EDITORIAL



Welcome to the current issue of the ***Business Forum***. This issue features articles on "startups." The ***Business Forum*** is a scholar-practitioner, peer-reviewed journal published by the College of Business and Economics at Cal State LA. The ***Business Forum*** has provided scholarly advice with application to business practices since 1975 and it is now revitalized in a modern print-online format. This is not a traditional academic journal. Our articles aim to advance business practice through application of research and theoretical synthesis of information relevant to business.

Our special issue on "Startups" features papers that look at startups from an academic and practitioner perspective. Startups operate in the entrepreneurial landscape and are interdisciplinary by nature. As such, we welcomed and encouraged articles from various disciplines with a focus on specific concerns related to startups and their managers.

Research has shown that the formation, attributes, and success of entrepreneurship are region-specific. Thus, we begin this issue with an article that examines the characteristics of startups in Los Angeles. In particular, the authors look at startups' general business area, operating status, funding history, and key corporate actions. Also reviewed are characteristics within the national and state context. Recommendations to entrepreneurs and investors are made based on the findings.

In a 2017 Kauffman Index of Startup Activity report, California is ranked as the number one state for startup activity and Los Angeles is ranked as one of the high-performing metropolitan cities in the entrepreneurship ecosystem. However, in 2018, Los Angeles has experienced a drop by three spots in its ranking on Startup Genome's global startup ecosystem list. In this paper, light is shed on the main characteristics of nascent entrepreneurs in the Los Angeles area and, more importantly, the individual and environmental factors that help or inhibit the growth of their startups. The article concludes with practical implications and recommendations for Los Angeles city government agencies and legislators.

Small and medium-sized enterprises (SMEs) in the United States and Europe have in recent decades developed and gone from being minor players in local markets to essential actors in the global market. The introduction of online-based global standards for communication and analytics has made it possible for SMEs to function in the international market. In this way, SMEs can promote themselves as full-fledged international companies and as niche suppliers, as they develop and execute company-wide trade strategies for use on the global market.

The unique issues faced by startups in the cannabis industry are examined in the next article. The elements that influence cannabis startups are examined by using the PESTLE framework which includes political, economic, social, technological, legal and ecological factors. Three types of

cannabis startups are identified. The article provides a brief analysis of differences between them as well as the challenges that they all face.

The next paper focuses on agile development in the software industry. Agile development methods have become very popular, specifically with software startups. Extant literature does not emphasize the decision-making processes of agile developers, particularly in startups. The goal of this research was to propose a framework where startup developers make these decisions and how those processes align with customer needs.

What business entity the owners of a startup business choose will determine the tax and non-tax consequences for both the owners and the startup. However, by understanding the similarities and differences of business entities, owners can choose the best business structure for their startup business. As an aid in the process of choosing a business entity for a startup, this paper provides an overview of the rules, requirements, advantages, and disadvantages of several business entities.

The final paper examines the accounting and financial aspects of startup companies. Because startup companies have shorter histories of past performance, both managers and investors face more uncertainty regarding future profitability and growth potential. For this study, data from U.S. firms for 1991-2015 was collected to determine whether firms in their early stages report different financial characteristics than those reported by mature firms.

We conclude this issue with a book review of *The Model Thinker* by **Scott Page**, Ph.D. The book provides a detailed treatise on the background, use of, and building of a wide variety of mathematical, statistical, and computational models. The models covered include game theory, random walks, linear regression, and many more. The models in the book are explained for the most part in non-mathematical terms. This should make model building accessible to a much wider audience than what has been the case before.

Paul M. Wendee
Issue Editor