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# APPLICATION OF SERVICE MODEL EDUCATION OF START-UP COMPANIES

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## ABSTRACT

In this day and age, everyone wants to start a business with their own dreams, everyone wants to be a boss when they are young, it could be the use of what you've learned in college, or it could be a sudden idea, but in many cases, Everyone said, "Starting a business is a dream grave for those, who are not ready." So this study analyzes some of the entrepreneurial cases, whether successful, or failed or transformation, to do comparison and validation. This study wants to try to organize a set of educational methods or some conclusions, use the conclusions to develop a new set of models or new ideas, and use education to communicate the necessary elements and conditions for entrepreneurship, so as to achieve the purpose of education.

**Keyword:** Start-up, Failure to start a business, Success to start a business, Start-up Case

## 1. INTRODUCTION

This study consolidates some of the failures and success stories of start-ups, and consolidates all the failures and causes of success to verify that they are really the same or similar to the previous data, and understand these success factors and elements of failure, draw on this knowledge, and improve these problems. In addition, two successful start-up companies will be analyzed business model, one is decades of entrepreneurship, one is a few years of new establishment. Compare the business models of the two to see if there are successful common points, but also to explore the past and the current entrepreneurial thinking is not different. Learn from each other, communicate with each other, exchange technology, look to the future.

## 2. LITERATURE DISCUSSION

Here are some common causes of success and failure for innovative companies to understand their company's capabilities and service models.

### 2.1 Common reasons for success for innovative companies

First: timing is a measure of the right time point, you have to be fairly sure that consumers and the environment are ready to accept the ideas you provide, when both conditions are in place, the success of the business will be more than half the effort (The Digital Age, 2015). Second: entrepreneurial team, a team member originally have their own talent, after learning and accumulated knowledge and experience, because of different experience and exercise leadership skills, mutual team members work together with each other (LIN FU YUAN, 2018). Third: entrepreneurial ideas, in the design of products, we must really solve the current widespread pain points (Financial headlines, 2019). Fourth: business model, the so-called business model says wear is what is you rely on to make money, what value you create is what others can not create? (Posted, 2016). Fifth: capital, entrepreneurs also need to actively raise new development funds for enterprises (Investment Blog, 2015).

### 2.2 Common reasons for failure of innovative companies

First: do not solve the problem for pain points, out of interest rather than market demand to solve a problem. Second: insufficient funds, funds and time are limited, must be reasonable distribution. Third: the team is incompetent, if the enterprise wants to succeed, must be a

diverse team, with a variety of skills. If the start-up team can't develop its own products, it shouldn't be a company. Fourth: being eliminated by the market, once a concept heats up, in the market to be validated, there will be a lot of replicators running out. Fifth: price and cost, pricing is a "dark art", the price must be high enough to recover costs, but also must be low enough to attract customers (Little Soldier, 2018)

### 3. RESEARCH METHODS

This study uses a flowchart to illustrate the research methodology, classify start-ups as successful and unsuccessful, and finally explore smaller and non-new successful companies, comparing their differences, as shown in the figure 1 study flowchart.



Figure 1 : Research methodology flowchart

### 4. THE RESULTS OF THE STUDY

Here are two successful business cases (start-ups and traditional companies) that analyze the success conditions and differences between innovative companies, based on their success stories and failures.

#### 4.1 Innovation Company Success Stories

From the case, entrepreneurship needs to grasp the trend and make good use of funds, investment must be sure, cannot blindly misinvestment, disorderly development, so that not only waste money but also a waste of time. Of course, in the timing point of transformation is also crucial, a good transformation can definitely take the company to flip the fate.

##### 4.1.1 HEXI Energy Company

To be easy to succeed in entrepreneurship, it is important to catch on the industry trend, first of all, we must select the industry trend has the opportunity in the wave head of the industry (Lin, Zhen-Feng, 2014).

##### 4.1.2 SHUNLIAN Electronics, Inc.

Increase the added value of the company, improve operating performance, the case company put forward the following business philosophy, hope that the company from the inside out, from the top down to implement these ideas, in order to achieve the ultimate goal of improving the company's performance (Lin, Song-Bo, 2008).

##### 4.1.3 RENENG Creative Co., Ltd.

Launch of environmentally friendly electric motor vehicles with high environmental awareness (Hong, Zhen-Yi, 2016).

## 4.2 Innovation Company Failure Cases

Avoiding a company failure requires a clear understanding of who is investing in them and knowing who the other party is benefiting, and that investors who are not related to their own industry may not be helpful to themselves (although there are plenty of sources of funding). Sometimes can not find investors but is also the key to their own death, the reason may be that investors do not trust your products or business models, when there is no investor's support, take it for granted will be less a large source of funds.

### 4.2.1 QUIXEY Company

When QUIXEY and Alibaba signed another business contract, everything started to go downhill. Alibaba is now both a customer and an investor in QUIXEY. Subtle relationships are endlessly controversial about who owes whom. After struggling to smooth out differences with Alibaba, Quixey began a long path to death (DHL, 2018). Reason: 1. No understanding of investors, 2. Complicated relationship with investors.

### 4.2.2 JAWBONE Company

Jawbone easily raised \$147 million in 2014 at a market capitalization of \$3.2 billion. By 2015, the company had received \$400 million in new capital injections, despite a 15 percent cut in the same year. In 2016, with the last \$165 million injection, Jawbone had to face the nightmare of a collapse that could not escape after the leader stepped down. But what really killed Jawbone in the end was not the failure of the product in the crowded market, but the inability to find a buyer when it was not in danger. Reason: 1. Overinvestment, 2. Insufficient self-worth.

### 4.2.3 HOMEJOY Company

To help users with clean housing reservations, more than a year after its establishment, the business has expanded to 31 North American cities, and last year in the United Kingdom, Germany, France and other places to establish their own business. However, three years after its establishment, it is still ushered in their own death. The ceo of the company explained that the company's professional cleaners are not regular employees but contract workers, contractors demand greater rights and interests of the company's earnings put greater pressure, if not meet the rights and interests, will lead to the loss of professional and technical personnel (China's economic information, Comprehensive reporting, 2015). Reason: 1. Customer distrust, 2. No real-time resolution of errors.

## 4.3 Start-up Company Service Flow Chart

Gogoro started out with a focus on energy development, because it wanted to take its own research and development of energy technology to the various locomotive manufacturers to cooperate, but no one wanted to cooperate, think this is not a viable investment, so the production of their own locomotives is only a last resort. But because of this, it is more because of this, and quickly set the direction, set goals, and gain the trust of the government, and work with the government to create a new generation of electric energy locomotives. as shown in the figure 2.

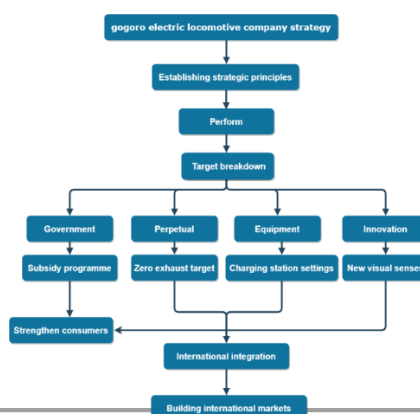


Figure 2 : Gogoro's service policy

4.4 Non-starting company service flowchart

KYMCO locomotive company is a draw camp, step by step footprint of the typical enterprise representatives, in the turning point in science and technology to develop new products, and climbed to the top of the locomotive sales list, sitting in the lead. But in the new energy generation, encountered the impact of Gogoro, so also began to develop electric motor cars, and very competitive..as shown in the figure 3.

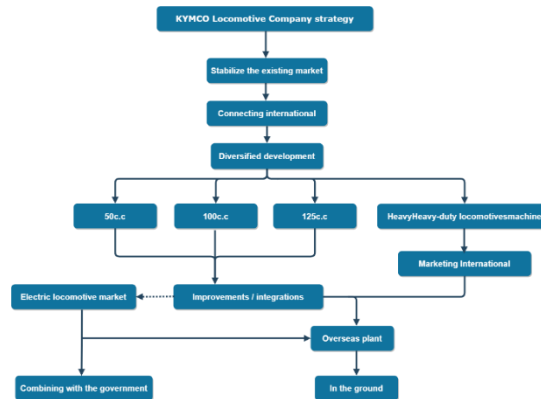


Figure 3 : Service strategy of KYMCO locomotive company

4.5 Differences between the two companie

Gogoro company: "Be sure to focus first, do one thing well, and do the next."

KYMCO locomotive company: "Do the right thing first, and then do it right."

The difference is that Gogoro started from studying energy and then developed locomotives, while KYMCO locomotive company started from locomotives and re-touched with energy. KYMCO locomotive company began in the making of locomotive parts, from the first generation to the second generation, slowly with the international big factory brand to cooperate with each other, learning. Then the second generation to the third generation, in addition to optimizing the past model, but also the development of energy vehicles (electric motor vehicles). After three generations of traditional brands, step by step, slowly expand the trend, international integration. And Gogoro is a rapid grasp of the opportunity, although the beginning of the enterprise is not so much attention to this piece, but Lu Xuesen has always focused on this development, and access to valuable funds (Yu,Yan-liang), only to promote the birth of Gogoro.

5. CONCLUSION

5.1 Summary of the causes of success and failure

Reasons for success: 1. Successful collection of market information, proper consumer behavior analysis 2. High-quality combat team, attention to employees 3. Focus on technology and effective integration 4. Stand on the shoulders of giants 5. Flexible strategy breaks the traditional model 6. seek new changes and create new models 7. To renewable energy-based 8. Timely transformation 9. customer first.

Reasons for failure: 1. Not understanding the complex relationship between investors and investors 2. Overinvestment and uneven allocation of funds 3. Insufficient self-worth, exaggerated self-interest 4. Not sharp enough to observe the market 5. Lack of execution, lack of real-time resolution errors lead to customer distrust 7. Not attractive enough, not unique

enough, lack of freshness 8. No effective control quality.

### 5.2 Summary for successful companies (new and non-new)

At first the idea of entrepreneurship is different, one to service-oriented, the other is product-based, but in the end are also in line with the international. In addition to the market to be sensitive enough, but also must have an international view, Taiwan's market is too small, it is bound to expand overseas markets, to absorb different cultures, in order to create a new generation.

### 5.3 SUMMARIZE

The main purpose of this study is to educate young talents who want to start a business, to study the reasons for success and failure summarized above, to learn to change their horizons and look at the above two enterprises, how to win in different times, different environments, different opponents, this is the educational purpose that this study wants to convey.

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