

**DIGITAL ENTREPRENEURSHIP:
CHALLENGES FACED BY FINNISH PROFESSIONAL-
SERVICE BUSINESS OWNERS DURING VENTURE
LAUNCH IN ONLINE BUSINESS ENVIRONMENTS**

**Jyväskylä University
School of Business and Economics**

Master's Thesis

2023

**Author: Samuli Koivusalo
Subject: Entrepreneurship
Supervisor: Mikko Rönkkö**

ABSTRACT

Author Samuli Koivusalo	
Title Digital Entrepreneurship: Challenges Faced by Finnish Professional-Service Business Owners During Venture Launch in Online Business Environments	
Subject International Business & Entrepreneurship	Type of work Master's Thesis
Date 11/2023	Number of pages 86
<p>Abstract</p> <p>The advancement in information technology development in the 21st century has created a novel online business environment with different characteristics than traditional business settings. A key difference is that online business environments are not bound by physical proximity, which has implications for all aspects of business, from service development to sales, marketing, and service delivery.</p> <p>Previous entrepreneurial research on digital entrepreneurship and the online business environment emphasizes more technical domains, such as information-technology goods and services and software development. A gap can be identified that would focus on professionals with entrepreneurial ambitions whose goal is to leverage digital tools and an online business environment, with little to no regard for technology entrepreneurship itself.</p> <p>As such, this study aims to fill this gap and provide a deeper understanding of the challenges professional-service business owners face during the launch of their ventures in online business environments and the factors that help mitigate these challenges. Data were collected by conducting thirteen interviews with Finnish professional-service business owners operating in the Finnish market. Thematic analysis strategies were employed to analyze the data through which six main themes emerged.</p> <p>The primary challenges encountered during the launch phase were pricing challenges, acquisition of initial clients, and self-leadership. The factors that were seen as helpful in mitigating the challenges were launching pilot versions of services as a means of validation and re-iteration, leveraging networks for initial client acquisition, receiving support and guidance, and the propensity for self-education and investing.</p>	
Key words Digital Entrepreneurship, Professional-Service Businesses, Launch-Phase Challenges, Online Business Environment	
Place of storage Jyväskylä University Library	

TIIVISTELMÄ

Tekijä Samuli Koivusalo	
Työn nimi Digitaalinen Yrittäjyys: Suomalaisten Asiantuntijayrittäjien Kohtaamat Haasteet Yrityksen Käynnistysvaiheessa Verkkoliiketoimintaympäristöissä	
Oppiaine Yrittäjyys	Työn laji Pro gradu -tutkielma
Päivämäärä 11/2023	Sivumäärä 86
<p>Tiivistelmä</p> <p>2000-luvun informaatioteknologian kehitys on luonut uudenlaisen verkkoliiketoimintaympäristön, joka eroaa perinteisestä liiketoimintaympäristöstä monin tavoin. Keskeisin ero on se, että verkkoliiketoimintaympäristö ei ole sidoksissa fyysiseen sijaintiin, jolla on vaikutuksia kaikkiin liiketoiminnan osa-alueisiin, aina palvelujen kehittamisestä myyntiin, markkinointiin ja palvelujen tuottamiseen.</p> <p>Aiempi yrittäjyyskirjallisuus digitaalisen yrittäjyyden saralla on enemmän painottunut teknisiin osa-alueisiin, kuten informaatioteknologian tuotteisiin ja palveluihin sekä ohjelmistokehitykseen. Tutkimus, joka keskittyy eksklusiivisesti yrittäjähenkisiin asiantuntijoihin, joiden tavoitteena on teknologialiiketoiminnan sijaan hyödyntää digitaalisia työkaluja ja verkkoliiketoimintaympäristöjä asiantuntijayrittäjyydessä on vähäisempää.</p> <p>Tämä tutkimus pyrkii paikkaamaan kyseistä aukkoa ja tarjoamaan laajempaa ymmärrystä asiantuntijayrittäjien kokemista haasteista yrityksen käynnistysvaiheessa verkkoliiketoimintaympäristöissä ja tekijöistä, jotka ovat hyödyllisiä näiden haasteiden ylitsepääsemiseen. Tutkimusaineisto kerättiin kolmentoista haastattelun avulla suomalaisten asiantuntijayrittäjien kanssa, jotka toimivat Suomen markkinoilla. Aineisto analysoitiin temaattisen analyysin avulla, jonka tuloksena kuusi pääteemaa nousi esiin.</p> <p>Yrityksen käynnistämisen päähaasteita olivat palveluiden hinnoittelu, ensimmäisten asiakkaiden hankinta sekä itsensä johtaminen. Tekijät, jotka nähtiin hyödyllisinä käynnistysvaiheen haasteiden ylitsepääsemisessä, olivat palvelujen pilottiversioiden lanseeraus validointi- ja iterointi menetelmänä, verkostojen hyödyntäminen ensimmäisten asiakkuuksien hankinnassa sekä avun saamisessa, sekä valmius ja halukkuus opiskella ja investoida ulkopuoliseen apuun rahallisesti.</p>	
Asiasanat Digitaalinen Yrittäjyys, Asiantuntijayrittäjyys, Käynnistysvaiheen Haasteet, Verkkoliiketoimintaympäristö	
Säilytyspaikka Jyväskylän Yliopiston Kirjasto	

TABLE OF CONTENTS

1	INTRODUCTION.....	9
1.1	Background.....	9
1.2	Research Structure	11
2	LITERATURE REVIEW.....	12
2.1	Digital Entrepreneurship.....	13
2.1.1	Digital Economy and the Online Business Environment	15
2.1.2	Professional-Service Businesses.....	17
2.2	Launch Phase Challenges	19
2.2.1	Conceptualizing the Launch Phase.....	19
2.2.2	Liability of Newness and Launch-Phase Characteristics	22
2.2.3	Pricing of Professional Services.....	25
2.3	Factors Alleviating Launch Phase Challenges.....	28
2.3.1	Investing In Self-Education	28
2.3.2	Networks in Entrepreneurship	30
2.4	Integration of the Knowledge Base	32
2.4.1	Summary of Literature.....	32
2.4.2	Definition of Key Terms.....	33
3	RESEARCH METHOD AND DATA	35
3.1	Qualitative Research.....	35
3.2	Data Collection	36
3.3	Data Analysis.....	38
4	FINDINGS	40
5	DOMINANT CHALLENGES DURING VENTURE LAUNCH.....	41
5.1	Pricing Challenges	44
5.1.1	Quantifying the Monetary Value of Services	44
5.1.2	Pricing Management.....	45
5.2	Acquiring Initial Clients	48
5.2.1	Gaining Visibility and Appearing Credible.....	48
5.2.2	Skills and Beliefs Surrounding Sales.....	50
5.3	Self-Leadership.....	53
5.3.1	Conscientious Traits and Skills	53
5.3.2	Focus Challenges.....	54
6	FACTORS THAT MITIGATED LAUNCH PHASE CHALLENGES	57
6.1	Piloting and Prior Experience	60
6.1.1	Launching Pilot Versions	60
6.1.2	Prior Relevant Experience	62
6.2	Networks As a Means for Traction and Support	64
6.2.1	Networks as a Means for Gaining Traction.....	64
6.2.2	Networks as a Means for Receiving Support	65
6.3	Propensity Towards Self-Education and Investment.....	67
6.3.1	Deliberate Learning Through Self-Education Means.....	67
6.3.2	Willingness to Financially Invest in Hands-On Guidance	68

7	DISCUSSION	70
7.1	Answering the Research Question.....	70
7.1.1	Challenges	70
7.1.2	Mitigative Factors.....	72
7.2	Reliability and Validity.....	73
7.3	Practical Implications	76
8	CONCLUSIONS.....	78
8.1	Recommendations For Future Research.....	78
8.2	Research Limitations	79
	REFERENCES	81
	APPENDIX 1 Interview Process.....	88

LIST OF TABLES AND FIGURES

Table 1. Conceptualizing the Digital Economy (Bukht & Heeks, 2018).	P. 15
Table 2. Entrepreneurship as a Method Versus as a Process	P. 29
Table 3. Definition of Key Terms	P. 33
Table 4. Case Interviews	P. 37
Table 5. Launch Phase Challenges Themes	P. 42
Table 6. Launch Phase Challenges	P. 43
Table 7. Launch Phase Solutions Themes	P. 58
Table 8. Launch Phase Solutions	P. 59
Figure 1. Problems to Stages of Growth (Kazanjian, 1988).	P. 21

1 INTRODUCTION

1.1 Background

When business is distilled into its constituent elements, what remains is finding problems, solving problems, and consequently providing value and being monetarily compensated in the process. In the digital era, the fundamental principles remain the same but with one key difference: the digital environment and its corresponding technologies, which influence nearly all aspects of business, such as the ability to access, produce, distribute, and consume information at a more significant amount, rate and reach than ever before (Sahut et al., 2021). Prior research on digital entrepreneurship has primarily focused on the phenomena of digital entrepreneurship and its impact on entrepreneurship in general. Research attempting to identify the role of digital technologies in facilitating entrepreneurial opportunities, decisions, and actions has been shadowed by entrepreneurship research in technology-intensive environments (Nambisan, 2017). However, the onset of technological developments and the resulting digital economy has not only made information accessible by all, but it has simultaneously provided individuals with an environment and the tools to leverage that information in entrepreneurial pursuits that might not have anything to do with the domains of technology business.

As a result, professionals who previously lacked the tools to provide their goods and services outside a traditional employment setting can now attract audiences, productize their expertise, and sell it within online business environments. An addressable research gap within the entrepreneurial literature focusing exclusively on digital entrepreneurship within professional-service businesses operating solely in online business environments can be identified. This research addresses this gap and provides insights that can benefit both the entrepreneurial research community and current and prospective professional-service business owners. The first key factor within this study is digital entrepreneurship, which is best defined as “The pursuit of opportunities based on the use of digital media and other information communication technologies” (Davidson & Vaast, 2010, p. 2). The other key factor is the online business environment, which refers to an online business environment in which all or most of the functions and processes of an

enterprise exist and are being conducted in non-physical online environments (Grefen, 2010, p. 21).

The professional-service business owners that this research focuses on fall into two categories. The first are those who predominantly sell advisory services, such as coaches, advisors, and educators; examples might include business coaches, personal trainers, licensed healthcare advisors, mentors, tutors, and educators. The second is consultants, differing from advisory services in that they offer implementation services; examples might include marketing consultants, developers, and recruiters. This research aims to understand the challenges professional-service business owners face during the launch phase of their ventures in online business environments and the factors that help mitigate these challenges. To reach these objectives, the following research question was established:

What challenges do Finnish Professional-service business owners face when launching their ventures in online environments, and what factors help mitigate these challenges?

Data were collected from thirteen interviews with Finnish professional-service business owners operating in online business environments. The interviews were conducted in Finnish and transcribed with a tool called Cockatoo. The data was analyzed with thematic analysis strategies. Hopefully, the novel insights that this research generated will be helpful to aspiring and current professional-service business owners operating in online environments and the entrepreneurial research community by shedding light on a domain that is not yet as researched as it could be.

1.2 Research Structure

This chapter aims to provide an overview of the research process and design. The research is divided into four main parts. The first part is the literature review, which presents findings from pre-existing literature related to the research endeavor to build a robust theoretical foundation and define the key terminology. The second part is the empirical research methodology section, which discloses and outlines the methodology behind the empirical part of the research, elaborating on the data collection and analysis strategies employed.

The third part is the results section, which showcases the findings from the empirical part of the study. The findings section is divided into the challenges and the factors that helped mitigate the challenges during the venture launch. The sections begin with an overview of the emergent themes, sub-themes, and first-order codes. Afterward, the themes will be opened up in more detail with an illustration of the cases showcasing the degrees to which the challenges and solutions were present in each case, after which the main themes are discussed in more detail, accompanied by interview quotes and the analysis of said quotes. The fourth and final part is the discussion part, which provides a comprehensive yet summarized answer to the research question, addresses the reliability and validity, practical implications, and research limitations of the study, and provides recommendations for future research.

Three tools were utilized during the writing process of this thesis; the first one is Grammarly, which was used for proofreading the grammar at the end of the writing process. The second tool is ChatGPT, intermittently used for two predominant functions: ideating coherent sentence structure in instances where the goal was to summarize or synthesize a section of self-authored original text. Additionally, ChatGPT was intermittently used to evaluate whether an excerpt of self-written text effectively conveys the desired meaning. In no instances was text originating from Chat-GPT or similar tools used as is, as they were further re-iterated upon and rewritten in the author's own words. Finally, Zotero was used for reference management.

2 LITERATURE REVIEW

The literature review section aims to explore relevant theories related to the topic and research objectives at hand and define the key terminology. The literature review section is divided into four parts; the first part explores the phenomena of digital entrepreneurship, the digital economy and online business environment, and the target research group, professional-service business owners. The second section explores launch phase challenges, elaborating on business life cycles, the liability of newness, launch phase characteristics, and pricing matters, which was added after the empirical part of the study as it emerged as a dominant challenge among the interviewees. The third section explores factors that contributed to overcoming launch phase challenges, discussing the impact of networks and the practical utility of deliberate learning, and the willingness to invest in oneself financially throughout the launch phase. These themes also emerged from the empirical part and were added after the empirical part was completed. The fourth and final section summarises the key literature and defines the key terminology, which helps establish a robust theoretical framework for the empirical part of the study.

2.1 Digital Entrepreneurship

This chapter explores the concepts of digital entrepreneurship, professional-service businesses, and the online business environment.

Any attempts at the precise definition and conceptualization of the term digital entrepreneurship are met with challenges. The domain of digital entrepreneurship is hoisted with constant evolution, fragmentation, and altering terminology and is associated with other scholarly literature, such as information systems, management, and entrepreneurship (Zaheer et al., 2019). To begin the unraveling of the concept of digital entrepreneurship, Fang and colleagues offer an interesting take on this issue, arguing that digital entrepreneurship could be recognized as a distinct field from an academic and societal point of view and should not be intermingled with traditional forms of entrepreneurship due to its unique characteristics (Fang & Collier, 2016). Bridging from this conceptualization, Le Dinh and colleagues argue that digital entrepreneurship can be seen as any form of entrepreneurial activity that transfers an asset, service, or a significant part of a business into a digital form (Le Dinh et al., 2018). Aligned with these views, Hull and colleagues see digital entrepreneurship as a subcategory of entrepreneurship in which some or all components of an organization are digitized (Hull et al., 2007).

Based on these definitions alone, debate and somewhat differing takes on the definition of digital entrepreneurship can be identified within the entrepreneurial literature. A consensus regarding what parameters have to be met for an entrepreneur to be classified as a digital entrepreneur has not yet been established with conviction based on the conceptualizations above. Addressing this issue, Sussan and colleagues offer an interesting outlook, concluding that digital entrepreneurs can operate within the confines of digital platforms and technologies and execute activities requiring digital assets; however, the provided services might not be digital, such as being an Uber driver (Sussan & Acs, 2017). What makes this angle fascinating is that it implies that digital entrepreneurship is not binary, meaning that either someone is a digital entrepreneur or not. The non-binary definition of digital entrepreneurship is further supported by a paper by Davidson and Vast, who define digital entrepreneurship as the pursuit of opportunities based on

the use of digital media and other information and communication technologies (Davidson & Vaast, 2010).

Fortunately, Hull and colleagues address this apparent contradiction within the definition front, stating that digital entrepreneurship can be categorized into three distinct types. The first one is mild digital entrepreneurship, which utilizes digital possibilities as a supplementing factor to their business. The second one is moderate digital entrepreneurship, which revolves more heavily around digital goods and services, digital distribution, and other various digital infrastructures but still relies on some physical factors, such as having an inventory or a physical office. Finally, the third category is extreme digital entrepreneurship, which refers to the notion that all variables and factors surrounding a business are digitalized, such as goods and services, marketing, and distribution (Hull et al., 2007). Digital entrepreneurs rely extensively on third-party platforms and tools; if any of these malfunctions or fail to operate as promised, the ventures of digital entrepreneurs can be jeopardized. This factor poses uncertainty in digital entrepreneurship; unlike traditional entrepreneurs, they are much more susceptible to technological developments and their subsequent implications and changes in the digital tools they employ.

The concepts set forth by Hull and colleagues conveniently alleviate the problem of understanding what digital entrepreneurship is and help in defining digital entrepreneurship. As such, digital entrepreneurship can be seen as existing in a spectrum, where, on the one hand, a business owner can utilize myriad digital solutions to enable its operations and be classified as partaking in digital entrepreneurship. Yet, on the flip side, a business owner can run one's enterprise in its entirety in digital environments, leveraging digital solutions without any ties to a physical location or other similar attributes of a more traditional business.

A comprehensive systematic literature review by Zaheer and colleagues effectively summarizes the contemporary landscape of digital entrepreneurship, stating that the literature surrounding digital entrepreneurship is dynamic and has evolved along narrow and fragmented disciplinary lines, resulting in an inadequate collective understanding of

the concept (Zaheer et al., 2019). In summary, Digital entrepreneurs leverage various technologies, tools, and platforms to operate their ventures; an apt definition of digital entrepreneurship is the pursuit of opportunities based on digital media and other information and communication technologies (Davidson & Vaast, 2010).

2.1.1 Digital Economy and the Online Business Environment

Bridging from the established clarity of digital entrepreneurship, it is essential to explore the environment in which digital entrepreneurs operate, i.e., the online business environment embedded in the digital economy. The current literature on the digital economy has a heavier emphasis on the gradual evolution of information technology and its advancements over time and its implications on the economy as a whole than on the digital economy and its corresponding technological solutions and tools and how their accessibility to the general public might affect business and entrepreneurship.

A paper by Bukht and colleagues (2018), whose goal was to define and conceptualize the term digital economy, identified six underlying themes that conceptualize the term:

Digital Economy
Goods: Production of ICT consumer goods and related goods
Software: Software design, development, and marketing
Infrastructure: Development and management of network infrastructures
Services: Professional services such as consulting and other services alike
Retail: Sale, re-sale, and distribution of ICT goods, software, and services
Content: Production and distribution of content

Table 1 Defining, Conceptualising, and measuring the Digital Economy (Bukht & Heeks, 2018).

This conceptualization of the digital economy identifies services, such as professional services, consulting, and other services alike, as a significant component of the digital economy. Despite this, the literature on the digital economy is more intertwined with the IT and technological sectors. Interestingly, as early as 1998, William Daley addressed this issue in his book titled *The Emerging Digital Economy*, stating that the digital revolution is just in the beginning and that the growth is not only accelerating in the

IT sector but also all sectors of the economy, contributing to an exponential increase in commercial use. William identified that the general public's exponential internet adoption enabled simultaneous exponential growth of e-commerce and digital delivery of goods and services (Daley, 1998, P. 7).

The observations by Daley, despite being two and a half decades old, are noteworthy, as it was already identifiable that the digital economy would transform the landscape of business and entrepreneurship. Telling evidence of this is the birth of the online business environment, which is interchangeably called the digital business environment; online business or e-business is an information-technology-enabled business environment in which all or most business functions and processes are operated online (Grefen, 2010). Devoid of physical proximity, the e-business environment is global, accessible by everyone with internet access, and an environment in which individuals with commercial ambitions can pursue their entrepreneurial aspirations.

An article by Nambisan effectively conceptualizes and summarizes the digital realm of enterprise by categorizing it into three interconnected components. The first one is digital artifacts, referring to digital components, applications, or content built into new products or services that can be standalone products or services in themselves or be embedded in a larger digital ecosystem such as smart devices, smartphone apps, and items powered by the Internet of things (IoT) technologies. The second component is digital platforms, referring to an environment in which goods and services operate and interact with each other, such as the operating systems and software of various digital devices. Digital platforms offer individuals with entrepreneurial aspirations and capabilities to ideate and develop symbiotic products and services. The third component is the digital infrastructure, referring to the underlying infrastructure and digital technology that precedes the beforementioned components, enabling them to exist in the first place, such as cloud computing, social media, and digital marketplaces. As such, digital artifacts can be seen as the individual building blocks of digital goods and services, digital platforms are the operatable environment, and digital infrastructure is the bedrock of digital technologies on top of which the rest are built (Nambisan, 2017).

2.1.2 Professional-Service Businesses

This chapter aims to conceptualize the domain of professional service businesses.

Business opportunities often thought of in conjunction with digital entrepreneurship are more technological; examples might include software development consultancies, technologically oriented agencies, e-commerce, and other similar businesses where the high adoption of information technology is implicit. The prevalence of the domains above in the digital entrepreneurship literature has shadowed an equally important part: businesses operating in the professional services industry. The current literature on professional services is more tilted towards professional-service firms, as in larger business entities that provide professional services instead of smaller-scale professional-service businesses operated by an individual entrepreneur. An apt definition of a professional-service business owner, albeit more tailored towards larger scale professional-service firms, is professional-service businesses as businesses that offer customized, knowledge-intensive services delivered by highly educated professionals to solve the specific problems of a customer, further characterized by knowledge intensity, professionalized workforce, and low capital intensity (O'Higgins et al., 2022).

In the context of this research, professional service businesses consist of two integral components. The first one is professional services, wherein the professional-service business owners have business understanding and know how to transform their unique experiences and expertise into services that can be offered in online business environments. The second component is the online business environment, wherein professional services business owners operate either entirely or to a significant degree in online business environments, leveraging digital tools, platforms, and solutions to operate and manage their business functions and processes. Just as all entrepreneurs, professional-service business owners have to validate the demand for their services, attract the attention of their target audience, employ a strategy to convert a percentage of the amassed attention into paying customers, and establish a plan for delivering their services in a manner that factors in profit margins, and other finite resources and constraints. The vastly interconnected online business environment has made it possible to tailor goods and services to a more focused niche and demographic, which can enhance the process

of locating and attracting prospective clients and thus streamline the process of service development and fulfilment. Sharing physical proximity to provide digital goods and services is not required, so scalability that would be difficult in offline environments can be achieved. Modes of service delivery might include conference calls, group calls, cohort courses, curriculums, learning centers, communities, or simply shipping a desired digital product or providing a specific service through digital means. Professional-service businesses tend to be founder-led, meaning the founder is simultaneously the brand and the service provider. Professional-service business owners can maintain reasonable profit margins due to more negligible overhead because of factors such as a small physical footprint, little to no staff, a lack of depreciating physical inventory, and low marginal cost between units sold.

2.2 Launch Phase Challenges

This chapter aims to conceptualize the launch phase, present the concept of liability of newness, which encompasses factors that might pose challenges as a starting-out entrepreneur, as well as elaborate on launch phase characteristics, and touch upon the concept of pricing, which was seen as a dominant challenge among the interviewees.

2.2.1 Conceptualizing the Launch Phase

Like all living organisms, existence is compartmentalized into unique phases; different attributes characterize each phase, but each phase moves towards the same end destination of inevitable demise. The concept of business lifecycles attempts to investigate the phases organizations and companies go through and explore each stage's common problems and characteristics. Organizations go through a series of developmental phases during their growth, each representing unique periods of evolution, growth, and stability while inevitably culminating in a revolutionary phase of turmoil and change (Greiner, 1998). Locating timely research on business life cycles and launch phases of professional-service businesses operating in online environments was challenging, which is understandable given the novel nature of such enterprises and the implicit long-horizon nature of business life-cycle research.

For a better understanding of the launch-phase challenges, it is helpful to explore the topic of business lifecycle models to develop a more comprehensive context of the launch phase and see how it's interconnected with the successes of the latter phases of business. A firm's life cycle is popularly conceptualized to exist in four stages. The first phase is the start-up or launch phase, which encompasses the initial conditions and steps of the firm immediately after launch. The second phase is the growth stage, characterized by higher headcounts and a more established foothold in the market. The third phase is the maturity stage, characterized by declining stability of market share and the number of employees. Lastly, the decline stage, a phase which is characterized by old age, ever-decreasing headcount, and looming cessation of operations (Masurel, 2019). The launch phase is characterized by slow, incremental progress and is notoriously unpredictable, with no guarantees of advancing to the subsequent phases of venture

growth. Kazanjian's "Relation of dominant problems to stages of growth" life-cycle model, tailored for novel technology-based organizations, categorizes four distinct stages: Stage 1 being conception and development, Stage 2 being commercialization, Stage 3 growth, and Stage 4 stability (Kazanjian, 1988).

Stage 1: Conception and Development

During the first stage of a business lifecycle, according to Kazanjian, the primary focus is on the conception, development, and funding of the given product or service, a period characterized by a lack of structure, formality, and systematization with a primary aim of developing a minimum viable product.

Stage 2: Commercialization

After the initial product version has been established and funding is somewhat secured, the second stage of commercialization aims to develop it further based on market feedback with the ultimate goal of successful commercialization. Attempts at developing and systematizing crucial business functions and roles characterize this stage. At this stage, organizational foundations are starting to be more established, and the boundaries between different roles and functions begin to emerge.

Stage 3: Growth

The growth phase is characterized by a season of haste and possibly even exponential growth. Problems during this phase often involve the ability to produce, sell, and distribute the goods at a volume that meets the market's desire while simultaneously ensuring profitability or at least a trajectory of feasible profitability. At the growth stage, more chaos and unpredictability often come into play, and the previously established roles and business functions may be altered and customized to meet the growing demands of the growth phase.

Stage 4: Stability

The final stage is characterized by decreased momentum and an uphill battle to maintain market position and share. During this phase, the gaze is often put into developing the next generation of products. At this stage, the organizational internal systems,

principles, and procedures have matured, possibly even to counterproductive levels of innovation and creativity (Kazanjian, 1988).

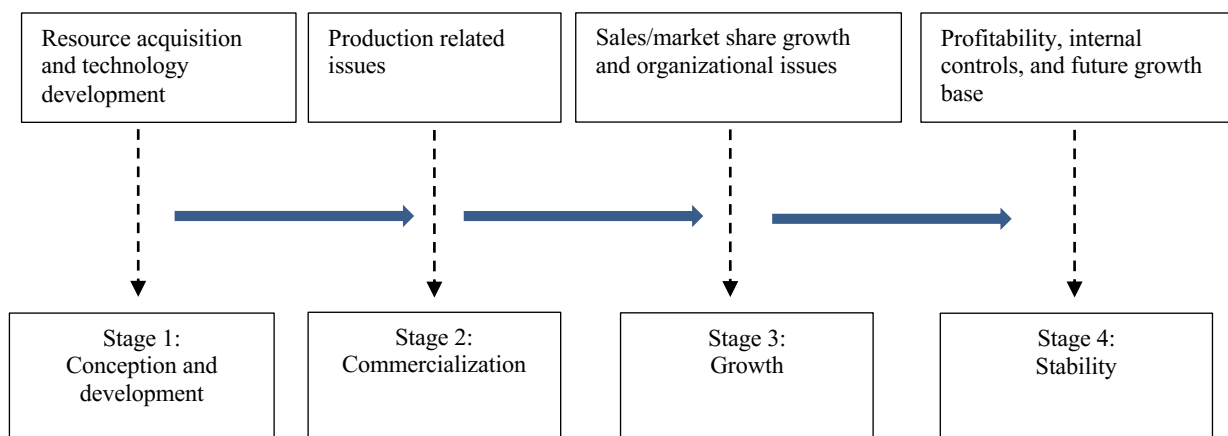


Figure 1. Relation of Dominant Problems to Stages of Growth. (Kazanjian 1988).

The model by Kazanjian is effective in that it helps develop a better understanding of the unique phases ventures go through and the subsequent challenges they encounter during each phase. However, it is still necessary to note that the individual phases might not be as predictably sequential and universal as the model makes them out to be. A study by Levie and Lichtenstein, (2010) found that there is a lack of collective understanding on why organizations evolve from one stage to another, the amount of total actual stages, and if all businesses evolve through the same sequence.

In addition to conceptualizing the various stages of a venture life cycle, another interesting insight can be identified from the works of Kazanjian. A survey administered to CEOs of technology businesses revealed that two of the most overarching problems deserving of finite attention and resources are developing a new product and securing financial resources (Kazanjian, 1988). This is interesting when contrasted to the domain of professional-service businesses, whose services are intangible and might require fewer financial resources due to their business's knowledge and service-oriented nature, which might also correspond to smaller team sizes, cheaper research and development expenditure, and operational expenses. The survey results are also interesting because financial resource scarcity was not identified as a dominant challenge during the venture launch based on the empirical part of the study.

To conclude, the business life cycle graph and stages of the growth model showcase that technology-based ventures encounter unique problems and goals at each growth stage, and founders have to allocate finite resources and attention accordingly. While the current research lacks consensus on professional-service businesses and the problems they encounter during each phase, the theory offered by Kazanjian is relevant as it effectively helps conceptualize the venture launch phase venture lifecycles and assists in predicting the probable aims and problems professional-service business owners might face during their venture launch in online business environments.

2.2.2 Liability of Newness and Launch-Phase Characteristics

This chapter explores the concept of liability of newness, the corresponding challenges embedded in the concept, and the characteristics of the launch phase challenges.

During the launching phases of a venture, founders encounter numerous inertia-bound opposing forces that manifest as obstacles to be overcome. Common challenges might include a shortage of financial resources, the absence of an established and reputable brand, and a lack of systems or operating procedures. Furthermore, founders might be inexperienced in terms of entrepreneurial skills and competencies. Additionally, founders might have insufficient understanding of the market as a whole, as feedback confirming the demand and commercial viability of the goods or services to be provided is lacking, making the economic and practical feasibility of the business idea challenging to evaluate.

An article by Van Gelderen and colleagues found that factors such as the founder's characteristics, the organizations they create, the environment they launch their ventures in, and the process through which the new venture is started are all factors that affect the inevitable life outcomes of the venture. They further stated that more negligible perceived risk of the market, willingness to pursue entrepreneurship full time, using less capital, and exposure to specific guidance and advice were all factors that contributed to a higher likelihood of venture survival post-launch (Gelderen et al., 2005).

A concept encompassing the hardships and challenges faced by new companies was coined by Arthur Stincombe in 1965 to illustrate that novel companies must cope with complex challenges. These challenges test the company's ability to meet hardships such as managing new relationships, accruing and coordinating resources, and dealing with complex and unpredictable environments (Yang & Aldrich, 2017). Liability of newness is an excellent conceptualization as it contains numerous factors that nearly exhaustively characterize the different problems that novel business owners encounter during the launching phase of their venture.

The concept of liability of newness was re-examined and empirically rigorously tested by Yang and Aldrich, who set out to investigate emerging organizations' initial conditions and subsequent activities along three dimensions: resources, routines, and boundaries. Comprehensive research was conducted with a sample size of 1030 new ventures. The findings from the study reveal that emerging companies encounter the highest risk of failure at the very earliest point in their existence, and the chance for failure diminishes as time goes on. Another critical insight was that the survival of new businesses is much more reliant on the entrepreneur's willingness and ability to learn during the organizing process of the new venture than in pre-amassed general experiences. Interestingly and somewhat in contradiction, as regards the initial conditions, financial capital and the previous relevant and specific experience of entrepreneurs were seen as factors that enhanced the likelihood of firm survival. Another crucial factor that diminished the adverse implications of the liability of newness was the willingness to continue investing resources in the company after the launching phase. Developing internal operating routines and governance procedures, establishing organizational boundaries, and embedding them into core operating principles also effectively diminished the liability of newness (Yang & Aldrich, 2017).

How do the findings from Yang and Aldrich compare to liabilities of newness in the context of knowledge-based service businesses, which have different requirements for a successful launch when compared to more traditional product or physical service businesses? A paper by Mason that aimed to investigate entrepreneurship in knowledge-based services found that knowledge-based service businesses require less capital and investments for starting up and experiencing more accessible and faster start-up phases

than their counterpart physical goods and service-based companies (Mason, 2018). On the flip side to these favorable remarks on knowledge-based service businesses, a study investigating the dynamics between entrepreneurship in professional services found that personal relationships, reputation, goodwill, and pre-existing networks are, if not mandatory, then essential, pre-requisites for partaking in entrepreneurial business activities in the domains of professional-service businesses (Reihlen & Werr, 2015).

Another crucial component tied to the liability of the newness of a venture is the burden of legitimacy. Nascent entrepreneurs carry the burden of proving to the general public, financiers, potential partners, and prospective clients that the business endeavor is legitimate, worthy of attention, and, most importantly, showcasing potential and credibility. Legitimacy can be conceptualized as the collective judgment of audiences that can withhold resources and influence the perception of an organization's acceptability, desirability, and appropriateness (Bitektine, 2011). As such, the collective perception and the subsequent ability to influence the developing organization is a critical component of the new organization's ability to acquire resources, including capital, employees, and consumer goodwill, and transform these resources into fueling a sustainable organization (Aldrich & Fiol, 1994).

The question that arises is how organizations can establish their legitimacy in the eyes of prospective stakeholders. A study by Greg Fisher and colleagues examined how entrepreneurs can manage the perception of venture legitimacy by a diverse audience. Three applicable mechanisms were found that can be employed to establish legitimacy, which were identity, associative, and organizational. Identity mechanisms refer to establishing a credible and sensible identity through storytelling, sense-giving, and perception management. Associative mechanisms refer to credibility by association heuristics, such as organizational, top management, and individual ties. Finally, organizational mechanisms refer to factors such as internal milestones and leaders' backgrounds (Fisher et al., 2017).

^

How about the characteristics of the founder and their implications on launching their ventures? A study by Wiklund and colleagues aimed at investigating the effects of entrepreneurial orientation on small venture performance, including knowledge-intensive manufacturing businesses and professional services, found that proactiveness, innovativeness, and risk-taking positively influence small business performance, including launching (Wiklund & Shepherd, 2005). Another comprehensive study by Eliakis and colleagues focused on identifying and verifying the characteristics affecting the survival and growth of innovative technology digital ventures found that character-wise, grit and flexibility as defined by perseverance and passion for long-term goals and willingness to change course and re-iterate the business venture based on market feedback, were great predictors of venture survival and growth. As were a bigger team size, consisting of heterogeneous backgrounds with previous related work experience and entrepreneurial experience (Eliakis et al., 2020).

To conclude, nascent entrepreneurs face many challenges during the launch phase, ranging from insufficient resources, lack of entrepreneurial skills, incompatible personal characteristics, and more. Still, most challenges culminate in a more specific fundamental challenge: acquiring initial clients. Without experience, and thus a verifiable track record, portraying oneself as credible and competent can be challenging. During the launch phase, the burden of proof on the ability to deliver the promised services rests on the shoulders of the entrepreneur. As such, the prospective first customer has limited evidence of the entrepreneur's ability to deliver and is thus taking a significant risk.

2.2.3 Pricing of Professional Services

Pricing was a theme that emerged as a dominant challenge that professional-service business owners faced during the launch phase.

When investigating the phenomena of pricing strategy as a whole, there are a multitude of factors that go on to influence the pricing of goods and services. These myriads of factors can be further categorized into two fundamental aspects. The first and most crucial aspect is demand; demand has to exist for the goods and services to be offered before pricing becomes an issue. The second aspect is the economics of the goods or

services in general. To meet the demand sustainably, prices must be established at a level that enables the providers of the goods and services to generate profits. The literature on pricing strategy and challenges surrounding pricing within the business and entrepreneurial literature emphasizes regular physical service businesses in traditional non-online environments, which can be more influenced by rent, inventory, and supply chains. As such, pinpointing literature that focuses on service businesses operating exclusively in online environments and their pricing strategies is challenging to locate. As such, the information technology services industry shares the closest resemblance to professional services. According to Harmon and colleagues, who sought to investigate a value-based approach to pricing in the information technology services industry, defined the goal of pricing strategy as “Assigning a price that is the monetary equivalent of the value the customer perceives in the product while meeting profit and return on investment goals.” (Harmon et al., 2009, p. 1).

When selecting a price for items such as consumer goods or similar tangible goods, more flexibility is required due to the cost associated with the necessity to manufacture, store, market, and ship the goods; furthermore, competition further sets boundaries on the pricing of such items. Within competitive industries, prices are predominantly determined by the marginal cost of producing a unit, leading to thin margins. In contrast, in industries with higher entry barriers, the price is primarily determined by a customer’s willingness to pay, leading to higher margins (Eisenmann et al., 2006). Pricing strategy varies greatly depending on the industry, country, and customer; however, three notable unique pricing strategies can be identified which are cost-based pricing, focuses on the question: What is the bottom-line price needed for profitability; competition-based pricing, which focuses on how and how much competitors charge and value-informed pricing which is focused on evaluating the customer’s perception of the product value and pricing accordingly (Debruyne et al., 2003). Logistics, inventory, or depreciation do not influence the pricing of professional services provided in online environments, and the marginal cost between a unit sold has much more to do with accruing cost in terms of time and exertion effort. As such, a significant factor influencing the pricing of professional services in online business environments has more to do with competition and the perceived value of the services among prospective clients.

In summary, when it comes to the pricing of services, it varies from the pricing of products in that when buying services, a customer buys an intangible promise and pays for it before having a chance to experience it as opposed to when purchasing a physical product, which is tangible, in which the potential value and practical utility can almost instantly be evaluated. From the customer's point of view, value is experienced as the benefits received for the burdens endured. As such, a critical factor in the successful pricing of services is to make the value connection between price and value as clear and coherent as possible (Berry & Yadav, 1996). In online business environments, the disconnect and ambiguity between paying for a service and then receiving the value can be even more significant, as there is no actual guarantee that the services will be delivered after paying; furthermore, there are no individuals in the immediate physical environment who could be held responsible if the services fail to be delivered as promised.

2.3 Factors Alleviating Launch Phase Challenges

This chapter aims to present relevant literature on self-education and networks.

2.3.1 Investing In Self-Education

Among the interviewees, self-education and self-investment were crucial factors in mitigating the challenges during the launch phase. Interestingly, the interviewed entrepreneurs had a distinct approach to education. Self-education was not sought as an end on its own; rather, self-education was seen as a means to solve specific problems. The core objective of self-education was proactive, deliberate learning to acquire skills, solve problems and become more competent.

Neck and colleagues offer an apt way of defining the term entrepreneurship; they define entrepreneurship as a way of thinking, acting, and being that combines the ability to locate or create novel opportunities with the courage to act on them (Neck et al., 2021, P. 3). In the context of education as an entrepreneur, this definition illustrates an important point, which is that entrepreneurship is not merely a static way of being but rather a set of skills, traits, and beliefs that intrinsically assume that most things can be learned, and more often than not, the medium for learning is execution, trial, and error. Education and investing in oneself during the launch phase were critically crucial for overcoming the challenges, but interestingly enough, the entrepreneurs interviewed had a different approach to education. Their relationship with education was embedded with intent, i.e., whenever they had a particular problem in mind that they sought answers to, they sought education to apply what they learned instantly.

The approach to education the interviewed entrepreneurs had is almost perfectly illustrated by a conceptualization of entrepreneurship as a method versus a process. Factors such as having a strong bias for acting, an iterative approach to problem-solving and business development, and the tendency to invest with a focus on learning were all mentioned in one way or another among the interviewees who said that self-education was

crucial for overcoming the launch phase challenges. Furthermore, the approach to learning undertaken by the interviewed entrepreneurs shares traits with the Sarasvathys theory of effectuation, highlighting the practical utility of taking quick action utilizing the readily available resources to get traction on new ideas as quickly as possible (Neck et al., 2021, p. 6).

Entrepreneurship as a method	Entrepreneurship as a process
A set of practices	Known inputs and predicted outputs
Phases of learning	Steps to complete
Iterative	Linear
Creative	Predictive
Action focus	Planning focus
Investment for learning	Expected return
Collaborative	Competitive

Table 2, Entrepreneurship as a Method Versus a Process Neck et al., 2021, p. 15).

The traits embodied in conceptualizing entrepreneurship as a method were vastly more overrepresented among the interviewees than entrepreneurship as a process. A practical way to view education in the context of this research is to view it as inseparable from action, wherein self-education is pursued to extract relevant, actionable information and act upon it instantly, with the ultimate objective of solving specific problems and developing a better understanding of the needs, demands, and characteristics of the market.

2.3.2 Networks in Entrepreneurship

Networks were highlighted as extremely important for mitigating challenges owners of professional service businesses face. The value of networks stems from two aspects. Firstly, networks facilitated quick visibility and experimentation, enabling rapid of testing services. Secondly, networks provided opportunities to seek and receive help and guidance during a critical phase of the entrepreneurial journey. The significance and value of networks in business and entrepreneurial contexts have been extensively researched; the acclaim it received among interviewees was not unexpected. For example, a paper by Elfring and colleagues that sought to investigate the impact of networks in the context of high-technology firms found that a mixture of weak and strong ties greatly assist in securing resources and the discovery of opportunities and establishing of legitimacy (Elfring & Hulsink, 2003). A paper by Greve and Salaff (2003) sought to investigate the network activities of entrepreneurs within three unique phases of the venture lifecycle and found that social relations play a critical role in establishing a firm and that entrepreneurs leverage their social capital to access resources during each phase with slightly different strategies.

A gap in the literature that would exclusively focus on entrepreneurial networks and their implications in the contexts of online business environments and professional service businesses can be identified. This is a crucial remark, as social media and online environments were seen as the fundamental instruments for building and aggregating entrepreneurial networks. It's essential to develop a clearer understanding of what networks are and what networking is in entrepreneurship. Entrepreneurial networks refer to sources of information, resource exchange, and interaction, which can be leveraged to alleviate uncertainty, urgency, and the challenge of identifying entrepreneurial opportunities (Yu et al., 2021). According to Aldrich and Zimmer (1986), the foundations for studying entrepreneurship through the lens of social networks revolve around the interactions between two or more individuals; these interactions encompass communication, involving the transmission of information and exchange surrounding trading goods and services; the relationships' depth, frequency, and reciprocity further influence these factors. Aldrich and Zimmer further meticulously summarized the importance of networks and especially weak ties, by stating that "Successful entrepreneurs are to be found in

positions with weak ties to people who are in positions to provide timely and accurate information, to people with the resources to act as customers, and to people with resources to invest” (Aldrich & Zimmer, 1986, p. 20).

Dubini and Aldrich share a similar view, stating that the starting point for studying entrepreneurship through networks is a relationship or transaction between two people, consisting of relations between pairs of individuals, entrepreneurs, customers, suppliers, investors, or other relevant roles (Dubini & Aldrich, 1991). Furthermore, a comprehensive study by Davidson and Honig, which followed nascent entrepreneurs’ entrepreneurial paths for 18 months, found that bridging and bonding social capital, consisting of strong and weak ties, strongly predicted advancement within the start-up process (Davidson & Honig, 2003).

In summary, scholarly literature in the domains of business and entrepreneurship widely recognizes the importance of networks. A correlation between the size and quality of networks and the likelihood of achieving entrepreneurial success as a nascent entrepreneur can be identified.

2.4 Integration of the Knowledge Base

This chapter aims to summarize the research objectives and the literature as well as define the key terms of the research and, by so doing, establish a solid base for the empirical part of the study.

2.4.1 Summary of Literature

Differing views on the factors that constitute digital entrepreneurship can be identified within the entrepreneurial research literature; from one point of view, digital entrepreneurship shouldn't be confused with traditional forms of entrepreneurship (Fang & Collier, 2016). From another point of view, digital entrepreneurship exists on a spectrum, and what matters is the degree to which digital capabilities and tools are leveraged (Hull et al., 2007). An ample compromise to combat this contradiction is offered by Davidson & Vaast (2010), who conceptualize digital entrepreneurship as the pursuit of opportunities based on digital media and other information and communication technologies.

The conceptualization of digital entrepreneurship by Davidson and Vaast leaves out a crucial factor, which is the environment in which business and, thus, entrepreneurship is being conducted, for example, to what degree opportunities need to be pursued based on the use of digital media and information technology to be seen as a digital entrepreneur? In the context of this research, the environment is an online business environment. An online business environment, or in similar terms, e-business, is a digital environment wherein business functions and processes are conducted entirely or to a considerable degree in online environments (Grefen, 2010). In the context of this research, the type of digital entrepreneur that this research focuses on is a professional-service business owner, referring to a business that provides customized, knowledge-intensive services delivered by professionals to solve specific problems (O'Higgins et al., 2022). Typically to a customer demographic of similar characteristics, problems, needs, and desires. Examples of professional-service businesses might include marketing, business, and recruiting consultants, career and fitness coaches, or educators.

The launching phase is seen as the most challenging one within the business life span of a firm, a phase in which the focus is on launching a product or a service with the ultimate goal of achieving sustainable and profitable commercialization (Kazanjian, 1988). The launch phase is notoriously challenging for many reasons, such as lack of experience, insufficient skills, knowledge, and resources. The theory of liability of newness effectively illustrates the challenges, such as adopting new roles and responsibilities, poor routines and processes, lowly perceived credibility among prospective clients, and lack of connections with clients altogether (Yang & Aldrich, 2017). Interestingly, the empirical part of this research revealed that connections and networks and the significant value of investing in self-education post-launch were essential factors for alleviating the launch-phase challenges. This is interesting because perceived credibility, connections within the market, and the willingness to pursue learning were seen as important factors in decreasing the liability of newness in the paper by Yang and Aldrich, which revisited the concept of the liability of newness (Yang & Aldrich, 2017). This demonstrates that the findings from the empirical part of this research are reflected within the pre-existing literature as well.

2.4.2 Definition of Key Terms

Defining Key Terms
Digital Entrepreneurship; The pursuit of opportunities based on digital media and other information-technologies (Davidson & Vaast, 2010).
Online business environment; Information technology-enabled business environment, in which all or most business functions and processes are operated online (Grefen, 2010).
Professional-service business A business that provides customized, knowledge-intensive services delivered by professionals aimed to solve specific problems (O'Higgins et al., 2022).
Venture launch phase The initial stage in the life cycle of a new venture, focused on launching a product or a service to the market, with the objective of achieving sustainable and profitable commercialization (Kazanjian, 1988).

Table 3, Definition of Key Terms

To summarize, this research investigates a novel category of digital entrepreneurship; professional-service business owners. The objective is to develop an understanding of the challenges they face during venture launches in online business environments and the factors that help them mitigate these challenges.

3 RESEARCH METHOD AND DATA

This chapter aims to revisit the research objectives and questions, explain the research design and why it was chosen, and elaborate on the data collection and analysis process.

The research question of this study was:

“What challenges do Finnish Professional-service business owners face when launching their ventures in online environments, and what factors help mitigate these challenges?”

3.1 Qualitative Research

A qualitative research approach was seen as the most effective way of extracting insights from semi-structured interviews. Qualitative research refers to various approaches and methods for studying natural social life, typically coinciding with nonquantitative data, such as textual material, interview transcripts, field notes, documents, or similar visual materials (Saldana, 2011, p. 4). An effective way to distinguish between qualitative and quantitative research is proposed by Gupta & Richa, who aptly described that “Qualitative research more often than quantitative research focuses on studying phenomena in their natural settings; attempts to make sense of or interpret, phenomena and uses social actors’ meanings to understand the phenomena” (Gupta & Richa, 2015, p. 3). Qualitative research's ability to provide multi-faceted theoretical descriptions of the participant's experience is one of its greatest strengths. Qualitative research's primary goal is not theory testing but rather theory development (Gupta & Richa, 2015, p. 4). With this in mind, the goal of this research was not to test pre-existing hypotheses; instead, the goal was of an exploratory sort, to learn more and develop a better understanding of the subjective and idiosyncratic experiences of entrepreneurs during their venture launch in online environments, with the underlying objective of identifying similarities between these experiences among the research participants.

3.2 Data Collection

The data collection method was online interviews conducted in Finnish from April to June 2023. All the interviewees were found on social networks, predominantly from LinkedIn, where it was possible to identify the prospective interviewee's relevant background. All of the entrepreneurs launched their businesses in Finland and continue to operate their businesses in Finnish markets. After each interview, the individual case interviews were preliminarily analyzed and reflected upon, based on which it was possible to ask slightly more targeted follow-up questions in each subsequent interview. The interview structure was divided into three parts; the first part was focused on questions about the interviewee's background, the introduction of their businesses, previous entrepreneurial background, and the adoption of online tools and ecosystems to operate their ventures. The second part focused on questions related to the research objectives, and the third part consisted of brief reflective questions on the interviewee's key personal lessons during their entrepreneurial journeys.

The interview process followed a semi-structured framework, meaning there were few core questions during each interview. The direction of the interviews was influenced by the interviewee's background and the answers they gave. Before beginning the interviews, information regarding the interview process was provided, namely that the focus is on the launching phase of their businesses. To ensure that the interview questions remained relevant to the topic, they were steered towards the scope of the study; despite a lack of concrete structure with the same questions for each interview, the interviews remained relevant and on topic, and the semi-structured approach provided much-needed flexibility. A total of 13 interviews were conducted with an average duration of 35 minutes, excluding the briefest interview, which was 15 minutes. The calls were held on a web conferencing tool called Zoom, and the recordings were transcribed with a tool called Cockatoo, which provided roughly 85% accuracy when transcribing spoken language Finnish audio. Written notes were also taken during the interviews, which helped enrich the data.

#	Case Interviewee	Interview Duration (Minutes)	Time since venture launch as of 2023
1	Marketing Consultant 1	43:11	3 Years
2	Marketing Consultant 2	41:00	3 Years
3	Marketing Consultant 3	32:20	2.5 Years
4	Recruitment Consultant 1	15:00	1 Year
5	Recruitment Consultant 2	29:39	1 Year
6	Career Coach 1	32:53	2 Years
7	Career Coach 2	32:45	3 Years
8	Business Coach	35:04	6 Years
9	Hr Consultant	35:29	3 Years
10	Management Consultant 1	39:08	6 Years
11	Management Consultant 2	38:40	1 Year
12	Graphic Designer	34:24	6 Years
13	Entrepreneurship Coach	33:08	2 Years

Table 4, Case Interviews

3.3 Data Analysis

At its core, data analysis consists of searching for patterns and ideas that help explain the existence of said patterns. The data analysis process can be divided into three interconnected actions: the organization of information and the identification of patterns, the development of ideas, and the drawing and verifying of conclusions (Singleton & Straits, 2018, p, 375). The data analysis process was inductive, meaning no general premises or hypotheses were established before the research. Furthermore, an inductive approach enables research findings to emerge from the inherently frequent and dominant themes embedded in raw data without being shackled by restraints imposed by more structured methodologies such as analyses deductive in nature (Thomas, 2006).

A thematic analysis was chosen as the primary data analysis strategy, as it was seen as an effective way of analyzing a moderately large pool of raw interview transcripts. Thematic analysis is a way of analyzing qualitative data such as interview transcripts, surveys, or other written text, providing a systematic element to data analysis by coding from which sub-themes and main themes can emerge and meaningful insights can be derived. The thematic analysis process is divided into six interconnected phases: 1. Familiarize with the data, 2. Generate initial codes, 3. Search for themes, 4. Review themes, 5. Define and name themes, and 6. Produce the report (Braun & Clarke, 2006).

After the interviews were conducted, they were transcribed, and the individual interview transcripts were cleaned and organized to ensure a more efficient analysis process. The cleaning primarily entailed correcting transcription errors such as misspelling of words. After the data was cleaned, a Microsoft Excel file was created, consisting of thirteen sheets, each sheet representing one interview case study. After that, each case interview transcript was carefully read. All words and sentences deemed relevant when contrasted to the research scope and objectives were copy-pasted to their corresponding Excel sheet. In the end, thirteen Excel sheets of relevant interview transcripts devoid of irrelevant data, such as filler words, off-topic tangents, and other similar words or sentences that were not deemed relevant, emerged.

After the relevant interview transcripts were organized and placed into their respective sheets, the actual analysis process began. The data analysis process consisted of four distinct phases: coding of interview transcripts, inference of sub-themes based on the codes on a case-by-case level, cross-referencing between the cases, and the subsequent emergence of main themes after cross-referencing. After each case interview had been coded, it was possible to infer sub-themes based on the most frequently emerging codes. After the coding round and the subsequent emergence of sub-themes, the cases were cross-referenced with each other, meaning that the goal was to identify if the sub-themes of each case interviewee overlap. The sub-themes that were most prevalent and frequent and thus shared the most overlap with each case interview emerged as the main themes. Given the moderately big pool of interviews and the subsequent large amount of raw data in the form of interview transcripts, the coding process focused more on the level of sentences and their perceived meanings instead of attempting to code each word meticulously. Additionally, during the coding process, the data was juxtaposed with the interview field notes that were taken during the interviews, which supplemented the coding process fairly well, as it helped provide richer context with factors such as noted tonality, perceived emotions, and body language.

4 FINDINGS

This chapter showcases the findings of the empirical part of the study. The findings section is divided into two sections. The first section addresses the dominant challenges experienced by professional-service business owners during venture launch, and the second section addresses the factors that helped mitigate these challenges. Both sections are divided into three parts; the first part illustrates the main themes, sub-themes, and the respective first-order codes from which the sub and main themes emerged. The first part is followed by a table in which all case interviews are listed, from which it's possible to identify to what extent each interviewee saw each challenge as a problem and to what extent each interviewee saw each mitigative factor as a solution. Finally, in the third part, each main theme will be discussed in further detail, including quotes from the interview transcripts and presentations of synthesized interpretations of the quotes meaning within the broader context of the overall findings.

5 DOMINANT CHALLENGES DURING VENTURE LAUNCH

After analysing the data, three main themes emerged, each representing a unique challenge the interviewed professional-service business owner faced. These three main themes are pricing challenges, initial client acquisition, and self-leadership. The first main theme of pricing challenges consisted of two sub-themes. The first one is the challenges in quantifying the monetary value of professional services and establishing a reasonable price. The second sub-theme is the management of pricing in general, consisting of factors such as determining the frequency and magnitude of price increases and pricing communication with clients. The second main theme is initial client acquisition, consisting of two sub-themes, the first being the challenge of gaining visibility and being perceived as credible as a new entrepreneur. The second sub-theme is general skills and beliefs around sales and how their lack thereof makes initial client acquisition more challenging. Finally, the third main theme is self-leadership, consisting of two sub-themes: conscientious traits and skills, and the second sub-theme, focus challenges. More precisely, the hardship of focusing on core tasks and its implications on output capacity. Outsourcing was seen as a way to alleviate the negative consequences of a diluted focus, which could have also been placed in the factors that helped mitigate the challenges section. Still, given its close interlink to this main theme, it was kept in this part. Next, the coding process is showcased alongside the sub-themes and main themes. On the following pages, Table 5 illustrates the main themes, sub-themes, and the first order codes, and Table 6 showcases, on a case-by-case level, to which extent each interviewee saw each main theme as a challenge.

Main-Themes	Sub-Themes	First Order Codes
Pricing Challenges	<ul style="list-style-type: none"> • Quantifying the monetary value of services • Pricing management 	<ul style="list-style-type: none"> • Selling way too cheaply • Difficulty of pricing • Basing price on the provided value, not the time it takes to provide the service • Desire to charge a reasonable price • Value-based pricing • Bad conscience for asking for more money the first time • Transparent communication with clients about pricing • Infrequent price updates leading to undercharging • Flexibility with pricing
Acquiring Initial Clients	<ul style="list-style-type: none"> • Gaining visibility and appearing credible • Skills and beliefs surrounding sales 	<ul style="list-style-type: none"> • Acquiring clients without references is challenging • References as a means for credibility • Convincing the first client is difficult • Proving competence by doing and showing, not talking • Sales as a learnable skill • Difficulty of sales as a new entrepreneur • Sales as a necessary evil • Perceived conflicting personality traits with sales
Self-Leadership	<ul style="list-style-type: none"> • Conscientious traits and skills • Focus challenges 	<ul style="list-style-type: none"> • Organizational skills • Self-leadership skills • Being systematic and following routines • Planning as a means for predictability • Identifying core capabilities and allocating as much time to those • Clarity of one's own "why" • The ability to focus is crucial as a small entrepreneur with competition • Outsourcing tasks that are not core skills • Focusing on core capabilities

Table 5, Launch Phase Challenges Themes

Case Interview	Pricing	Initial Client Acquisition	Self-Leadership	Example Quote
#	Major problem	Medium problem	Not a problem	
Marketing Consultant 1	Major	Not a problem	Not a problem	"I spent a lot of time on pricing, it was very important for me not to over or under-price my services" (Pricing)
Marketing Consultant 2	Medium	Major	Not a problem	"After analysing my competitors, I became aware of their prices and dropped my prices so low that at the end of the day, I barely broke even" (Pricing)
Marketing Consultant 3	Not a problem	Medium	Not a problem	"The problem of professional services, I think, is that having an idea is not enough; it has to find an audience with a demand" (Initial client acquisition)
Recruitment Consultant 1	Not a problem	Not a problem	Medium	"Basically (online business) can be done 24/7 until you burn out, you can't just shut down the door and leave it at the office, no it continues at home" (Self-leadership)
Recruitment Consultant 2	Not a problem	Major	Medium	"Finding clients was challenging, I had no previous experience on this from my previous job (Direct sales with clients) (Initial client acquisition)
Career coach 1	Major	Not a problem	Medium	"Even though I had prior experience, the customers are those who determine the price through what they are willing to pay" (Pricing)
Career coach 2	Not a problem	Major	Major	"Dividing the day for specific slots of activity was important, but if I'm having a productive feeling, I'm not going to stop myself" (Self-leadership)
Business coach	Not a problem	Not a problem	Not a problem	"I want to make sure that before I jump into something (entrepreneurship or alike) I have something to lean on other than just an idea"
Hr consultant	Medium	Major	Medium	"I find contacting people with the intent to sell difficult, and I have bought sales services for this reason." (Initial client acquisition)
Management Consultant 1	Major	Not a problem	Major	"Entering a new field of business, the first question is, where can I get clients from? I guess that's always the biggest challenge of an entrepreneur" (Initial client acquisition)
Management Consultant 2	Not a problem	Major	Major	"I did a bit too much, and I guess I was afraid to pause and think does this make sense, so the problem was more so my own health and performance than business" (Self-leadership)
Graphic Designer	Major	Not a problem	Medium	"I often spend too much time thinking what a reasonable price would be to ask for this, perhaps I even under-price" (Pricing)
Entrepreneurship coach	Major	Medium	Medium	"A lack of self-leadership skills leading to a diluted focus resulting in lack of progress" (Self-leadership)

Table 6, Launch Phase Challenges

5.1 Pricing Challenges

Pricing concerns were professional-service business owners' most dominant challenge during their ventures' launching phase. The primary challenge surrounding pricing revolved around evaluating the monetary value of services and subsequently establishing a reasonable price reflective of the provided value. The other challenge in pricing was managing pricing in general, containing factors such as how to communicate price increases and determining the frequency and magnitude of price increases. Employing a value-based pricing strategy was seen as an effective way to establish the price of services, referring to a pricing strategy in which the price is set based on the perceived value of the customer (Debrueyne et al., 2003).

5.1.1 Quantifying the Monetary Value of Services

I spent a lot of time thinking about and planning the pricing of my services because it was very important for me not to under-price or over-price my services. It was a real challenge (pricing), and I focused on it to ensure I was asking for enough money for my work (Marketing Consultant 2).

It still takes me a long time to think about pricing and to decide what would be a reasonable price to ask for my services. In the beginning, I put such prices that they were certainly attractive for new customers; it was possible because I did not have so many clients back then. Now, I have been trying to charge more so I could work less and earn the same (Marketing Consultant 1).

As professional-service business owners sell their time and specific expertise, pricing is much more dynamic, subjective, and thus open to scrutiny and negotiation from potential clients compared to selling consumer goods and other commodities where factors such as cost of goods come into play. It would be hard to justify a twofold increase in the price of a consumer goods item. Still, it's not unheard of to see prices increase substantially and frequently in a short period regarding niche professional services. As such, Professional-service business owners have every incentive to avoid having their

goods and services commodified, but managing that is not an easy feat, as made evident by the interviewees.

In the beginning, I studied pricing; I spent two whole days on it, wondering where my price is based; after researching and reflecting, I decided that I would price my service based on the impact it has on my client and based on the value it provides (Marketing consultant 1).

Determining a price during the launch phase without a reservoir of references was seen as difficult due to the absence of first-hand market feedback that would assist in gauging a reasonable price. Interestingly, it was clear that different professional-service business owners had different ways of combatting the pricing issue.

In the beginning, I think I sold my services too cheaply, and now, in hindsight, I think I should have sold my services at a higher price. (Career Coach 2)

When you have a service that addresses the client's pain and fixes the pain, then you have to estimate what it is worth to the client that the pain is fixed and price according to that. (HR Consultant)

Pricing according to the value clients perceive, professional-service business owners can effectively avoid being seen as a commodity. The transition to value-based pricing was not only viewed as a way to avoid being reduced to mere raw materials but as a strategy for positioning as comprehensive problem solvers to specific problems rather than just suppliers of components.

5.1.2 Pricing Management

Factors such as price communication with clients and determining the frequency and magnitude of pricing are best conceptualized as pricing management. In this context, managing such factors was seen as a challenge; one interviewee eloquently summarized the essence of pricing difficulties that many others shared, stating:

The biggest challenge for me was pricing, how to go about raising prices, how to determine the prices, and how to communicate to clients that the price is now double what it was before. (HR Consultant)

In addition to quantifying the price of professional services, general pricing management was a noteworthy challenge. Strategies for managing pricing and pricing communication included identifying the lowest possible price to sustain business operations yet facilitate long-term growth. This strategy was especially effective in accruing experience, references, and competence.

Since the fundamental components of the services professional-service business owners provide are specific expertise and time, there is much more room for dynamic pricing when contrasted to the sales of physical goods with independent unit costs. As such, mere financial compensation was not seen as the only way to be remunerated for one's efforts. A great example is a management consultant who employed a pricing management strategy in which other avenues were factored in, such as learning opportunities or potential new long-term relationships, in addition to monetary compensation.

I had two ways of pricing my services: with heart and with reason. I have done a lot of free work, but I also charge for my services confidently. I speak very directly with a potential customer about money, and I think to myself, is there something in this potential relationship that I could learn from or something that would bear fruit in the long term, and if so, then I will charge less (Management consultant 1)

I spent a lot of time thinking about and planning the pricing of my services because it was very important for me not to under-price or over-price my services. It was a real challenge (pricing), and I focused on it a lot to ensure I was asking for enough money for my work (Marketing Consultant 2).

While interviewees mentioned that thinking and planning about pricing was necessary, on the same token, an effective way was to establish a price and then incrementally increase it over time. Even though the risk of settling on the same price for too long was a factor to be acknowledged.

“A common pitfall is that prices are increased only once per year,; what should be done is to increase prices as your competence develops and clients' results improve; pricing has increased to the same token as one's own competence” (Entrepreneurship coach)

To summarize, professional-service business owners encountered challenges in evaluating the monetary value of their services. A way to combat this issue was to employ a value-based pricing strategy in which the monetary value of a service was established based on the subjectively perceived value of the customer. A way to accomplish this was by incrementally increasing prices. Pricing management was also a noteworthy challenge, namely determining price increase frequency, magnitude, and how to communicate it.

5.2 Acquiring Initial Clients

The second dominant challenge that professional-service business owners encountered during the venture launch phase was difficulties acquiring the initial clients. This theme is further divided into two sub-themes. The first sub-theme is challenges in gaining visibility and appearing credible as a new entrepreneur. The second sub-theme is general skills and beliefs surrounding sales.

5.2.1 Gaining Visibility and Appearing Credible

As a new entrepreneur without a proven track record of competence, references, or prior experience, establishing trust and cultivating a perception of credibility among prospective clients is challenging, as made evident by the interviewees.

“How can I get people to trust me? Is it a certificate at hand? That was what I stressed in the beginning. I knew how important references were, and I decided it had to be that, so I did everything I could to get references in one way or another. (Marketing Consultant 1)

“I thought to myself, how can I convince people that they should choose me and not my competitors who have been trustworthy for a longer time, even years? How can I get references when I have nothing to show? So, what I did was I put an extremely low price and actually got a few clients and references like that” (Marketing Consultant 1)

Concerns regarding establishing oneself as a competent and credible player when launching a new entrepreneurial venture are reasonably well documented in the entrepreneurial literature. One example is the “liability of newness” concept by Arthur Stinchcombe, which sheds light on the challenge new entrepreneurs encounter in gaining credibility due to a lack of a verifiable track record. (Yang & Aldrich, 2017)

“The things that have to be set in order, in the beginning, are developing an understanding of the potential client's situation and developing a potential solution from

there; included in this is differentiation from competitors, identifying the “my thing” that separates me from the competition” (Entrepreneurship Coach).

Appearing credible and competent were seen as challenging factors to overcome. One way to address the issue was by removing risk from the equation as much as possible from the prospective client’s point of view. A way to do this was to offer services at a low price in exchange for testimonials that could be further leveraged to improve the perception of trustworthiness and credibility. Trust that the provided services are valuable and indeed offer actual value to prospective clients was seen as a critical factor that increased confidence during the interactions with first prospective clients.

“You just have to somehow find the target audience and make them aware of the services or products that you are offering. That’s the problem as a professional-service business owner: just having a great idea is not enough. what matters is how well it finds its audience, and of course, the other question is, does what you have to offer even cater to their desires?” (Marketing consultant 2)

“I knew that people who used my products became happier and healthier, and suddenly, the demand kept growing as they asked for me, and that’s when I began helping them. (Business Coach)

Concerns regarding receiving visibility as a new entrepreneur amidst competition and being able to differentiate oneself as a potential trustworthy alternative against more established credible competitors took a lot of work.

One of the biggest challenges when you enter a new business field is clients; where do I get clients? I guess that’s the biggest concern entrepreneurs have. It’s only clear in the long run how much cold contacting is needed, how visible I need to be on social media, and how much I need to offer myself to know where to focus on the most. In the meanwhile, it’s very difficult to find balance (Management Consultant 1).

“There is an enormous amount of people (competitors) out there, and the fight for visibility is very hard, that’s why it is so important to find the own specific target audience to focus on” (Career Coach 2)

“Well, one of the hard challenges for everyone (launch-phase entrepreneurs), is visibility, basically how to get new clients. For example, I’m an introvert, so I’m not going to start calling anyone; cold calling sounds horrible” (Career Coach 1)

Networks were seen as an invaluable tool for locating potential initial clients, also because people within pre-existing networks had previous encounters with the entrepreneurs, which enhanced trust from the start. However, many interviewed entrepreneurs who couldn’t locate their first clients through networks had challenges in receiving visibility and being perceived as credible precisely because the prospective clients had finite ways of evaluating the entrepreneur's credibility.

5.2.2 Skills and Beliefs Surrounding Sales

Without pre-existing networks that could be leveraged for generating visibility and finding the initial clients, the only alternative was to locate potential customers manually, such as directly contacting prospective clients via email, social media, and the telephone. However, many entrepreneurs reported having challenges with sales skills in general due to a lack of direct sales work experience and beliefs surrounding sales that were, in hindsight, deemed irrational and counterproductive. On the flip side, one interviewee had the opposite experience, as he had a lot of experience with sales, especially with direct outreach via the phone.

“You can’t be shy with making sales; I think for many professional-service business owners, it is a barrier to be overcome, thinking that because they are professionals, they could overlook sales. I’m lucky because I have been working with the phone for so long, so I don’t have a problem grabbing the phone and getting clients that way” (Marketing Consultant 3).

The prior experience surrounding sales was a significant asset for a new entrepreneur because it made contacting people with a commercial intent much less daunting. Another interviewee expressed opposite concerns by stating that;

“In the beginning, my sales skills were nowhere near where they should have been, and at times I found sales annoying and a necessary evil, it was not my favourite thing, then after a while, I realized that no one else is going to come and do this for me and sales will always be a big part of entrepreneurship, so either I have to outsource sales or start liking it. After I got my first clients, sales became more relaxed because the “I must” mentality dissipated (Entrepreneurship Coach).

“Client acquisition was challenging; namely where do I get clients from? Basically, because I did not have any entrepreneur contacts, so I had to figure it all out by myself” (Recruitment Consultant 2).

“I am an introvert, I don’t want to call anybody, for me the thought of cold calling is horrific, so I decided to start posting content online, which led to organic growth, and even to this day, I keep getting clients the same way (Through writing). (Career Coach 1)

“I had such a bad conscience when people first started paying me money after I showed them the results I’ve gotten and then forwarded them to my services” (Business coach)

Lack of general information and know-how regarding sales as a business discipline was a common challenge, which was especially prevalent among those interviewed entrepreneurs who were previously employed in non-sales related roles and then chose to pursue an entrepreneurial path, as in previous positions, sales functions were perhaps designated to dedicated salespeople. As such, the individual sales processes, such as outreach, negotiation, and influence, were skills that had to be learned, mostly from first-hand experience.

To summarize, acquiring initial clients was challenging because gaining visibility, appearing credible, and thus competent as a new entrepreneur was difficult due to the absence of a verifiable track record. Furthermore, a lack of sales skills and incompatible beliefs surrounding sales were considered a challenge.

5.3 Self-Leadership

The third dominant challenge professional-service business owners faced is challenges in self-leadership, wherein self-leadership is defined as “Leading oneself toward the performance of naturally rewarding tasks as well as managing oneself to do work that must be done but is not naturally motivating” (Manz, 1986, p. 589). This main theme is divided into two closely related sub-themes: the first sub-theme is conscientious character traits and skills, and the second is focus challenges, namely the ability or lack thereof to allocate finite resources to core activities. The theme of self-leadership is placed in the challenges section as it was identifiable in hindsight among the interviewees that the lack of skills and traits related to self-leadership caused the challenges.

5.3.1 Conscientious Traits and Skills

The launch phase was a period in which it was sometimes difficult to evaluate what courses of action would yield the best results and act to par. In hindsight, most interviewees who reported these issues stated they knew what should be done. However, during those moments, the absence of experience in being completely responsible for one's calendar, actions, and output and the lack of external accountability systems hindered the ability to perform optimally. Self-managerial conscientious traits and skills were seen as important for overcoming these challenges.

“What I think was missing is (self) leadership skills; the ability to focus was a challenge, meaning that focusing here and there results in nothing getting done”. (Entrepreneurship Coach)

Focusing on the specific, most important, and relevant things also demands a systematic and routine-like approach to work. (Career Coach 1)

“I'm very punctual with putting down everything into the calendar. I could work from home from the couch, but I decided to separate the two (work and home); as such, I go to my office two kilometres from home, and when I work, I work” (Career Coach 2)

Embodying conscientious character traits as an entrepreneur, such as creating separation between work and leisure, proactively planning and structuring working days and activities, and establishing and adhering to routines and protocols, were seen as effective ways for reducing distractions and fostering optimal performance.

“The problem, I think, was that I did not stop to think is this wise (working hard), so the problem I had was not business per se but my wellbeing” (Management Consultant 2)

“I think lack of self-leadership is a domain that usually culminates to not doing those things that are important but perhaps not liked, such as sales” (Entrepreneurship Coach))

The launch phase was characterized as being unpredictable. Hence, a sporadic and reactive approach to problem-solving and working was commonplace, which led to negative consequences such as working long hours and having a hard time separating work from leisure hours, which had implications on mental and physical well-being and working performance.

“Having a day compartmentalized to specific slots is important; however, if for example, I'm feeling productive in the evening, I'm not going to stop my short just because it isn't planned” (Career Coach 1)

Although conscientious disciplinary traits were seen as helpful, the nature of entrepreneurship demanded flexibility and adaptability, where the ability to perform and produce took precedence over pre-established protocols when such situations arose.

5.3.2 Focus Challenges

A common remark among the interviewees was the desire to be able to focus on their core capabilities. The desire for focus was viewed as more than just a way to engage in the most enjoyable and impactful tasks but also a way to charge higher rates and thus increase revenue. However, during the launch phase as a new entrepreneur, many different tasks and responsibilities had to be taken care of in addition to mere service

delivery, making the ability to focus challenging, contributing to factors such as inconsistent and inefficient performance.

“I would only like to do the thing I'm good at, which is coaching” (Management Consultant 1)

“What I would have done differently in the launch phase when looking back now would have been to say no more often to clients; that would have made remaining focused easier” (Recruitment Consultant 1)

For many interviewees, the transition to entrepreneurship was partly fuelled by the desire to spend more time doing what one enjoys and finds meaningful. Yet, during the launch, adopting many responsibilities was unavoidable.

“In the beginning, there's no avoiding the work; you have to do the work, and it's likely that in the beginning, you have to do even too much, but you have to choose: either you do it now, or you have to do it later anyway” (Career Coach 1)

An effective way for distributing the burden of responsibilities and workload during the launch was outsourcing tasks that didn't revolve around the central circle of competence of the entrepreneur.

“Entrepreneurs should, to the best of their ability and capability, outsource those things that are not core skills so there's enough time to focus on the things because you became an entrepreneur in the first place” (Career Coach 2)

“One challenge was that I was used to having a place to call when I had problems surrounding IT. I outsource my IT and pay around 700€ a year for it; it's a small price of the peace of mind for having a place to call and not worry about” (Marketing Consultant 2)

Willingness to invest financially in outsourcing tasks and responsibilities that don't exist around the core area of competence was seen as an effective strategy to regain time, energy, focus, and peace of mind, which could be further reallocated to the more critical activities. Given the unique knowledge and skillsets of professional-service business owners, the more time they had available to offer their services, the better off they were in revenue generated and their quality of life.

In summary, during the launch phase as a new entrepreneur, a new environment and the adoption of a new role, in which all responsibility for performance and output relies on the shoulders of the entrepreneur, caused challenges such as work-life balance concerns, well-being issues, sub-optimal performance capability, and diluted focus. These challenges were alleviated through conscientious skills and traits, which, together with the willingness to outsource tasks that didn't revolve around the core competencies of the entrepreneur, contributed to overcoming these challenges.

6 FACTORS THAT MITIGATED LAUNCH PHASE CHALLENGES

After analysing the data, three notable main themes emerged that were seen as helpful in mitigating the challenges set by the venture launch. The first main theme is piloting and prior experience, consisting of two interrelated subthemes, the first sub-theme is launching pilot versions to gather feedback and gauge the demand for potential services and the second sub-theme is relevant prior experience and its practical utility for understanding the market's characteristics, problems, and desires. The second main theme is networking, consisting of two sub-themes. The first sub-theme is networks as a means for gaining traction as a new entrepreneur. The second sub-theme is networks as a means for receiving help and support. The third main theme is the propensity towards self-education and investment, consisting of two sub-themes. The first sub-theme is the pursuit of deliberate learning through self-educational means such as seminars, courses, and books and the second sub-theme is the willingness to invest financially in external guidance such as coaches and mentors. Other smaller factors could be identified as well; these were factors such as soft skills, people skills, communication skills, and conflict resolution skills. Given the lesser prevalence of these factors, they are not addressed further in the findings section. Table 7 showcases the main themes, sub-themes, and first-order codes. Table 8 illustrates a table in which it's possible to identify to which extent each interviewee found each main theme as a factor that helped mitigate launch phase challenges.

Main-Themes	Sub-Themes	First Order Codes
Piloting and prior experience	<ul style="list-style-type: none"> • Launching pilot versions • Prior relevant experience 	<ul style="list-style-type: none"> • Dedicating enough time to conceptualize a product prior to the venture launch • Launching pilot versions with lower prices • Having clearly defined target audiences and value propositions • The target audience has to be aware of the entrepreneur's existence • Ideas don't matter, a demand for the idea does • A robust business background • Validating a business idea through prior experience • Making assumptions about the market is a mistake • Prior relevant experience is a big asset • Conducting research on competition prior to launch is helpful • Importance of thorough digital market research prior to launch
Networks as a means for traction and support	<ul style="list-style-type: none"> • Networks as a means for gaining traction • Networks as a means for receiving support 	<ul style="list-style-type: none"> • Initial clients came from networks • Most people have networks, they just don't know it • Leveraging networks to develop an understanding of the market • First clients came from old contacts • Networks as a means for testing ideas • Networks as a means of peer support • Importance of long-term partnerships • Possibility to receive help to almost any problem through networks • Building networks with intent is important • The closest people are the greatest asset during a venture launch phase
Propensity towards self-education and investment	<ul style="list-style-type: none"> • Deliberate learning through self-educational means • Willingness to financially invest in hands-on guidance 	<ul style="list-style-type: none"> • Self-education through online courses, blogs, books, and webinars • As a professional, competence must exist and be verifiable before money can be charged • If something is not known, it can be learned • Traditional entrepreneurial education courses • Leveraging other people's experience by hiring them • Paid mentors are important • Not investing sooner on help as a biggest regret • Paid mentors offer specific advice to specific problems • Leveraging all possible educational means available

Table 7, Launch Phase Solutions Themes

Case Interview	Piloting	Networks	Self-education	Example Quote
#	Major Solution	Medium Solution	Neutral	
Marketing Consultant 1	Medium	Major	Major	"Marketing is such a big domain, so I spend a lot of time actively developing my skills. I bought web courses, read blogs, books, and attended seminars" (Self-Education)
Marketing Consultant 2	Major	Neutral	Major	"I self-studied, I have nothing (formal education) but very consistent and robust self-study background" (Self Education)
Marketing Consultant 3	Major	Medium	Neutral	"Even before (venture launch) I proactively built my professional network" (Networks)
Recruitment Consultant 1	Medium	Neutral	Neutral	"Looking back what I would have done differently, I would have invested even more time on customer research and built (service) alongside with customers" (Piloting)
Recruitment Consultant 2	Major	Medium	Major	"When I invested in help, my results increased, that's why I'm confident in raising my prices because I know if I invest in myself then results follow" (Self-education)
Career coach 1	Neutral	Neutral	Medium	"Investing not only in proper equipment but for professional help, be it consulting or sparring so that when challenging times come, you don't lose faith in your own ability" (Self-education)
Career coach 2	Major	Medium	Neutral	"Just have to start doing, learning by doing is much better than reading another book or creating another draft" (Piloting)
Business coach	Major	Major	Neutral	"What I did was build a strong foundation before I transitioned to entrepreneurship fully, that's what I tell other starting out entrepreneurs as well, don't go all in before you have a foundation" (Piloting)
Hr consultant	Neutral	Major	Neutral	"Maybe the most important thing (in entrepreneurship) are the people around you, because they can offer you advice and encouragement" (Networks)
Management Consultant 1	Neutral	Major	Medium	"I have invested a lot of euros in developing my skills, the way I see it, it would be stupid not to invest in myself because that's partly what I'm selling (Self-development) (Self-education)
Management Consultant 2	Neutral	Major	Neutral	"My advantage was my big network, in the beginning, I already had a few clients from the start" (Networks)
Graphic Designer	Neutral	Major	Neutral	"The start for me was good because I knew I would have few clients right away, so I had a foundation. It was good to have old acquaintances whom I worked with before, so I didn't have to start from a blank slate" (Networks)
Entrepreneurship coach	Major	Neutral	Medium	"I have been looking for my own position, I started by providing assistant services, which evolved to time-management coaching, which evolved to business coaching through piloting." (Piloting)

Table 8. Launch Phase Solutions

6.1 Piloting and Prior Experience

The first main theme is divided into two sub-themes; the first sub-theme is launching pilot versions for receiving feedback and validation from the market, and the second is the importance and practical utility of having relevant prior experience. Piloting, in this particular instance, refers to a mode of operation that emphasizes experimentation and validation of hypotheses through customer interaction, with the ultimate goal of developing a minimum viable product or a service to gather feedback from the market for subsequent product or service validation and re-iteration (Felin et al., 2019).

6.1.1 Launching Pilot Versions

Many interviewees reported that spending time and energy on conceptualizing the initial business idea was useful only to a certain extent, and the only way to test the practical viability and validity of the potential idea was to offer it in the marketplace. Having an action bias and learning through trial and error were critical steps for gauging the demand for the services and the overall economic feasibility.

“I can’t stress enough the importance of starting as soon as possible and not waiting; there is nothing to lose if you just start and do; it’s best to just practice by doing than it is reading another book or taking another course or watching another YouTube video”
(Career Coach 1)

I thought to myself no harm in failing, and if it doesn’t work out, I can always try something else” (Management Consultant 1)

When I start doing anything, I first calculate the potential risks, calculate how much it will cost, and, if it works out, what are the potential upsides. (Marketing Consultant 1)

Launching pilot versions incorporated several key factors, such as the willingness to act without a clear direction, calculation of an acceptable level of loss in terms of time, money, and other resources, but most importantly, the willingness to take the initial step

with the resources available and re-iterate further based on the feedback from the market.

“Having an idea in mind was not enough; I had to prove it somehow, starting slowly with small steps, but at the end of the day, you just have to push through; it all starts from somewhere, and most often, it starts from the trenches up, At the beginning I had nothing to show, so what I did was I came up with imaginary companies and created mock-up versions of our products for illustration purposes. (Marketing consultant 1)

I piloted my services, always testing what worked and what didn't work (HR Consultant).

I have been looking for my position; I started as providing assistant services, which then evolved to time-management services, which then evolved to what I'm doing now (Entrepreneurship coaching), receiving constant feedback from the clients if this is exactly what they need and what helps them the best way possible. (Entrepreneurship Coach)

Launching pilot versions enabled a fruitful, low-risk environment to validate the utility and demand of the services compared to allocating resources to building a service and its corresponding infrastructure without going through the incremental-iterative steps to ensure that the idea is viable and in demand by the market. This proved to be an effective way to develop an understanding of the market dynamic, as it eliminated subjective biases and guesswork from the equation of service development. Based on the interviewees, the importance of remaining flexible and being willing to adapt to the market needs and desires and evolve accordingly.

6.1.2 Prior Relevant Experience

Prior relevant experience was helpful in two ways; firstly, it helped create a foundational understanding of the market even before launch, which contributed to better clarity of the market dynamics, including the problems, needs, and desires of the given market. Secondly, prior relevant experience brought industry connections, connections which even evolved into paying customers.

“I did not come up with this business idea, but rather it's based on my twenty-year background (In the industry).” (Career Coach 2)

“For me, in the spring (Launch period), I started noticing the problems that my potential target audience has in my day job, so the validating of my business idea was right there in the beginning” (Marketing Consultant 3)

“My first coaching clients were friends whom I helped for free, and after that, I received a few paying clients (HR consultant)

“My advantage was that I had experience from agency work from my previous employment, and I knew I had pre-existing people who would order from me” (Graphic Designer)

Identifying problems within a specific market and having the relevant expertise to solve these problems potentially eased the transition into entrepreneurship because it made the transition based on more than a mere hunch and desire. Furthermore, related to the importance of networks, some interviewees reported that their first clients originated from their pre-existing connections.

“You can't assume things, in hindsight; if I had used all the digital tools and data available, I would have seen those signals for validating my business concept much faster. What I did (instead) was I spoke to people, and I quickly realized that they (the target audience) had an awareness of the problems but not deep knowledge (of how to solve the problem) (Marketing Consultant 3)

*“I started by asking a lot of questions from my friends. Do you see any problems?”
(Marketing Consultant 1)*

*“You must have an understanding (before launch) whether or not there is a demand;
it’s probably not the best idea to open a kiosk in an empty village” (Career Coach 1)*

In summary, launching pilot versions of services and having relevant prior experience alongside the willingness to research the market dynamics assisted greatly in developing services that were actually in demand by the market and thus contributed positively towards overcoming the launch phase challenges.

6.2 Networks As a Means for Traction and Support

During the launch phase, having an extensive network was seen as a beneficial factor for overcoming the launch phase challenges, as made evident by the fact that nine out of the thirteen interviewees discussed networks and their impact during the launch phase in one way or another. Networks were invaluable in two primary ways. First, networks enabled the possibility of generating rapid visibility and service validation as a new entrepreneur, and second; networks provided much-needed support and guidance.

6.2.1 Networks as a Means for Gaining Traction

Having broad networks was impactful because it enabled the possibility of rapid experimentation with ideas, concepts, and services, effectively contributing to gaining visibility, securing first clients, and building momentum as a new entrepreneur. One of the core mechanisms of how networks enabled all this is that networks mitigated the concerns regarding legitimacy issues, as the people within networks knew the reputation and credibility of the entrepreneur, which more than likely reduced the perceived associated risks of doing business with a new entrepreneur.

“My advantage was that that I had a big network, I did business designing projects (previous job), and when I resigned, I immediately made a yearlong contract with my old employer as an independent service provider, so right in the beginning, I had a (commercial) partnership already” (Management Consultant 1).

“It was a big revelation moment for me when I realized that I actually have very good networks. The clients that I have now even, one is my old client from my previous job, one is my previous employer, and one is my friend's company. I would have never believed that I could do business with friends, but ever since becoming an entrepreneur, my thinking has changed” (Marketing Consultant 2).

Pre-existing relationships were seen as extremely valuable and held in high regard because many interviewees reported that they secured their initial clients from their pre-existing networks. Prospective clients from pre-existing networks knew the emerging entrepreneurs' reputations, skills, and traits. This is in contrast to prospective clients who did not previously know the new entrepreneur and had to become familiar with the nascent entrepreneur's reputation and competence with scarce evidence, which inherently carries risk for the prospective clients.

“It was a good start for me because, in the beginning, I knew I would have a few clients that would order from me, so I had a base, and it went well because I had known them for a long time and worked with them before I have had so many working colleagues, and through them, I received contacts who then proceeded to order because they also knew me from before.” (Graphic Designer)

Acknowledging one's networks and the pool of prospective clients that could originate from one's networks before the venture launch was seen as an encouraging factor that made the transition into entrepreneurship more palpable.

6.2.2 Networks as a Means for Receiving Support

The support component originating from networks was seen as a precious factor for overcoming the hurdles set by the launch phase, providing personal guidance and collegial relationships.

“I chose to pursue a franchise model because from there I got all the required quality material very easily, and also of course because of the network component, we have a certain kind of collegial network of independent entrepreneurs which is a great support” (Management Consultant 1)

“I know that if I have a problem, I will always find a solution to it by making a few phone calls, but I always want to make sure that I won't take advantage of people, so I always offer to pay or make some sort of a trade, but it's very important for me not to

take advantage of people but help instead, and by doing so other want to help you too” (Business Coach).

These connections, consisting of former colleagues, business partners, friends, and alike, provided much-needed support during a time characterized by novelty and unpredictability. They offered guidance from business-specific challenges to peer-like support during overwhelming times. In these instances, having the possibility to reach out during a time of need was seen as a significant factor contributing positively towards overcoming the launch phase challenges.

“I haven’t missed useless meetings, but I have many friends who also work from home, and oftentimes we chat and change thoughts with each other even though we work in different fields” (Graphic Designer)

“I had no entrepreneur acquaintances, so I had to figure everything out myself, but luckily, I had a few people in my network who helped me out a lot. I wrote publicly about having thought about getting into entrepreneurship, and people in my network started reacting and offered their help” (Recruitment Consultant 2)

In summary, networks proved valuable in overcoming the challenges encountered during the launch phase by building traction, facilitating the acquisition of initial clients and providing a support network during turbulent times.

6.3 Propensity Towards Self-Education and Investment

The third main theme is the propensity for self-education and investment, comprising of two sub-themes. The first sub-theme is the utility of deliberate learning throughout the launch phase through sources such as books, blogs, courses, and seminars. In this context, deliberate learning refers to a goal-driven learning approach that intends to apply what was learned to solve specific problems. As such, deliberate learning is closely linked with deliberate practice, a structured, feedback-driven, and highly focused practice aimed at improving performance in a specific domain (Hambrick et al., 2014). Given the large domain that is entrepreneurship and launching a venture, deliberate learning was seen as a more apt conceptualization than deliberate practice. The second sub-theme is the willingness to invest financially in hands-on personal guidance, such as hiring coaches and mentors.

6.3.1 Deliberate Learning Through Self-Education Means

Deliberate learning was seen as an effective way to gain and develop competence in one's domain, but significantly, as a way to navigate the nuanced problems during the launch phase.

“When it came to education, I know some entrepreneurs need to focus on sales, but not me; however, I still did spend a lot of time studying; I bought online courses, books, and blogs, courses and attended webinars”. (Marketing Consultant 2)

“When it came to learning, I self-studied; I have nothing (Official education) other than very solid know-how based on consistent self-study” (Marketing Consultant 1)

Alternative educational sources were seen as helpful because they could be leveraged on an on-demand basis; whenever a specific problem occurred, applicable information could be sought and applied instantaneously.

“As a result of having been enrolled in an entrepreneurship course, I was able to skip many problems, and to be honest, because of that, I did not have that many troubles in the start this time” (Entrepreneurship Coach)

Traditional educational sources, such as entrepreneurship courses, were seen as valuable, but the interviewees who reported that self-educational pursuits were helpful found learning pursuits based on specific, timely problems more useful than prior educational backgrounds. While the interviewees reported that free and low-cost educational resources were helpful, investing in personal hands-on guidance was also considered equally helpful.

6.3.2 Willingness to Financially Invest in Hands-On Guidance

Where the help and support received from networks and other educational sources was more general and frequently mentioned, investing financially in hands-on guidance and advice from coaches, mentors, or consultants was a different kind of support, as they could offer practical industry-specific advice to specific problems encountered during the launch phase.

“First, I tried to go without a sales coach, and nothing happened; I realized I need someone to whip myself as well who will go with me every month on the key numbers and actions” (HR Consultant)

“Not long after, results started to come in after investing, and because of it, I was able to raise my prices. After the sales coach, I even worked with a business sponsor, who happened to be a retired accounting consultancy owner” (HR Consultant)

As almost all of the interviewed entrepreneurs launched their ventures alone, without a team or a business partner who could've provided support and accountability, external advisory expertise, industry know-how, and support was seen as an invaluable aid for overcoming the launch phase challenges.

“Having help in the beginning, you don’t need to try and figure out all the steps yourself because there are people who have already travelled those same steps; this saves a lot of time and money” (Entrepreneurship Coach)

Investing financially to leverage the experience of people who have gone through the same hurdles was seen as a way to save time, effort, and money in the long run. Interestingly, interviewees who reported having invested financially in external guidance also mentioned that the people they received help from were also entrepreneurs. In summary, deliberate learning through self-educational means alongside investing financially in hands-on guidance was seen as an effective way to alleviate the challenges encountered during the launch phase.

7 DISCUSSION

This chapter aims to summarize and reflect the findings in light of pre-existing literature and address the study's practical and theoretical implications,

The research question of this study was:

What challenges do Finnish Professional-service business owners face when launching their ventures in online environments, and what factors help mitigate these challenges?

7.1 Answering the Research Question

7.1.1 Challenges

Three notable themes emerged from the data that were seen as challenges among Finnish professional-service business owners during venture launches in online environments. The first challenge was pricing; professional-service business owners regarded quantifying the monetary value of their services and establishing prices for their services as a challenge. Many interviewees reported underpricing during the launch phase yet simultaneously voiced their desire to charge a fair and reasonable amount for their efforts. Employing a value-based pricing strategy for determining and establishing a price for services was seen as effective at alleviating the pricing challenges. Value-based pricing is built on the premise that the price is determined based on the value clients perceive it to be (Debrueyne et al., 2003). Other than incrementally increasing the prices and seeing what customers were willing to pay, it remains unclear how the value-based pricing strategy was implemented practically and how the interviewees measured and quantified the monetary value that the customers perceived the services to be. Furthermore, pricing management was also seen as a challenge as conceptualized by determining the frequency and magnitude of price increases and knowing how to communicate it to clients effectively.

The second challenge was initial client acquisition. Gaining visibility, appearing credible, and thus gaining traction amidst competition was seen as a challenge. The absence of a verifiable track record and references were noted as factors that hindered the perception of credibility and competence among prospective clients. These concerns did not come as a surprise, as the challenges revolving around the perception of legitimacy, credibility, and competence as a new entrepreneur are fairly well documented in the entrepreneurial literature. Most accurately, perhaps through the work of Arthur Stinchcombe's concept of liability of newness, which, among other detriments, identifies that prospective clients are likely to have a poor perception of the credibility of starting entrepreneurs and thus confidence in their competence. Interestingly, resources, as measured by human, social, and financial capital in the concept of liability of newness, received lesser emphasis as a challenge. In contrast, networks were seen as valuable (social capital), but not a single interviewee mentioned that the lack of financial capital was a challenge in and of itself (Yang & Aldrich, 2017). Additionally, general skills, beliefs, and perceived personality incompatibilities with sales were seen as a challenge that contributed to challenges in initial client acquisition. Those interviewees with no sales background found that the tasks for acquiring clients and building relationships with prospective clients, such as directly calling them or approaching via other means, were daunting. Interestingly, those interviewees who reported sales being a challenge also mentioned that they grew to learn to tolerate and even like sales. As such, they deemed sales and persuasive communication as skills that can be learned through first-hand experience and trial and error.

The third challenge was self-leadership, and more precisely, the initial lack thereof and its adverse implications on performance, leading to inconsistent and inefficient performance and challenges in the ability to remain focused. As per the conceptualization of self-leadership presented by Manz (1986), wherein managing oneself to do the work that might not be intrinsically motivating but has to be done nonetheless, the interviewed entrepreneurs came to realize very fast during the launch phase that they are completely responsible for their calendar, work and the output of their creative endeavors (p. 589). The launch phase was characterized as unpredictable and uncertain, in which the boundaries between work and leisure were slim, creating adverse effects on

work-life balance, general well-being, and the ability to perform. Employing self-managerial competencies such as proactive scheduling, time-blocking, and abiding by self-imposed routines and procedures was helpful. Furthermore, challenges surrounding the ability to focus were a concern; many interviewees voiced their concerns that their desire to focus on their core capabilities could not be met due to the myriad of other tasks and responsibilities that are part of a new entrepreneur's life. An effective way for alleviating these concerns was outsourcing tasks that were not part of core competence or interest, such as hiring external assistance to manage IT or hiring sales services to help with sales.

7.1.2 Mitigative Factors

Three notable themes emerged regarding the factors that helped mitigate the challenges encountered during the launch phase. The first mitigative factor was piloting and relevant prior experience. The courage and willingness to test the commercial potential and viability of services by launching incomplete versions of services to gather feedback for further re-iterations was seen as an effective way of identifying what works and what doesn't, thus enabling subsequent service development. These findings came as no surprise as the practical utility and perhaps even necessity of incremental and iterative approaches to service design and venture launch have been extensively researched and popularized through works such as the *Lean Start-up* (2011) by Eric Ries, which highlights the importance and practical utility of launching minimum viable products and validated learning. As well as through the concept of the effectuation theory by Saras D. Sarasvathy, which emphasizes a mode of operations characterized by a bias for action and the willingness to get moving with the available resources at hand (Sarasvathy, 2008). Furthermore, prior relevant experience was seen as a great asset to leverage during venture launch, most importantly because it helped in developing an understanding of the market dynamics, problems, needs, and desires, but also because connections originating from prior occupational settings facilitated initial client acquisition.

The second mitigative factor for overcoming the launch phase challenges was networks. The value and utility of networks within the context of entrepreneurship and start-ups are noted in the literature fairly well. A paper by Aldrich and Zimmerer (1986) succinctly

summarizes the importance of networks by stating weak ties originating from networks can provide connections that provide timely and accurate information, become customers, and provide resources for investment. Networks were instrumental in two distinct ways; firstly, they proved instrumental for generating visibility fast as a new entrepreneur, thus facilitating the service validation process. More importantly, many interviewees mentioned receiving their first clients from their networks. The clients who originated from the networks were already familiar with the entrepreneurs' backgrounds, reputations, and competencies. Secondly, networks were valuable because they could provide much-needed support, guidance, and camaraderie during difficult times. The value of networks is further highlighted by the fact that almost every interviewee brought up the value of networks during the interview process.

The third factor seen as valuable for alleviating the challenges encountered during the launch phase was the propensity for self-education and investment. Deliberate learning through available educational means such as books, blogs, courses, and seminars proved instrumental in helping solve specific problems during launch and developing one's competence as a new entrepreneur. These accolades of the pursuit of deliberate learning throughout the venture's initial launch and organizing process are also recognized in the works of Yang and Aldrich, who found that the survival of new businesses might depend less on pre-existing knowledge and more on the capability to learn during the organizing process (Yang & Aldrich, 2017). Additionally, the willingness to invest financially in external guidance from coaches and mentors helped overcome challenges because they could offer specific hands-on guidance that could be applied immediately.

7.2 Reliability and Validity

As in any research, addressing the reliability and validity of the research design, method, and steps undertaken is crucial for gauging the study's overall credibility and integrity and the findings' replicability. Reliability and validity are two primary factors sought to evaluate research. Generally, the empirical measurement within a study consists of two fundamental properties, the first being reliability, which concerns the extent to which an experiment or any similar measuring procedure yields similar results if

replicated. Validity, on the other hand, refers to the extent to which any measuring instrument measures what it is intended to measure (Golafshani, 2003). Trustworthiness, further compartmentalized into four factors, is an approach for further defining reliability and assessing qualitative research, popularized by Lincoln and Guba in 1985. Trustworthiness consists of confirmability, credibility, dependability, and transferability, and the overall reliability and validity of the study will be investigated and evaluated through these four lenses (Shenton, 2004).

Starting with the concept of confirmability, it pertains to the degree to which the findings of a study remain consistent when replicated by a different researcher. (Shenton, 2004) The empirical part of the research consisted of thirteen individual interviews. During the interview process, it was possible to identify that the same domains were frequently touched upon by the interviewees, which hinted at having reached data saturation, data saturation referring to having reached the point in which further data collection doesn't necessarily provide new insights (Fusch & Ness, 2015). Furthermore, the data analysis process with each subsequent process is described in detail. However, one factor that should be highlighted is the process of interpretation and its inherently subjective nature, as each researcher might have different interpretations. The overall results might be affected if these interpretations cumulate throughout the analysis process.

Proceeding with credibility involves evaluating whether the research findings align with reality and are widely considered truthful (Fusch & Ness, 2015). The extensive interviewee sample consisted of individuals who fit the characteristics of the target research group, which, together with a semi-structured interview framework, contributed to a focused and integral interview process and output. The semi-structured interview process ensured that the interview process coincided with the research objectives but also enabled the possibility to adapt during each interview process based on the individual peculiarities and experiences of the interviewees. Thus, the data collection processes effectively obtained data that coincided with the research objectives and questions. As such, no factors were present during the data collection or analysis phase, which would pose risks to the overall integrity of the findings.

The third aspect is dependability, which pertains to the overall transparent documentation of the research that would enable other researchers to replicate the study if the same procedures are followed (Fusch & Ness, 2015). The entire research process is disclosed transparently, creating a fruitful environment for replicability attempts. However, two factors that might have slight detrimental implications on the replication process should be noted. The first one is that the interview transcripts were handled in Finnish and only translated to English during the inference of codes. This might create a slight risk for differing interpretations if replication is attempted. This strategy was followed due to the large volume of transcripts and the inaccuracy of translation software when translating transcribed text from casual and informal conversations. Inferring the true meaning of the spoken words in Finnish made coding more efficient and, arguably, more accurate. The second factor that should be addressed is the use of interview notes during the analysis process, wherein factors such as the interviewees' tone of voice, perceived emotions, and non-verbal communication were noted, which were then used to a small degree during the data analysis process.

Concluding with transferability, which focuses on the applicability of the results to other scenarios or contexts (Fusch & Ness, 2015). Given the relatively generalizable challenges most starting-out entrepreneurs face, there is no reason to doubt that the findings of this study, even though consisting of a specific target group, could not transfer to other scenarios, such as non-professional-service business owners launching their ventures in traditional environments.

Considering all these aspects of trustworthiness, I evaluate the study as reliable and valid with the note of considering the use of two languages in the initial data analysis process, which might pose slight challenges if replication is attempted without a proficient understanding of Finnish and English as well as considering the embedded interpretative nature of coding and the inference of perceived meanings from said codes.

7.3 Practical Implications

This chapter aims to showcase the three most impactful findings from the study that could have valuable practical implications for both professional-service business owners and the entrepreneurial research community.

The first is the nature of a service business in conjunction with an online business environment as a digital entrepreneur and its implications on the lengths of validation and re-iteration processes of a new service. In contrast to launching a physical product or a service in traditional non-online environments, a re-iteration cycle can take many months to years due to the many requirements and constraints set by the physical environment, such as physical location, logistics, inventory, and similar factors. In theory, a service business can go through the same ideation, launch, and re-iteration cycle faster while accruing less costs. A telling factor supporting this notion is that many interviewees reported that the service they founded compared to the service they now continue to offer is vastly different. The practical implications of this can be significant; first and foremost, it can impact the service development process and the ability to test the commercial validity of services. Testing the validity and demand of a potential service without making substantial financial investments can have many positive downstream implications. For example, it might drastically reduce the hurdles to be overcome as a starting out entrepreneur, thus making entrepreneurship in professional services more feasible and attractive for individuals with entrepreneurial aspirations.

The second practical implication that emerges based on the findings of this study is pricing, and more specifically, approaching the pricing of professional services from a different angle, namely from a value-based perspective. Many interviewees reported having experienced a fundamental challenge: finding the right balance in pricing to ensure competitive and fair compensation without seeming excessively unaffordable to prospective clients. The option of charging a fixed amount by the hour or establishing a price based on the cost-of-service delivery resulted in sub-optimal pay. This was combated through a value-based pricing strategy, which, when established incrementally

allowed the interviewees to charge higher prices. This can have notable practical implications, such as charging more while possibly working less. In essence, transitioning to value-based pricing transforms the perception of the service provider into that of a solution provider. Other interesting questions emerge that pose theoretical implications, namely, what factors affect the perceptions of value, and what is the actual mechanism through which it could be quantified?

The third theme with potential practical implications is the significance and utility of networks as an emerging professional-service business owner in an online business environment. Many interviewees reported receiving their first clients through networks and receiving support and guidance, which contributed to a successful venture launch. Interestingly, the ascribed networks were reported as consisting of previous clients, employees, friends, and other weak ties; regardless of origin, they were seen as highly impactful. Instead of pushing through the launch phase alone, mindfully inventorying one's networks and making entrepreneurial intentions known before and during venture launch might prove advantageous and contribute towards overcoming potential challenges.

In summary, three notable practical implications emerged from the findings, including the transformative impact of the online business environment in conjunction with digital entrepreneurship in rendering entrepreneurship more accessible and less demanding of financial resources. Secondly, the value of leveraging a value-based pricing strategy stands out as impactful. Finally, the practical value of communicating entrepreneurial intentions within one's networks during the launch phase is significant.

8 CONCLUSIONS

This study investigated the challenges professional-service business owners face when launching their ventures in online business environments and the factors that help mitigate them. Thirteen interviews with Finnish professional-service business owners were conducted. The findings provide applicable insights to current professional-service business owners, aspiring professional-service business owners, and the entrepreneurial research community. Regarding the challenges professional-service business owners face during venture launches in online business environments, three critical challenges emerged: pricing, initial client acquisition, and self-leadership. Factors that contributed to alleviating the launch phase challenges were piloting and relevant prior experience, networks, and investing in self-education.

8.1 Recommendations For Future Research

Based on the findings and after speaking to thirteen individual entrepreneurs and listening to their unique stories, three interesting points arise that should deserve more attention in future research. The first point is that as a professional-service business owner, the entire bedrock of the business operation lies almost entirely in the perception that other people have of you. The concept of branding is well-known and researched; however, the idea and value of trust seem to be more crucial and influential in founder-led service businesses than in more traditional product-oriented offline businesses because it is impossible to separate the founder from the provided services as they are both the face of the brand and the one who provides the services. Research investigating what factors contribute to an enhanced perception of credibility and competence in professional service businesses could prove valuable.

The second point is networks and their importance as a professional-service business owner operating in an online business environment. Networks were regarded as a key contributing factor for acquiring first clients and a medium for receiving guidance and support. This finding was fascinating because the mechanism through which networks enabled these benefits was trust. As such, people originating from networks have

previous touchpoints with the entrepreneur's credibility and thus take on a smaller risk than prospective clients who do not originate from networks. An exciting research path in this domain would be to learn how to leverage networks to mitigate the liability of newness as a starting professional-service business owner in online business environments.

The third point is value-based pricing; many interviewed entrepreneurs reported that quantifying the price of their services based on their client's perceived value was superior to employing more traditional pricing strategies such as a fixed hourly rate. A value-based pricing model makes charging more for the same work possible. Future research could benefit from a greater understanding of the factors contributing to the perception of value in professional services.

8.2 Research Limitations

As with any research endeavor, it is essential to objectively inspect and evaluate the research process and all its components to identify any factors present that might pose concerns about the limitations of the research or the integrity of the findings. In this research context, multiple limitations can be identified that should be addressed. The first limitation is the target research group. At the same time, all the interviewed entrepreneurs were professional-service business owners operating in the online business realm; there was still significant variation in prior entrepreneurial experience between the entrepreneurs. Time since the venture launch among the interviewed entrepreneurs ranged from one to six years, with the median being three years. However, the addressable limitation is that all interviewees had different levels of prior entrepreneurial background and experience within the domains in which they became entrepreneurs. This meant that whereas for some interviewees, the launch phase was their first and occurred within a year before the interview, for other interviewees, the launch was not their first, and more time had elapsed since the launch. As such, the interviewees who had a longer time since launch reported having challenges remembering the specific details of the launch phase experience. In contrast, those interviewees who had barely a year since launch were still technically in the launch phase. As such, a sample size with a similar

time since launch and a similar prior entrepreneurial background could have provided an even more homogenous sample size, allowing for a more focused research scope.

The second limitation, evident in hindsight, is the nature of the research objective and research question that sought to answer both the challenges and the helpful mitigative factors to these challenges. By focusing only on the challenges, it could have been possible to remain more focused during the interviews and thus collect more specific data, enabling a more focused research scope. Given that the interviews were roughly 30 to 40 minutes, it was impossible to ask as many questions as perhaps optimal, given the time constraints. The third factor to acknowledge is the possibility of unconscious bias during the research process. Even though no apparent incentives that could harm the integrity of the study or conflicts of interest during the research process were present, it's still important to acknowledge the possibility of unconscious bias occurring, especially during the interview process.

REFERENCES

- Acs, Z., Song, A., Szerb, L., Audretsch, D., & Komlosi, E. (2021). The evolution of the global digital platform economy: 1971–2021. *Small Business Economics*, 57, 1–31.
<https://doi.org/10.1007/s11187-021-00561-x>
- Aldrich, H. E., & Fiol, C. M. (1994). Fools Rush in? The Institutional Context of Industry Creation. *The Academy of Management Review*, 19(4), 645.
<https://doi.org/10.2307/258740>
- Aldrich, H., & Zimmer, C. (1986). Entrepreneurship Through Social Networks. In *California Management Review* (Vol. 33, pp. 3–23).
- Berry, L. L., & Yadav, M. S. (1996). Capture and Communicate Value in the Pricing of Services. *Sloan Management Review*, 37(4), 41.
- Bitektine, A. (2011). Toward a Theory of Social Judgments of Organizations: The Case of Legitimacy, Reputation, and Status. *The Academy of Management Review*, 36(1), 151–179.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3, 77–101. <https://doi.org/10.1191/1478088706qp063oa>
- Bukht, R., & Heeks, R. (2018). Defining, Conceptualising and Measuring the Digital Economy. *International Organisations Research Journal*, 13, 143–172.
<https://doi.org/10.17323/1996-7845-2018-02-07>
- Davidson, E., & Vaast, E. (2010). *Digital Entrepreneurship and Its Sociomaterial Enactment* (p. 10). <https://doi.org/10.1109/HICSS.2010.150>
- Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301–331.
[https://doi.org/10.1016/S0883-9026\(02\)00097-6](https://doi.org/10.1016/S0883-9026(02)00097-6)

- Debruyne, M., Ingenbleek, P., Frambach, R., & Verhallen, T. (2003). Successful New Product Pricing Practices: A Contingency Approach. *Marketing Letters*, 14, 289–305. <https://doi.org/10.1023/B:MARK.0000012473.92160.3d>
- Dubini, P., & Aldrich, H. (1991). Personal and Extended Networks Are Central to the Entrepreneurial Process. *Journal of Business Venturing*, 6, 305–313. [https://doi.org/10.1016/0883-9026\(91\)90021-5](https://doi.org/10.1016/0883-9026(91)90021-5)
- Eisenmann, T., Parker, G., & Alstyn, M. W. V. (2006). Strategies for Two-Sided Markets. *Harvard Business Review*.
- Elfring, T., & Hulsink, W. (2003). Networks in entrepreneurship: The case of high-technology firms. *Small Business Economics*, 21(4), 409–422.
- Eliakis, S., Kotsopoulos, D., Karagiannaki, A., & Pramataris, K. (2020). Survival and Growth in Innovative Technology Entrepreneurship: A Mixed-Methods Investigation. *Administrative Sciences*, 10(3), Article 3. <https://doi.org/10.3390/admsci10030039>
- Fang, Z & A, Collier. (2016). Digital Entrepreneurship: Research and Practice. 9th Annual Conference of the EuroMed Academy of Business, 2173. <https://eprints.staffs.ac.uk/6274/1/DigitalEntrepreneurship-ResearchandPractice.pdf>
- Felin, T., Gambardella, A., Stern, S., & Zenger, T. (2019). *Lean Startup and the Business Model: Experimentation Revisited* (SSRN Scholarly Paper 3427084). <https://papers.ssrn.com/abstract=3427084>
- Fisher, G., Kuratko, D. F., Bloodgood, J. M., & Hornsby, J. S. (2017). Legitimate to whom? The challenge of audience diversity and new venture legitimacy. *Journal of Business Venturing*, 32(1), 52–71. <https://doi.org/10.1016/j.jbusvent.2016.10.005>

- Fusch, P., & Ness, L. (2015). Are We There Yet? Data Saturation in Qualitative Research. *The Qualitative Report*, 20(9), 1408–1416. <https://doi.org/10.46743/2160-3715/2015.2281>
- G. Carmines, E., & A.Zeller, R. (1979). *Reliability and Validity Assessment*. SAGE Publications, Inc. <https://doi.org/10.4135/9781412985642>
- Gelderen, M. van, Thurik, R., & Bosma, N. (2005). Success and Risk Factors in the Pre-Startup Phase. *Small Business Economics*, 24(4), 365–380. <https://doi.org/10.1007/s11187-004-6994-6>
- Golafshani, N. (2003). Understanding Reliability and Validity in Qualitative Research. *The Qualitative Report*, 8(4), 597–606. <https://doi.org/10.46743/2160-3715/2003.1870>
- Grefen, P. (2010). *Mastering E-Business*. Taylor & Francis Group. <http://ebookcentral.proquest.com/lib/jyvaskyla-ebooks/detail.action?docID=547358>
- Greiner, L. E. (1998, May 1). Evolution and Revolution as Organizations Grow. *Harvard Business Review*. <https://hbr.org/1998/05/evolution-and-revolution-as-organizations-grow>
- Greve, A., & Salaff, J. W. (2003). Social Networks and Entrepreneurship. *Entrepreneurship Theory and Practice*, 28(1), 1–22. <https://doi.org/10.1111/1540-8520.00029>
- Gupta, R. K., Awasthy, R., & Richa Awasthy. (2015). *Qualitative Research in Management: Methods and Experiences*. Sage Publications Pvt. Ltd.
- Hambrick, D. Z., Oswald, F. L., Altmann, E. M., Meinz, E. J., Gobet, F., & Campitelli, G. (2014). Deliberate practice: Is that all it takes to become an expert? *Intelligence*, 45, 34–45. <https://doi.org/10.1016/j.intell.2013.04.001>
- Harmon, R., Demirkan, H., Hefley, B., & Auseklis, N. (2009). Pricing Strategies for Information Technology Services: A Value-Based Approach. *2009 42nd Hawaii*

International Conference on System Sciences, 1–10.

<https://doi.org/10.1109/HICSS.2009.350>

Hull, C., Hung, Y.-T., Hair, N., Perotti, V., & Demartino, R. (2007). Taking advantage of digital opportunities: A typology of digital entrepreneurship. *IJNVO*, 4, 290–303.

<https://doi.org/10.1504/IJNVO.2007.015166>

Kazanjian, R. K. (1988). Relation of Dominant Problems to Stages of Growth in Technology-Based New Ventures. *The Academy of Management Journal*, 31(2), 257–279. <https://doi.org/10.2307/256548>

Krueger, N. F. (2002). *Entrepreneurship: Critical Perspectives on Business and Management*. Taylor & Francis.

Le Dinh, T., Vu, M.-C., & Ayayi, A. (2018). Towards a living lab for promoting the digital entrepreneurship process. *International Journal of Entrepreneurship*, 22.

Levie, J., & Lichtenstein, B. B. (2010). A Terminal Assessment of Stages Theory: Introducing a Dynamic States Approach to Entrepreneurship. *Entrepreneurship Theory and Practice*, 34(2), 317–350. <https://doi.org/10.1111/j.1540-6520.2010.00377.x>

Manz, C. C. (1986). Self-Leadership: Toward an Expanded Theory of Self-Influence Processes in Organizations. *The Academy of Management Review*, 11(3), 585–600. <https://doi.org/10.2307/258312>

Mason, J. (2018). Entrepreneurship in knowledge-based services: Opportunity and challenges for new venture, economic, and workforce development. *Journal of Business Venturing Insights*, 10, e00092. <https://doi.org/10.1016/j.jbvi.2018.e00092>

Masurel, E. (2019). Theoretical Background of Entrepreneurship. In *The Entrepreneurial Dilemma in the Life Cycle of the Small Firm* (pp. 13–73). Emerald Publishing Limited. <https://doi.org/10.1108/978-1-78973-315-020191003>

- Nambisan, S. (2017). Digital Entrepreneurship: Toward a Digital Technology Perspective of Entrepreneurship. *Entrepreneurship Theory and Practice*, 41(6), 1029–1055.
<https://doi.org/10.1111/etap.12254>
- Neck, H. M., Neck, C. P., & Murray, E. L. (2021). *Entrepreneurship: The practice and mindset* (Second Edition). SAGE Publishing.
- O'Higgins, C., Managing international professional service firms: A review and future research agenda. *Baltic Journal of Management*, 17(1), 34–55.
<https://doi.org/10.1108/BJM-08-2020-0293>
- Reihlen, M., & Werr, A. (2012). Towards a multi-level approach to studying entrepreneurship in professional services. In *Handbook of Research on Entrepreneurship in Professional Services* (pp. 3–20).
<https://doi.org/10.4337/9781848446267.00009>
- Reihlen, M., & Werr, A. (2015). *Entrepreneurship and Professional Service Firms – A Literature Review*. <https://doi.org/10.13140/2.1.4790.9765>
- Ries, E. (2011). *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses*. Crown.
- Sahut, J.-M., Iandoli, L., & Teulon, F. (2021). The age of digital entrepreneurship. *Small Business Economics*, 56(3), 1159–1169. <https://doi.org/10.1007/s11187-019-00260-8>
- Saldana. (2011). *Fundamentals of qualitative research*. Oxford University Press.
- Sarasvathy, S. D. (2008). *Effectuation: Elements of entrepreneurial expertise*. Edward Elgar.
- Shenton, A. (2004). Strategies for Ensuring Trustworthiness in Qualitative Research Projects. *Education for Information*, 22, 63–75. <https://doi.org/10.3233/EFI-2004-22201>

Singleton & Straits. (2018). *Approaches to Social Research* (Sixth edition), 347.

https://books.google.fi/books/about/Approaches_to_Social_Research.html?id=2rTfswEACAAJ&redir_esc=y

Sussan, F., & Acs, Z. (2017). The digital entrepreneurial ecosystem. *Small Business*

Economics, 49, 1–19. <https://doi.org/10.1007/s11187-017-9867-5>

Thomas, D. (2006). A General Inductive Approach for Analyzing Qualitative Evaluation

Data. *American Journal of Evaluation*, 27, 237–246.

<https://doi.org/10.1177/1098214005283748>

Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business

performance: A configurational approach. *Journal of Business Venturing*, 20(1), 71–91.

<https://doi.org/10.1016/j.jbusvent.2004.01.001>

Yang, T., & Aldrich, H. E. (2017). “The liability of newness” revisited: Theoretical

restatement and empirical testing in emergent organizations. *Social Science Research*,

63, 36–53. <https://doi.org/10.1016/j.ssresearch.2016.09.006>

Yu, W., Choi, M., & Zheng, J. (2021). How Do Different Types of Entrepreneurial Networks

and Decision-Making Influence the Identification of Entrepreneurial Opportunities?

Frontiers in Psychology, 12, 683285. <https://doi.org/10.3389/fpsyg.2021.683285>

Zaheer, H., Breyer, Y., & Dumay, J. (2019). Digital entrepreneurship: An interdisciplinary

structured literature review and research agenda. *Technological Forecasting and Social*

Change, 148, 119735. <https://doi.org/10.1016/j.techfore.2019.119735>

Qualitative Research: Studying How Things Work. (n.d.). Retrieved 6 June 2023, from

<https://web-p-ebSCOhost->

[com.ezproxy.jyu.fi/ehost/ebookviewer/ebook/bmxlYmtfXzMwOTQ1MF9fQU41?sid=6](https://web-p-ebSCOhost-com.ezproxy.jyu.fi/ehost/ebookviewer/ebook/bmxlYmtfXzMwOTQ1MF9fQU41?sid=6)

[caa27e4-acae-4484-b1d3-fa299e09f585@redis&vid=0&lpid=lp_11&format=EB](https://web-p-ebSCOhost-com.ezproxy.jyu.fi/ehost/ebookviewer/ebook/bmxlYmtfXzMwOTQ1MF9fQU41?sid=6)

The Emerging Digital Economy. (1998). U.S. Department of Commerce. Retrieved from
<https://books.google.fi/books?id=GXXzVxiMJ9IC>

APPENDIX 1 Interview Process

The interviews followed a semi-structured approach, enabling the possibility of asking follow-up questions and steering the conversations according to the provided answers. The core questions below are the questions from which many follow-up questions emerged, which helped create a context-rich picture of the distinctive backgrounds of each interviewee.

Background questions:

- Can you tell me about your business?
- What kind of services do you offer?
- When was your business founded?
- Can you tell me about your prior entrepreneurial background?
- To what extent do you use digital tools to operate your business?
- What are your entrepreneurial goals?

Challenges and solutions:

- What was the most significant challenge you faced during the launching phase of your venture, and what helped you overcome it?
- What other challenges did you face during the launching phase of your venture, and what factors helped you overcome them?
- Were there any other challenges related to the launching phase that we haven't discussed, and how did you overcome them?

Outro

- Reflecting on your experiences, is there something you now know you wish you knew back then?
- What advice would you give someone starting their own professional-service business in online business environments?