ENTREPRENEURIAL GROWTH AND EXIT ORIENTATIONS: A STUDY OF FINNISH VENTURE FOUNDERS

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ABSTRACT

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Abstract
Growth ventures and entrepreneurs attract interest in public conversation and media, and they are important actors in enhancing employment, productivity, and innovations. Growth ventures are naturally associated with the expectation of growth, but also entrepreneurial exit, the latter with perhaps more minor attention in the literature and public conversation. However, it is assumed that the founder(s) withdraws from managerial or ownership responsibilities at some point in the venture life cycle, especially in growth companies. Founder's exit has various consequences to founders themselves, company's stakeholders, and organization, as well as the surrounding environment. Despite limited academic knowledge on entrepreneurial exit, different positive impacts of the exit have been presented: accumulated human and financial capital that are along with exit released back to the economic cycle. Nevertheless, much is still unknown regarding the psychological and broader economic impacts on an entrepreneur's exit. This study aims to enlighten these aspects, among other things. The study was conducted by interviewing eight Finnish, growth-oriented venture founders in different stages of their entrepreneurial paths. Based on these interviews, an in-depth understanding of their growth and exit orientations is presented. The findings were analysed with interpretive methods meaning that the conclusions are subjective to the researcher's interpretation. Growth and exit have been purposely combined in this study. The first objective is to comprehend which aspects influence founders' growth orientation and ambitions as they are considered essential factors in leading the company towards a successful entrepreneurial exit. The second interest is how the founders perceive the surrounding phenomena of growth and exit culture. And lastly, how the exited founders discuss their exit. In the findings, multidimensional and, to some extent, complex founder perceptions are visible. Political responsibility is expected for both growth and exit matters, and the existing political systems are both acclaimed and criticized. In addition, despite there might generally prevail enthusiastic and positive attitude towards entrepreneurial exit among growth entrepreneurs, the interviewed founders' concern is that such phenomenon neglects important societal matters such as building sustainable, domestic success stories.

Key words
High-growth entrepreneurship, entrepreneurial exit, growth ambition

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Tiivistelmä

Kasvuyritykset ja -yrittäjät herättävät kiinnostusta julkisessa keskustelussa ja mediassa, ja ne ovat tärkeitä toimijoita työllisyyden, tuottavuuden ja innovaatioiden edistämisessä. Kasvuyrityksiin liittyy luonnollisesti vahvasti odotus kasvusta, sekä hieman vähemmälle huomiolle jäänyt perustajan irtautuminen yrityksestä, eli yrittäjän exit. Yleisesti kuitenkin ajatellaan, että etenkin kasvuyrityksissä yrittäjä poistuu veto- ja/tai omistusvastuusta jossakin kohtaa yrityksen elinkaarta. Perustajan irtautumisella on moninaisia seurauksia sekä yrittäjälle itselleen, että yrityksen organisaatiolle, sidosryhmille sekä yhteiskunnalle. Vähäisenlaisesta tutkimustiedosta huolimatta yrittäjän irtautumiselle on kirjallisuudessa esitetty positiivisia vaikutuksia kuten kerääntynyt henkinen ja taloudellinen pääoma, jotka irtautumisen myötä vapautuvat takaisin talouden kiertokulkuun. Kuitenkin melko vähän tiedetään vielä yrittäjän irtautumisen psykologisista sekä kansantaloudellisista seurauksista. Tämä tutkimus valaisee muun muassa näitä asioita. Tutkimuksessa on haastateltu kahdeksaa suomalaista, yrittäjyyden eri vaiheissa kulkevaa kasvuyritysten perustajajäsentä, ja näiden haastattelujen perusteella on pyritty löytämään syvällisempi ymmärrys perustajien kasvu- ja irtautumisorientaatiosta. Tutkimustuloksia on analysoitu tulkinnallisin keinoin tarkoittaen sitä, että vaihtoehtoiset tulkinnat ja johtopäätökset ovat mahdollisia. Tutkimuksessa on tarkoituksella nidottu yhteen sekä kasvu että yrittäjän irtautuminen, sillä päämääränä on ymmärtää miten perustajat kasvun avulla luovivat kohti onnistunutta irtautumista, ja millaisia havaintoja he tekevät yleisestä kasvu- ja irtautumiskulttuurista. Lisäksi kerrotaan, kuinka irtautuneet perustajajäsenet kuvailevat exit-prosessiaan. Tutkimustuloksista nähdään monitasoinen ja paikoin kompleksinen suhtautuminen kasvuun ja irtautumiseen, joihin kumpaankin peräänkuulutetaan myös poliittista vastuunottoa, minkä lisäksi olemassa olevat järjestelmät keräävät sekä kiitosta että kritiikkiä. Lisäksi voidaan tulkita, että huolimatta kasvuyrittäjien keskuudessa vallitsevasta yleisesti hyvin positiivisesta ja innostuneesta exit-suhtautumisesta ja pyrkimyksistä, haastateltujen yrittäjien mukaan tällaisessa ilmiössä pimentoon saattaa jäädä yhteiskunnallisesti tärkeitä aspekteja kuten kestävien, kotimaisten kasvu- ja menestystarinoiden luominen.

Asiasanat Kasvuyrittäjyys, yrittäjän irtautuminen, yrittäjän exit, kasvuorientaatio	
Säilytyspaikka	
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1 INTRODUCTION

One can think that growth companies reflect the nation's innovativeness and future prospects. While their impact on the national economy is smaller than that of established, large companies, they are essential actors in creating employment, increasing productivity, and enhancing innovations (Maliranta, Pajarinen & Rouvinen, 2018). Building a growth-oriented company from scratch and successfully growing it requires a vision and implementation of one or several founders. The life cycle of an entrepreneurial venture begins at the startup phase and at some point, ends at entrepreneurial exit (Picken, 2017). Entrepreneurs' actions within this life cycle are vital, as they have to prove the idea's market fit, operate in many roles and responsibilities simultaneously (Mathias & Williams, 2018): find correct partners, in many cases acquire external funding, possess and utilize suitable individual characteristics, and not least growth ambition – all things that in their own ways influence company growth. And finally, often the end objective is to harvest all this dedication through entrepreneurial exit. Entrepreneurs or founders may exit before or simultaneously with venture exit for various reasons. Despite its significance to the founder(s) and their venture, entrepreneurial exit is rather scarcely studied and understood. Entrepreneurial exit is often associated with failure narrative (Wennberg, Wiklund, DeTienne & Cardon, 2010), yet this is not always the case. Successful entrepreneurial exit usually requires strong growth. While there are many firm and founder-related factors influencing it, also surrounding environment and its impacts on growth and possible exit are apparent. Policies and public attitude can nurture growth companies through different supporting actions and creating appropriate atmosphere (Wiklund & Shepherd, 2003; Gnyawali & Fogel, 1994).

Although literature and growth-oriented entrepreneurs themselves acknowledge that entrepreneurial ventures are in a way created for eventual founder exit, the matter is not straightforward. As growth company ecosystems in general, growth and exit involve a lot of uncertainty, and we have a limited understanding of their economic and societal impacts. Founders may make a fortune through a successful exit, and they can utilize accumulated know-how and financial assets in future venture experiences or support other young ventures through mentoring or investing (DeTienne, 2010). Their company has, at that point, most likely created jobs, paid taxes, and worked as an example for other aspiring entrepreneurs. Yet, like most things, the positive impacts have a potential flip side. For instance, capital and innovation escape to foreign possession is said to be common (Parviainen, 2019), and it is open to interpretations of how beneficial it is to small, innovation-dependent economies such as Finland. Various research (e.g., Autio & Rannikko, 2016; Ács, Desai & Hessels, 2008) has focused on the supporting role of society in enabling and accelerating growth ventures, and it was a theme that emerged as a relevant matter also in this study when exploring both growth and exits. In addition, granted that financial motives would be among the most significant reasons for

entrepreneurs to pursue exit, there is still much unknown about many aspects related to founder's exit: how they perceive the process, do they contemplate any personal motives, or what do they wish to do in the future. Scholars have called for research that treats entrepreneurial exit as a neutral or positive phenomenon when appropriate (Wennberg & DeTienne, 2014). Even though exit research has increased after the financial crisis in 2008, many questions remain unanswered, including entrepreneurs' motivations for exits (DeTienne & Wennberg, 2016). This study seeks to contribute to this scarcely researched area of entrepreneurial exit, simultaneously including growth as an important aspect that works as a driving factor towards it.

Many studies conducted of exits focus on the company itself (Wennberg et al., 2010). This study was conducted from a founder perspective by interviewing eight Finnish, growth-oriented venture founders and analyzing their responses to semi-structured interview questions. This study aims to enlighten the phenomena of founder growth and exit orientation by displaying a more profound understanding of it in the context of contemporary Finland. Finland is an interesting context for the study, as by European standards, it attracts a lot of venture capital investments, and the society has various means to support growth companies (Santavirta, 2021; Autio, 2009). The Finnish startup ecosystem is recognized as vibrant, and higher educational institutions encourage students to found ventures (Wallin, Still & Henttonen, 2016; Drost & McQuire, 2011). However, simultaneously with all this, experts have wondered why Finland seems not to fare in the competition with other Scandinavian countries that have similar cultural and societal structures (Autio, 2009; Ministry of Economic Affairs and Employment, 2021). How can one go untangling such a contradiction? Looking into the perceptions of growth entrepreneurs might be helpful. Therefore, in order to achieve an understanding of Finnish startup founders' growth and exit orientation, the chosen research questions for this thesis to explore are:

> Which factors influence founders' growth and exit orientation and ambitions, and how?

> How do the founders discuss and perceive entrepreneurial exit culture in Finland?

> How do the founders feel about their venture exit afterwards?

In addition to focus research questions, this study captures an in-depth glimpse inside of a group of growth-oriented startup founders' thoughts on entrepreneurship. Some of them are at the early stages of their venture process, some have already reached notable growth, and some of them have conducted a successful exit. As this study will later conclude, the issues around growth and exit are multidimensional, and wealth is probably not the only factor driving

founders towards the exit, or in case it is, exit comes with other challenges and joys that can affect founder, venture organization, and society. Even the growth phase holds other motivations than wealth or the eventual exit; the entrepreneurs can feel they are part of creating something meaningful.

Although the purpose of this study is not to create new theories or test existing ones, possible theoretical contributions have been discussed and elaborated. Thus, existing theories and empirical data form a foundation for observations. Due to the interpretive nature of this study, the results leave room for other kinds of interpretations and discussion.

This master's thesis is structured as follows: first, the reader is introduced to a literature review of relevant research concerning entrepreneurial exit and growth-related studies. In the fourth chapter, research background information is clarified: the context of the study, methodological choices, and data analysis techniques. In the fifth chapter, interview findings are presented. The sixth chapter is for discussion that ties together the results and relevant theories followed up with limitations and suggestions for future research, and finally, the writer's concluding thoughts of the process.

2 ENTREPRENEURIAL EXIT

2.1 High-growth entrepreneurship

The research object of this study is growth-oriented venture entrepreneurs, and therefore startup founders were approached. In academic literature, a startup is a rather vaguely defined term, and the use of it may be purposely avoided due to a lack of or broad definitions. Alternatives include 'new firm', 'venture' or 'high-growing firm', or sometimes more specified such as 'gazelle', a firm that has high prospects to scale up fast to employ more than 20 people (Acs & Mueller, 2008). It is possible that the term 'startup' is more established in colloquial language rather than in academic literature. Startups are described as businesses pursuing fast scaling and that are not geographically tied, thus separating them from local small businesses (Robehmed, 2013). That is a good definition in a sense that it does not necessarily require a startup being a high-tech venture, yet something that should have a broad reach of potential sales and growth regardless of their location. Startups are associated with innovation, which may not always hold true (Criscuolo, Nicolaou & Salter, 2012). On the other end, startups are characterized by uncertainty (Sommer, Loch & Dong, 2009), and new firms tend to have high failure rates (Laitinen, 1992).

Despite the variance in term definition, it can be concluded that startups are relatively young ventures seeking fast scaling, facing uncertainty but on the other hand also high rewards. Due to the contradiction with the definition, this study will not focus on the term startup even though most of the companies of the interviewed founders identify as one. In order to define the target companies, Autio's (2009) mode has been used, taking into consideration companies that are 1) entrepreneurial ventures meaning that the founder or the group of founders possesses a significant amount of company decision and managerial power, 2) their companies are growth-oriented and 3) they believe they have potential to materialize their growth ambitions. Other than that, there is no exact frame that the companies and founders in this study must fit, for instance in terms of the current stage, size, or industry.

2.2 Entrepreneurial venture process

In his article, Picken (2017) explains the four stages in the life cycle of an entrepreneurial firm as visualized in Figure 1: startup, transition, scaling, and exit, each consisting of particular characteristics and challenges, and each playing a crucial role along the way from setting up the business to exiting it. The startup stage is described as a relatively low-risk phase of which the most significant

mission is the validation of the business. At the transition stage, market and customer acquisition leads to an evident need for new resources. The scaling stage is where the new resources play the most significant role, and the whole venture needs to adapt to a more structured and formal shape. Exit as the final stage is critical for entrepreneurs and investors, as in this stage, the value accrued during the life cycle is harvested. Exits can be seen either as less successful (discontinuation) or as positive/successful (private sale, M&A, or IPO).

Figure 1.   Four stages in the life cycle of an entrepreneurial firm
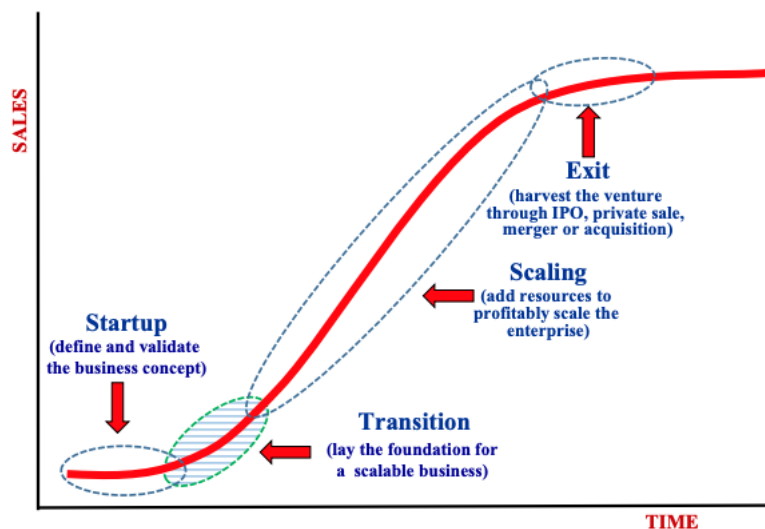
Figure 1. Four stages in the life cycle of an entrepreneurial firm (Picken, 2017).

2.3 Exits and exit routes

DeTienne (2010) defines entrepreneurial exit as a stage where the founder of the company decides to hand over the business by giving up most of their ownership and decision power of the company. According to DeTienne (2010), exit is a crucial, yet still at the time of her article, relatively scarcely studied part of the entrepreneurial process. However, during the last decade, the interest in entrepreneurial exit research has increased (DeTienne & Wennberg, 2016). Wennberg & Detienne (2014) state that in the academic literature, exits may be characterized through a rather negative tone, whereas entrepreneurs themselves often regard it quite differently – being fundamental objective and finale to hard work and dedication. Exits are often described in failure narratives but successful exits are equally relevant to study and understand, and at the very least, the literature should acknowledge that exit does no equal failure (DeTienne & Cardon, 2012). In fact, studies made in the US have found that as many as one-

third of discontinued entrepreneurs regard their exit as successful (Bates, 2005; Headd, 2003).

Compared to traditional entrepreneurship, the startup world differs in a way that high-growing ventures are often built for the entrepreneurial exit. This is since along with external investors such as angel investors and venture capitalists, comes a need for an exit strategy (Mason & Botelho, 2016). Of course, it should be noted that not all fast-growing companies raise external capital and thereby encounter external pressure for an exit strategy. However, they too, probably at some point come across considering an exit, whether it is due to economic distress of the company or an acquisition offer in case the business is attractive, or something else. For startups, the most common exit route is an acquisition by a large, established actor in the markets (Arora, Fosfuri & Rønde, 2020). In fast-growing ventures, it is sometimes necessary to acquire new skills that are not possessed by the founding team, and therefore the management needs to be replaced (Boeker & Karichalil, 2002). Authors continue by mentioning that their results are contradicting with studies about established firms, where the fast growth of a company is usually seen as a strategic achievement of top management. In their study, Boeker & Karichalil (2002) furthermore find that depending on the expertise background of the founder, it is vital to assess the need to keep them on-board, as those with R&D background and/or chief executives may have a significant impact on the competitive advantage of the company and therefore replacing them might result as a threat for the company.

Wennberg, Wiklund, DeTienne & Cardon (2010) presented four distinct entrepreneurial exit paths that are based on the exit route and performance of the company, as demonstrated in Figure 2. In harvest sale, the entrepreneur exits as a majority shareholder and is able to collect back the value put into the business, whereas distress sale happens when the entrepreneur, due to financial conditions, decides to sell the business to avoid further losses. Harvest liquidation may happen in situations where company assets are divided to its owners due to some other than financial reasons, Wennberg et al. (2010) propose possible reasons being, for instance, personal reasons such as retirement. Distress liquidation may be executed to avoid bankruptcy.

Performance: Exit route:	*High*	*Low*
Exit by sale	Harvest Sale	Distress Sale
Exit by liquidation	Liquidation	Distress Liquidation

Fig. 1. Taxonomy of exit routes.

Figure 2. Taxonomy of exit routes (Wennberg et al., 2010).

It is important to bear in mind that exit often doesn't mean leaving the business fully. Some founders may remain on the board and/or some other managerial position, or retain some control over the company (DeTienne & Wennberg, 2016). It may be important for the founder to stay involved in the company through some position or equity ownership, although there would not be any responsibility left on the operational execution of the business.

Wennberg et al. (2010) also remarked that entrepreneurial exit and firm exit should be distinguished from one another, as it gets easily mixed while meaning different things. For instance, Coad (2014) agrees that some entrepreneurial exits such as IPO and harvest sale can be considered successful, whereas firm exits rarely can. This kind of unclarity in the literature challenges studying the subject in a sense that the studies focusing on entrepreneurial exit often refer to articles that have been conducted on firm exits.

In their research, Wennberg et al. (2010) found that entrepreneur's previous experience and age had a positive impact on harvest sale whereas, perhaps surprisingly, education did not. The authors stated that previous experience enables valuable learning and thus assists in creating value in future ventures, in addition to exploiting this value by a harvest sale. In their results entrepreneur's age was not associated with so much of abilities rather than enhanced decision-making skills, and thereby feeling more comfortable and inclined to pursue exit. There are studies indicating that an entrepreneur's higher educational background has a positive impact on the firm growth (e.g., Gilbert, McDougall & Audretsch, 2006). However, Wennberg et al. (2010) did not find a positive correlation between educational background and harvest sale. They explained that this might be due to over-confidence in their personal human capital. This contradiction is interesting as it would appear higher education is of great value when scaling the business but highly educated entrepreneurs should adopt a humbler and more grounded outlook when planning and approaching their exit.

Headd (2003) found that having previous entrepreneurial experience at the beginning of a new venture strongly influences the perceived outcome of the exit when narrowed to success/failure. Headd (2003) also noted that previous experience functions as a learning opportunity and increases entrepreneur's skills as well as networks, and on a more psychological side, balances their expectations.

Entrepreneurial exits are not only financial but a much larger phenomenon that has an impact on the entrepreneur also psychologically as it is likely that entrepreneurs become attached to their company (Rouse, 2016). In addition, exits affect the company employees and stakeholders as well as the society (DeTienne, 2010). Depending on the operational models of the management carrying on the business, the acquired company may need to adapt to a new organizational structure, thus affecting employees and stakeholders. In some cases, like in any bigger organizational changes, the employee identity may need to be rebuilt. This may happen prior to exit as well, as growth companies at a certain point may have to form a more formal structure (Picken, 2017).

In their study, Cardon, Zietsma, Saparito, Matherne & Davis (2005), described entrepreneurship through a parenthood metaphor, meaning that each stage of entrepreneurship can be seen as a guardian's relationship to parenting; for instance, exit can be seen as an "adoptive phase", where entrepreneur ensures the best possible continuation to the business, or alternatively in some cases, new owners or venture capitalists require founder to stand aside. What might at first sound like a surprising comparison is actually incisive as many entrepreneurs and founders probably form ties of affection to their company, that may continue through the life cycle of venture and thus cause a tough renunciation phase.

Wennberg (2021) makes an important remark on gender bias in entrepreneurial exit research. He says men are over-represented in the studies, meaning that their results can be statistically distorted in case there is a lack of gender analysis conducted in the study. In Finland, almost 90% of high-growth entrepreneurs are men (Sitra, 2017) and also for this study, it was more challenging to find women founders to participate in interviews. Researchers should acknowledge this fact of uneven proportion in their studies (Wennberg, 2021).

On a macroeconomic level, it is noteworthy to understand that entrepreneurial exits enable new ventures. According to multiple studies (DeTienne, 2010; Hessels, Grilo, Thurik & van der Zwan, 2011), after an exit entrepreneur has accumulated valuable experience, entrepreneurial learning, and sometimes financial assets to engage in a new project. Sometimes it can be a new firm, while sometimes former entrepreneurs dedicate their time to support other ventures as angel investors, as it is highly likely that angel investors are or have been entrepreneurs themselves (Morrissette, 2007). Furthermore, angel investors are a vital resource for new startups, as in addition to money, they bring in valuable entrepreneurial know-how (Hellmann & Thiele, 2019). Consequently, the economic cycle continues.

2.4 Why to exit?

There are many reasons for entrepreneurs to leave their successful venture, including wealth pursuits, various personal reasons, and a desire to start a new venture or coming across another attractive opportunity (Wennberg & DeTienne, 2016; Bates, 2005). Wealth pursuits are naturally the first to consider more profoundly, as it is said that wealth is the most driving factor for people to begin entrepreneurship (Certo, Covin, Daily & Dalton, 2001; Carter, Gartner, Shaver & Gatewood, 2003). Many times, exit is the earliest stage to harvest the value of the company (Wennberg et al., 2010).

Sometimes exit happens after changes in power control resulting in consequent frustration (Souitaris, Zerbinati, Peng & Shepherd, 2019). In their study, Souitaris et al. (2019) studied the effect of IPO and founder exit, but the same reasoning should apply to other situations as well, for instance acquiring venture capital. The amount of power control is affected through the share of ownership, meaning that if the owner's equity has diluted, it may affect his or her willingness to stay involved. External investors also hold significant power over managerial decisions and may want to replace the current management of the company (Wasserman, 2003). In his more recent study, Wasserman (2017) found that startups of which founders retain too much control are less valuable than their counterparts. This would imply that if founders' goal is to have their venture grow as large as possible, at some point consideration of exit or decreasing control would be wise.

In addition to venture-related reasons or wealth motives, personal reasons should also be considered when discussing why an entrepreneur may want or need to exit their company. Relationships are arguably one of the core parts of humanity, and can thereby influence business greatly, as well as health, whether it is mental or physical. Ronstadt (1986) studied the reasons why entrepreneurs chose to exit their ventures and while family/personal reasons were an important factor consisting of various sub-reasons (such as time, divorce, and illness), most often the exit reason was a combination of different factors meaning that in addition to personal reasons there were also either financial motives or venture-related reasons, or both. This would indicate that exit is psychologically a complex process, in which the entrepreneur weighs several factors before the decision to leave the company.

Work-family interface (WFI) is a concept through which scholars study the connection between work and family, and how different factors influence this interface either positively or negatively (Grzywacz & Marks, 2000). WFI has been applied in entrepreneurship research as well. In their study, Hsu, Wiklund, Anderson & Coffey (2016) found that when operating a business generates gratification and energy to an entrepreneur, their exit intentions are lower, whereas if the business causes harm to family life – or vice versa – the intentions

are higher. This would indicate that if for instance operating a company takes away time spent with the family, or family internal challenges are affecting business performance, the entrepreneur is more likely to consider exit whereas when these areas are in balance, exit as a family reason is not probable. Female business owners are more likely to suffer from business-family conflicts resulting in poorer performance when compared to male business owners (Jennings & McDougald, 2007). Despite at least seeming western gender equality, household work can still be divided unevenly in a way that women bear greater responsibility in taking care of the children and other chores. Men on the other hand may sacrifice time off home duties and family time by working longer hours (Jennings & McDougald, 2007). This may be especially visible in growth entrepreneurship where long working hours are usually required as it is often just the founders grinding on the business in the early stages – and it could for one explain why among startup entrepreneurs, males are overrepresented.

2.5 Exit Strategies

Family business exit strategies have been studied extensively, whereas for other ventures, literature is still in its infancy (Wennberg & DeTienne, 2014). According to goal theory, setting a specific goal will help individuals achieve their goals (Latham, 2004). Therefore, forming an exit strategy, i.e., the goal, should help the entrepreneur work more focused and motivated as well as impact business performance positively. An early exit strategy will help in achieving the goals and being able to influence the exit route (DeTienne, 2010).

Various exit strategies include for instance harvest sale/acquisition, selling to employees, management buyout, family succession, and initial public offering (IPO) (Payne, 2009). However, according to Payne, IPO is an arguable exit strategy due to its nature; although the company may achieve new energy and resources for its operations, entrepreneurial liquidation may on the other hand turn out difficult or take time. An exit strategy is influential in a sense that it affects company directions and the aftermath of exit in many ways: for instance, acquisition and IPO strategies are risky and complicated, but the harvested value potential is highest (DeTienne & Cardon, 2012). At this point it should be noted, that in Finland IPOs are quite infrequent (Pörssisäätiö, 2021).

DeTienne & Cardon (2012) studied different factors influencing founders' exit strategies and found that a higher level of education and prior entrepreneurial experience increase the probability to pursue IPO or acquisition, thus it can be interpreted that individual background attributes influence founder's level of 'exit ambition', because those strategies are also most difficult to harvest. The weakness of DeTienne's and Cardon's findings is that the study

was limited to two industries only, authors acknowledging that the industry the company operates in, may indeed affect founders' exit strategies.

Whether the entrepreneur has given thought to the exit strategy originally, depends on the motive for entrepreneurship (DeTienne, 2010). Basic income or lifestyle entrepreneurs may not put as much weight on the strategy, whereas growth-oriented entrepreneurs are more likely to form an exit strategy early on when establishing a business, but also during the later phase as the business grows and additional shareholders become involved; as the ownership decreases, the probability to exit strategy increases (DeTienne, 2010). Previous experience as an entrepreneur may influence the probability to exit strategy (DeTienne & Cardon, 2012). It may be that entrepreneurs with prior experience do not feel as attached or emotionally involved in the company, and/or earlier experience entails entrepreneurial realities.

2.6 Exit as a process

The exit process itself is an intensive and time-consuming operation. In this chapter, the reader is briefly introduced to the exit process from the viewpoint of mergers & acquisitions, as an acquisition is the most common exit route for startup entrepreneurs when considering 'successful' exit paths. (Arora et al, 2021).

Entrepreneurial exit as a M&A process is not simple and in Finland takes an average of approximately one year (Eisto, 2020). A detailed account that is required in mergers and acquisitions – commonly known as due diligence - consists of a comprehensive value and risk assessment of the acquired business (O'Nigh & Boschetti, 2006). A well-conducted due diligence process should shed light on both the opportunities and threats (Harvey & Lusch, 1995), and from the side of the acquiree, the company history should be well documented in order to make the process smoother (Eisto, 2020).

Due to its nature, the process can be mentally tough for the entrepreneur, and personal matters such as business sentimental value are not considered. The exit process involves a powerful psychological experience (Rouse, 2016). According to Rouse, it is individual how the founder perceives the exit process, but in her study, she observed that it is seldom for entrepreneurs to actually prepare for this mental side beforehand, in which case the consequences can be especially mentally challenging, even in the case of a successful exit. By witnessing someone else taking over the company may indeed be tough. Therefore, if the founder is emotionally attached to their company, the parenting metaphor presented in an earlier chapter by Cardon et al. (2005), can be applied especially to this stage. An entrepreneur may also worry about their future and the company employees. Organizations play an important role in determining the result of an M&A (Harding & Rouse, 2007), so the concern about colleagues' future and possible forthcoming change in organizational culture may be

justified, and in the end, it is founders' mental burden they have to bear, whether they exit completely or stay involved in the venture in one way or another.

According to Rouse (2016), there is very little understanding of this psychological side of the exit considered in the academic literature. She proposes that founders should psychologically distance themselves from the company prior to exit. However interestingly, stating contradicting results to Rouse, Mathias & Williams (2018) in their growth and founder identity-related study propose that physical distancing from the role – for instance through delegation, decreasing responsibilities and activities - could play a key role in enabling both venture growth and subsequent exit.

2.7 Entrepreneurial exit summarized

All in all, entrepreneurial exit is a truly multidimensional and interesting concept. Despite being often described negatively, entrepreneurial exit can have a very positive economic impact for the founder, company and on a wider perspective the whole society, as well as it may contribute to entrepreneur's psychological wellbeing and human capital. On the other hand, there can also be challenging consequences for all the previously mentioned areas. In high-growing ventures, entrepreneurial exit is a natural part of the venture lifecycle. However, the route, timing, and motives are idiosyncratic depending on the company and the founder(s). Exit can be conducted too early, it can be conducted too late; sometimes, the entrepreneur could achieve more wealth by waiting for better timing, but there is always a risk involved in the timing and the process.

Figure 3 illustrates the conclusions drawn from the reviewed literature, supplemented by the author's observations as additions. Although the figure is made with more a view to successful exit, it considers possible negative sides as well. Exit influences founders' personal wealth, and it is assumed this wealth and the accumulated experience are utilized through new ventures in a way or another. From the viewpoint of the national economy, the impact may be considered harmful if it causes unnecessary capital escape or a decrease in employment. On the other hand, if the employee count in the original venture increases or the founder embarks on new entrepreneurial activities, the impact can be positive. On the psychological side, founder impact can be mentally heavy depending on how the exit process is perceived individually or in the organization. Then again, if there are other personal motives for the founder to exit, it can release important resources to other aspects in life. The empirical example refers to the manner of how exit appears to an external audience and other entrepreneurs.
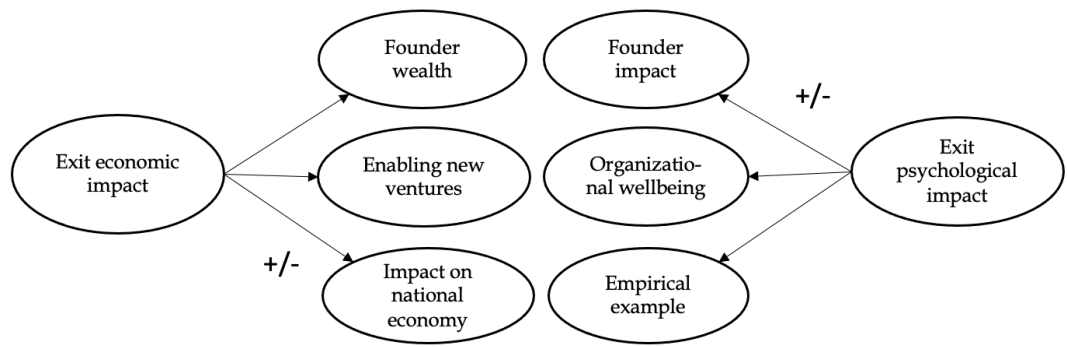
Figure 3. Economic and psychological impacts of entrepreneurial exit

3 GROWTH

3.1 Growth & growth ambition

"Even though ambition does not guarantee growth, absence of ambition almost certainly guarantees absence of growth."(Autio, 2009)

It is not easy to justify talking about successful entrepreneurial exit without exploring growth ambition as well. In this study, growth and exit are purposely tied together to achieve a richer understanding of the phenomenon. In literature, growth-ambition -relative terms are often described in similar settings and several different terms may be used practically for the same purpose; for instance, ´growth aspirations´, ´growth intentions´, and ´growth willingness´ (Levie & Autio, 2013). Broad and imprecise use of terms may confuse the research in the field, albeit they slightly differ in conceptual meaning (Wallin, Still & Henttonen, 2016; Hermans et al., 2015). For instance, Hermans et al. (2015) clarify the difference between 'growth aspiration' and 'growth intention', the former being something that entrepreneurs would ideally want to achieve, and the latter what they are going to achieve. Therefore 'growth intention' includes more precise actions, as it could be interpreted as more of a tangible goal than aspiration, which could then be described more of a desire (Wallin et al., 2016). In this thesis, for clarity, growth ambition was chosen as the main higher-level term but in this theory section, other terms have been explored as well.

Carter et al. (2003) and Cassar (2007) found that financial success and independence are the most prevalent goals for nascent entrepreneurs. One can think that these objectives are also fulfilled in a successful exit. Entrepreneurs' growth ambitions vary, but the higher the ambition is, the more likely is its success (Hermans et al., 2015). There are also contradicting findings on the importance of wealth. In their paper, Amit, Maccrimmon, Zietsma & Oesch (2000) studied high-technology founders and whether wealth plays a significant role as a motivator for those nascent business founders, and found that while that would indeed be a common impression, wealth was not a significant motivator in their sample. However, it was discussed in their paper that wealth motives may not always be given as a fundamental reason for entrepreneurship by founders themselves even though it, in reality, might be.

Entrepreneurs' fundamental motives can go beyond wealth and independence. Social entrepreneurship is a concept of entrepreneurship that wants to address some social problem, and the interest towards social entrepreneurship has increased significantly (Zahra, Gedajlovic, Neubaum & Shulman, 2013). Inequality and poverty are examples of challenges that social entrepreneurs might want to address. Like any entrepreneurs, also social entrepreneurs are characterized as ambitious and driven (Thompson, Alvy & Lees, 2000). In social entrepreneurship, the venture and its goals are strongly influenced by founder's personal values, thus there might be a paradox

concerning the financial side of growth (Zahra et al., 2013). In other words, the capitalist approach may not be the most characteristic to social entrepreneurs. However, it can be reasoned that in principle, the growth of such company is valuable to the environment and the company's objective audience, and thus responds to the founder's own goals of value creation. Perhaps the indicators of growth and which kinds of partners and funding are acquired may weigh more than in other forms of entrepreneurship. In Finland, in order to be defined as a social enterprise, the company must direct at least 50% of its profits to social objectives (Bilan, Mishchuk & Pylypchuk, 2017). However, the concept was included in this theory section as according to the writer's subjective observations, the amount of companies addressing social issues in Finland is relatively high, and this is supported by Hoogendoorn (2016). According to her article out of all countries included in the study, Finland has the highest percentage (32,9%) of early-stage social entrepreneurial activities measured against all early-stage entrepreneurial activities, surpassing countries in all income segments.

Despite many studies have proved that entrepreneurial growth ambition is required in order to build a successful company, there is also evidence that too much of a growth ambition can influence high-growth firms. Littunen (2000) found that if a company tries to scale up too fast putting a lot of effort into product development, but at the same time is lacking important resources, failure rates after few years are higher. This indicates that entrepreneurs with high ambitions should balance the operations in such way that each section of the business is carefully taken care of simultaneously. Ambition and a clever product idea alone are not enough in case management and funding are inadequate.

Growth ambition may naturally be influenced by the individual/personal characteristics of an entrepreneur, and it consists of a wide range of inborn and later acquired attributes. These can be age and gender, assets possessed by an entrepreneur (e.g., education and prior knowledge), and particular traits (e.g., persistence and ambition). Persons that don't fear failure are more likely to have higher growth ambition than others (Cassar, 2007; Verheul & Mil, 2011). Reviewing existing literature, Gilbert, McDougall & Audretsch (2006) state, that founder's prior experience both as an entrepreneur and venture-relevant industry, in addition to educational background influences firm growth. The authors also state that the founder team has significant influence when the heterogeneity of founding members diversifies the growth-required skills. Contradicting finding regarding prior entrepreneurial experience and growth aspirations was made by Capelleras, Contin-Pilart & Larraza-Kintana (2019), who proposed that while entrepreneurs with higher education seem to have higher growth aspirations, prior experience had an opposite effect. This can be explained by the realities experience comes with; previously collected knowledge of the realities and barriers of entrepreneurship can inhibit those aspirations, and Headd's (2003) similar finding in regards to prior experience & exit fits this explanation as well. Levie & Autio (2013) on the other hand conducted a compilation of the research in the field of growth intentions and

realized growth and found that prior research points rather weak links on the impact of individual characteristics such as founder age, gender, and prior industry or managerial experience on founder's growth intentions and the subsequent success of the company. Further looking into founder characteristics and subsequent firm growth, Baum & Locke (2004) found that goals, self-efficacy, and communicated vision are key factors influencing firm growth. In other words, through the ability to crystallize the goals and vision, in addition to possessing confidence in one's capabilities, founders form the foundation to the best possibilities to grow their ventures.

Growth aspirations can be hindered by an unwillingness to make changes in organizing the business (Wiklund, Davidsson & Delmar, 2003). The authors found that different solicitude-related factors were key issues in how growth aspiration is perceived; employee well-being in small organizations is seen as important, in addition to the ability to personally control the firm – thus restricting an entrepreneur from making bigger moves. As founder control decreases, external quarters acquire more authority, and according to Picken (2017), the scaling phase of an entrepreneurial venture may demand a more formal organizational structure. This can be a delicate issue for both the founder(s) and employees as any considerable change in general.

It should also be noted that growth aspirations are not individual-dependent only: environments that generally approve growth pursuits are most fruitful in generating it (Wiklund & Shepherd, 2003). This is an important matter as the ones who can most enhance this external atmosphere are non-entrepreneurs – for instance, societal attitudes towards entrepreneurship, legal frameworks, and social security. Indeed, in their compilation of studies regarding entrepreneurial growth intentions, Levie & Autio (2013) were able to indicate that country-level factors had a significant effect on the prevalence of growth-oriented entrepreneurs. According to them, entry, growth, and exit-related regulations and barriers have a negative impact on the occurrence of growth-oriented entrepreneurship. In addition, in the countries where wealth motives function as a driving factor for entrepreneurship, growth intentions were higher. It can be that in countries where the level of social security is lower, affluence objectives work as a motivator for entrepreneurship and thus result in higher growth ambitions.

Barriers of growth

Of course, the lack of any previously mentioned factors influencing founder growth ambition may work as a barrier for the company growth and founder growth ambitions. Hence, possible growth barriers are also diverse, and any single matter may influence growth. In their paper Stam, Suddle, Hessels & van Stel (2007) present three barriers of growth for high-growth entrepreneurship. First, attracting capable labor is difficult, as well as terminating employment if needed. This is related to societal structures in a sense that a high level of

education probably increases the prevalence of skillful workforce. In addition, employee contract-related matters are in some countries highly regulated. Second, acquiring capital is challenging as the risks involved in the business are high. This means that bank loans are often out of the question and accepting external capital may impair an entrepreneur's own position in the company. Third, managerial and organizational matters are less structured in high-growth firms. In entrepreneurial ventures, it is common that founders hold management positions (Autio, 2009), and because they may not have sufficient managerial experience or willingness to take a more traditional approach to management, the organizational structure may be loose.

As it was mentioned earlier, founders accumulate plenty of tasks (Mathias & Williams, 2018), and that can result in unbearable workload. The ability to quit and delegate these tasks would be essential in such situation if growth is the objective. According to the results of Mathias and Williams (2018), entrepreneur's individual growth ambitions are not of significance if their responsibilities and workload hinder the measurable growth.

3.2 Supporting high-growth entrepreneurship

If high-growth entrepreneurship is significant to the economy, how can policymakers support it? One key factor is to acknowledge that high-growth entrepreneurship does not only exist in the tech-industry. Therefore, policymakers should consider all kinds of industries in their innovation incentive programs (Autio, 2009). Because of digitalization, it may seem justified to concentrate on the high-tech industry but doing so creates a hazard for probably overlooking major potential and existing resources in other fields.

Figure 4 demonstrates Gnyawali's & Fogel's (1994) framework of Entrepreneurial Environments. The framework is divided into five main categories each consisting of elaborative themes and while there are factors such as venture capital and entrepreneurial networks included, most of the themes are associated with matters that political and public environment (socioeconomic conditions) have a direct influence on. Rules and regulations, entry barriers, government procurement programs for small businesses, counseling and support services, tax incentives, and business education are few examples to which politics have direct impact on. In socioeconomic conditions public attitude towards entrepreneurship, diversity of economic activities, and successful role models are examples of factors enhancing entrepreneurial activities. For instance, public attitude is significant because a positive atmosphere encourages to enter entrepreneurial activities whereas s negative atmosphere discourages grabbing potential opportunities.
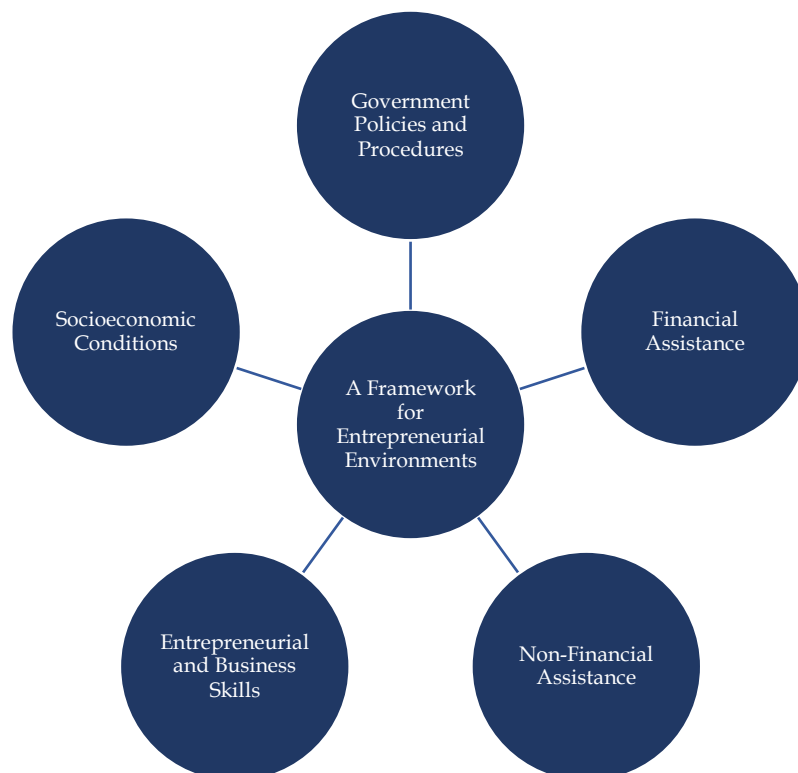
Figure 4. Imitation of the entrepreneurial environments framework presented by Gnyawali & Fogel, 1994.

In their study of high-growth entrepreneurship, Stem et al. (2007) found that higher level of growth ambitious entrepreneurship leads to a higher increase of GDP when compared to entrepreneurship in general. This would indicate that national incentive programs towards scalable ventures are justified. However, Stem et al. (2007) continue by mentioning that measures taken by policies are poorly assessed. Although, it is not known if they refer to a specific part of the economy, or if the evaluations have since improved.

Ács, Autio & Szerb (2014) introduced a concept of National Systems of Entrepreneurship in which the interplay between individual entrepreneurial actions and institutional context that regulates and enhances these opportunities, form a foundation to entrepreneurial activities. The definition is good in a sense that it emphasizes the importance of both actors in the interplay: entrepreneurs and the environment

There are several different programs operating in Finland and abroad, whose purpose is to promote, accelerate and fund Finnish startup growth (Koski et al., 2020). Public-funded programs or enterprises that accelerate entrepreneurial activities are coordinated by the government (Autio & Rannikko, 2016). However, public sector emphasis on high-growth entrepreneurship on policy-level is relatively new – in Finland, there have been programs of that focus since the mid-2000s (Autio & Rannikko, 2016). According to Autio and Rannikko

(2016), the programs should devote to selection and milestones. By doing so, unnecessary funding is cut down, and companies that genuinely have the motives and conditions to grow will receive the incentives. This is supported by Gartner & Shane (1995), who stated that supportive measures to entrepreneurship might not materialize, and thus bad business models may not be worth the support. Heinonen & Hytti (2016) emphasized that Finnish policymakers should recognize entrepreneurial opportunity identification as a vital part of incentive programs.

Van der Zwan, Verheul, Thurik & Grilo (2013) compared European countries and the US in order to find in which countries entrepreneurial progress is most probable and which factors influence it. The findings highlighted risk tolerance and the level of financial support meaning that in countries where the results of them were minor, also had the least of entrepreneurial progress. Those kinds of results underline the importance of increasing and encouraging entrepreneurial atmosphere in addition to enabling governmental support for nascent entrepreneurs.

Several studies suggest that investing in entrepreneurial education at schools would be fruitful (e.g. Autio, 2009; Teruel & de Wit, 2017). This has been addressed to some level, as entrepreneurial education has taken root in Finland during the past years (Nurmi & Paasio, 2007) and universities across the country carry an important role in enhancing entrepreneurial activities and promoting entrepreneurial mindset (Chakrabarti & Rice, 2003). For instance, in Aalto university, the startup scenery is progressive and among the most productive ones in Europe, accounting for half of the Finnish university-born ventures (aalto.fi). However, one must remember that also higher education in Finland is publicly funded, meaning that it is under continuous pressure for cost cuts. There are often companies involved in universities' operations. These companies have their roles in the cooperation which might be of financial help in case of cost cuts.

In their study about SME managers, Delmar & Wiklund (2008) found that manager motivation and growth ambition influences the firm results. As in developed countries the majority of employing businesses are SMEs, the authors think it is vital for policymakers to acknowledge this on their measures to support the companies. For instance, the authors contemplate if it is reasonable to provide tax reliefs for companies with minor revenues, as it may hinder growth motivation. However, this is a somewhat controversial argument, or the statement would at least not necessarily achieve support among entrepreneurs.

For the context of this study, in Finland, systems for entrepreneurial support could be considered as advanced (Autio, 2009). From that perspective, there seems to be no reasonable explanation why Finnish startups are not performing at a similar level when compared to countries with similar industrial structures, such as Sweden (Autio, 2009). One must acknowledge that what seems to be well-spoken on paper may not be the reality. Also, despite Autio's (2009) article, statistically Finnish startups seem to be both productive and attractive for capital investments. Another thing to bear in mind is the rapidly changing world and business environment. It may as well be that as this study is

written, there are multiple future super ventures developing or upcoming in Finland.

To conclude, policymakers have grounded motives to support high-growth entrepreneurship and subsequent entrepreneurial exit as they both influence economic welfare. From first, society benefits through taxes, increasing employment, and innovations. Latter – at least when successful - releases valuable financial and cognitive recourses, thus enabling new ventures and philanthropy (DeTienne, 2010). However, on the national economy level, entrepreneurial exit can also be a somewhat controversial issue, especially if much of capital is directed abroad or innovations are sold for too low a price. From the viewpoint of a free market economy, policies cannot easily steer the level of exit, but governments could contemplate how to encourage growth entrepreneurship in such a manner that exit would be economically as viable as possible. Equally, socioeconomic matters such as the public atmosphere towards entrepreneurship probably influence the prevalence of traditional and high-growth entrepreneurship.

3.3 External funding: Venture capitalists and business angels

Growth companies have several different routes to acquire funding, for instance through friends and family, other networks, business angels, venture capitalists, and crowdfunding. The financing rounds are usually roughly separated as follows: pre-seed funding is the first phase where the company gets its "kick-off", and the money usually comes from founders themselves. In the seed phase, a group of other actors such as business angels may become involved. At this point, the assets are usually spent on product development. For more established companies, rounds A, B, C, and further are directed to really accelerate the growth, and usually at this point the invested amounts are already significant. (Reiff, 2020; Etula, 2015).

The most common financiers for startups/growth companies are business angels that are usually wealthy individuals (Morrissette, 2007) and the great advantage of angel investors is that they are often experienced entrepreneurs themselves, and thereby possess better ability to identify potential companies and work as mentors (Hellmann & Thiele, 2019). Venture capitalists on the other hand are professional private equity investors, who invest in companies with great growth potential, and the purpose is to scale the business intensely, consequently resulting in a possibility to make a large return on investment through an exit. Often, VCs are funds, in which large institutional actors and other quarters invest, and the funds are then distributed to chosen companies for which most often stocks of the company are provided in return (Ganti, 2020; Santavirta, n.d.). In addition to funding, venture capitalists entail strategic know-how and networks (Manigart, Sapienza & Vermeir, 1996) and create a positive impact on the attractivity and credibility for customers to engage

with the business and thereby, VC-backed companies tend to grow significantly faster than their counter businesses (Davila, Foster & Cupta, 2003). Venture capitalists may choose to be heavily involved in the business operations and decisions or function more as a background audience (Sapienza et al. 1996). However, often venture capitalists hold a position at least on the board of directors (Bottazzi, Da Rin & Hellman, 2004).

Depending on the dilution of ownership as a result of external funding, founder control may decrease significantly. For instance, in Finland, most VC investments to growth companies are buyout investments meaning that the majority stakes are sold to a venture capitalist (Santavirta, n.d.). Probably due to this, some founders may want to decline external funding in order to keep the decision power themselves – one thing that could especially affect founders is that VCs tend to want to influence invested firms' managerial choices (Kaplan & Strömberg, 2004).

The cost of internal funding is said to be lower than acquiring external funding (Park & Pincus, 1997). The company may choose to operate fully on revenues, but for a growth company, it can be a challenging task. At least the company industry field influences whether this is plausible – for instance, a high technology firm usually requires high financial assets from early on, but in the service sector, the situation might be different. Naturally, in some cases, acquiring external funding may be preferred for the founder(s), but it cannot be achieved for a reason or another. In addition to a poor product idea or a lack of proof, founders' personal attributes and human capital play a role in acquiring funding, and those who are able to convince venture capitalists (or angels) through these personal assets are superior (Bottazzi et al., 2004).

4 RESEARCH, DATA AND METHODOLOGY

4.1. Context of the study

The purpose of this study is to explore the phenomenon of growth and exits among Finnish startup founders. The context of the study is Finland, and the data was gathered through founder interviews. The companies are from several industries and not limited to high technology sector. The companies are in different phases, some new, and some more mature, some entrepreneurs still involved, and some have exited fully or partially. The goal is to understand the research problem in Finland in the 2020s. Finnish growth-oriented founders were chosen as an objective to the study as it is vital for such a welfare society which possesses relatively minor natural resources to prosper through innovations and successful, scalable businesses. The rather bittersweet legacy left by Nokia still influences the society and the population's self-esteem one decade later.

Innovative and highly valued companies achieve a great deal of publicity and admiration, and they evoke continuous attention in media platforms, yet academic research regarding them is relatively scarce in Finland (Autio, 2009). There are many well-known success stories from neighboring countries and surely from Finland, too. The public attention given to these ventures probably motivates many new entrepreneurs to start a business, but it can also misrepresent the fundamentals of entrepreneurship and the dedication it can require to establishing a successful company. Some of the conversation has been focused on 'unicorns' – Lee (2013) defined a unicorn as a privately owned venture valued over 1 billion dollars, and the definition has since become popular. However, reaching a 'unicorn' status is extremely rare and challenging, and it may be problematic if conversation and attention revolve much around that.

The statistics indicate that Finnish startups are attractive for both early-stage investments and buyout investments. Autio (2009) discussed this paradox in his paper; despite a leading position in R&D investments per capita, Finland lags behind other Nordic countries in the number of high-aspiration entrepreneurs and firms. Wallin et al. (2016) noted that the Finnish society may not be encouraging enough for the strong growth and entrepreneurial mindset that successful startups would require. It seems that the perception of high-growth entrepreneurship in Finland is complex. In addition, the author of this study has observed that while there is a lot of public conversation and interest in growth entrepreneurship, entrepreneurial exit is not highlighted in those discussions. Given the fact that there is a high number of buyout investments in Finnish high-growth ventures, this is an area worth exploring more.

4.2 Brief review of Finnish startups/growth companies

In Finland, approximately 4000 new startups emerge each year, and there are a few hundred that have grown significantly over three years (Kotiranta, Pajarinen & Rouvinen, 2016). The companies are strongly male-dominated, meaning that gender diversity is not fulfilled (Pääomasijoittajat, n.d.). Finnish growth companies are concentrated in the capital region (Tilastokeskus). Several accelerating and supporting systems are available for growth companies, of which state-owned Business Finland is perhaps the most well-known.

According to Pääomasijoittajat (2020), private equity-backed ventures in Finland grow on average nine times faster than peer companies, and personnel on average five times faster. In the Finnish startup ecosystem, it is more common to pursue acquisition over IPO (Armstrong, 2017). In Armstrong's 2017 Forbes article, it was stated that Finland alone accounts for a staggering 10% of startup exits globally. A buyout investment means that majority of company shares are bought by an investor, and they are the most common VC investments in Finland (Santavirta, n.d.). Over half of the VC investments for startups come from abroad (Santavirta, 2021). The figure 5 demonstrates that in 2018, Finland was among the top European countries in the buyout investments measured against GDP.
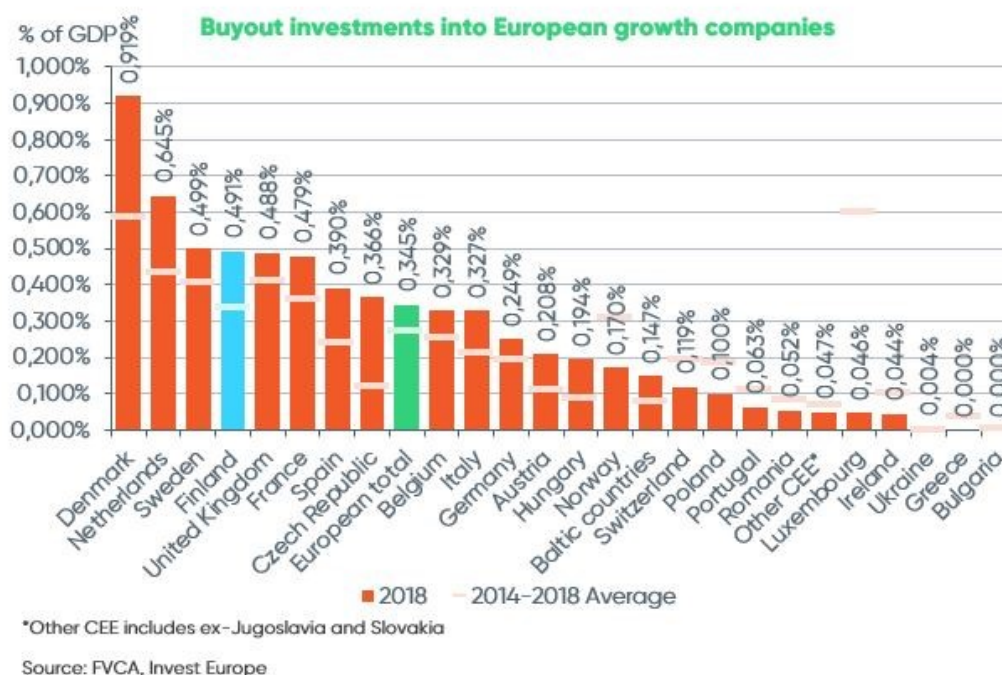

Figure 5. Buyout investments into European growth companies. Retrieved from paaomasijoittajat.fi.

4.3 Qualitative research & case study

Qualitative research fits business studies well in situations where the purpose is to understand certain phenomena or research objects' perspectives. Often, these objects are people closely associated with the studied companies (Carson, Gilmore, Perry & Gronhaug, 2001). Where quantitative studies tend to focus on testing and proving hypotheses through numerical methods, qualitative approach is suitable in situations that are lacking information and understanding of the subject, and therefore that understanding is needed to be expanded (Antwi & Hamza, 2015). Because business researchers often favour quantitative methods, for instance for growth-related studies qualitative approaches are requested to collect in-depth conception from entrepreneurs themselves (McKelvie & Wiklund, 2010). For entrepreneurial exit research, qualitative methods should be seen as justified because even though venture performance or relative success can be measured through quantitative methods, that does not reveal the motives, reasons, or opinions that founders experience and express.

A case study allows exploring information in its context, regardless of the information Eriksson & Koistinen (2014). By interviewing several Finnish growth-oriented venture founders, the writer of this study was able to understand the researched phenomena in the Finnish context. In an interview setting, the interviewee can describe the phenomenon in their own words. Especially in a situation where there is little research on the topic and the interviewer cannot know answers beforehand, an interview is a suitable research method (Hirsjärvi & Hurme, 2015). Hirsjärvi & Hurme (2015) have named this kind of semi-structured interview guided by specific themes, as a theme interview. In such setting, the frame of the interview questions is somewhat defined beforehand, but the interviewer has the possibility to steer the interview and ask additional questions based on the answers. The challenge in such setting is that the steering of conversation is usually left dependent on the skills of the interviewer.

4.4 Research questions and setting

Research questions consist of three different kinds of questions that are distinguished from one another; research question(s), interview questions, and data questions, through which collected data is interpreted (Hyvärinen, 2017, p. 24). Interaction plays a significant role in a research situation where unexpected themes may emerge. Therefore, informality leaves space for a more harmonious interview (Hyvärinen, 2017, p. 42). A semi-structured interview fits this research setting; pre-positioned questions steer the conversation to the research problem enabling more informal interplay concurrently.

For qualitative research, it is difficult to set a specific quantity requirement for interviews, as it depends on many variables. The heterogeneity of interviewees matter: when they come from different backgrounds, less amount is acceptable when compared to a homogeneous group. However, drawing the line between heterogeneity and homogeneity is not simple; for instance, in this research, all the interviewees are growth-ambitious venture founders which represents a very marginal group of people – yet they come from various backgrounds and industries. A large number of interviews is also not always good just for the sake of extensive data, the critique is that the subtle interpretation of data crumbles due to lack of time. (Hyvärinen, 2017, p. 34-36).

Remote interviews are a time-efficient manner to collect information. Some may criticize remote interviews due to their lack of non-verbal communication, but on the other hand, it offers the interviewee a certain kind of privacy and can thereby encourage them to be more open (Ikonen, 2017, p. 282). There are however two clear reasons why the interviews of this research were conducted remotely. First, the worldwide Covid-19 pandemic placed its own boundaries as it was strongly advised to avoid travelling and face-to-face meetings. Second, in a country with long distances such as Finland, it is more efficient to manage the interviews remotely. This also enabled including founders around the country which for one enriched the data furthermore. Most interviews were conducted as video meetings, which to some extent improved the observation of non-verbal communication.

Regardless of the remote interview setting, the accessibility of interviewees became a challenge. The writer of this thesis made up a visual interview invitation containing the theme and purpose of the study, and this invitation was then shared in professional social networking site LinkedIn. Although existing networks were utilized, the target interview group being very narrow and in general quite occupied, only few founders signed up as interested after seeing the invitation. With the help of networks and news articles, the rest of the founders were reached, and the total number of participant founders was eight. Table 1 summarizes the interview details.

Date	Current role	In the study	Duration (min)	Transcribed pages
5.3.2021	Operational manager	F1	33	11
9.3.2021	CEO	F2	72	20
10.3.2021	CEO	F3	32	11
16.3.2021	CEO	F4	36	15
30.3.2021	C-level	F5	58	17
14.4.2021	Board member	F6	64	21
23.4.2021	Exited	F7	63	21
28.4.2021	Employed	C8	37	11

Table 1. Interviews.

4.5 Data

Ranta & Kuula-Luumi (2017, p. 422) advise retaining information for interviewee selection, a timetable for the process, and which kinds of interview themes and questions were utilized. The selection and timetable were presented in the previous chapter, and the interview questions can be found in appendix 1.

The data was processed anonymously and most of the background information was categorized. There was a lot of personal information collected and the writer wanted to avoid the recognition of individual founder(s) and their company. Because detailed information of founders' ventures was not considered as value-adding information, descriptive particularities about the company were left out. There was also a guiding thought that most founders would not want, for instance, their exit intentions to be published and it could have been more challenging to achieve interviews. Therefore, founder information was categorized in a way that the information gave enough pointer of the background yet still maintaining the anonymity of the interviewee.

After the interviews, the recordings were transcribed into text files with the assistance of Microsoft's transcribing tool, after which the text was manually processed and corrected. Interesting, essential, and recurring themes were coded from transcripts to facilitate the data analysis.

4.6 Data analysis

The analysis of this study is interpretive in nature, meaning that interviewees' speech and transcribed text are interpreted through the researcher's observations, which are prone to subjectivity. In such a method, the analysis is not based on existing theory; rather theories work as supportive pillars in understanding the empirical data (Eriksson & Kovalainen, 2008). Mantere & Ketokivi (2013) present three different reasoning approaches for scholars; deductive, inductive, and abductive reasoning. Deductive reasoning is used when something needs to be proved as *true*, and therefore it fits quantitative studies in general. In qualitative research inductive approach aims at *theory building*, and a compromise between these two is abductive reasoning, which is used by interpretive researchers. Abductive reasoning means that conclusions and interpretations aim to give the best possible explanation. However, in the end, these explanations are subjective and thus receptive for different interpretations depending on the reader. (Mantere & Ketokivi, 2013).

Taking yet a deeper approach, different interpretive orientations shall be evaluated in terms of suitability for this study. In their article, Mees-Buss, Welch & Piekkari (2020) review two separate orientations of interpretation:

naturalist and hermeneutic. The challenges of naturalist orientation are that it requires the researcher to possess faith in both the participants (interviewees) and the researcher herself, resulting in the risk of losing objectivity in regard to analysis. In the naturalist approach, the link between data and theory is firm and transparent. Hermeneutic orientation, on the other hand, accepts the evident subjectivity of the researcher and therefore, her misinterpretation of results is possible. Whereas the naturalist approach is said to be more inductive, in hermeneutic orientation the link between theory and data is more abductive; existing theories may not be able to be proved, but the observed matters can be explained in the best possible manner. Taking a more hermeneutic orientation fits this analysis setting for two reasons. First, the researcher's inexperience in conducting and analyzing interviews sets a certain threat to 'objective interpretation'. Second, the initial purpose is not to build new theories rather than parallel the results with existing ones. On the other hand, according to Eriksson & Kovalainen (2008) and Ketokivi & Choi, (2014), different interpretive techniques should not exclude one another, and usually, researchers apply more than one during their study. Hence, it is possible that in some parts dismissal of subjectivity is possible and some generalizations may be offered, in which case according to Mees-Buss et al. (2020) model, the approach would be naturalist while otherwise more hermeneutic orientation is applied. Another advantage of abductive approach is that it allows supplementing and modifying the theoretical framework, if for instance surprising empirical findings emerge (Dubois & Gadde, 2002).

In a case study research, analysis can be challenged by the relationship and formulation logic between theory and empirical data. According to Ketokivi and Choi (2014), it is important that the researcher seeks to clarify the reader with this interrelationship. Figure 6 demonstrates the framework authors conducted for the field of operational management, but the same model fits other business studies as well. This particular study leans mainly towards theory elaboration, in which the ratio between general theory and empirical context is quite similar in size.
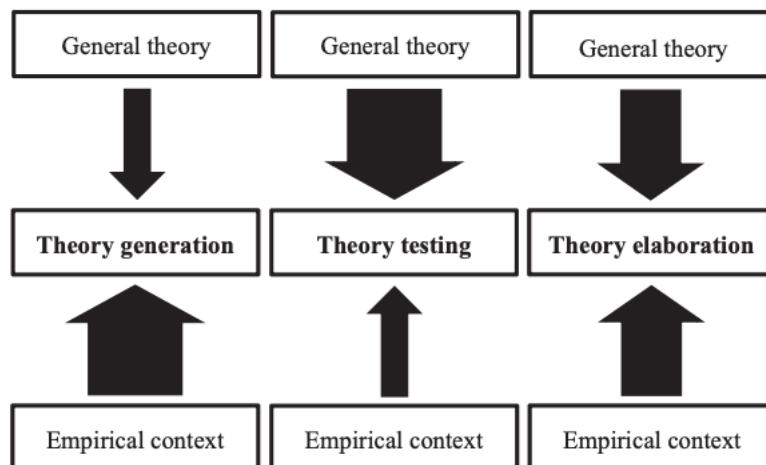
Fig. 1. Three modes of conducting case research.

Figure 6. Three modes of conducting case research. Ketokivi & Choi, 2014.

4.7 Research process

This research process started at the turn of 2020-21 by considering and narrowing possible research topics. The writer had a few personal interests that differed from one another. For the selected topic, the writer did an initial inquiry of willingness to be interviewed by one venture founder, and after receiving an affirmative response, begun to investigate the subject more. The final confirmation of the topic emerged after the writer recognized apparent research gaps in the research area. There was a relatively scarce amount of high-quality academic research in the field, yet enough to draw a preliminary literature review. The existing studies proposed direct suggestions for future research, which worked as guiding directions for the formulation of interview questions.

In February, an initial theoretical literature review was conducted, and the writer made a draft of interview questions. At the end of the month, the first interview invitations were published, and a few contacts were gained. Due to a slender number of contacts, the writer collected a list of potential founders to be reached out. It was important to form a heterogeneous group of interviewees consisting both of existing and exited founders, other founder members and pursue gender diversity. The latter proved to be challenging as Finnish startup founders are highly male dominant. Hereby, the writer accepted it was probably not going to be equal in terms of genders.

The first five of the interviews were carried out and transcribed in March, and initial analysis and text started generating. In April, the number of interviews and transcripts was three, following by a continuation of analysis. In May, some final efforts for acquiring other than male founders were made. Unfortunately, this was not fulfilled, and the writer focused on final analysis,

discussion, and report finishes. Some supplements for theory were also added. Figure 7 summarizes the research process.

January	
Topic contemplation	Theory overview

February	
Literature review	Interview questions & interview invitations

March	
5 interviews & transcripts	Initial interpretations

April	
3 interviews & transcripts	Interpretive analysis

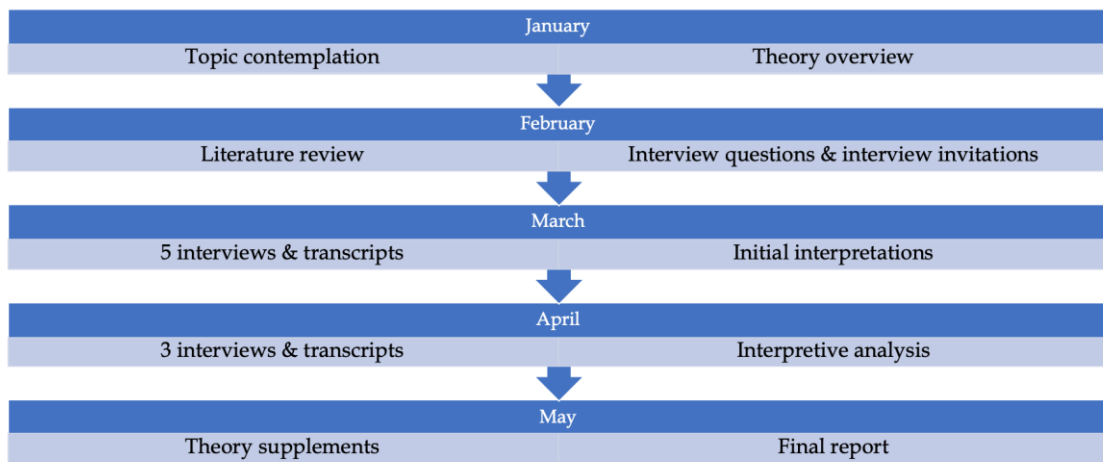| May	
Theory supplements	Final report

Figure 7. The research process

5 FINDINGS

In this chapter, the results of the interviews are presented. The writer has picked the themes and responses she regards essential for the study, which means that each asked question is not included, as and if they were not providing additional value for the research and the research problems. This chapter begins with the background information of the interviewees and continues to present the findings. The part with findings contains direct quotations of the interviews but which have been translated into English to the best of ability. Colloquialisms and slang words are sometimes replaced with the best possible alternative. To avoid this section only narrating what the interviewees have in actual terms said, the writer has observed and interpreted fundamental meanings behind interviewees' words and the consequences of their thought processes.

Table 2 summarizes interviewees' relevant background information. All the interviewed founders were youngish, under 50 years old, most fitting in the age category 26-40. Most of them had a university degree, especially Master of Science in Technology was a typical diploma. Many founders came from entrepreneurial family backgrounds, though their parents represented more traditional entrepreneurship than growth entrepreneurship. Only few founders had prior entrepreneurial experience themselves, and most of them were thereby first-timers. None had been a 'startup' founder before. Most of the founders had been able to extensively utilize their previous work experience and formerly acquired know-how as well as networks when establishing their own company. In that sense, they were not looking for opportunities rather than possessing existing expertise, or in some cases, inspiration had emerged from some everyday problem. For instance, founders 7 and 8 wanted to develop something that had made them frustrated in their professional life, determined to do things better, whereas founders 3 and 4 had accumulated extensive expertise in technological fields that they felt passionate about.

	Age	Education	Prior entrepreneurial experience	Entrepreneurial family background
Founder 1	26	Master's student	No	Yes
Founder 2	35	Master's degree	No	No
Founder 3	30	Master's degree	No	No
Founder 4	35	Master's degree	Yes	Yes
Founder 5	30	Master's degree	No	Yes
Founder 6	46	Master's degree	Yes	Yes
Founder 7	37	Upper secondary	No	Yes
Co-founder 8	32	Bachelor's degree	No	No

Table 2. Founder background information

All the interviewees had a founding team of more than one person, and most of them were CEOs responsible for the most important operations. Financial matters and the benefit of having more than one founder and thereby more extensive know-how and expertise were probably the reasons why all had more than one founding partner.

The companies came from several industries in the fields of service and high technology, and they were in different venture life-cycle phases. Founders 1-3 were in relatively early stages, founder 4 had grown significantly to a point they contemplated additional funding, founder 5 had sold the majority of their shares to a domestic company and had thereby quit as a CEO but was employed by the parent company. Founder 6 had grown his business significantly and had taken venture capital on board and that way, his ownership had diluted slightly. He had also given up his CEO position to operating on the board of directors and on special projects but did not regard those matters as a partial exit. Founder 7 had sold most of his shares to a foreign investor a few years earlier and had later exited the company fully by quitting as its CEO. Co-founder 8 was an interesting addition to interviewees because he represented the view of how growth and exit process may appear in the eyes of a person who has been involved in a company from its first steps as a co-founder. However, he had minor ownership and decision power, and no C-level managerial position.

Some of the companies were operating entirely self-financed, for instance, founders 5, 7, and 8 who were operating in the service sector. Others had applied and received private funding through angel investors and/or venture capitalists, in addition to utilizing governmental support such as Business Finland.

5.2. On growth

Table 3 demonstrates founders' perspectives on growth and based on the interpretation of the interviews, the level of growth orientation was classified as well as how founders regard policymaking affecting their growth orientation, and how they perceived public's general support for growth entrepreneurship.

	Growth orientation	Policy-making attitude	Atmosphere towards growth entrepreneurship
Founder 1	Moderate	Mixed/critical	Positive
Founder 2	High	Mixed/positive	Positive
Founder 3	High	Mixed/positive	Positive
Founder 4	High	Mixed/positive	Positive
Founder 5	High	Mixed/critical	Mixed
Founder 6	Moderate	Critical	Mixed
Founder 7	High	Mixed/critical	Neutral
Co-founder 8	High	Neutral	Mixed

Table 3. Founder growth perspectives.

Even though all the founders were growth-oriented, for some, it was interpreted that how they responded to external issues influenced how they perceived growth-related matters and their company's prospects to grow. Those founders who were classified as moderate in growth orientation were emphasizing company external factors influencing venture growth aspects, in addition to critique towards politics, and it was interpreted that if there is minor or non-existent confidence in political systems, the speech regarding growth was less enthusiastic or less viewed as a probable matter. For instance, founder 1 had growth ambitions, but the Covid-19 pandemic had impacted her outlook negatively, as the pandemic and its restricting actions had influenced the company operations significantly. She was also in the very early stages of running the company, as was the company itself. Therefore, all the routines and practicalities may not have been in place just yet. Founder 6 on the other hand, although his company had grown remarkably over the past years, felt that politics are the fundamental barriers for ventures' growth, resulting in pressure to make ownership arrangements, and his view towards his company's future growth was therefore moderate. However, also some founders that were classified as highly growth-oriented had mixed/critical opinions regarding politics. In their cases, though, the description of growth and successful exit showed through enthusiasm or elaborating the elements through which growth and exit were achieved.

In table 3, mixed/positive and mixed/critical were classified as such, if the attitude was something in between or both perspectives were recognized in responses, and what was the eventual expression left by responses. For instance, founder 2 acclaimed the available support instruments but contemplated some bureaucratic issues they as a company may face, whereas founder 5 was critical towards allocation logic of public sector's financial support which excluded his venture from pursuing public sector support, but otherwise perceived society structure and entrepreneurial measures functional and encouraging. What should be noted here is that interpretation in the politics section includes exit

discussion as well. For instance, founder 4 felt that growth support systems are outstanding in Finland, but he questioned the political measures to maintain the companies in domestic ownership.

Growth ambitions

What differentiates high-growth entrepreneurship from the traditional form is its ability or aim to scale up, which is why the product plays an important role in growth. Naturally, the product does not have to be unique but preferably novel in a way that it attracts interest, and communicating this novelty is crucial, especially in the early stages if the product development is still in its infancy. Thus, founders should believe in their product. The founders in this study did, and in many interviews, it was emphasized that the product itself has a competitive advantage, thus exciting the founders and influencing their growth ambition and realized growth. Therefore, a problem-solving approach was a theme that emerged and was common for almost all the founders:

> *"We clearly have a unique product concept, and we have found a gap in the markets."* (F3)

> *"That we found that problem, that real problem, did not forcibly try to come up with one - - I highlight that a lot that it is a solution that provides additional value, and that is why we are still growing."* (F5)

The interview questions did not include direct questions about founders' personal characteristics and their impact on starting a business, or growth/exit orientation. Characteristics were however brought up in many interviews. What was often emphasized was a high working morale, irrefutability, and general ambitiousness. These kinds of attributes can influence both founder's growth ambition and the ability to deliver measurable results, as it was concluded by an exited founder, who had managed to grow his company independently without external investors:

> *"It's possible to learn pretty much everything. The question is mostly about your own urge and attitude and how much one is ready to work and give - - Yes, it is definitely so that you have to be a bit stubborn."* (F7)

Company internal resources were less highlighted in the results as growth factors than what was initially expected, meaning that team dynamics and expertise were not often mentioned as a growth accelerator or on the other hand as a barrier either. Most emphasis on internal resources was given by founders 5, 7, and 8 who had exited. These founders shared common denominators as they operated in the service industry and were fully self-funded. Therefore, it cannot

be determined or interpreted if some of these matters influenced solely on the level of their emphasis, but it is possible it is due to all these factors combined. Self-funding demands sales – and these organizations were very sales oriented - and the service industry is less dependent on time and money consuming product development, in which case the core success of the business lies within people inside the organization. In addition, when looking from the retrospect, after having completed a successful exit, it may be easier to pay respect to those internal resources compared to companies that are in their early stages and still forming their operations. This interpretation is supported by the fact that founders in question were also open about organizational challenges they faced along the path of their ventures' life cycle. Perhaps it may be that after exit the big picture, and the factors influencing it, show up more distinct. For the exited founders, an emerging theme from the interviews was acknowledging the teams:

> "Looking for example at the co-founders, each of them took care of their job. Just like they were supposed to." (F7)

> "The biggest growth factor was that child-like enthusiasm to work for ourselves. And especially in the beginning, we had a tiny group, which was only adding fuel to the fire, when everyone was on fire and we were giving 100% to it - - and when new people came in, it was still small enough to catch and create that vibrant spirit of doing things culture in the company." (F8)

> "Maybe now when I have had time to reflect, I am surely proud of myself, but especially of all the people that have been a part of enabling this and still continue on a good path. So no, I have definitely not done all of this alone, by myself I would have probably failed even at that first step." (F5)

Networks are of significant value, as through them entrepreneurs can reach potential customers and partners or gain valuable information or peer support. At the starting point of a venture, possessing existing networks may boost initial growth. Many founders had taken on board their previous contacts, colleagues, and customers and admitted it made scaling up the business more effortless. Starting from zero is difficult and could hinder both founder's growth ambition and realized growth.

> "Of course in that sense it was easy that I had a lot of contacts, familiar people I had worked with or knew and relatives or some people I had met somewhere." (F7)

> "And then I self-directly contacted the same customers that I had consulted in my previous job, and arrogantly took them to myself." (F4).

The significance of the environment

One of the interesting themes of the interviews proved to be the society-related questions (how the support is perceived on the political and public levels, and what the thoughts are regarding public-funded governmental support). Most founders felt that company internal factors were in order, or they were not brought up as issues, but regarding external factors, especially policymaking was brought up as one of the most influential issue on growth. However, the interpretation at this point proved to be challenging. To some extent politics divided opinions vastly but classifying founders' policymaking attitude was difficult because of the *mixture* of expression, meaning that in an individual interview diverse standpoints were observed, including both acclaims and critique towards the systems. Therefore, the classification of table 3 was conducted in the writer's eventual perception of respondents' attitudes. This kind of mixture of feelings may be natural for many founders as on one hand they and their companies have been able to enjoy the fruits of the welfare system, but on the other hand, they might regard that those policy-related issues that obstruct their growth path could be resolvable matters.

> *"If we think about the political viewpoint, it may fail to acknowledge that majority, over 90% of people are employed by SMEs, but in enterprise politics, the focus is on larger companies, such as aid and change, tax adjustments, etc. But this is improving, but I would say that currently, from average people you get more support than from the politics."* (F3)

> *"Maybe the bottleneck in the public environment is that understanding and although there are good instruments and in my opinion enough money – one cannot complain that the priority is not there. But that understanding and that it would be accessible and user friendly, the process how to get that support. And maybe understanding new business models, so there are surely also many things yet to improve."* (F2)

> *"The support of the society is that in Finland people are highly educated, and people's basic knowledge is excellent - - the negative side is that doing work is not necessarily profitable, sometimes someone does not start work at first because the salary is not good - - unfortunately in Finland, we have been used to the society taking care of everyone."* (F7)

Politics received some extent of criticism in terms of bureaucracy related to hiring employees, and even though public sector support such as funding and services provided by Business Finland was mostly considered either positive or very positive system per se, the distribution of funding was sometimes seen contradictory and unfair. However, many of the founders had applied and received public sector funding and entrepreneurial services and regarded it assisting significantly in accelerating growth.

"The system is very good in a way that we have been able to utilize these support instruments - - The big question for us is the process of hiring employees, and there the threshold is relatively high and lacking good instruments in making the risk easier to bear." (F2)

"But after you learn how the system works, and you have the courage to contact Business Finland and talk to those people there and other people associated with them, it works remarkably well. The help they offer is incredibly useful and also very good for the society. I mean, we have paid, we have brought more money to Finland already than what they have given to us --- it is only and simply a good thing in every way." (F4)

"Politically we have these kinds of elements, these tools - - But the criteria start from that if you don't aim at internalization or scalability, then you don't receive funding." (F5)

Public funding may be significant to a company but for some founders, it came with a paradox of where the money eventually comes from, and thus a contradictory perception of support instruments' benefits is visible here:

"Business Finland has helped us a lot, so in that sense the support has been conditional, the technology side for instance would not have been materialized without it, so it can be good. On the other hand, there's a certain paradox which we have also faced in acquiring investors and maintaining the company, it is the flip side, where that money comes from? It comes from taxes and the Finnish welfare society has been built so heavy, like, the policy-making system is too decentralized." (F6)

"(Financial) aids don't belong to the business world, as such. Only in global markets I could imagine, but I don't think those companies manage the competition with those aids." (F7)

Arguably the most topical issue at the time of the interviews was the Covid-19 pandemic, and in Finland, there had been active public conversation and deep concern on how it affects businesses. Therefore, there was a presumption that Covid-related matters may arise in the interviews even though there were no specific questions asked about the pandemic. Thus, it was perhaps a bit surprising that the word corona was only mentioned in two interviews, and these founders' perceptions on its impact on the business were the opposites of one another. Depending on the venture field, the pandemic had treated ventures differently. It seems that in Finnish growth companies, the product focus is generally not affected by the pandemic, the impact is delayed, or the research target group happened to be such that it was not a relevant matter for most.

"And another accelerator (for company growth), although a bit unfortunate to say, but it is the corona." (F3)

"Corona affected the growth significantly and revenues, and everything decreased significantly because based on government bills and other prohibitions, events could not be organized." (F1)

It seems that in Finland there is certain "buzz" around growth entrepreneurship, and the public responds to it with encouragement. One reason may be that people long for more success stories, but also media attention and startup events may have increased the interest. While most founders felt that the general population look very kindly on growth entrepreneurship, based on the interviews it could not be interpreted that it is a significant factor influencing founders' growth ambition. At this point, it should also be acknowledged that many of the founders were from the capital region, and most of them emphasized they live in a separate 'startup bubble' meaning that they have wide networks of contacts and acquaintances, who also pursue growth entrepreneurship or are associated with it in a one way or another. Therefore, it is possible that the results would have been different if there was more regional variance. For instance, founders 6 and 8 were from outside of the capital region and they regarded other people's attitude as mixed, whereas founders 2-4 from Helsinki area experienced the atmosphere very positive.

"I know there has been a lot of conversation in the media about that we wouldn't be so entrepreneurship-positive society, or that entrepreneurship isn't an approved manner to become wealthy, but I think especially after Slush, the atmosphere has been really encouraging. Even to the point that an average person supports your thing more if you are a founder of a small company rather than a big company making significant development. Even though in the latter, the impact may be considerably higher, and it can be more difficult, based on what I have seen. At least in southern Finland, people are extremely affirmative towards growth companies." (F3)

"The viewpoint and atmosphere in regards of growth is positive, there are brilliant tech-sector ventures coming from Finland and I think they in a way enhance Finland's reputation around the world." (F1)

Even though the public reacts mainly positively towards growth entrepreneurship, regarding some founders it can also cause envious or doubtful feelings. These founders contemplated the paradox of general encouragement versus realized behaviors. However, unlike what might be expected, other people's unfavorable attitude did not influence the founders' growth ambitions negatively but, on the contrary, increased them for some:

"There was a lot of either direct or indirect, things like, I'm not saying jealousy but some kind of skepticism - -- maybe it is kind of a silly blend, that everyone fancy entrepreneurship and it's very neat and cool and such. But at the same time, it feels like it's away from someone else, if I want to make it on my own, I'm left with that kind of atmosphere – probably when I have worked hard night and day, it has been one of the accelerators about growth, that I want to show those who criticize, it is one of my characteristics that then I go battling even more." (F5)

"I think it is public opinion that hey, it's great that there are entrepreneurs. But it is somehow in the Finnish mentality, I think quite strongly, that failures are expected – - - but it didn't affect really, just annoyed, and on the other hand I guess it gave additional force to prove how this thing works." (C8)

"The general atmosphere and image are positive. There is encouragement out there - - Like, you don't have to be embarrassed but I don't know when the tax calendars are published again, then there may be jealousy, but we haven't been at that point yet. But I guess it will come across from there. That there is kind of a flip side."(F6)

Private or institutional funding was not widely highlighted in the interviews despite it was asked about. Those who had acquired private funding experienced the process relatively easy, but there was no major conversation emerging despite that for some of these companies external funding may be vital. In some interviews, it was interpreted that funding-related matters were sensitive in a way that there are confidential agreements involved, but it can also be interpreted that it was seen as less crucial a factor compared to the political atmosphere. Funding may be applied and acquired only for the amount that is necessary. For instance, from founder 3's response, it could be interpreted that hesitation is possibly related to that the company is still managing without additional funding, and retaining founder control and decision power is important, or the interested parties are not the best value fit for the company. The latter might be especially characteristic to founders who count more than monetary value to their company.

"Now we are contemplating if we should raise a round because our operations have taken off so well and we don't have direct competitors, so we would have a possibility to go unprofitable and do things a bit faster by raising a round, for example, one angel investor has contacted us but we declined, and one VC has contacted saying they are extremely interested, but for now we said we come back later." (F3)

The founders that had proceeded fully self-financed, had a more critical lens towards external funding, however acknowledging that it may be necessary in some industries. This may indicate that because of their own empirical experience, they feel that growing without external capital is possible and thus

they see it as uncomfortable or problematic to progress through negative cash flow. Thereby it could be interpreted that while these founders are growth-oriented, they lean their perception of their venture and entrepreneurial orientation to its more traditional form.

> *"To me, it seems that the people raise massive amounts of money, foreign capital is used to bring a knife to a gunfight, which I partly consider odd. In many fields it is compulsory, but you don't put your own skin in the game - - in the worst case it makes my blood pressure go up, that you don't try to operate on a profitable manner."* (F8)

> *"Now it is a bit distorted in a way that first people go thinking who could fund us and how we come up with such problem we could solve, and then you apply funding and then how venture capitalists work is of course that you must exit at some point, it's clear. But if you take part in that game, it means that you must drive towards that exit, and I'm a bit questioning whether it is persevering entrepreneurship."* (F5)

Barriers of growth

Out of three barriers of growth that were presented by Stam et al. (2007), all appeared at least once or more often in the interviews. Finding capable workforce and employment-related bureaucracy and challenges were issues brought up and discussed earlier. The funding challenge appeared especially in the companies that operated fully self-financed. While they did not seek external funding, they felt that self-funding was a delaying factor for growth. The third barrier according to Stam et al. (2007) were managerial and organizational matters. Regarding this issue founder's own role and position was sometimes seen as a barrier for growth. Especially at the early stages of the company, the founders or one of them hoards oneself with loads of responsibilities, and that is something that can easily stay on or accumulate in the growth phase. The reasons for this can be challenges in role distribution and on the other hand, the need to control all the operations when the firm has such a significant meaning, and therefore delegating tasks to others is considered difficult. A founder may accumulate responsibilities of supervising, recruiting, systems, customer relationships, sales, and finding funding and partners. In such case, the burden may become too much to handle, and thus it would be important to make clear role agreements and responsibilities early on, and for the founder(s) to find the ability to trust the organization through delegation. Comments below demonstrate the theme that emerged from this matter – the need to personally control as many things as possible:

"And actually the obstacle for growth was me at that point, there was just not enough time to be a supervisor to 30-40 people – -- Everything was kind of behind me, perhaps too long." (F7)

"At the moment the biggest barrier for growth is me, and my limited.. How much information is behind me and how I should on-board it to people because it doesn't scale." (F2)

"Another barrier is that because we started a bit like a garage-style and by ourselves, that is why I for a long time wanted to keep the strings in my own hands and the delegation was very challenging and I had to intervene with everything, which then kind of slows down (growth) and causes many other kinds of problems. But kind of, that the organization leans too much against the founders, that has been surely one blocker here as well." (F5)

Growth summary

Based on the interviews, many factors discussed in the earlier literature section influence founders' growth ambitions and confidence in how far they can take the business independently. These factors can be divided into internal and external resources, and Figure 8 recapitulates the circumstances influencing entrepreneurs' growth ambition.

Internal resources

- Personal characteristics
- Product/service
- Founder control
- Organization

Growth ambition

External resources

- Funding
- Environmental support:
  Policies
  General atmosphere

Figure 8. Growth ambition summary

5.3 On exit

Exit theme was profoundly discussed in each interview regardless of founder's current stage in the company. Exit strategies, attitude towards exit atmosphere,

possible personal motives for exit, and specific questions for the founders that had exited were deliberated. Table 4 summarizes founders' exit orientation.

	Early exit strategy	On-going exit strategy	Exit made	Attitude towards exit atmosphere
Founder 1	No	No	No	Mixed/critical
Founder 2	No	Partial	No	Critical
Founder 3	No	Partial	No	Mixed/critical
Founder 4	No	Partial	No	Mixed/critical
Founder 5	No	N/A	Partial	Mixed/critical
Founder 6	No	Partial	No	Critical
Founder 7	Partial	N/A	Yes	Mixed/critical
Co-founder 8	Yes	Yes	Partial	Neutral

Table 4. Founder exit orientation

Attitude towards exit atmosphere

As seen in Table 4, nearly each of the founders' perceptions of exit culture inclined towards critical at least partly. These aspects are elaborated in the following chapters. However, it is noteworthy to observe from the table, that also the founders that had conducted a full or partial exit, or aimed at it already, had these critical viewpoints.

Many of the interviewees indeed brought up that growth companies are created for an exit and that most often, receiving external funding requires an exit strategy. In addition, many of the founders perceived that amidst growth entrepreneurs in general, there is a very positive atmosphere around exit in Finland. However, this trend did bring about contradictory feelings and concerns in almost every interview. Especially ownership and innovation escape abroad were seen as a great concern. As a large phenomenon, it may be problematic if there is an atmosphere that encourages entrepreneurs to sell their companies abroad, and founders themselves hope for more sustainable, domestic entrepreneurial success stories, and some of them aimed at it. Building such a path may not require the founders themselves to stay involved with the business indefinitely, but it would require the means and ambition to obtain domestic investors or acquirers, for instance.

"Well, I think the growth entrepreneurs' attitude towards exit is too positive. I mean, exit is an obvious outcome of all entrepreneurship – I understand that and it has to work like that because it is the whole idea and driver of (venture) capital

investment. But what I think is questionable is how beneficial it is to the Finnish economy after all, that all companies are sold abroad and that it is almost encouraged. Also, by the state. It is not an easy question, but I don't see any alternatives to it how it works now." (F4)

"Maybe among entrepreneurs and commercial people, it is seen as an ultimate positive thing. Investors of course seek it, and entrepreneurs glamorize it. But in a general conversation, the perception is contradictory. For example, the Supercell sale first to Japan and then to China was something that people were like, how did this happen. And it was much underlined how the deal brought a lot of tax income to Finland, yes sure, but thinking about the future, it is probably more lost tax income because the sale happened how it happened. "(F3)

"… I wonder if companies have thought about the long-term consequences of exit, making sure that the innovation or technology is not sold too cheap, to get rid of it. Or is it a forced solution at that moment - there are many situations, but sometimes I have heard that highly potential companies have been sold for peanuts. Of course, one cannot know the reasons behind it but to the outside, it has seemed that in some cases, continuing just a little bit further would have resulted in a better price. But if a safe exit was the goal, then they were justified decisions." (F1)

Even if the founder had executed a wealthy exit that according to several indicators was a successful one, it was acknowledged that there might not be sufficient ambition to build meaningful, sustainable business stories in Finland. The challenge may relate to lower risk tolerance, or to the lack of surrounding success stories, subsequently lowering the bar for goals. Founders 5 and 7 had exited partially or fully but contemplated whether it is always appropriate to aim at exit as soon as possible. Both agreed that in Finland, the society and entrepreneurs themselves should devote to persevering entrepreneurship and established business tales.

"When we think about Finland there is, unfortunately myself included, too low goals – there are exits made too early. And too fast. And in general, there are not many opportunities taken to build meaningful companies that would have sufficient timeline behind (them)." (F7)

According to one founder, the habits that are rooted in the societal structures may cause that it is acceptable, even something to encourage, to sell companies to foreign actors. In addition to the economic viewpoint, the challenge it inflicts is also the before-mentioned lack of other success stories to look up to and aspire to, which then may for one influence founders' growth ambitions and/or early exit.

"The phenomenon, that all along the 2000s, Finnish capital escapes and in Finland there's no confidence in Finnish industry. --- In a way, for Finnish companies, it is a measure to protect business, or kind of fade away owner risk." (F6)

Even though politics were brought up as a complex challenge related to both growth and founder exits, there was also understanding towards the security current system guarantees, although financial prosperity atmosphere would not rank as high as in some more capitalist-rooted countries. Therefore, it would be beneficial to keep in mind and reflect on how Finland would be if its political structure was much different.

"It is clear that Finland loses massive amounts of money – - But if we look at the flip side, there are, for instance, fewer homicides here compared to a country that is politically more conservative. The number here is quite much smaller, so everything has a price." (F7)

Understanding the terms and conditions and risks when committing oneself to a venture capitalist's exit strategy is essential, even when the company has been performing very well. The possible threat may stem from the very positive attitude towards acquiring venture capital financing because it is seen as such a natural part of funding in the intense growth phase.

".. And maybe I would like to see more options to do things rather than the current exit route where VC invests in startup and then there's a certain route and VC's come along in different round, there are extremely big risks which are not greatly talked about – how the founder could lose their money even if the company is successful, and then something just happens between rounds B and C."(F2)

The glory related to growth entrepreneurship and exit overshadows some fundamental parts of entrepreneurship: some founders think it is not easy and probably not suitable for everyone. Appreciation of traditional entrepreneurship is important to bear in mind as these companies have a significant impact on employment. In public conversation, failure related to startups is maybe not highlighted or traditional success stories are left with less attention.

"There have been a lot of fails as well --- the truth is that it is something like 1% that goes further from that first seed – Honesty in that people should get over that startup buzz phase and take.. And maybe highlight stories where there are entrepreneurs, whether it is boilermaker welder or whatever, who has really increased the company to 10 million (revenues) and created 50 jobs, that in my opinion is as valuable as that startup buzz entrepreneurship. To sum up it is a misrepresented image of what entrepreneurship really means." (F5)

Exit motivators

In addition to wealth motives, the founders still involved with their businesses mentioned some personal motives in which they would consider an exit. One was a situation where they would regard their own contribution is not sufficient to take the business further, and even in such case, the decision might be carefully digested. Sudden illness was also a reason but family reasons, for example, were not brought up by non-exited founders. It might be that family and other personal reasons are such that are not considered exit motives at first, or they are concretized later or only after exit. Growing and nurturing the business with a dedication usually requires long working hours which might mean time off from personal relationships and that impact could emerge, at least at some point. Two out of three exited founders had a family, and they emphasized the increased time as a significant value after the exit.

> *"It would not be a momentary feeling, but a decision that has been prefaced long and well."* (F1)

> *"I don't think that an exit decision would stem from any social matter like having a child or other significant happening in life. But if I would be in a situation where I feel that this doesn't motivate me anymore, or my passion is not in this product we make, then I would have to do transition with own initiative."* (F3)

> *"If I had a sickness or something like that, of course that would affect personal priorities remarkably, but at the moment I would see no other reasons."* (F4)

> *"I cannot even say, how long days I have done on average, all the time working, and then I had a child - - of course that influences as well, that I wanted to spend more time with my child."* (F5)

On the other hand, the perception of possible exit was in one case influenced by the size of the founding team and having a large investor, and thus decrease in founder control:

> *"There are five of us and now an investor, so I think my approach to it is a bit colder, if you think from the perspective of a successful entrepreneurship that is thinking what he/she owns, it is more personified."* (F6)

The importance of making impact was a theme that emerged and was brought up as a significant value for some. Impact was seen as something that goes beyond wealth motives; it is something that considers the challenges in society or business life, and founders believed they have a product to respond to one of such problems. In the theory section, the concept 'social entrepreneurship' was discussed, and in the interviews, it was interpreted that 'making impact' was

associated with a similar way of pursuing entrepreneurship. In addition to scholars' interest in researching social entrepreneurship, emphasizing soft values, and not neglecting issues such as climate change and inequality have become topical themes in public conversation and media platforms as well. Founders that regard impact important may have embarked on entrepreneurship because of that and it is a driving motivator for them to take the business further. This means that finding the right partner to continue the business is of significant importance, and in such case, money is not the most important indicator for exit:

> *"The whole point here is the product and the impact we make, we are sort of its farmhands. If we have to be replaced, like surely we have to, then it happens."* (F3)

> *"If I am offered an opportunity that I honestly believe in, that we can make 10 times bigger impact in giving up the control to someone else, there's a high chance I will take it. It comes with that impact and culture and on the other hand our own role in it, that is also an important component. If we commit to a role that sucks, for like 5 years, I will definitely not bind myself with such, it has to be a good place to work and inspiring and match with our values."* (F2)

Preferred exit strategy

Only two founders said they had considered exit strategy when establishing the company and for them, wealth motives were relevant already at the starting phase. Others had not thought about exit at all in the beginning, but the matter became relevant quite soon in one way or another. It was interpreted that emerging exit strategy was related to accumulated experience and thus observing the realities, in addition to the desire to ensure the best possible continuation for the business.

When talking about the most preferred exit strategy, an acquisition was brought up most often, but the choice was complex in a sense that the possibility of an IPO was also in some cases contemplated, but it was not seen as a probable path. This might stem from the lack of empirical example as IPOs are quite rare in Finland:

> *"When I talked about that strong straw, it is IPO in a certain way – building a strong Finnish company and receiving a strong institutional capital flow which we need if we want to create sustainable, persevering technology business here around this thing - - and what it means in terms of ownership, is that will be heavily diluted - - it is concrete and desired but is it probable, is another question."* (F6)

> *"The exit strategy is that some significant industrial actor buys us. Another option is listing, but it is extremely unlikely, and the statistics prove that. So yes, exit through an industrial actor buying us is the probable route."* (F4)

"The most desired option for me would be that some big actor who can make this even better would buy us, and we would stay involved for let's say for one year, there are American companies that work in our industry and try to reach to what we have a solution for, and in their portfolios they have many products that fit the overall picture and it could be way better for our end customers if the product would be a part of some large product family. Another thing is IPO, going public which would mean giving up the autonomy partially and the operations could continue like as they are. It would be a good way for current shareholders and later employees as they could vest their shares simultaneously." (F3)

Exit process

One of the interests in this study was to explore how those founders who had exited, perceive the exit process and aftermath. The exit was perceived mentally tough, an emotional rollercoaster – in the long and meticulous process founder's company appeared bare in front of external valuers:

"It was heavy. Well, there were long negotiations about the selling price – - and of course there was the fact that there were many offers, walking through that with everyone, and of course, everything is confidential, and you have to kind of find your way in between - - it was like a rollercoaster process, and it took many months." (F5)

"Well of course it was a long process, the whole thing took over a year and. Mentally... Extremely challenging. - - And that paperwork and inspection processes, they are very long and it's good, it's like the world's most honest event. - - Yes, it was burdensome time and if you take the mental side, that especially was challenging." (F7)

Founder's own attachment and feelings regarding their company may affect how the exit process is perceived. Founder 5 often compared the company as his own child and his discourse matched with Cardon et al.'s (2005) theory of parenthood metaphor. The phase of giving up is challenging for various reasons, but not least if the business has been nurtured and loved from the beginning, resulting in strong feelings.

"Another thing is softer, this company is like my own child and I have nurtured it and tried to make it as good as I can and taught it how to walk and there are all kinds of beauty errors, but it was like a beauty contest, we went there and 6 lawyers then look how your child looks like and find all the beauty errors - - and their job is to find those errors - - Maybe I took it too personally, like now this is bad or I have done things in a bad way - - I took it like, hey you come here to judge my child." (F5)

In retrospect, founders have reflected the process and its success in their minds a lot and there are still grand feelings associated with it. After dedicating so much time to building the company, it is important to have a "thank you", as hearing those words at any good word is important to any human being.

"That is a proof of that you have done your job well, and kind of an extreme demonstration because there is not much incoming glory and credit otherwise, it is mentally an influential thing, and somehow after the DD (due diligence) process I felt empty when the sale was done - - but after having reflected for one year I am proud of course of myself but especially everyone we have had to enable that and still continues - - I feel extreme pride." (F5)

The way how the exit process appears to the founders may depend on their level of involvement in the operations and the exit process. Co-founder 8 noted that the main founder of the company had acted well in a way that others were left in the darkness of exit process phases, thus permitting others to focus on their regular core tasks.

" -- So I didn't go building some castles in the air, which would have probably disturbed that basic work, the sale process itself was relatively concealed from me - - we had an external operator who took care of the selling, it was outsourced, so in that sense, I think that we, and even the CEO got it easier, if you can say so." (C8)

After the exit

Founders that had exited were also asked how they see the organization's current state and future after exit, and what do they see themselves working with in the future. What was mutual for everyone was that future entrepreneurial activities were not excluded, but they were rather desirable, and some said they could not imagine themselves working "regular office hours", even though entrepreneurship was highlighted as an extremely tough path to take on.

Organizational culture had transformed in each company and entailed some sore aspects, which was at some level reflected to founders as well. The company had been, and is, meaningful for them, and that is why organizational change and its struggles were seen as challenging. Founder 5, whose company was sold to another domestic actor, looked at the future brightly and believed that after adjusting to change, things would take off. He was also happy he is able to continue in the business as one part of the tale and believed that both his company and acquirer shared the same visions. All of the exited founders had received several acquisition offers and felt they had chosen the best fit. Even though money was the number one criterion for founders 7 and 8, also buyer's values and organizational methods were meaningful. In the beginning, growth companies are often informal in structure, but the entry of a bigger partner at the

latest may require more conservative structural changes. According to founder 8, their organization had deliberately started to be shaped more formal for exit before sale actions, and after his partial exit, there have been signs of certain regression from what their company's original vision was:

> *"There's more bureaucracy, and now we are almost at that point what we went fighting against when we left the biggest employers of our sector. Because one of the biggest issues we saw there was that stiffness, and now we are starting to be quite stiff as well."* (C8)

Concerning their future, the founders' plans were to some extent open, but the experience they had gone through was perhaps influential in pointing directions for desired future activities.

> *"Let's put it this way; I will not go trying something forcibly, that I just want to be an entrepreneur - - if I don't get that passion or enthusiasm it requires - - honestly, I never had money on my mind. Maybe it is a softer self-development perspective and especially that I think it is very neat to do things I feel passionate for, and everyone has said to me all the time that you will burn out - - but I never felt them as work, so it is maybe difficult to explain to people that haven't experienced the same."* (F5)

> *"I think that my desire is to find something I consider as meaningful, and then build around that."* (F7)

The above comments point at the fundamental significance of entrepreneurship that some of the founders perceive. One could think it is a differentiating factor to more of regular employment they have dealt with earlier, a certain desire that the work *has to* have a more significant meaning than subsistence. In that sense, the founders that have conducted a successful exit may feel relief as the collected experience and human and financial assets probably enhance their prospects for future activities.

6 DISCUSSION

This research explored Finnish, growth-oriented venture founders' growth and exit perspectives. The purpose of this study was not to generate new theories rather than to understand this phenomenon in modern Finland, where the healthiness of growth entrepreneurship, its ability to create employment, productivity, and innovations, may reflect to the future prospects of the economy. In this chapter, the results are discussed with their connection to earlier presented literature and theories.

The interviewed participants, founders, came from different backgrounds and represented various industries. The main interest in the study was not to explain how entrepreneurs are as such, but the interviews painted a picture of various motivations and aspirations. Many studies underlined the importance of education for successful entrepreneurship (e.g., Gilbert et al., 2006). Also in this study, founders were mostly highly educated. However, any direct conclusions cannot be drawn between educational background and their firms' success as such because many of them were in relatively early stages of entrepreneurship, albeit had generated strong growth. However, Gilbert et al. (2006) & Capelleras et al. (2019) found that founders' educational background influences their growth ambitions, and this result fits with the information that was given by the founders in this study. Prior experience on the other hand may hinder growth ambition (Capelleras et al., 2019). All the interviewed founders were first-timers in high-growth entrepreneurship, and everyone's growth orientation was either moderate or high. It could be that if there were more experienced (startup) founders included as participants, the results may have been different for them. Nevertheless, although the literature has tried to find correlations on how individual attributes affect entrepreneurs' growth ambitions and exit outcomes, in addition to contradicting findings or weak links in the studies (Levie & Autio 2013), on the grounds of this study it seems that many founders emphasize their personal characteristics when explaining their growth paths. Attributes such as persistence and ambition help entrepreneurs navigate through the venture life cycle. Higher risk tolerance is associated with entrepreneurship and growth ambitions (Cassar, 2007; Verheul & van Mil, 2011), but any conclusions regarding this are dismissed in this study as it was brought up in the interviews that exit may relate to the desire to guarantee a safe outcome. However, it can be argued that abandoning stable, paid employment, and starting as an entrepreneur indicates at least certain level of risk tolerance.

In the interviews, venture growth paths were discussed from the starting point to the current moment, but the focus was on growth ambitions, and it was the researcher's task to interpret the level of growth ambition and which factors influence it. In the literature, it has been acknowledged that growth ambition is a vital part of entrepreneurship, both when measured with realized results and entrepreneur's level of growth aspirations, intentions, etc. (Hermans et al., 2015).

There are several company internal and external factors that influence the level of growth ambition discussed in academic papers. Regarding internal factors, much emphasis was given to founders' personal characteristics, a novel product, and in some cases, the importance of the organization. In the literature, founder control has been seen as an important factor at least for founders' exit orientation (Souitaris et al., 2019). Yet, the theme did not stand out when referring to the founder's ownership share and growth. Instead, control-related matter measured from a different perspective - to which extent the founder is responsible for overall operations, was in some cases seen as a barrier for realized growth. This can mean that despite founders emphasizing their overall individual characteristics in achieving growth, some of these characteristics, such as the need to control everything and the disability to delegate and take physical or psychological distance from the venture, may actually be a hindering factor, not for growth ambition, but to realized growth or how quickly it is achieved.

Several studies have stated that environments, especially those involving policies, influences entrepreneurial growth ambition and firm growth (Gnyawali & Fogel, 1994; Wiklund & Shepherd, 2003; Autio & Rannikko, 2016). The founders' perspectives on society, especially through a political lens, were complex. There seems to be a lack of academic understanding of this complexity, as on paper, the political systems supporting high-growth entrepreneurship can be considered advanced in Finland (Autio, 2009). The findings were mixed: the existence of different support systems and their benefits were clearly acknowledged and often acclaimed in the interviews, but the overall interpretation was that policies should guide companies towards more persevering paths; however, it was left uncovered how companies themselves could address these issues. The political orientation of the interviewees may influence the results, but if this was the case, and given the broad political directions in Finland, it could be that the complexity of results would stay regardless of the political systems aiming at promoting entrepreneurship.

In the interviews, it became evident that public sector venture support was familiar to interviewees, and many had utilized it. Especially founders with businesses aiming at global growth found applying and receiving those benefits easy. However, it was also brought up that there are gaps in the support system. According to Autio (2009), policymakers should recognize all kinds of businesses and industries suitable for governmental incentives when applicable. Some of the founders were not qualified for support or had not applied to them. It is challenging to say on the grounds of such few examples, but it is possible that there are gaps in the grounds of how support is distributed among companies and that policies tend to lean on the high-tech sector or ventures aiming at internalization.

To conclude environmental influence on founders' growth (and in some cases exit) ambitions, Gnyawali's & Fogel's (1994) framework captures best the circumstances affecting them. In their framework, politics and policies are widely emphasized, as they were in the interviews as well. From the framework's socioeconomic themes, most were brought up as well: public attitude, presence

of experienced entrepreneurs, successful role models, recognition of exemplary entrepreneurial performance, and proportion of small firms in the population of firms were all mentioned either in good or bad. The public's attitude was asked in interview questions specifically, and it was not interpreted to influence founders' growth ambitions other than in cases where founders encountered doubtful attention from other people. In those cases, founders explained they turned the misgivings into mental resources. It could be that the public's influence on growth ambitions would be different if there was a general lack of support from the public and media, for instance.

As stated in the literature, entrepreneurial exit longs for more profound understanding and research (Wennberg et al., 2010). All the interviewees supported the general idea that a high-growth venture is eventually created for a founder's exit, and these growth entrepreneurs did not perceive the word exit as a failure, while many of them acknowledged that only few companies succeed. This observation seems to be consistent with Wennberg & Detienne (2014) stating that although entrepreneurial exits are often misleadingly described through failure narratives, entrepreneurs themselves do not, but in fact see it as an ultimate objective. However, although founders in this study saw exit as a natural part of growth entrepreneurship, it was repeatedly brought up that attitude towards the exit is very positive, even too desired, and hopeful among growth entrepreneurs themselves. There are many possible pitfalls associated with entrepreneurial exits, such as understanding the terms and conditions one commits to. On a larger scale, enthusiastic pursuit for an exit may prevent making sustainable, domestic entrepreneurial paths – and that is problematic. There was hardly any literature addressing the societal issues brought up. DeTienne (2010) considered the positive economic impacts of entrepreneurial exit as there is an assumption that the founder's gained knowledge and wealth is invested back in the economy through new ventures, thus forming a positive circle. But while that may be true, it is not much known about the flip side, and that was something many of the interviewed founders were concerned about. Measuring the real economic impacts of busy exit activities can be difficult. In addition, regardless of the shared concern, it seems to be such a complex matter that giving concrete improvement suggestions prove to be difficult for founders themselves as well. Perhaps, it would require a fundamental cultural change – including both entrepreneurs and the environment to participate. Through policy actions it could be possible to assist the companies staying in domestic ownership, however, it is problematic if policy interventions are seen negatively in general. Nevertheless, public conversation and media in Finland (e.g., Parviainen, 2019) have started to address these negative impacts of selling companies abroad, and it is possible that this increased attention has stimulated the interviewed founders as well. Additional research in this field would be valuable.

None of the founders had an exit strategy planned when they started the business, though some knew from the beginning that they would pursue it. According to DeTienne (2010), whether founders have an exit strategy in mind

when establishing the company may depend on the fundamental objectives of becoming an entrepreneur. DeTienne (2010) says that growth-oriented entrepreneurs may more likely have an exit strategy early on. In this study, all the founders can be regarded growth-oriented, which means that the proposition does not completely fit. However, for most of them, the fundamental motive for entrepreneurship was passion in their expertise field, and therefore the company had a significant meaning to them. Therefore, in the context of this study, one could interpret that passion-oriented entrepreneurs are less likely to think about exit strategy very early on, whereas founders who go looking for a problem to solve could be.

Why did exit strategy become topical rather quickly, though none had put much thought to it initially? Many perceived their own and company resources rationally in a sense that they regarded that an acquisition would probably accelerate in taking their vision further. Also, at this point, passion had an effect: some of the founders regarded it important that they pursue a strategy that best allows the company's impact to increase. Therefore, choosing the right partner is vital. One of the founders having conducted an exit also felt that the acquirer's values and potential synergies were significant.

The exited founders had been acquired, and most of the non-exited stated acquisition is the strategy they would pursue. This is consistent with information of most (successful) entrepreneurial exits conducted through acquisition (Arora et al., 2021). IPO (initial public offering) was not mentioned as a probable exit strategy rather than something that would be nice, in an ideal situation. According to DeTienne and Cardon (2012), an entrepreneur's educational background and prior entrepreneurial experience positively impact both IPO and acquisition strategies. Regarding educational background, this might also be true in this study, but there were perhaps more fundamental reasons why IPO would be a desired, but not implemented exit strategy. In this study, the founders desired domestic ownership of companies in general, but many did not regard IPO as a path their venture would probably pursue. This may be due to for example the following reasons: first, IPO itself, because of its nature, can be considered an arguable exit strategy per se (Payne, 2009). Second, IPOs are relatively rare in Finland, thus perhaps limiting founders' ambitions towards it. Finally, the responses did not indicate whether founders would eventually desire to see the venture initiated by them going public but are happy with the idea that it may happen through acquisition or significant VC involvement, for instance.

Literature has not widely presented founders' personal motives for an exit, and this was one research gap that was aimed to be lightened. Apart from wealth, the founders that were still involved in the company, did not see other personal motives to exit than sudden health issues, or observing their personal resources are not enough anymore. However, financial prosperity was not seen as a significant factor and was only mentioned a few times. Money was the most important motivator for the exit for two exited founders, while the third emphasized wealth is not a significant value. Two of the exited founders said they enjoy now having more family time. What could be a reason for the lack of

knowledge in entrepreneurs' personal motives for exit? One could be the presumption of wealth and independency: as it is stated as the most prevalent objective to engage with entrepreneurial activities (Carter et al., 2003) – it may be assumed they are equivalent reasons for exit pursuits. Another possibility that was also interpreted in this study, is that founders simply do not know such things to be named when the exit is yet to be current. Gnyawali's and Fogel's (1994) framework can be applied in the topic of exit as well. From their socioeconomic theme for instance, the lack of empiric example was mentioned in the interviews, thus resulting in an exit that could have been prolonged to see if the harvested value would be much more. On the other hand, there must be empirical example as founders regarded that startup entrepreneurs in general admire the idea of exit – one interpretation that could be drawn from this contradiction is that while entrepreneurial exit activities are vivid, the examples they present do not support the hopes for persevering and sustainable business paths.

The mental side of an exit emerged as an interesting theme. Rouse (2016) said that an entrepreneur's psychological engagement, and not preparing to exit psychologically, can cause grueling feelings during and after the process. On the other hand, Mathias & Williams (2018) proposed that founders should physically distance themselves from the venture ahead of the exit, already at the growth phase. Cardon et al. (2005) compared entrepreneurship to parenthood stating that entrepreneurs go through similar feelings of attachment to their companies as parents do with their children. Two of the three exited founders felt that the exit process was mentally extremely rough, and their involvement with the company was tight until the end. They were responsible for many daily operations, and although having distributed some tasks to others along the route, it was highlighted how significant role they - purposely - held, and in addition to straining mentally, it restricted growth at some level as well. The third exited interviewee, co-founder, did not perceive exit mentally heavy, but he on the other hand had a much smaller and more limited role and was unaware of exit process details. Therefore, it can be assumed that his attachment to the company was not as high as with more dominant founder-managers, thus enabling a more unemotional approach to exit. Even though not having conducted exit yet, one founder had started to distance himself physically and psychologically from the venture. His approach to a possible exit was interpreted as being rather straightforward. Although he wished his company a sustainable, home-grown tale, he seemed to be rather comfortable with the idea of not being personally a part of it at some point. Considering these findings, both Rouse's (2016) and Mathias & William's (2018) propositions seem to be appropriate, and both psychological, as well as physical distancing of the venture prior exit could mitigate the mental burden entrepreneurs may face during the process. Of course, neither of these procedures is all that simple. As for the physical aspect, it may be that the founder holds the best prerequisites and skills to perform tasks and thereby drive towards the exit. Psychologically, at least passion and ambition may be vital in attracting and negotiating investors or acquirers. Emotional

attachment discussed by Cardon et al. (2005) could in such situation attempted to be reduced and come to terms with someone else taking over the company. Hence, treat it like a child approaching adulthood; founders (the parents) have done their best and succeeded in it, and eventually, a new page in life turns.

Although there was no pre-knowledge about what kinds of stories founders in the interviews would have, it was evident that there were some assumptions of what may be expected. Naturally, those assumptions are influenced by surroundings, public conversation, and media outputs. The initial theoretical framework was drawn before the interviews and partly influenced what was expected in the interviews. However, in many parts, these presumptions proved to be misleading and there was a much broader and complex reality that emerged, to which partially, existing theories and literature do not respond. In retrospect, some questions or responses could have been elaborated more to reach a richer understanding of the phenomena.

Research questions

To conclude this discussion section, we shall consider the research findings and how the data responded to the focus research questions. The first question was to *find understanding of the matters that influence founders' growth and exit orientation and ambitions* – for this, various proposals include personal characteristics, the product, organization, and surrounding environment such as politics and public atmosphere. Much emphasis was given to politics especially; available support systems are widely utilized but unavailable for some. In some cases, the societal structure may restrain founders' growth ambitions, and the lack of surrounding success stories may drive founders towards an early exit. The public atmosphere is considered encouraging and positive, but it seems that mainly when facing doubtful recognition from other people, founders associate it with enhancing their personal growth ambitions. The second question was about *how founders discuss and perceive entrepreneurial exit culture in Finland* – the data indicated that while there are vivid growth venture activities and exit aspirations in Finland, interviewed founders regarded that the current exit culture neglects building sustainable, domestic entrepreneurial stories and it is worrying if the trend continues. Finally, the third question was to explore *how the founders feel about their exit afterwards* – the exited founders in this study had conducted a successful exit and were overall content with the outcome. However, it seems that the toughness of the process took the founders by surprise. Especially in cases where the founder's involvement in the operations and management is tight until the exit, the psychological (and perhaps physical) weight during the process may turn out to be overwhelming.

6.1 Limitations of the study & suggestions for future research

As any study, also this thesis has its limitations. Due to time-related issues, the number of founders interviewed was relatively small; however, enough to enable capturing an in-depth glimpse into the mindsets of participants and collected data was able to be interpreted with the help of the initial theoretical framework and additional supplements to it. The most important limitations of the study are presented in the following chapters.

First, it is important to consider that the research context was limited to Finland. For this reason, the research was able to explore the phenomena only in the context of one nation, which is not necessarily applicable to other European countries, or globally. For future research, it would be interesting to look into the possible differences, for example, between countries that are culturally or economically similar to each other. Another thing future research could address more profoundly is the economic impact of entrepreneurial exits. In this study, it was acknowledged that an exit that might be successful for an entrepreneur, may not be eventually beneficial to the economy.

A certain level of homogeneity among interviewees was acknowledged in the early stages of the research process. The female portion of growth entrepreneurs is significantly lower in Finland compared to male entrepreneurs. Hence, more measures were taken to reach out to female founders. However, because the result was unfortunately only one female founder, the gender analysis that was expected by Wennberg (2021), could not be conducted. Even though any statistical generalizations or emerging theories were not presented, this is nevertheless an issue as it may be that genders differ in their perceptions on growth and exit due to historical and current societal structures. Future research could respond to the gender differences and, for instance, explore the fundamental reasons behind the uneven proportion of females versus males in growth entrepreneurship.

Founders' backgrounds and their geographical concentration also influenced the homogeneity of the data. Founders and their companies were concentrated within the capital region, which though accounts for a clear majority of growth companies in Finland. Nevertheless, it fails to erase the fact that there indeed was background and regional concentration, and therefore, the results may not answer to the question of what growth entrepreneurship in Finland is nationwide. Many of the interviewed founders have received an education that is, perhaps, of remarkably high quality, in addition to possessing other prerequisites such as networks, which were named as assisting factors in building a company that has high growth potential.

Some other individual attributes that would have been interesting to include not only because there was attention given to them in literature, but also because of richer achievable context, were unable to be acquired as participants. Entrepreneurs with prior startup experience were therefore absent in the data. Naturally, this was not known beforehand, and finding such would have brought an additional challenge to reach respondents. This fact limits the

findings on founders' growth and exit orientation to only first-time growth entrepreneurs, so it is important to acknowledge that the findings could have been broader in case there had been those with prior experience involved. Also, foreign entrepreneurs operating in Finnish growth companies could not be reached. Due to this, the study cannot point any observations of the founder's origin and its influence on entrepreneurial experience in Finland.

6.2 Concluding thoughts

Reflecting on how this study succeeded in responding to its purpose, the researcher believes she was able to answer the research questions in the best possible way by collecting valuable insight from real growth-oriented founders and their perspectives on researched phenomena. In retrospect, one can speculate if additional questions could have been included or if it could have been possible to go deeper into those issues that emerged – it is well possible that there was room for more. The interpretive nature of this study allowed the researcher to elaborate existing literature, but due to some level of unavoidable subjectivity, different interpretations are possible.

In regards of participants, it was brought up that some of the founders were pondering and discussing the matters for the first time and were happy to find new insight into their personal feelings. Others had discussed similar questions with for instance other members of their founding teams, and these things indicated that the questions were relevant, and there are more current issues for research to explore.

When studying high-growth entrepreneurship, the founders play a significant role in it. At the early stage, they are often responsible for many business operations, and their ability to grow the firm and acquire external resources are equally as important. Hence, the research should fall upon both firm-level and founder-level aspects. Founders that manage to grow their businesses substantially may often be high-achieving individuals, and their human capital, in addition to their efforts to create employment and meaningful entrepreneurial paths, are of great value to the surroundings. Therefore, the environment should nurture the possibilities for such entrepreneurial activities. It is not known or proposed in this study which could be the best measures to do so. Founders themselves could consider their growth ambitions and the circumstances in which they decide to exit, if plausible. To which extent is it possible to create these significant entrepreneurial success stories, and is it in every case necessary? To these questions, there are probably no simple answers available. However, as easy as pointing fingers at something might be, it is no one's responsibility alone: founders', ventures', funders', or society's, to respond to these issues. It is collaboration, and these actors should, preferably in good

spirits, enhance this cooperation to maintain and improve the environment that promotes a fruitful atmosphere for entrepreneurship.

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Appendix 1: Interview questions

Background

1. Tell about your background, age, in which kind of family you were brought up, and your educational background? How did your background support in starting your business?
2. Did you have prior entrepreneurial experience? If yes, which kind of experience? If yes, how did the earlier experience support in starting this latest business?
3. Where does your company operate?
4. How did the business idea emerge for this company? Describe the business and its organization.
5. When did you establish the company, and were there other founders involved? What was their role and background?
6. What is your current role in the company? In case you want to tell, how much do you own in company shares?
7. Which kinds of entrepreneurs do you look up to? Give an example.

Growth

8. Describe how the company has grown from the starting point to this day?
9. Describe your goals for growth and how they were approached?
10. How did you perceive the environment's support for growth entrepreneurship?
    a. What is the general atmosphere towards growth entrepreneurship, both politically and public attitude?
    b. Did you utilize public sector entrepreneurial support, and if yes, what kind?
11. Describe how the process of acquiring external funding was, if applicable?
12. What were the biggest accelerators for growth? And barriers?
13. If you were asked to choose from these two options, which one would you choose?
    a. I want my company to grow as big as possible, even if it meant I had to be replaced or my role got significantly smaller.
    b. I want to grow the business independently maintaining the decision control.
14. What do you think about Finnish startup/growth company culture in relation to growth?

Exit

15. Did you have an exit strategy in mind when you started the business? Or did the strategy emerge later? What kind of a strategy?
16. Describe what would be the most preferred exit route to you?
17. What do you think about Finnish startup/growth venture culture related to entrepreneur's exit?
18. For those who have exited:
    a. What was the exit process like? Did you stay involved in the company operations?
    b. What were the most important motivators for you to conduct the exit?
    c. Do you feel that exit was a personal success for you? Describe the psychological side of the exit.
    d. How do you perceive your company's prerequisites after the exit? What about organizational well-being?
    e. What have you done after the exit? Have you started a new business, or is it something you would consider?
19. For those who have not exited:
    a. Do you feel that you have the prerequisites to take the business as far as you aspire? What kinds of skills could you have more?
    b. In which kind of situation would you imagine yourself doing an exit? Are there any personal motives?
    c. If you at some point would take a smaller role than your current one in the company, which kinds of positions would you consider?
    d. Have there been any purchase offers made of your company? If yes, describe them.