, only 66.8% filed an accounting balance sheet (Grigore, 2012, p.136). The economic activities of entrepreneurs focus largely on trade and related services. In the early 2000s, the SME sector provided 45.8% of total turnover, and the rebound generated in 2005 that 70% of GDP was generated by the private sector but after the start of the 2008 crisis, the rebound has stopped (Grigore, 2012, p.137).

The global economic recovery in recent years has generated a private sector development in the creative industries, this time more prudent than the early years of the first decade of the new millennium, simultaneously with the emergence of new entrepreneurs raised in the digital era and with entrepreneurial education.

The legal framework in which companies operate is Law 31 of 16 November 1990 and now Law no. 346/2004 on the stimulation of the establishment and development of SMEs with their subsequent additions. Under this law, the National R & D and Innovation Plan directly and primarily supports SMEs. As we will see later general and global provisions cannot solve the concrete problems of small companies.

An *enterprise* is any form of organization of economic activity, patrimonial autonomous and authorized according to the laws in force to do acts and deeds of commerce, in order to obtain profit, under conditions of competition. The Romanian legal forms of business organizations are: Collective Bargaining Company (CBC), Limited Partnership Company (LPC), Joint Stock Company (JSC-SA in Romanian), Limited Liability Company (LLC-SRL in Romanian), Cooperative Society (According to Law No. 1/2005 as amended, it is an autonomous association of natural and/or legal persons).

Pursuant to GEO 44/2008 as subsequently amended, under the right to free initiative, the right to free association and the right of establishment, any natural person, Romanian citizen or citizen of another Member State of the European Union or of the European Economic Area performs economic activities on the territory of Romania, under the conditions provided by the law; economic activities can be carried out in all areas, occupations, or professions that the law does not expressly prohibit for the free initiative.

The *entrepreneur* is the individual who organizes an economic enterprise. The economic enterprise is considered to be an organized economic activity, permanently and systematically, combining financial resources, attracted labor, raw materials, logistics, and information, at the risk of the entrepreneur, in the cases and under the conditions stipulated by the law. Types of economic enterprises provided by law: Authorized Individual (PFA). Individual enterprise (II), Family enterprise (IF) (CCINAC).

## Market and society directions and guidelines

“An agency study that evaluates education, research and development in 2016 by UEFISCI came to the conclusion that Romania is a country of 4.5 out of 10. According to

the authors, the maximum possible mark would have been 8. The Romanian entrepreneurial ecosystem is very poorly developed. Networks created between entrepreneurs are not strong enough to lead to a self-supporting environment. According to World Bank statistics, Romania is ranked 45th at the ease of doing business on 37, the ease of opening a new business. To start a business in Romania, you need five procedures, eight days and cost 2.1% of average per capita income.” (Andriescu, 2016).

An interesting figure for the ecosystem is the number of successful business in incipient stages. Romania has a large number of startups, with entrepreneurial activity being higher in our country than in Europe. However, the effective business rate is very small, at 5%.

“Although Romania does not seem to have an entrepreneurial culture, the study concludes that entrepreneurs are respected and admired. Entrepreneurial intentions are considered valuable, especially the intention to reinvest profits and to become a serial entrepreneur. However, due to financial risks, Romanians prefer to preserve their employment status.” (Andriescu, 2016).

How clusters, hubs, and incubators are divided according to historical regions. You can see in the chart below.

Region	Accelerators	Center for information and/or technological transfer	Clusters	Hub	Incubator	Industrial Park	Science and technology parks	Total
Bucharest-Ilfov	4	11	10	8	6	2	1	42
Center	0	1	12	2	1	17	0	33
North-East	0	0	4	1	0	3	1	9
North-West	3	6	5	4	1	13	0	32
South	0	1	1	0	1	20	0	23
South-East	0	1	3	1	0	2	0	7
South-West	0	1	5	0	2	7	0	15
West	0	1	5	1	0	2	0	9
<b>Total</b>	<b>7</b>	<b>22</b>	<b>45</b>	<b>17</b>	<b>11</b>	<b>66</b>	<b>2</b>	<b>170</b>

**Figure 3. The division of clusters, hubs, and incubators according to historical regions**

“The findings of the study show that although there are technical graduates, there are low management performance, and slow changes in the educational system and not only dissatisfied with entrepreneurs. Due to lack of funding and educational support, people prefer to work or go abroad, which further weakens a possible ecosystem.” (Andriescu, 2016).

## Professional or amateur actors in the CCI

The sociologist Gheorghe Onuț, in the *Introductory Note* to "The Dictionaries of Creative Techniques", considers that "One of the most valuable inventions left to us by the twentieth century, I say the smartest, is the idea that you can produce ideas wait for it to come) and the treasure trove of product techniques exactly the ideas you need and exactly when you need them." (Onuț, 2015, p.15)... „Specific to the creative method, you will always get a lot of ideas, most of which will have the look and the scent of stupidity, the sadness, the absurdity, unrelated to the matter. For example, at a brainstorming session of forty minutes done properly, about two-twenty-two ideas are obtained. Of these, only about seven or eight are both original and applicable. But they are really excellent. The problem is that even they have, in their initial formulation, the appearance and the perfume I was saying. The only tricky thing is the probability, always very great, to throw in the basket with the stupid ideas that have only the blame that we have not caught up with them." (Onuț, 2015, p.16).

Applying these ideas in practice can lead to the development of companies that, in time, create a legend. Generally, however, for ordinary people, ideas are regarded as "And I would have thought about it, but he had it first" or, on the contrary, "They just could think of it." Both variants are wrong and unproductive. This is what Bernadette Jiwa explains. "These two opposite ways of thinking influence us unconsciously, so we can no longer analyze the impact our ideas or ideas may have." (Jiwa, 2018, p.16).

## *Successful Western models*

In the Romanian book market, a series of volumes were published at the *Publica* or *Curtea Veche* publishers, displaying successful Western models of business. Many of them are based on creativity, on osmosis of ideas, on intuition. The volumes of Eric Reis - "The Lean Startup" (2013) and "The Startup Way" (2018) or "Crushing it" by Gary Vaynerchuk (2018) touch all these sensitive topics for the potential Romanian entrepreneur.

"You do not have to work in secret behind someone else's name or logo until you have enough credibility to launch yourself. Of course, you can do that too, and many people do so, often to gather knowledge, the experience of life and money before making the jump to entrepreneurship" (Vaynerchuk, 2018, p.35).

Western entrepreneurs, having large American or American businesses, write and talk about ideas, perseverance, work, but less or not at all about failures. Without being an excuse for failure, the volatility of the legislative framework is rather a reason for many Romanian failures. In the volumes of American authors, there is never talk of the legislative framework, about the interference of the state or, on the contrary, about the state's attention to the entrepreneurs. In a huge market, the state is not the largest customer, and this allows entrepreneurs to have a large customer pool from the start so they can consolidate in the early years of each business.

Socio-cultural and socio-economic differences make us think that the success stories of the authors of the volumes presented and many others are more likely to motivate and generate a desire to become an entrepreneur than recipes for young entrepreneurs, in

the Romanian market. These recipes open the appetite, but they can also create an idyllic image of the entrepreneur.

### ***Famous examples from Romania***

The Romanian entrepreneurs published little and less theorized. The volume "Those who change the game. How do Romanian entrepreneurs fighting for multinationals think, decide and act" signed by Mona Dârțu and Andreea Roșca is one of the very rare volumes that present and analyze successful models. Unfortunately, but so he has proposed from the title, refers only to those who "fight with the multinationals", not the ones at the base. The models presented, well-known businesses: *City Grill*, *MedLife*, *Betty Ice*, *Dedeman*, *Fan Courier*, *Mobexpert* and *Bitdefender* are not - with one exception, the last, *Bitdefender* - part of the cultural and creative industries.

The great merit of this volume is that it is humanizing the idea of an entrepreneur and descending it from the high spheres of the ivory tower, claiming that the entrepreneur is the man next door, that each if he finds within him some important characteristics - creativity, perseverance, lust, desire to risk and others - may be a future entrepreneur. Besides, the last chapter "In the dressing rooms of the players" conceals the main features of the Romanian entrepreneur.

Another important merit of the work is that it is trying to destroy a collective mental judgment that considers all capitalists to be thieves "The bad perception of money and business is not just the fruit of historical development, but also of models that have come to the attention of all." (Dârțu & Roșca, 2014, p.355) It has been many years before, slowly, society has accepted the continuous, definitive and ubiquitous presence of the Romanian entrepreneur. The conclusion of the volume can be synthesized as follows: "Entrepreneurs in this book and others like them are somewhat the unprecedented heroes of two decades of economic madness. They run companies that have the chance - without any guarantee - to have the first solid family business in Romania." (Dârțu & Roșca, 2014, p.356).

### ***"Anonymous" examples from Romania***

In the mirror, but also, in addition, the following stories are contemporary and anonymous with the above. All family businesses, much smaller and thus more exposed to economic fluctuations, but more adaptable to a fluid market and accelerated modernization. By analyzing these examples, we try to identify a picture of the Romanian entrepreneurs at the pyramid base, to explain how they operate and develop, the area covered by their activities, and the main issues they have in expressing creativity for their products.

### **Methodology**

We have collected four mini semi-structured interviews with Romanian entrepreneurs with over five years of creative experience. Three of them have as their main business the company they own and manage, one of them has as its main field the academic education.



**Table 1. The interviewees**

<b>Entrepreneur</b>	<b>Business domain</b>	<b>Year of foundation</b>	<b>Type of business</b>
Sorina Bogdan	Art, handmade	2011	AF
Sandra Bardan	Advertising Graphics	2008	LLC
Dan Holban	Printing books, art binding	1999	LLC
Daniel Timariu	Custom Software Creation	2008	LLC

The main topics addressed were how to build their products/offer, where the entrepreneur's personal experience is needed and how new ideas arise, whether creativity is needed or not. The consciousness of the emergence of creativity, the way it can be called, as well as being included in the planning of production processes was another topic to be analyzed. Another important question was the market in which it operates, the horizontal competition of companies of the same level, the influence of the big companies and the involvement of the state in the policies of supporting SMEs.

### **The Romanian entrepreneurial perspective**

Sorina Bogdan, managing a family business "RIN ART" in Alba Iulia since 2011, working alone with the temporary help of her husband, this business is her main activity:

*"Initially, the business started on the structure of a florist where handicrafts and handicrafts were being sold, considering that together they could withstand in time. Over time, we have been increasingly focusing on handmade products, participating with stands at fairs and events, and dropping out of the store by focusing on the online environment. At present, we offer handmade products made of paper (especially flowers and origami), textiles, knitwear, decorations, gifts, souvenirs, paintings, masks - all made by us. We also deal with making decors for different events (concert scenes) or stores (showcase decoration)".*

Sandra Bardan, has been running a BAAR MEDIA limited liability company since 2008, but it is not her main business. Sandra is a lecturer at the Faculty of Journalism and Communication Sciences of the University of Bucharest. BAAR MEDIA produces "Editorial / Advertising Graphics". Dan Holban is also leading an LLC in Bucharest: *Vizual-Graph* since 1999, and printing is his main activity. It offers: "Printing, art and book-binding services based on customer orders." Daniel Timariu has *3Waves Net SRL* in Timisoara, which is his main business. "Our services are part of custom software creation. We greatly make websites of media, online stores and other genres of websites (events, companies, institutions), but also billing applications (all online). For online applications, we use either free or open-source software or our own framework that we developed at the start of the business and on which the whole business is actually based. It is a product for high traffic sites (mass media)."

All four companies operate in major cities (capital city and county residences) - 2 in Bucharest, 1 in Timisoara and 1 in Alba Iulia. In three out of four, there are no employees outside of the entrepreneur, all of whom are under contract on specific projects. Visual Graph Printing has several employees, because binder and print operations cannot be accomplished without qualified employees. In fact, all four entrepreneurs have a rich experience in their field of expertise, experience gained before opening their own company. The legal organization is LLC with the exception of an AF of Sorina Bogdan, but who declares that from 2019 it will turn into LLC (SRL).

### ***How come ideas? How are products born?***

It is to be noticed that the ideas are of the client and the entrepreneur just gives the exact form, concrete to the requirements of the client. The process is rather reactive in the investigated cases. For this reason, s/he felt the need to discuss the importance of creativity in the process of making a new product.

Sandra: *"Ideas come according to orders. Products should be the most effective/effective solution for solving a brief".*

Sorina: *"As to how the ideas come and how the products are born, it is something very simple and natural - at least for me. Most of the time, I see the final product in mind (whether it's about how a scene will look in detail, or about a particular object), and then figure out what steps to get there (material resources, time, volume the work). Sometimes I happen to know how I want to show the finished product, but it's difficult to go through a certain stage because I need a mold, a specific material, or to deepen a technique that I have not used before. Even at the concept level, things seem to me to be easy, behind the completion of the finished product, there are many hours and nights sleeping to learn some procedures ("tricks"), to improve my work techniques and to complete the orders - about a manual, time-consuming production. It inspires me everything - a color, a shape, etc. What surprises me is that a rebate can often come up with a new product that will amaze me, too".*

Dan: *"Most of the ideas come from the client, but there are cases when the customer comes up with a vague idea and together we work to get the product we want."*

### ***Is creativity necessary or is it just routine?***

The concise and firm responses of the interviewees make us think that entrepreneurs do not consider creativity as a self-contained element of the creative process, being a mixture of experience, moment inspiration and short terms demanded by the client.

Sandra: *"It is necessary, but when there is not enough time there are recipes / creative mechanisms. (...) It seems paradoxical when the least time is given to resolve the project".*

Dan: *"Creativity is needed. (...) [it appears] when it wants ..."*

Daniel: *"In software, creativity is closely intertwined with hard work and, of course, solid technical knowledge. Creativity appears when necessary. I cannot say that we have a specialized compartment in innovation, where creativity is the primary source, we are a small firm and creativity is intertwined with everyday work".*

### ***Is there a need for a catalyst?***

As we have shown above, the emergence of creativity is not necessary or conscious. That's why we tried to find out if there is a facilitating factor that provokes creativity. The responses are diverse and explain, we think, that the small and dynamic market for the products of the interviewed entrepreneurs has rather short-term requirements, is problem-solving based, without emphasizing creativity explicitly. In other words, the client wants something "nice but fast if possible". Joining creativity with speed, from my point of view, is not possible, or at best is not recommended.

Sandra: *"Yes, an extra indication in brief - another angle of approach".*

Dan: *"Yes. Discussions, documentation, the study of similar products ... all together and each one can become a catalyst for creativity. But it also requires experience and inclination towards creativity, from birth or at school".*

Sorina: *"No catalyst is needed. Creativity becomes routine when I pay big orders (hundreds of products of the same kind). Otherwise, it helps me work in several techniques (and I always learn new ones), unlike many artisans who know one or two techniques and keep their products unchanged over time. The difficult part is that they have to find new products at all times, meet customers with what they want, offer products for all categories of customers and pockets. Recently I was asked if I'm not afraid my ideas may be stolen by others. My point is, whoever is free to imitate... if she can. After so many years of work, one of my strengths is the quality and inventiveness of the products I have made, and I will always add something different when I repeat the same product, and those who copy me will always stay one step behind".*

### ***Personal motivations and entrepreneurial values***

The answers reveal that a large part of the motivation to start a company is pragmatic: a financial need, an opportunity to be valorized that lead to a better personal future and economic situation.

*How did the company start? Rather than need or passion?*

Sandra: *"Needed - Since 2007, agency employees have begun to pay for micro-enterprises. Describing the social and economic context, possibly personal experiences (friends, parents, relatives) that led to the emergence of entrepreneurship. The entrepreneurial spirit has emerged along with new clients (apart from those in the agency) and then cultivated with a series of entrepreneurial courses".*

Nevertheless, to like what you do is also an important drive.

*Can passion hold the room for motivation?*

Sandra: *"I do not think it's excluded; proportion varies by context/project".*

Dan: *"Needed - after some disappointments at previous jobs, but also from a passion for the profession. Now I do not know how much passion it takes. I need the revenue generated by the business, but I could not go any further without passion".*

The need to be responsive to fluctuating external environment – economic and legal – seems to consume a large part of an entrepreneur's energy. Valorizing opportunities seems to be a common path to the development of a business.

*What does the entrepreneur fight for?*

Sandra: *"Hunger, the fact that she likes what she does".*

Sorina: *"Being in a new, small town with few job opportunities, unrelated, I have somehow been forced to look for solutions and some things have been set in this direction. By then, I had no idea I would be able to do so. Initially, I wanted to start the business as a PFA, but the conditions imposed by the aberrant legislation in Romania forced me to look for another form and had to be supported by my husband. That's how we came to "family business". After 7 years, I can remove from the context the terms "aberrant" and "I had to be supported," because the road was a common one, where I found that I really needed my help in many situations. Now it has become a family business both legally and in practice. That's because I was talking above about things that were in the direction I wanted to go without being aware that I would need them in the future. Like any artist, any part of you is found in the finished product. If there is no passion, you cannot provide quality because the products will be devoid of personality. In addition, because businesses involve ups and downs, you need passion to support your motivation. For example, in 2014 we closed the store because the costs were very high. It took passion to keep the motivation to move forward and orient ourselves towards the online environment. In addition, it gave me time to create other products as well as new challenges".*

Daniel: *"Neither need nor passion 100%. Rather a combination. I was working with myself and my partner at the same firm and there was a time when we wanted to do things differently in another field. We have jointly developed a framework for php sites and things have gone unexpectedly well from the start. I always had family support. My father had a deal (he was typing and designing packaging boxes), my middle brother had a geophysical business, and the little one (he in Scotland). Somehow it was natural for me to open a business, of course, in the field in which I was professing and becoming good enough to gain confidence".*

### ***Elements and moments of business development***

We also investigated how do small entrepreneurs cope with the dynamics of the market, with times of crises, with the competition. In this framework, we also wanted to identify if there is a business model developed by these entrepreneurs.

As expected, the small entrepreneurs are very sensitive to the changes in the economic environment, and the crisis is a crucial problem. Interestingly, the entrepreneurial spirit makes them continue even in the toughest conditions. Some even started over.

*How did you face the economic crisis?*

Sandra: *"Difficult, it was the first time I saw the bottom of my bag/wallet".*

Dan: *"Hardly. We had to use the reorganization procedure under the insolvency law. in order to be able to pay some accumulated debts and return to the plus".*

Sorina: *"If we're talking about the 2008 crisis, we did not have a business then. But I think the question is how we support the current crisis because I think that, economically and legally, our country is in a deepening crisis. The poverty rate of a country is also seen by the fact that there are no more quality materials for craftsmen to create their products. That's the problem I hit most often: where can I get the materials, so I get quality".*

Daniel: *"I went bankrupt. It sounds disastrous, but it was. Being a small firm, we were deeply affected by the government's indecision, the increase in VAT. It was enough that within six months a few customers would not pay their bills in time to nose our nose. Which, to be honest to the end has taken us from non-existent money (unpaid VAT, undue taxes, plus penalties on something that does not exist)".*

The problems facing the entrepreneurs are, as expected, diverse. Interestingly, we observe that some of them concentrate on inner issues – personal or organizational, while others on systemic issues.

*What is the biggest hurdle in business development?*

Sandra: *"Lack of time, fear of failure".*

Dan: *"Lack of capital. Investment capital, especially".*

Daniel: *"...Romanian state is the main obstacle in the development of the business. It not only does not help you, but it buries you on the first occasion. I mentioned above my younger brother that he had a business in Scotland. As remarks: he could bill, before even having all the outgoing documents. The state is progressively taxed. If he has problems he can ask for tax support or even an amnesty. Of course, the idea is to follow your dream of having a firm, not a cannon".*

Sorina: *"At a professional level, I'm limited by my own resources (the time I have). From the point of view of business, the biggest obstacle is the Romanian state, which not only does not support small entrepreneurs but does everything they can to destroy them".*

Development of business is a combination of market opportunities and the natural desire to improve the offer qualitatively, to reach higher standards.

*If you could in what direction did you develop it?*

Sandra: *"On the design of the product".*

Dan: *"Printing and bookbinding of art and collectible books".*

Daniel: *"Towards export. We worked for a while with American partners. I was amazed at the pragmatic and honest way of being. There is a huge difference between the Romanian (even European) and the American market. There is the direction of development, even of a small company: export".*

Sorina: *"Now we have taken steps to move on to the next step, the LLC because our offer covers a much wider range than the IF status. Starting with 2019, instead of Bogdan Lucian Dragoş "Rin'Art", you will find us under the name of SC Bogdan Art Boutique SRL".*

The ideal of business for most of the interviewed entrepreneurs is to ensure them economic stability, to have a fulfilled life.

*What would be your business model or what level would you like to take?*

Sandra: *"The business model of the job would be the one in which the salary safety net would no longer be needed. In the current economic context, I would not even think of it".*

Dan: *"... to go without me".*

Daniel: *"That's a subjective question. Everyone has other targets or goals. I wanted to retire at the age of fifty. Then create something, a great product, or provide customized services. We never wanted to make a big company. That's because we started very low. Everything was thought and money brought home with effort. There were months when we did not bring any leu in the house. Then things were settled. I went through a bankruptcy. I learned a lot. Now we no longer want to grow the company, just to have satisfied customers. If they are satisfied, we are doing well".*

Sorina: *"For me, a fulfilled business means to earn enough to live decent, with no sleepless nights and busy holidays. And let us move from the position of administrators to the staff of our own company. At the moment, we do not allow this, because state-owned employees would make us stay with almost nothing. In addition, any entrepreneur knows that work in his own company is not reduced to eight hours, but it takes place ... as much as needed".*

The one-man company business model is very notorious among these entrepreneurs. Not only them are fitting it, but also many of their acquaintances are in the same category. Some support for this type of businesses would be welcomed.

*The One-man company is at the heart of any modern industrial society. Do you have other comparable size entrepreneurs who can offer advice or ideas?*

Sandra: *"Yes, and there are more and more younger entrepreneurs dealing only with their business".*

Daniel: *"Before the crisis, I was in an office building (it was bought by a German corporation); two floors were filled only with small firms. The crisis cut us down one floor, then halfway up until the building was sold. They all started their business either alone or in partnership with a colleague. The domains were diverse, from software to security systems installation, vacuuming, cleaning, furniture design, and more. The smoking place was like a club where business ideas, opportunities, we were supportive of each other. This type of business incubator should have been expanded and hunted by local and central governments. As is happening in the countries of our region (I know from Hungary). Unfortunately for us, the existing incubator (made by the mayoralty with European funds) is so unattractive that it is empty. That is how the small firms are based on us (higher rents than in the city, inadequate spaces)".*

Sorina: *"We are the kind of people who get involved are informed, are always active. We work about 12-14 hours a day. We have good lawyers, accountants, officials, even entrepreneurs, to whom we appeal to clarify some aspects we do not understand".*

Competition is, as expected, a high concern. The common strategy considered by the interviewees to fight competition is increased quality.

*Is there real competition?*

Sandra: *"In my field (graphic/editorial design) - yes, that can be said. There are many more talented designers / dedicated to the business they do".*

Daniel: *"Oh yeah! Competition is fierce. For my company, competition is two-fold. A first plan is given by colleagues offering the same services. With them, we can fight by increasing quality and, above all, by promptness and constancy. The second plan is given by foreign corporations. But it's not a direct competition, it's an indirect one. Foreign software companies offer high salaries, which we can hardly offer if we only work in the domestic market. You see, everything is connected".*

Sorina: *"There is. It's really fashionable for everyone to make handmade products. There is a fairly large black market, which allows it to offer products at low prices because it does not pay taxes. That's why we strive to come up with new ideas in the range of products and services we offer, and last but not least, focus on quality and customer loyalty".*

As specified above, quality is at the core of business developed. It is considered to be a successful approach even to fight against large and very competitive companies.

*Large, Romanian or foreign companies can eliminate small entrepreneurs from the market?*

Sandra: *"In the graphic/editorial design area I say no. It is a service market that is very dynamic and diverse".*

Daniel: *"Yes. I previously responded when corporations from the same industry (in my case, it does not matter that it's php, java, python, ruby or what I know), they create a wage pressure, beneficial to the market, in general, but bankrupt for small firms. Here again come to the Romanian state's sentiment, which offers facilities to foreign corporations, and even saves money in their pockets, instead of us, these little ones treat us as criminals if you do not prove, then at least potential (when I say state refer mainly to the ANAF comrades). Small and medium-sized firms with domestic capital should be the basis of the Romanian economy, the middle area, the so-called middle class. Unfortunately, whether left or right, our governments are a succession of amateurs and carnivores without economic and social vision".*

Sorina: *"We cannot talk about big companies in the handmade field, because we are not talking about production lines. But there are enough so-called artisans who sell "Chinese" (more or less well done) as handmade products, at very low prices. Therefore, the problem is not at the level of the companies, but the false handmade".*

## **Some conclusions**

By analyzing the responses of the four entrepreneurs in comparison with the Western recipes and the famous Romanian examples, it is clear that the four interviewees seem to function in a different, parallel world, much closer to the in-depth social problems of the entire population. With direct customers of all sizes, but mostly small, they directly feel any market fluctuation, any crisis and any upsurge in competition. While accepting existing competition at their level, large companies are not a danger. It is found that

although an entrepreneur accepts the need to use creativity often the routine and the experience offers solutions, not a new idea, on an apparent market in a perpetual crisis or transformation where the main attribute of a product is to be done quickly.

The majority of Romanian entrepreneurs, especially those from the minor league, are those who were educated before the 1989 political and economic changes and who adopted the entrepreneurial practices at maturity. Although many of them seem to have adapted from going and have entered the big league. Those who remain "anonymous" struggle in the Romanian economic guerrilla and prepare the ground for those who are born directly in the digital age and who will be prepared for an extremely dynamic and fluent market.

Further research could aim the digital transformation of businesses and society. The future will surely be the one of "digital entrepreneurs", the new generation born after 1989, maturing in the era of information democratization, in the midst of a digital revolution, and functioning according to the new rules of adaptability and creativity. Delia Dumitrescu, a young researcher and "innovation architect", synthesizes very precisely the challenges of the new wave of entrepreneurs of tomorrow's generations: "Digital Natives represent authority in something very powerful although we do not yet know what that means for the future, or if technology makes better people. But why do not we talk about "the generation of refrigerators" or about the "automobile generation" just as much as we are talking about, Internet generation? Because this time we think about their brains that they were built differently than those of past generations. The radical opening allows for play, creativity, and border extension. Multiplicity gives freedom to freedom and uncertainty awakens the highest level of adaptability" (Dumitrescu, 2013, p.29).

From 2016 *Postmodernism Museum* publishes annually a report titled "Noii industriași, creativii" (*New industrialists, Creatives*), which brings together case studies, research, interviews and opinions about actors in the cultural and creative industries. Oana Nasui, the coordinator of the volumes, states: "From our observations, Romanian ICC's are becoming more and more present on the agenda of national or local councils, for various reasons and by unexpected associations. Several major projects outline the annual or biannual agenda of the ICC, attracting various public and private donors to support these large cultural projects: *Romanian Design Week, Diploma, White Nights of Museums, Untold, Electric Castle, TIFF, Gaudeamus and Bookfest, Bucharest National Theater Festival (FNT), Sibiu International Theater Festival (FITS), Astra Film Festival, International Festival of Literature and Translation Iasi (FILIT), Enescu Festival*, etc. The pressure of companies that sponsor such events also has a positive effect, to bring a new audience, sometimes even inside corporations or even the beneficiaries of those brands. Money from non-reimbursable funding is an interesting thing: it imposes "thematic areas" and "priority axes" and thus gives specific form or visible visibility in the content of a cultural project. This is seen in large funding, ICR - *Romanian Cultural Institute* (Centenart, 2016), Ministry of Culture and National Identity - MCIN (Centennial Access, National Day) or AFCN." (Nasui, 2017, p.13).

Large projects will bring new potential actors closer to the creative fields and open the door to entrepreneurial creativity, yet the implementation of big ideas begins with small steps and the freshness of the creative market will also keep the financial and economic climate. Thus, actors already in the midst of the show will be able to support themselves



in the medium and long term and create the basis for development for the digital generation that now starts from the ground floor. Motives change throughout the life of the entrepreneur and the emergence of social and material responsibilities makes them more prudent and, consequently, suppress their creativity. The risk will also occur between millennia as the years go by. Ensuring continuity means a solid foundation of cultural and creative industries and a continuously maintained pool of new ideas.

The Romanian entrepreneur is forced to consider instability an opportunity and the crisis a perpetual, normal way of life. It does not fit into classical Western standards because it plays in a different socio-economic matrix. In a small market, especially of cultural products, pressed by the huge Western production, the creative-entrepreneur is first and foremost an unexpected, innovative generator of ideas, an intuitive person who solves crises, an intuitive person who risks because he cannot calculate a predictable situation.

## References

- Andriescu, V. (2016). Studiu: România antreprenorială, o țară de nota 4,5 [Study: Entrepreneurial Romania, a country of 4.5]. *Start-Up*, February 3. Retrieved from <https://start-up.ro/studiu-romania-antreprenoriala-o-tara-de-nota-45/>.
- CCINAC. Forme juridice de organizare a afacerii [Juridical forms of business administration]. Retrieved from <https://www.ccina.ro/servicii/asistenta-infintare-si-functionare-firme/forme-juridice-de-organizare-a-afacerii>.
- CCI UK. Infographics and Assetc: UK Creative Industries – Value. Retrieved from <http://www.thecreativeindustries.co.uk/resources/infographics>.
- Cherry, K. (2018). The Psychology of Creativity. What does it take to be a creative person?, May 24. Retrieved from <https://www.verywellmind.com/what-is-creativity-p2-3986725>.
- DEXONLINE, DEX 2009. Retrieved from <https://dexonline.ro/definitie/idee>.
- Dîrțu, M., and Roșca, A. (2014). *Cei ce schimbă jocul. Cum gândesc, decid și acționează antreprenorii români care se bat cu multinaționalele [The ones who change the game. How do the Romanian entrepreneurs who fight the multinationals think, decide and act]*. Bucharest: Publica.
- Dumitrescu, D. (2013). *Nativi digitali/ Pregățiți-vă! [Digital Natives / Get Ready!]*. Bucharest: Tritonic.
- Fernandes, P. (2018). Entrepreneurship Defined: What It Means to Be an Entrepreneur. *Business News Daily*, February 19. Retrieved from <https://www.businessnewsdaily.com/7275-entrepreneurship-defined.html>.
- Grigore, A.-M. (2012). *Antreprenoriat și management pentru afaceri mici și mijlocii [Entrepreneurship and management for small and medium-sized businesses]*. Bucharest: C.H. Beck.
- Howking, J. (2001). *The Creative Economy*. New York, NY: Penguin Group.
- Jiwa, B. (2018). *Intuiția. Cum să-ți transformi instinctele de zi cu zi în idei revoluționare [Intuition. How to transform every-day instincts into revolutionary ideas]*. Bucharest: Publica.
- Nasui, O. (Ed.) (2017). *Noii industriași, creativii 02 [New Industrials, creatives 02]*. Bucharest: Postmodernism Museum.

- Onuț, G. (2015). *Dicționar de tehnici creative [Dictionary of creative techniques]*. Bucharest: Tritonic.
- Panaete, M. (2017). România se află pe ultimul loc în Uniunea Europeană la numărul de IMM-uri. *Ziarul Financiar*, July 17. Retrieved from <https://www.zf.ro/companii/romania-se-afla-pe-ultimul-loc-in-uniunea-europeana-la-numarul-de-imm-uri-16592801>.
- Ries, E. (2013). *The Lean Startup. Cum antreprenorii din ziua de azi se folosesc de inovația continuă pentru a crea afaceri de succes [The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses]*. Bucharest: Publica.
- Ries, E. (2018). *The Startup Way. Cum folosesc companiile moderne managementul antreprenorial pentru a transforma cultura și a determina dezvoltarea pe termen lung [The Startup Way: How Modern Companies Use Entrepreneurial Management to Transform Culture and Drive Long-Term Growth]*. Bucharest: Publica.
- UNESCO. What do we mean by Cultural and Creative Industries?. Retrieved from <https://en.unesco.org/creativity/sites/creativity/files/digital-library/What%20Do%20We%20Mean%20by%20CCI.PDF>.
- Vaynerchuk, G. (2018). *Cum să dai lovitură. Află cum își construiesc marii antreprenori afacerile și influența și cum o poți face chiar tu [Crushing It! How Great Entrepreneurs Build Their Business and Influence-and How You Can, Too]*. Bucharest: Publica.

Received: August 30, 2018  
Accepted: December 18, 2018