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# ENTREPRENEURSHIP AND ENTREPRENEURIAL MOTIVATION

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**ABSTRACT**

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Being an entrepreneur is becoming a stream in the business world. Also, there are many young people preparing to be entrepreneurs in the future.

This thesis report contains the results of a qualitative research about the entrepreneurs' insights and experiences. The aim was to find out what the specific characteristics of entrepreneurs are and how they affect their attitude towards and performances in the entrepreneurial activities. The motivational factors for an entrepreneur willing to start a relatively successful business instead of finding a job in the labor market was also researched. This report also contains the result of the biggest challenges for being an entrepreneur, and the factors that helped the entrepreneurs to keep the process going when facing and overcoming the obstacles in the business. Especially when globalization and digitalization are changing the whole world and the ways of working and thinking, it was also researched what challenges this new world has brought, and what action should be taken to remove the obstacles and turn challenges into opportunities to improve the business and get it to a new level.

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# 1 INTRODUCTION

Nowadays many countries are experiencing or recovering from economic crisis, high unemployment rate and lack of jobs. In this situation starting one's business is becoming some people's choice. This is something that has brought success to many individuals and also created many employment possibilities for others. Motivating people to be entrepreneurs and set up new businesses for themselves helps the growth of the world economy. On the other hand, it motivates the entrepreneurs to participate in and keep improving the process of innovation and invention. The study of entrepreneurship is one of the fields that is growing fast in the social sciences, even being considered as an area of knowledge.

The reason for the author to choose this topic is a high interest in entrepreneurship and entrepreneurial activities, at the same time the author also has a future plan of starting own business and becoming an entrepreneur. The author of this thesis has to achieve a better understanding of entrepreneurship and get some insight of how entrepreneurial process goes, and why new entrepreneurs decide to start their own businesses. This report focused on entrepreneurs' insights and experiences. Even though everyone is holding own unique characteristics and acting differently in different situations, in general, it can be argued that entrepreneurs have some specific characteristics. This report explains some specific characteristics which entrepreneurs hold, and how they affect their entrepreneurial action.

Without a strong motivation for something, there will usually be no success, and the same imply to entrepreneurial activities. This report explains the internal and external factors about the motivation for being an entrepreneur and starting own businesses, and attitudes that they are holding, and action that they take when they meet challenges during the entrepreneurial process.

Entrepreneurs face many unexpected challenges and obstacles. This report also contains views on the biggest challenges of being an entrepreneur and what has helped entrepreneurs the most when facing and overcoming the obstacles in the business and keeping the process going. Especially when globalization and digitalization are changing the world and the ways of working and thinking it was interesting to research, what challenges this new world has brought and what action should be taken to remove the obstacles and turn challenges to opportunities to get the businesses to the new level.

For the research part of this thesis, a semi-structured interview was chosen as research method to get rich answers and deep insights into the phenomena that might have been hard to collect from elsewhere. However, when it comes to interviews, the reliability can be questioned. Through the interviews, the interviewees only present their own experiences, opinions, and feelings and these cannot be generalized or compared to the larger mass. Additionally, the research quantity could not be large because of the time and energy limitations. The interviewees may also hold some opinions to themselves for some personal reason. All these factors also affect the reliability of this research and its final conclusions.

## 2 ENTREPRENEURSHIP

From the historical point of view, in human society, entrepreneurship is one of the oldest established processes. It has been a driving force from the first human to start to create the development of their own community to specialize labors, and the role and importance of entrepreneurship grows as the centuries pass. (Carland 1997, 37.) A French economist invented the term entrepreneurship and entrepreneur around the 19th century, but these are such broad subjects, most of the authors have difficulties defining them and many of them believe that there is no universal definition of these two terms. So, each writer of the topic entrepreneurship and entrepreneur has their own definitions of them. (Dollinger 1995, 3.)

Entrepreneurship as a much broader concept than the creation of a new business venture. One of the concepts of entrepreneurship is creativity and innovation. It is concerned with innovation in the view of opportunities and risks, new approaches to problem-solving, having strategic plan to recognize opportunities and risks, and minimizing the risks that can occur. Planning and creating a strategy is one of the important parts of the entrepreneurship concept as well, and it supports generating business success. The major factor in entrepreneurship is the role of the entrepreneur who takes thorough responsibility for the operation of the business.

The field of entrepreneurship was considered as an academic area of study not so long ago. But, our economy was based on entrepreneurship. (Kuratko & Welsch 2007.) As a key to economic development, entrepreneurial development has become very significant and the objectives of employment generation, industrial development, and regional growth depend upon entrepreneurial development. The paths of markets and economies have been changed by entrepreneurship and entrepreneurs. (Ahmad 2010, 203.) Entrepreneurship has a significant role in the business creation and growth, and also a great impact on countries' economic development and success. (Hisrich & Peter & Shepherd 2008, 6.) Entrepreneurship has also been seen as the revolution for the whole world and the power of this revolution has been argued to be the same as the power of Industrial Revolution in the twentieth century. (Kuratko & Welsch 2004, 5.)

## 2.1 Role of entrepreneurship in society

Entrepreneurship is playing a key role in driving economic development. By establishing business entities, entrepreneurs invest their own and investors resources, and allow people to benefit from growing businesses, which results in wealth creation and sharing. Most important positive effect on society is that entrepreneurship creates opportunities for employment, and the value of it should not be underestimated especially when unemployment is at a higher rate than before in the majority of countries worldwide. Due to its important role to employment creation and GDP growth, governments and academics intend to encourage entrepreneurship. (Ahmad 2010, 203.)

Entrepreneurship is the symbol of business achievement and commitment. (Kuratko & Welsch 2004, 3.) A great number of people around the world is establishing new businesses and engaging in entrepreneurial activities. The achievement of the successful businesses is remarkable and, the commitment of entrepreneurs to their businesses and communities would have a great impact to the society and the development of more entrepreneurial processes.

Entrepreneurship lies in positive social changes. It drives innovation, technical change and converts new knowledge into products and services. Entrepreneurship has a great contribution to social wealth by creating new products, new technology, new markets, new industries, new jobs, new institutional forms and so on. Entrepreneurs do not only work to solve problems, but they also work hard to approach more creative and innovative way to solve problems efficiently. Without the never-ending creation of new business and social changes, our economy would stop. (Thomas & Zimmerer 1996, 2.) Additionally, some of the entrepreneurs are focusing on innovative and sustainable development to make positive social changes.

Entrepreneurship has generated significant academic interest. Because of the uniqueness of entrepreneurship, it has been one of the fastest growing fields when it comes to education and academic research over the past decades. (Carland & Carland 1997, 33.) There are thousands of academics and a great number of students studying this particular area throughout the world. Due to its high possibility of wealth and job creation, government policymakers also find it attractive.

**2.2 Entrepreneurial characteristics**

Entrepreneurship has three dimensions: the organizational, the environmental and the individual (Dollinger 1995, 10-11). In this thesis, all the research aims to concentrate on the personality characteristics of an entrepreneur, so the focus of the research is going to be on the entrepreneur as an individual. Since it is an individual's decision to establish a new business, this particular individual plays an important role in entrepreneurship, and when studying entrepreneurship, to study entrepreneurs' characteristics are essential. (Dollinger 1995, 10-11.)

Being different is the first typical characteristics of entrepreneurs. Entrepreneurs see and understand the situations and facts are different from other people and, this is a unique part of entrepreneurs. (Casson 2003, 14). Entrepreneurs have a different view of the world around them from the people who are not entrepreneurs. They see opportunities everywhere, they can see through them. they are inspired by things that have never been seen before, and notice something that could be better, and put a plan and make an action on it and have a vision that nobody else do. (Carsrud 2009, 3.) Entrepreneurs have a different perception of the future, and they have the ability to see the future before it happens.

Need for achievement is one of the keys to entrepreneurial behavior. Compared to other entrepreneurs, an individual who has a strong need to achieve, is mostly driven not only by financial gain but by the possibility of achieving satisfaction. They try to set difficult goals for themselves and spend time trying to achieve these goals, and they have a strong desire to solve problems by themselves, they are enthusiastic, passionate, future-oriented and seek self-development. These people with high level of need for achievement commonly find their way to entrepreneurship and their success rate is relatively high. (Littunen 2000, 296.)

Passion is another main characteristic of entrepreneurs. Entrepreneurs are passionate and excited about their business and have an optimistic attitude about their futures. Passion is the power to motivate entrepreneurs to rise early in the morning and get into the business full-heartedly. And that also drives them to turn their ideas into a reality and fully commit to the business they are doing. This is the spark for all entrepreneurs, and without that these will lack the necessary motivation to put in all the energy and patience and all the early mornings and late nights, to get the business off the ground.

Successful entrepreneurs are self-motivated, they do not need someone to force them to be efficient and productive. It requires hard work for a person to create his or her own business. Most people need someone to force them to keep working and that is one of the reasons that not everyone can be a successful entrepreneur. Entrepreneurs want to follow their own routine policies and procedures and they do not like to be guided by others. In addition, there is some existing evidence showing that entrepreneurs may be higher in independence than other individuals, according to the survey done by Hprnaday and Aboud in 1973 with 60 entrepreneurs.

One of the important roles of an entrepreneur is the risk taker or bearer according to economic theory. It is perceived as a characteristic that differentiates entrepreneurs from the people who are not entrepreneurs (Ahmad 2010, 205). When it comes to the relationship between risks and entrepreneurs, it is not true that risk will always find entrepreneurs. Just because of the confidence of the entrepreneurs that they will succeed, they are able to give up job security and take specific risks. On the other hand, risk-taking is another motivation of interest. (McClelland 1961.) Entrepreneurs with a high level of risk-taking attitude is adventurous, they look for excitement and opportunities, and also, they are holding energetic and optimistic attitude on the whole process. (Saul & Hui & Gerald & Baruch 2012, 280-282.)

Entrepreneurs are lifetime learners. For getting new ideas for innovations and continuing growth, entrepreneurs have a desire to learn. They must cope with changes and challenges, be team players and be cooperative, be good leaders with good trainer skills to let the employees to be as motivated as they are, have sharp eyes to decide whether the opportunities are wise to take or not. To have all these abilities require entrepreneurs to keep learning. In addition, willingness to work hard from the very beginning and during the whole process, and even make it become a habit of their life, is one of the curial characteristics for an entrepreneur to make a business successful. An entrepreneur with his talent and hard work and pervasive perseverance can revive a business from the verge of collapse.

Entrepreneurs tend to have a much stronger internal locus of control than the majority of the population, and it is an important characteristic of entrepreneurs. The definition of locus of control is whether a person believes that he is in control of his/her future, or whether someone else is in control of it. For instance, there are people who believe that their lives are defiantly controlled by some outside forces, and they have no control over their lives. They have an external locus of control, which is the other type of locus of control except internal locus of control. But for entrepreneurs, they know that they are the first rulers of their lives, they believe that their future is determined by the choices that they make, and usually they see themselves having more power and control. (Zhang & Bruning 2011, 87.)

# 3 ENTREPRENEURIAL MOTIVATIONS

The traditional reason for a person choosing to be an entrepreneur is financial gains. But, according to recent research, the motivation of a person's entrepreneurial activities cannot be necessary only to fulfill the economic reasons, but it can be to gain social or lifestyle reasons. People have different motivations, ability, and desire to grab the opportunity they see and become entrepreneurs. According to their different motivations, they have a different perception of opportunity considerations, risk-taking behavior and decision-making process. (Shane & Locke & Collins 2000, 219.) Behind every successful entrepreneur there are some questions which make people curious all the time, where do the persistent motivations come from and help them achieve their goals. Broadly speaking there are two major motivational factors, internal and external motivation factors.

## 3.1 Pull factors

The positive motivations for an individual to be an entrepreneur are pull factors. The reason for a person to enter self-employment is that he/she has seen a chance, whether it is a better working condition, better self-expression or even financial freedom opportunity. A chance to introduce a new business idea to the market or an opportunity to create a new business are some of the pull factors that drive entrepreneurs to start their own new business. Here are explained the factors such as a need for achievement, need for independence, need for financial freedom, and persistent love for doing something great as pull factors in entrepreneurship. (Nel, Maritz & Thongprovati 2010.)

### 3.1.1 Need for achievement

Need for achievement and solving a big problem is one of the most powerful motivation towards being an entrepreneur. Take Bill Gates as an example, when he started Microsoft he had the wildest mission ever: computer on every desk and in every home. Actually, at that time he had everything based on his family condition except his unaccomplished dream. His strong desire to accomplish his mission gave him the courage, power, and passion to work persistently over several decades. Now he has a company with more than 80000 employees across 100 different countries. An individual who has a higher need of achievement is more likely to engage in activities that require individual skill and effort, a high degree

of responsibility for outcomes, have a moderate degree of risk and clear feedback on performance than an individual with a low need for achievement. So, people high in need for achievement will be more likely to take an entrepreneurial job as their careers than another type of roles. (McClelland 1962.)

The overall finding of the first and only meta-analysis of a need for achievement and entrepreneurship studies, by examining 63 "need for achievement and entrepreneurship studies", conducted by Collins, Locke, and Hanges in 2000 is that the need for achievement is significantly related to founding a company, and also differentiated between entrepreneurs and others. There is a relationship between need for achievement and entrepreneurial activity. Need for achievement could play a very useful role in explaining entrepreneurial activity and is an effective tool for differentiating between firm founders and the general population. (Johnson 1990.)

### 3.1.2 Desire for independence and financial freedom

Independence involves taking responsibility for one's own life rather than living off the efforts of others, and also independence requires using one's own judgment instead of blindly following the assertions of others. According to the research, desire for independence is found to be the primary cause for many people to become an entrepreneur. And most likely entrepreneurs enjoy more independence than other individuals. The people who answer 'NO' for the question: "Do you want to make a living by relying on others?" tend to start their own business and have a strong motivation for becoming an entrepreneur. Even though the business they started was a very small one, they are willing to do it. They don't want to listen to others, they don't want to work within any limitation, like asking permission for anything before they take action to do something, and most importantly they don't want to put their time and energy to work for other's dream every day. Because they clearly knew something that they were even forced to do things that they even did not like, they want to be independent and work for their own, this is one of the most important motivational factors behind entrepreneurs. (Shane et. al. 2000, 260.)

There are many types of research that can show some evidence that entrepreneurs are higher in independence than others. According to interviews with some U.S female firm founders, Hisrich (1985) found that desire for independence is one of the prime motivations for starting a business. According to Aboud and Hornaday's (1971) survey of 60 entrepreneurs, the measures of independence are significantly higher among entrepreneurs than the general population. Additionally, Aldridge also did a similar

research among 63 founders in 1997, and found that for personality measures of independence, entre-preneurs scored significantly higher than the general population. (Abound & Hornaday 1971).

The need for financial freedom is one of the factors that has been proven by many researches as a significant factor in inspiring many people to become an entrepreneur. To be realistic, money cannot solve every problem, but we have to believe that money can somehow make life easier. The financial desire shows the fact that people need to increase and secure their own and family income level to secure a decent standard of living. So, the people who are motivated to become an entrepreneur often have a stronger desire to make more money, especially make money by themselves, not under control or limited by others. For them life would be non-meaningful without having what they wanted. In order to have what they want, the only way is to start their own business, control their own career and have their own financial freedom even if there are some risks. (Kiyosaki 2012.)

### 3.1.3 Persistent love for doing something great

There is a hard and bleak truth that nine out of ten startups will fail. One of the driving forces for the last 10% of startups owners to continue and survive the hardest times are their love for what they are doing. The founder of Apple Steve Jobs said "Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work. And the only way to do a great work is to love what you do." This is the love behind the world's most famous, leading and innovative company Apple and it is deep inside of the founder Steve Jobs who was the great entrepreneur of the last five decades.

Every successful entrepreneur must have a passion that drives them forward. This is also the most important characteristic of most of the great entrepreneurs that they have the long-lasting love for what they are doing, and Steve Jobs is one of them. Because without persistent love nobody can continue in several decades since there are definitely some difficulties along the way and this is when the love plays dramatic roles. And only the people who love their doings can survive until the end. It is the unconditional love whatever it takes.

## 3.2 Push factors

Push factors are seen as "necessity" factors, and they are negative motivation for a person to set up his or her own business. Push entrepreneurs are those groups of people who start self-employment so that they can overcome the impoverished negative environmental impacts, such as unemployment, unstableness of the job market, a potential gap in the market, dissatisfactions caused in workplace competitive situations, lack of jobs in the job market, or even that they were tending to change their lifestyle. These push factors which are related to work are the key factors to push these individuals to be prepared for an entrepreneurial career.

### 3.2.1 Unemployment

Lack of employment opportunities and career prospects is one the top factors for a person to be a self-employed. Nowadays, even though there are lots of job opportunities in the job market, but the challenge is equally big. At the point when a person becomes unemployed, the options are to get another job or become self-employed. On the other hand, situations like being unhappy in the current job, company, position or the job role itself are also some of the reasons for those people who are brave enough to start something of their own and start to control their lives by themselves. (Cromie & Hayes 1991.)

There are some groups of people who have unstable income, sometimes low, sometimes high and sometimes nothing. It might be because of the field, company or the economy in general, but this is also one of the triggering factors for them to start their own business and start a career as an entrepreneur. And the only thing they want is some stability on their income. Of course, even if they start a business they might have unstable income, but at least they can have more control over their income. This comes back to Knight's view that an individual makes a decision between unemployment, self-employment, and employment, which he made back in 1921.

### 3.2.2 Opportunity

There are some groups of people who can start a business easily as soon as they have a profitable opportunity with minimum investment and less risk factor considerations. There are huge opportunities in the market that push them to grab the opportunity and start their own business. These include these

individuals that found a demand for that particular service or product that they felt they could satisfy, most often they had hands-on experiences in that area already. Another example of an opportunity is the connections, contacts, resources, and knowledge they had in that particular industry, providing them with a new business idea or opportunity.

Broadly speaking, there are three kinds of markets: the market with factor-driven economies, the market with efficiency-driven economies, the market with innovation-driven economies. In a market with the factor-driven economy, entrepreneurs usually compete on the use of unskilled labours and natural resources. In this case, the price is the main competing point because they all sell basic products. So, we can argue that in this kind of marketplace it is relatively easy to start a business since it is not very risky, and a high technique is not involved. That's why there are many entrepreneurs in the countries whose economy is at a factor-driven stage.

### 3.2.3 To live better in competitive society

There are different types of "pushed entrepreneurs", including individuals who are fired from their jobs, who are not capable to do the jobs due to lack of education, language skills or criminal backgrounds. These groups of entrepreneurs are stimulated by the reality of the society, by the fast-changing society with full of challenge, full of competition. In order to catch up with current trends, this group of entrepreneurs is going to do something, because of the fear of being left behind by the society, even if they do not like to struggle every day to make things happen. Of course, most of the entrepreneurs enjoy the process. (Block & Sandner 2009.)

On the other hand, being an entrepreneur can be the last forced option for some individuals who could not find a job and do not have anything to survive. In other word people in desperation to make a living might have more chance of starting their own business. And sometimes this might be the most important motivational factor for some great entrepreneurs to be born in the market. Of course, not all of the people who are in desperation will start a business, but some percentage of them will do, and they took the first step to become an entrepreneur to make a change of their lives, even though there is a small chance for it. (Block & Sandner 2009.)

# 4 ENTREPRENEURIAL PROCESS AND THE CHALLENGES FACED BY NEW ENTREPRENEURS

An entrepreneurial process will contain certain steps that drive the business to grow and develop. The first part of this chapter defines what is the entrepreneurship process and what steps entrepreneurs go through to seek for success, and what skills they need to cope with the challenges they meet in each step. Then the next section of this chapter discusses what challenges the new entrepreneurs will face in the entrepreneurial process, and why acquiring skills is a key requirement of the entrepreneurial process.

## 4.1 Entrepreneurial process

There are four stages of the entrepreneurial process, which are Innovation, Triggering event, Implementation, and Growth. This model is supported by Hisrich & Peters (2002) who presented the four-stage entrepreneurial process as identifying and evaluating the opportunity, developing the business idea, determining the resources required, and managing the result. This model is presented in figure 1:



## A Model of the Entrepreneurial Process

| STAGE 1 | STAGE 2 | STAGE 3 | STAGE 4 |
|---|---|---|---|
| -Conception -Opportunity identification; -Information search -Evaluation & assessment | -Making the decision to proceed -The business plan -Assembling of different re- | -Infancy -Incorporation -Set up -Launching the new venture -Business strategy | -Adolescence, leading -Harvesting the rewards -Growing the venture -Planning |

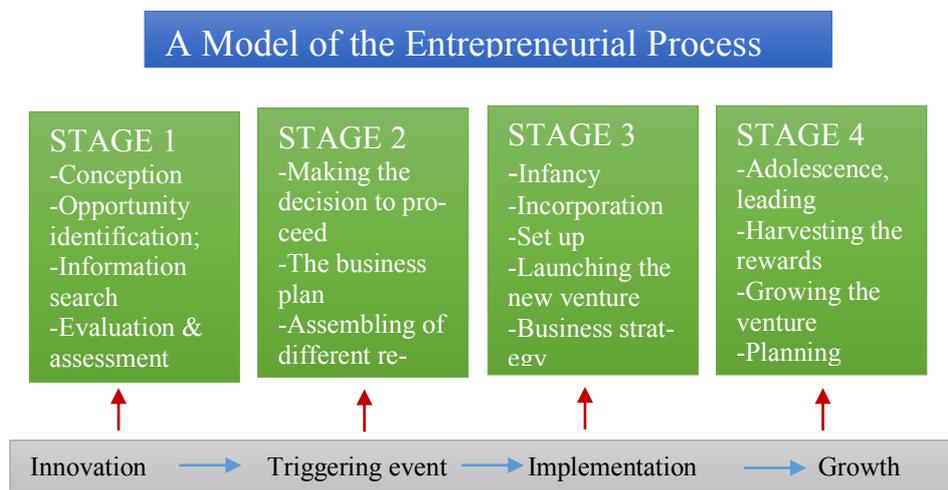Innovation ⟶ Triggering event ⟶ Implementation ⟶ Growth

FIGURE 1: Entrepreneurial process model**.** (Hisrich & Peters 2002, 48)

This model is the integration of all the activities in the entrepreneurial process by Hisrich and Peters. The four-stage entrepreneurial process is defined as follows:

- Innovation, which include creating the business idea, searching for the market opportunity, marketing and information research, creating the concept, identifying the what is the exact value and the development of this product and service;
- Triggering event, which include, the motivation to start a business, gestation, creating the business plan, assessing the risk, resource acquisition and assembling, the decision to proceed;
- Implementation, which include setting up and launching the new venture, set up business strategy, business plan implementation, running the business, managing the venture, deploying of resources, incorporation;
- Growth, which include maximizing profit, getting rewards, continually growing the venture to include other opportunities. (Hisrich & Peters 2002, 48.)

These four stages seem like separate from each other and come step by step, but in fact, they are overlapping and depending on each other (Hisrich & Peters 2002, 39). In the different stages of the process, there are different skills needed. The factors of problems and success vary according to each of the entrepreneurial process stage.

## 4.2 Challenges faced by new entrepreneurs

90% of start-ups fail according to Fortune Magazine (2015), and "Fail fast" is a common phenomenon in the startup world. On the road to success, entrepreneurs have to face numerous challenges. At some point, all entrepreneurs feel the pressure fall on their shoulders, and very few of them will overcome and head to success, and most of them will lose. This chapter discusses the common challenges faced by entrepreneurs, which are developing the business idea, raising capital, assembling a business team, finding good employees and right customers, dealing with competition, and keeping up with unforeseen changes, challenges, and expenses.

## 4.2.1 Developing the business idea and the vision

When starting a business, the first challenge faced by every new entrepreneur is developing a business idea. You cannot start a business without a good business idea, and you cannot become an entrepreneur without a business. It is definitely not an easy task to find the right business opportunity or developing

a business idea. Entrepreneurs must have eagle eyes to see what others cannot see. In other words, an entrepreneur must see opportunities while others see problems. It is not enough to just see the opportunities, but the real challenge is this individual's ability to forge the opportunity into a business idea and implement it, creating value out of nothing. This process is like turning lead into gold. This also emphasizes the first step of the lifecycle of a start-up company, which is "SEARCH". (Kanchana, Divya & Beegom 2013, 73.)

Developing a business vision is also a business challenge that entrepreneurs meet in the early stage of setting up a business. It is definitely the duty of an entrepreneur to be ahead of his or her time to envision and forecast the future, bring into present what is yet to be, instead of just the present way of doing things. Bringing solutions to problems or even upcoming problems is another duty of entrepreneurs. (Kanchana et al 2013, 73.) There are some examples of successful entrepreneurs with big visions, like a personal computer in every home as Steve Jobs' vision, and to connect the whole world as Mark Zuckerberg's vision. With those visions they changed the world.

### 4.2.2 Raising capital

After an entrepreneur got a brilliant idea, the next challenge an entrepreneur is going to face is raising capital. It is definitely a challenge to convince investors to invest in something that does not exist since the entrepreneur would be the only person who knows the idea and believes in its future. Trying to convince the investors to believe what you believe, and to make them understand that your ideas are trustworthy is not an easy task, especially for the totally new ideas which do not exist in the market. Additionally, there are plenty of other options for these investors to choose, and most investors prefer to invest in an already established business with a minimal risk and a return guarantee rather than a new one. (Kanchana et al 2013, 74.)

In different stages, any startup company typically faces different financial problems and issues. (Salamzadeh 2015.) For example, during the building step, the founders would try to negotiate with their families or friends to invest in their ideas. Even though they got some investment, since the business is still in early stages, the entrepreneurs need more money to expand it. Afterwards, in the next stage, the entrepreneurs would search for angel investors, and try to convince them with reasonable valuation plans. In the next stage, the entrepreneur would go for a bigger and longer development and take advantage of venture capital. (Salamzadeh 2015.)

**4.2.3 Building a business team and finding good employees**

Building a good supportive business team is the third challenge that an entrepreneur will face when starting a new business. Building a business team should even start before raising the start-up capital for the business. Because a great business team is considered as an asset to a company and many investors put one of their main consideration into the team members. Most of the brilliant ideas and products of the start-up companies even get no chance to get founded because the founder is trying to search for funding as an individual. (Kanchana et al 2013, 74.) It is also a common mistake that new entrepreneurs make that they think they can cope with everything alone, and definitely, that is not a long run business strategy.

There is no doubt that an entrepreneur has strengths and weaknesses. So, building a strong team is necessary for building a successful business and cover up or compliment the entrepreneur's weaknesses. It is a duty of an entrepreneur to make sure that the team has value and sees the same future as the entrepreneur see.  It is not an easy job to pick up right team members for a startup, and it can be stressful and difficult.  It is not just enough to find candidates who fit the certain roles, but most importantly the entrepreneurs need to consider their culture and working style fit, and how they will work as a part of the team. This will be even especially stressful when they need to consider the costs to the business and they are under pressure of filling the positions as soon as possible.

The process of finding good employees is not as easy as some writers and managers crank up. This process is not simply about presenting the job description and requirements and waiting for the right employees to come. The group of people who know the difficulty of finding trustworthy, hardworking and be passionate employees is the business founders. Often most employees want to work less, while getting paid more. It is really difficult to find the right employee who will be passionate about the business and see the same value and picture of the company as the owners do, and especially their style of working should match the business culture, since the employees represent business to the outside world and are a reflection of the business culture and ethics. (Kanchana et al 2013, 75.)

There are several mistakes that new entrepreneurs make when hiring employees. The most common one is to hire someone closest to them, like friends or family members, without making sure that they have the skills to be able to fill the gaps in the company. The second mistake is always going cheap when hiring employees. It is understandable that startups are in a lack of capital, but to bring in someone with experience and talent which can bring the best value to the company is often the best option for a startup.

The third mistake is to hire someone just for fixing a current problem and end up paying more in the long run. The best way is to have a proper training to make employees grow with the company and have a processor roadmap to fix the upcoming issues on the way. There are also other mistakes for example hiring someone who is very similar person as the owners, hiring too fast and hiring before defending the roles and responsibilities of this employee.

### 4.2.4 Marketing and customers

New entrepreneurs often have very creative and potential business ideas, but the main problem is how to commercialize these ideas on the global scale. There are many problems regarding commercialization such as inadequate market knowledge and information, payment risks, uncertainty about the market laws, technical standards and regulations. Although the new products or ideas may seem perfect for the creator, the customers may not see them in the same way. During the whole process, companies do not do enough testing in the field, or they are too optimistic, or misread the assumptions about the acceptance of the product or the market. So, it is important to do enough marketing research to hear customers' voice and consider them in the product development.

Marketing resources are needed when a new product is launched to the market. At the same time, another main challenge for a startup is a lack of customers. Getting customers is hard and challenging, and there are different reasons why some companies fail in that. For example, a non-functional product or a product with too many features do not fill the customer expectations and attract customers. The credibility gap is also one particular challenge for new customers to engage in companies, because of the fear that they may leave without anything if the company fails. (Start-up Genome Report 2012, 23.)

### 4.2.5 Decision-related challenges and the entrepreneur themselves

According to a Finnish business consulting company called Accelerando which is working especially with young start-ups and has a wide knowledge of common start-up challenges, there are five common challenges related to decision making, which are called "five deadly sins". They are inability to lock strategy, unrealistic budget, being too nerdy, poor execution, and competence and attitude diluting too fast.

The first decision-related challenge is the inability to lock strategy. Having an effective strategy is important for a company, but to stick into that and concentrate is equally important. It is hard to concentrate on right things if the clear focus is missing, and the company will end up doing too little or too much. It is essential to clarify the strategy and understand the market. The second challenge is an unrealistic budget. Getting started is important for a company, but if the founder do not know how to budget, placing too high or too low budgets into the projects, will cause a problem sooner or later. The third challenge is being too nerdy, and nine out of ten startups fail because of focusing only on the technology or the product itself, but not paying enough attention to making the buying process easier for the customers. The fourth challenge is poor execution. Creating ideas or products is not the most time-consuming process in the business in general, but the actual implementation takes a long time with a lot of problems and challenges with it. The last, but not the least, challenge is competence and attitude diluting too fast, and it is really important for a founder to balance the time resources and the goals of the company since an imbalance in either one will definitely lead in troubles. (Lintunen 2016.)

There are different challenges that may prevent the business owner or the company to grow and succeed. The individuals' fear of failure has different levels, which has an impact on entrepreneurship. Being an entrepreneur is difficult as it requires incredibly hard work, contains uncertain business risks and financial risks. When it comes to the entrepreneurs themselves, the ability to take risk is also considered as one of the most critical success factors. Some other negative perceptions of entrepreneurs such as a lack of capital, a lack of sufficient information and knowledge, and the business procedures complication have an impact on the individual's ability to set up a business. (Xavier，Kelly，Kew，Herrington & Vorderwulbecke 2012.)

From the optimistic point of view, the obstacles that the entrepreneurs meet in the business building process have more impact on improving the entrepreneurs' competency in entrepreneurship skills than a negative impact on one's business skills. But the positive impact mostly happens to the entrepreneurs who are ready to take risks and already have the experience of overcoming the obstacles. In addition, it may cause conflicting emotions in new entrepreneurs' lives when they are starting their entrepreneurial activities. These include the idea of being an entrepreneur not being accepted by the family, losing family bonding, and the risk of losing one's social and market credibility in the case of the possible business fails and so on.

# 5 DIGITAL ENTREPRENEURSHIP

In recent years, the infusion of new digital technology such as social media, big data, cloud computing, mobile computing, and 3D printing into various aspects of entrepreneurship has influenced the entrepreneurial process. There is a new concept called digital entrepreneurship occurred in the entrepreneurial world. Digital entrepreneurship has been suggested by empirical evidence as a new category of entrepreneurship in the recent years. For the definition of digital entrepreneurship, digital entrepreneurship is creating new ventures and transforming existing business by development and/or usage of novel technology such as social media, mobile, big data, and cloud. Digital enterprises intensively use digital technology for creating new digital business models, improving business operations, engaging customers and stakeholders through digital channels and sharpening business intelligence. Digital entrepreneurship has created various opportunities in the economy, but there are also many challenges that digital entrepreneur face. This chapter will explain the difference between entrepreneurship and digital entrepreneurship, and the importance of digital entrepreneurship.

## 5.1 What is digital entrepreneurship

The rapid rising of usage of the digital technologies has deeply changed competitive environments, reshaping traditional business strategies, processes, and structures. For instance, many organizations are getting smaller in the networked economy powered by digital technologies. These new digital technologies like cloud and mobile solutions technologies, big data and social media, have created new ways of product or service design, new ways of cooperating, leveraging resources, development over open standards and shared technologies. These new digital technologies have made the digital economy much more powerful by bringing in a new range of opportunities with potential business value, and also can remarkably reduce the cost for new ventures. One of the most powerful websites called Alibab.com can be a great example which is creating many jobs and has helped millions of people to become entrepreneurs in China. (Markus & Loebecke 2013.)

Digital entrepreneurship implies new value creation, involving digital goods or services, digital workplaces, digital distribution, a digital marketplace, or some combination of any of these, or even all of these. Thus, information technologies are the most important part of these entrepreneurial activities, and they rely on information technologies to create, perform, distribute and transform the products. In many

organizations, the productivity, business performance, and customer values are associated with information technologies. (Hitt & Brynjolfsson 1996.) Digital entrepreneurs would be unable to deliver their products or services without using information technologies, or even the products or services itself could not exist without information technologies in some cases.

Digital entrepreneurship may be applied to three categories. Mild digital entrepreneurship would be the first category, which refers to a situation which a company's business model is tested on both online and offline operations. This is closer to the traditional business model, including a website and a physical store. The second category is moderate digital entrepreneurship, which means that a company invests significantly into digitalization, mainly to the production, delivery or other components of its value chain. The third and the last category is extreme digital entrepreneurship, which refers to a company that is entirely digitized, including the products or services themselves, production, advertising, distributing, and the customers.
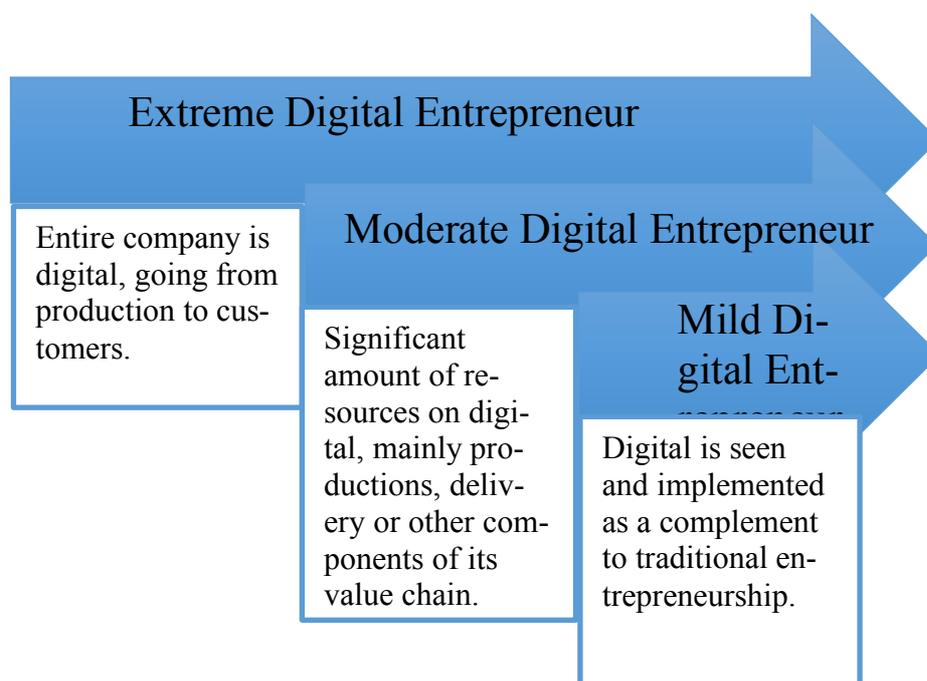


FIGURE 2: Digital Entrepreneurship Categories. (adapted from: Alexandru & Elisa 2017, 84)

**5.2 Opportunities in digital entrepreneurship**

There are many opportunities for digital entrepreneurship in this digitalized world. Firstly, in this digital world, compared to starting a new business in a non-digital area, it is easier to become a digital entrepreneur. For example, it will take a relatively short time to create a website to sell some existing products. Especially when there are companies like eBay and Amazon that provide an opportunity for an individual to start a small business in a short time with just a personal computer and internet access as only requirements, even though there are different levels of product and service quality issues in these platforms. Secondly, in terms of ease of manufacture or of storage, online purveyors of products or services may gain benefit. Especially the companies that provide completely digital products may enjoy remarkable benefits in manufacturing and storage. It is a fact that in traditional business, manufacture and storage causes big costs. Also, although the creation of a new digital product may be extremely expensive, once the product is ready, there is no physical space or machinery needed for production and storage. Thirdly, in this digital world, digital businesses allow products to be sent around the world cheaply and extremely quickly. The internet makes the world magically smaller, and digital businesses can instantly go global and meet the customers from all over the world. Customers no longer rely on their local merchants to bring the products to them, but instead, customers can access the products in any part of the world with just internet connection. Especially for digital products like music and movies, it requires no delivery time and is mostly almost free. (Aldrich 2014.)

Additionally, digital entrepreneurship has created opportunities to work remotely, in different time regions, at any place or even on the go. For example, a freelancer already has become a type of career thanks to the digitalization. In promoting gender equality, digital entrepreneurship can play a very important role. In addition, it also stimulates local development, encourages social and economic inclusion, and may contribute to sustainable development. Take data analysis as an example, for local suppliers, simple information about products or services which they are interested in can substantially improve economic opportunities for them. Technologies can also help to match the supply of and demand for labor, products, and services, improving economic efficiency, productivity, and income opportunities. The digital platforms offer broader opportunities for communication, cooperation, and computing skills to support innovation and entrepreneurship. For example, digital platforms provide an opportunity for people to get engaged with a greater amount and diversity of people in all stage of entrepreneurship all over the world. (Aldrich 2014.)

**5.3 Challenges of digital entrepreneurship**

Alongside the various opportunities in digital entrepreneurship, there are also problems and challenges facing digital entrepreneurs. One of the biggest challenge is that the entire business or a large part of business is digital, while the money may be real. Sometimes even the money can be digital, and employees or even the entrepreneurs themselves may feel like they are running a virtual business rather than actually running a real company. It may lead to some challenges in the emotional transaction process from real business to virtual business. Most importantly, when facing investment seeking, if the product is just an idea or does not physically exist, it may not convince the potential investors, because they may do not understand the concept or its description, or they cannot picture how and why people would buy the product. (Hull & Hung & Hair 2006.)

Even though the digital business can instantly go global and meet the customers from all over the world providing opportunities, that also bring problems. There are more problems and troubles for digital entrepreneurs to start the business internationally instead of beginning it domestically. Getting into the international market instantly means the entrepreneurs will start to face global competition from the second they put up their websites. It will require certain skills and experience for these entrepreneurs to manage the competition effectively and cope with the obstacles during the process. Additionally, starting internationally means running the business "24-7", and if the demand is higher than in the case of starting domestically, tremendous workload and stress will be a significant challenge for entrepreneurs, especially for these new entrepreneurs who do not have experience or extensive strategic understanding (Hull et al. 2006.)

To manage trust issues with online customers is one of the challenges that digital entrepreneurs face. Trust issues are important also in offline transactions, but even more important in virtual world when transacting with unknown partners. There are some existing ways to win the trust in online business, like recommendations and referrals. For example, most of the online business platforms have a social network to allow feedback and reviews in an open dialogue and discussion, to encourage customers to feel a higher level of trust in the information which can affect their decision making. There are also third-party payment security platforms to ensure the payment security for both buyers and sellers. But still, they cannot fix all the trust issues that keep challenging the digital businesses. (Needham 1998.)

Another challenge that digital ventures often face is a lack of communication. Especially the fact that digital platforms create opportunities for people from all over the world to work together, that can increase the cultural diversity in the working environment. Uneven information delivery and mistakes in communication contribute to misunderstanding and conflicts. In the digital world, technical errors and transmission speed differences or internet access levels can also be a potential misunderstanding. From different cultural aspects, the same symbol or emoji may refer to different meanings. It requires extra attention and some smart solutions from the digital entrepreneurs during the process. (Cramton 2002.)

There are also other challenges in digital entrepreneurship, like the uneven development of digitalization in the world. In some parts of the world, access to high-speed, reliable and affordable broadband infrastructure is still a problem, and people have different ranges of knowledge in using digital products and services. In addition, piracy in the digital goods is the issue that may widely occur in the digital businesses. And people still have different attitudes or even do not know of the consequences of the piracy issues.

## 6 CONDUCTING THE RESEARCH

The practical part of this thesis was a research conducted among new entrepreneurs who had established their companies in the recent five years. The aim was to find out the motivation factors and other factors for them to be entrepreneurs and the challenges during the whole process, especially in this era of digitalization and globalization. This chapter will discuss the goals and objectives of the research, and the method chosen to make this thesis report, and the reasons why the researcher chose that particular method. Moreover, there will be the discussion about the data collection process and method, together with an assessment of the validity and reliability of the research and data analyzation.

### 6.1 Research goal and target group

This thesis had some main research goals, as shortly presented in the introduction chapter. The first goal was to find out the motivating factors for the people who become entrepreneurs and whether there are any similarities between these people. The second goal was to find out how the characteristics of people affect whether they choose to be entrepreneurs and affect the decision making during the whole entrepreneurial process. The third research goal was to discuss how digitalization and globalization affect the new entrepreneurs during the entrepreneurial process. So, the researcher set the target group of this research, which is the people who are new entrepreneurs that started the entrepreneurial activities in recent five years. There were two reasons why the researcher chose this target group. One was focused on the entrepreneurs who are experiencing the same entrepreneurial environment (mostly focusing on digitalization and globalization of the environment), to make the target group more comparable. The other reason was to avoid missing information, since it is easy to forget some detailed information if the process starting time is too long ago.

### 6.2 Research methodology

Research is the systematic investigation into a study of sources and materials in order to find out facts and get new conclusions. There are three main steps in the research process: developing questions, collecting data for answering the questions, and finalizing the answer for the questions. For finding out the results that the researchers want to investigate, they must consider carefully, which of research methods

are most appropriate and effective. The research questions will determine the choice of methods and how they are implemented, but on the other hand, the choice of research method will also be influenced by some practical considerations like the availability of resources (such as the level of people's understanding of the research and the research questions, and the availability of the data). (Creswell 2008.)

There are two different kinds of research methods: quantitative research and qualitative research. Quantitative research focuses on objective numeral data collection through surveys, questionnaires, polls or manipulating pre-existing statistical data. Qualitative research collects non-numerical data to dive deeper into the problem, by the methods of such as interviews, group discussions, and participation/observations. The simplified difference between these two concepts is that quantitative research uses numbers and qualitative research uses words. The author used qualitative research method in this thesis, because qualitative research is mostly based on the experiences of the people personally involved in a certain situation, and that provides the best fit to explain the experiences and feelings of the object in their own words. That was the author's goal for this research. The disadvantages of this method are a relatively low reliability, a low number of available subjects, and a high level of subjectivity. (Creswell 2008.)

There are many research options provided in qualitative research method, including focus groups interview, informal interview, structured interview, semi-structured interview and unstructured interview. Focus group interview is a technique, where the researcher interviews groups consisting of five to twelve people, gives the topic for them to discuss, and draws conclusions according to the discussion. Informal interview is an interview process that is done informally, and the researcher notes down the notes while doing the interview. A structured interview is commonly used in market research. In this kind of research, the researcher designs the questions and puts them in an order according to the situation, then asking interviewees the questions, and then marking the answers in relative boxes. An unstructured interview is the interview type that has no layout that could be followed, and the interviewer can ask as many questions as necessary and aim to let the interviewee talk completely freely about his or her personal experience, feelings, or points of view.

The last type of interview is a semi-structured interview, which is one of the most commonly used types when it comes to thesis writing. Also, this is the type of interview that the author found the most suitable for this thesis report. For this interview, the researcher sets a topic and makes a list of questions which will help the interviewees with the topic. During the interview, the process can be flexible, and the interviewer can change the order of the questions or add other questions to get more information. In this

kind of interview, the researcher also wants information that could be compared to other interviews later on, in order to draw final conclusions. (Veal 2006.)

## 6.3 Data collection

Planning a research is significantly important and contains multiple tasks, and each step of the task has to be well executed so that the study can be successful. After the research method has been chosen and the most suitable target group has been set to answer the research questions, the quality of the target group is the key for the validity and reliability of the final results. Therefore, the target group for this study was carefully chosen to include new entrepreneurs that had set up their businesses in recent five years and the process is going well for now. In table 1 below, the interviewees are presented by name, years of experience, interview date and place, length of the interview together with their business types.

TABLE 1: List of interviewees

| Name of the inter-viewee | Interview Date and Place | Length of Interview | Year of Experience | Business Type |
|---|---|---|---|---|
| A | 20.11.2017, Helsinki | 30 min | 3 years | Software service |
| B | 26.11.2017, Via Skype | 1h 30 min | 1 year | Textile business |
| C | 14.12.2017, Via Skype | 33 min | 1,5 years | IT agency |
| D | 14.12.2017, Via Skype | 35 min | 2 years | Travelling app |
| E | 03.12.2018, Via Skype | 30 min | 1 year | Restaurant business |

A total number of five new entrepreneurs were selected. All of them were contacted beforehand and an appointment was made for the interview time and place. The interviewees were informed about the research topic and purpose of the interview. Most importantly, the necessity of recording was also mentioned before the interviews, and recording permission were needed. Also, the ethics of confidentiality was clearly mentioned to the interviewees before the interviews. The duration of the interviews varied from 30 minutes to 1 hour and a half. The interviews were conducted at five separate dates depending

on the convenience of the interviewees. All of them responded in the English language. Four of the interviews were conducted via Skype since the interviewees were in Saint Petersburg, Tallinn, Kokkola, Hyvinkää and they mentioned clearly that they feel comfortable to do it remotely. One of the interviews was conducted face-to-face in Helsinki, because the interviewee mentioned that a face-to-face interview would be the best option for him.

To ensure that the collected information is comparable, it is important to design and follow a structured question line. The interview should make the interviewees feel comfortable and open to sharing as much needed information as possible. Knowing exactly what kind of information is needed for the research helps the researcher to explore all essential topics. At the same time, the researcher will also be able to take in unexpected but important new information during the interview. (Veal 2006.)

For the interview, nine questions were developed. The first question is a very open-ended question, which is "Tell me about your story about how you became an entrepreneur". For designing this question, the author wanted to make no limit for and let the interviewees talk totally freely about their story, thoughts, and feelings. After the first big question, there are other eight questions, covering the motivation factors for becoming an entrepreneur, how and what characteristics affected their decision making, what challenges have been faced by them during the process, how it is to become an entrepreneur in this digital world, and finally their tips for people who want to become entrepreneurs. But these questions were also asked according to the situation because some of the later questions may have already answered he first question when the interviewee was telling his/her story.

**6.4 Validity and reliability**

Validity refers to the believability or credibility of the research, it describes the extent to which the data collected truly reflects the subject studied. Reliability refers to the repeatability of the findings, describes how reliable the result actually is, in the way that if a similar study was conducted regarding the same phenomenon, would the two studies show the same result. (Veal 2006, 135.)

For this qualitative research, a semi-structured interview was selected. In five interviews that were conducted for the research, the validity is fairly good, because the target group was chosen carefully with the belief that it is the best-suited group for the research to give valuable answers to the questions and create informative results. When it comes to interviews, the reliability can be questioned. Through the

interviews, the interviewees only present their own experiences, opinions, and feelings, and these can hardly be generalized or comparable to the larger mass. However, through the personal interviews the author can get richer answers and deeper insight into the phenomena that might be hard to collect from elsewhere (Veal 2006,145).

There are also other aspects that can affect the quality of the research. One is that the interviewees may keep some experience or opinions by themselves out of confidentiality matters or other personal reasons. The second aspect is that the author chose to record the interviews for later analysis use, and also to avoid the situation of busily taking detailed notes during the interview rather than focusing on the conversation itself and interacting with the interviewees to get more information from them. However, this may has caused the interviewees to be more cautious about the information they are providing. The third aspect is the skills and experience of the interviewers. The researcher is not a professional interviewer, even though there were many preparations that were done before the interviews. Still the researcher performed the process as well as possible, but compared to professional interviewers, there is still some limitation.

# 7 RESEARCH RESULTS

This chapter will present the results of the research and analyze the finding according to the research aspects: entrepreneurial motivation, characteristics, factors affecting the attitude towards the challenges during the entrepreneurial process and finally entrepreneurial tips for potential entrepreneurs. Comparison of five interviews will also be conducted in order to study the similarities and differences between these five new entrepreneurs, and at the same time compare the results to the scientific theories.

According to the five interviews, the motivation factors behind the choice to be an entrepreneur are highly in line with the scientific theories presented in chapter 3. These include the need for achievement, desire for independence and financial freedom, persistent love for doing something great, unemployment issue and a found business opportunity in the market. The most common motivations which were mentioned by three out of the five interviewees were, the desire to do something they love and also have experience in that particular field and want to be their own boss. One point that needs to be emphasized is that two of the interviewees mentioned that one of the motivations for them to choose self-employment was that the employment situation in Finland was not good for them as foreigners who do not have Finnish language skills.

When it comes to how the motivations changed during the process, according to the results of these five interviewees, it was more or less related to the length of the entrepreneurial activities. The answer of the entrepreneurs which had less than two years of experience was that, their motivations still stay very strong and remain the same as before. In turns those who have more than two years of experience, answered that their motivation level could be up and down depending on the situation during the process. For example, when there is a big obstacle that is hard to overcome, the motivation level gets down, and when they get some success it will grow high.

For the characteristics of the entrepreneurs, the results can mostly be applied to the scientific theories presented in chapter 2. The interviewees are self-motivated and do not want to be controlled. The characteristics also include lifetime learner, and locus of control. The first significant common characteristic that was mentioned by all of the five entrepreneurs was to never give up easily. As mentioned before, that it is one of the key characteristics that differentiate the successful entrepreneurs from others. The second most common characteristic is the passion to learn new things and pay attention to self-improve-

ment. The other characteristics that were commonly mentioned by the five interviewees, but not mentioned in the covered scientific theories were, openness to different ideas and an optimistic attitude towards different situations. Without a doubt, all of the interviewed entrepreneurs said that their characteristics were one of the factors that helped to choose to start the entrepreneurial activates.

When it comes to the challenges faced during the entrepreneurial process, the challenges mentioned by the five interviewees included a lack of capital, finding business partners and business team building. These findings support the scientific theories in chapter 4. Three out of the five interviewees pointed out that the difficulty to get starting fund or to get funding from investors is one of the toughest challenges during the process. At the same time, finding good partners and building a good business team is one of the challenges that was mostly mentioned by the interviewees. One challenge which is not presented in the covered scientific theories but was pointed out by two of the entrepreneurs is the difficulty of getting some professional help or some useful advice from people, so that the entrepreneurs have to spend a lot of time and energy to find out the best solutions or learned lessons from failures. Also, the challenge of working really hard and a long period of time every day was mentioned by all the interviewees.

When there are challenges, there will be the way to overcome them. For the question "what helped you the most when facing and overcoming the challenges during the entrepreneurial process?", the points which were mostly mentioned were, the characteristic to never give up easily, a clear vision and goal that helped them to keep going, and their partners or business team as a factor that keeps them going, fighting together and helping each other to overcome the obstacles. Surprisingly, the point of never giving up easily is the sentence repeated most frequently. That shows the importance of making a commitment, sticking into it and fighting for it until success is achieved in the entrepreneurial process.

For the question "What are the challenges in the entrepreneurial activities nowadays in the digital world?", surprisingly the first answer of all the interviewees in IT business was that it is hard to focus on what they are doing, since there are new technologies coming out every day, new opportunities showing out, and it is hard to ignore the disturbing useless messages. The suggestions from them were to focus and stick to the original routine, build a clear business goal and vision, pick the right information and opportunities, and learn to ignore outside noise, and also to cope with the change. For the other two interviewees who were in textile business and restaurant business, there were more positive facts than challenges when it comes to digitalization in their business, especially in digital marketing.

## 8 CONCLUSION

The qualitative research of this study provided a picture about the insight of entrepreneurs and their experiences, the specific characteristic of entrepreneurs, their motivation of being an entrepreneur, the challenges of being an entrepreneur, and what has helped them the most when facing and overcoming the obstacles in the business and keeping the process going, especially in this fast-developing and unpredictable world. Not only did the research provide relatively reliable information, despite its limited scale and scope, it also helped to reveal real-life experiences of the new entrepreneurs.

An important finding of the common characteristics of entrepreneurs is not to give up easily. Starting a business is not an easy job, and it requires a lot of efforts. Passion is also required in the entrepreneurial activities, it is an endless journey, and only the persons' passion on this job and the goal will motivate them to keep the energy and hope to keep working and making progress. Self-motivation is also a key to be an entrepreneur since no one will be in charge of what you are doing if you set up your own business. Lifetime learning is strongly required, not only in the entrepreneurial activities but also in all the activities in this fast-changing world. The characteristic of being able to plan and organize is one of the key elements to make a business successful.

Entrepreneurial motivation is a driving force that pulls or pushes people towards entrepreneurial actions. Furthermore, they are also factors that create a difference between individuals' career options and way of living. Thus, as a finding of this thesis, we can point out that among individual respondents, there apparently are motivational differences. But there is a common aspect that "pull factor" motivators such as a desire to do something one loves, desire to be one's own boss and not want to be controlled, are the factors that have been supported by more respondents. As a "push factor" only unemployment situation was mentioned. Surprisingly, the factors such as monetary motivation were not mentioned at all among the entrepreneurs.

Entrepreneurs are facing different challenges. To cope with the challenges and keep their businesses stable and successful, the entrepreneurs should keep learning, developing their business ideas, design proper and realistic business models, and find smart and efficient ways to cope with the uncertainty of the business world, and find right and trustworthy teams to work together to make their businesses successful. Most importantly, never giving up easily was the mostly mentioned point in the whole research as a significantly important point to keep motivated and stay in the process. Especially in the era of

digitalization and globalization. There are even more opportunities along with challenges faced by new entrepreneurs. To have knowledge about how to distinguish the useful opportunities and information while sticking to the original business goal and routine, ignoring the outside noise and at the same time coping with the fast-changing world is a necessary requirement for new entrepreneurs nowadays.

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**APPENDIX**

APPENDIX 1: Questions and answers of the research interviews

1. Tell me about your story, how everything got started?

Interviewee A:

Software service, started 3 years ago, B2B, looking for something he likes, and it took him a lot of time looking for that. He has a good idea, and his partners have the knowledge and know how to do, they have same interests and know the market very well, and also have experience in that industry.

They know the market is very different sites and they complement each other very well.

Interviewee B:

Working for Nokia, cut down from Nokia, starting another job is not easy, and also at that time the financial situation in Finland was not good, and had language barrier.

Start textile company provide for hotel and hospital

Mention his father is a businessman

Reason why to choose physical product: easy to convince customers.

Interviewee C:

Found the business opportunity in the market, IT agency business.

Interviewee D:

Doing travelling app.

Want to figure out what he wants in life.

Enjoys being in the company with entrepreneurs and the environment, because everyone has great ideas and eager to do something and are not afraid to take risk, that is very exciting.

Want to live in South-East Asia.

Interviewee E:

He did some part-time job in the restaurant business and got some experience.

Franchising is a safe choice for that it is stable, and the risk of loss is low.

Hard to get a job as a foreigner in Finland.

2. What is the motivation for you to be an entrepreneur? Does it change now?

Interviewee A:

Original motivation: find something that really interested him, find something to make himself feel useful, find something to make him feel like he is moving forward, achieve something himself, he knows he can do different stuff and make changes.

Motivation changes: do something interesting and learning every day and start a great environment for that do things yourself and rolling the entire business from the beginning.

Change: it became stranger.

Interviewee B:

Cut down from Nokia, and not easy to find another job, and the company and the country support startups, My WHY, my goal.

Change: it became stranger.

Interviewee C:

To become independent.

To be his own boss.

To be flexible in life, make own schedule.

Change: generally, did not change not that flexible actually.

Interviewee D:

Responsibility, wants to be a leader, does not want to be controlled, hates being limited.

Doing my own project what I like by my own way for myself, creative, helping people, team

Change: the motivation level gets down because things get harder, but when things had success, it became high, so it is like up and high all the time.

Interviewee E:

Been living in Finland for quite a long time, and knows the culture and people, got some experience in this field, and know the business culture in this field.

Wants to grow his own thing.

Got some positive feedback about the working ability from the previous boss and got the motivation that he can handle this business by his own.

Change: did not change and still has a high motivation level, because it is still in the beginning stage.

3. Do you think your characteristic or personality helped you to choose to be an entrepreneur? What characteristics are they?

Interviewee A:

1, Yes, fluencies by parents. His parents are entrepreneurs, it also helps him to build the confidence to become an entrepreneur.

2, Find something new and exciting to do.

3, Get to learn new stuff.

4, Do not give up early.

Interviewee B:

Independence

Do not give up trying.

Admit who you are and work hard with what you do not have.

Do not think about the result, think about the process.

Down to earth.

Interviewee C:

Difficult employee, does not want to be controlled, challenges authority.

Interested in learning new stuff, social person, open to socialize.

Interviewee D:

Does not want to be controlled by others.

Being oblivious, take the risk.

Self-confident.

Believe in yourself, try things.

Never give up and give up by getting rejected.

Open to ideas and be self-critical.

Willing to commit to the thing you do.

Interviewee E:

Yes.

Likes to work with people as a team, likes to be a leader.

Good at time management, solve problems.

Optimistic attitude.

4. What challenges and obstacle do you have to meet for now?

Interviewee A:

1, Not listening close enough about what the target customers are saying. Too much confident about the business vision and feel like customs will buy that, so it takes a longer time to figure out the problems and fix them. Too optimistic and too focused.

2, Find a good partner for the business idea, (tips: much easier to work with people you already know when you are looking for business partner, both of my business partners are the once I already know for more than 10 years.) It helps me to just focus on what we are doing, instead of building relationship as well at the same time. Much easier, and easier to build trust.

Interviewee B:

Finding investors.

Finding mentor and guidance, to get some professional help.

Have to do everything by yourself if you do not have a partner.

Finding a partner.

Marketing.

Funding.

Many failures.

Lose routine, lose hope sometimes.

Leaking of money.

Interviewee C:

Win the trust of the first customer, take time to close a deal, especially as a foreigner in Finland it is even harder.

Getting a team.

Be focused in this destructed world, from many useless messages.

First challenge: paperwork for setting up the company, not so much fun.

Interviewee D:

Getting useful and quality feedback about the product.

Difficult to get good suggestions or advice from people.

Team, does not know what I needed in the beginning and hired many people, and most of them did not continue.

Remote work in the beginning, so difficult to get the team together and motivate them.

To the leak of money, the leak of human recourse, cannot focus on one thing.

Business development.

Barketing.

Interviewee E:

Need to work really hard and continue working from long period of time.

The language barrier in Finland as a foreigner.

5. What helped you the most when facing the challenges or overcoming the obstacles. (your characteristic, motivation, or skills or other things?)

Interviewee A:

Personality, do not want to give up. Even the world tries to prove me wrong when I fail I just get up and keep going.

Interviewee B:

Hardworking, cope with suffering during the process.

My goal.

Never give up.

Learn from the failures, learn the lesson.

Interviewee C:

Internet: found everything useful on the internet.

Good partners who complement each other.

Interviewee D:

Stay process focused, set the goal and get them done.

Team feedback once a month, and good feedback motivates me, and happy that I am giving impact on them.

Interviewee E:

Do not give up

The experience he had before in restaurant business and his understanding of different situation occurring in the business.

Have a clear plan and vision.

Focus on the vision and future, holding hopes.

The financial challenge as a student.

Team spirit and getting help from each other and support from each other.

Good and friendly working environment.

6. What do you think the challenge to be a new entrepreneur especially nowadays?

Interviewee A:

The world is changing so fast. He is a technology person, every day there is a piece of tech coming out.

Hard to focus and ignore the noise, hard to find what suits you the most, distract by new technologies.

Interviewee B:

Positive opportunity, in digital marketing, online shop.

Interviewee C:

Cope with the change, pick the right information and opportunity, and ignore the other disturbing messages, stick to the original routine.

Interviewee D:

Stick to the basics, get good discipline, stay healthy, talk to team every day, talk to your customers every day, do little things right, do not messed up with new things happening.

Make a clear plan and stick to that plan.

Do what you are doing and stick to it, and focus on what you are doing, ignore the outside noise.

Interviewee E:

More positive opportunities than a threat, like online marketing, customer service helped with business growing.

7. Do you have any tips or suggestion for those who want to be an entrepreneur?

Interviewee A:

1, Do not upset about your solutions, focus on the problems you are trying to solve.

2, Try to know as much as possible about how the problems affect your business and customers, and just talk to the customers, and listen, this is very important to listening to your customers, engage into your customers, a good way to learn what is your problem and how to come up with solutions.

Interviewee B:

It is a long and tough journey, get prepared and do not give up.

Motivation videos are good to keep motivated and cheer up.

Do not start enjoying too fast, and waste money on it.

Enjoy and also understand what you are doing.

Use limited money to the most valuable things.

Interviewee C:

Easy to have an idea but focus on implementing the idea.

Just try it, do not afraid of loss.

Do not affected by rejects, keep going.

Interviewee D:

Do not focus too much on the result.

Process oriented rather than results oriented.

To act rather than plan.

Learn how to distinguish the useful message and trash.

Interviewee E:

1: In the restaurant business, the person should have experience in the same field before starting their own businesses.

2: Do something you like and are passionate about, instead of thinking about getting financial benefit.

3: Know clearly that why you want to do this business and what you want, who are your customers, and why they buy your product.

4: You do not need to have a lot of money but should have some to make sure the business.

5: Should have a good business plan that will help you with your business building and also get some loan from a bank.