

ENTREPRENEURIAL ACTION IN DEALING WITH BUSINESS CHALLENGES

The Cases of Startup in Indonesia

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Abstract The business is often facing challenging situations. The challenge can be a trigger to initiate an action. Positively, the challenge can be seen as an opportunity that can be utilized in creating and developing a business. The opportunity be explored and exploited through acts of creative and innovate of an entrepreneur. The aim of this thesis is to gain understanding of entrepreneurial action in deal with challenges that describes business creation and development of business startup. The research method used in this thesis was a qualitative research. Primary and secondary data were used as the reference materials. The primary data were gathered by the questionnaire about experiences and insights from the 2 startup entrepreneurs as research objects. As a secondary data, information was obtained from the various documents as well as electronic and non-electronic sources. Primary and secondary data are collected and synthesized with the academic literatures and issues findings, which were then processed and analyzed to generate research findings. The main findings of the multi-case study were that startup businesses are created and developed by recognizing and utilizing of opportunities, which entrepreneurs striving to provide the intended value by consumers. In creating and developing the business, entrepreneurs need to know what they should do and shouldn't do. By extracting and organizing the information addressed to determine what action should be performed and which ones are just drain resources. Designing a business model is something that absolutely necessary for a startup. Startup has limited resources and often struggles to access the assets that they need to bring their ideas to the market. The both of cases are triggered by different entrepreneurial action. The first case is driven by the desire to create innovative products in order to provide a solution that has not been met. The second case, the entrepreneurial action triggered by exploiting the opportunities that exist to create a business startup. Result of the research indicates that underlying of entrepreneurial action is a desire to create innovative products or services and can provide value, or exploit opportunities to create products or services in generating value. There are many of the challenges revealed in creating and developing business startup, which basically summed up as the information challenge. Information needs related to variety of processes in running a business, where the result of these processes generate products or services that can provide values to customers and also has commercial values. Information is a key resource in taking an appropriate action, which should be organized for decision-making. The solution is to be responsive to the challenges and strive to create innovative business model. This study is expected to provide insight and knowledge to those who have an entrepreneurial spirit.		
Keywords Entrepreneurship, Entrepreneurial Action, Business Challenges, Startup, Multiple-Case Study		
Miscellaneous		

CONTENTS

1 INTRODUCTION.....	3
1.1 BACKGROUND	3
1.2 RESEARCH AIM AND OBJECTIVES.....	8
1.3 RESEARCH VALUE.....	9
1.4 THESIS OUTLINE.....	10
2 ISSUES AND LITERATURE REVIEW	11
2.1 ENTREPRENEURSHIP.....	11
2.2 ENTREPRENEURIAL ACTION	14
2.3 BUSINESS CHALLENGES.....	18
2.4 STARTUP COMPANY.....	20
3 RESEARCH METHODS	23
3.1 RESEARCH STRATEGY	23
3.2 DATA COLLECTION.....	25
3.3 CASE SELECTION.....	26
3.4 DATA ANALYSIS	29
3.5 VALIDITY AND RELIABILITY	30
3.6 LIMITATION AND POTENTIAL PROBLEM	32
4 CASE STUDY FINDINGS	33
4.1 INDIVIDUAL CASE ANALYSES.....	34
4.3 CROSS CASE ANALYSES.....	44
4.4 SUMMARY OF FINDINGS	50
5 DISCUSSION	52
REFERENCES.....	57
<i>Appendix 1. Framework of findings.....</i>	61
<i>Appendix 2. Application letter.....</i>	63
<i>Appendix 3. Questionnaires.....</i>	64

FIGURES

FIGURE 1	Who is the entrepreneur?.....	13
FIGURE 2	A conceptual model relating perceived uncertainty and motivation to entrepreneurial	15
FIGURE 3	Act, learn, build	18
FIGURE 4	Case study method.....	24

TABLES

TABLE 1	Central assumptions of discovery and creation theories of entrepreneurial action.....	17
TABLE 2	Case study targets	29
TABLE 3	Individual case studies	35
TABLE 4	Findings based on research objectives	45

1 INTRODUCTION

1.1 Background

The business world frequently faces challenging situations. Globalization, poverty, rapid development, and intense competition are some of the many situations, in addition to the challenges encountered from within the company. As any challenge to the current business situation is not only uncertain, but also unknown and unpredictable. To anticipate the uncertainty situation, in an ideal world, it relies on the analysis using the previous available data. However, when this is not available, exceptional circumstances do happen and there are no past experiences to offer insight in predict the future, taking an action to cope with this situation is necessary. Taking a risk is part of the business world and taking responsibility for the action, for managing tricky situations should be part of everyday business life.

Entrepreneurship is part of the business world, with those challenging situation. Generally, entrepreneurship contributes to the economic growth, by creating a job market, providing services and products, and at the end improving prosperity and even gaining wealth. In my opinion, having such contributions, entrepreneurs as the actors of entrepreneurship are talented people with bright ideas, and motivators in taking risks to develop business. While ready to take a risk, one ingredient to success, entrepreneurs are requested to keep learning, to act appropriately and to be able to anticipate the rapid changes in building a dynamic business. Entrepreneurs are expected to be persons who have constantly pursuing their goals, even when they have to confront by various challenges and trials, as Drucker (2005, 25) while stated that an entrepreneur should always search for change, responds to it, and exploits it as an opportunity.

The economist, Joseph Schumpeter (1983) claims that an entrepreneurship is a creative activity, and the entrepreneur is an innovator who implements change within markets through the carrying out of new combinations. An entrepreneur is indeed an innovator

who introduces something new into the economy, which not existed before. Meanwhile, in contrast to the claim above, Kirzner (2008, 5) stated that the entrepreneur is an agent drives ‘the competitive-equilibrative forces of the market’, but focusing more on an entrepreneur only act as an alert, which is also creative in terms of responding available opportunities. The contrasting views of these theories are interesting to explore because it created the creativity and innovation under different circumstances.

By acknowledging these theories above, we know that an entrepreneurship is a process of creativity, innovation and utility of opportunities, whether an opportunity is available or not. Creative and innovate entrepreneur is strive to introduce new and valuable things, so that products and services provided are results of the creativity and innovation which has commercial values. As any part of business, an entrepreneurship needs also to gain profit. Entrepreneurs act which aims to generate profits, at the same time also should act creative and innovative. Some requirements of entrepreneurship are included by having financial success and an independence. This is not an easy task to maintain and pursue if the business should run constantly.

In order to achieve a better understanding of entrepreneurship, focusing on the entrepreneurs’ experiences and insights, this thesis examines entrepreneurial action dealing with business challenges based on the entrepreneurs’ points of views. The definition of each term will be explained below, which is based on the Oxford English Dictionary. Entrepreneurial is characterized by the taking of financial risks in the hope of profit and action is the fact of process of doing something, typically to achieve an aim. Business is commercial activity and challenge is a call to prove or justify something. In the other words, entrepreneurial action can be defined as process of doing something with taking risks to achieve profits, and business challenge can be defined as a call to prove in commercial activities.

In the academic literature, the concept of entrepreneurial action is measured in various ways. Entrepreneurial action refers to behavior in response to a judgmental decision under uncertainty about a possible opportunity for profit (McMullen & Shepherd 2006, 134). Entrepreneurial action represent an action in the entrepreneurial process from

time to time during business operate in any condition. Entrepreneurs are faced with opportunities, challenges and obstacles that must be handled in determining their value proposition in the business world. The term of entrepreneurial actions in this thesis intended as doing something in response to opportunity for value creation in the process of creating and developing entrepreneurship. Since most of the action is determine to the entrepreneurial success of an entrepreneur, an understanding of the factors that influence decisions and actions taken by the entrepreneurs are important to note. In tracing the process of recognizing opportunities and creating value in an entrepreneurship, it requires a closer investigation of opinions and convictions from practicing entrepreneurs, as they create and develop business which is loaded of challenges.

The debate about how entrepreneurial action in recognizing an opportunity is motivation to further investigates of related issues. In any circumstances, either entrepreneur exploits existing opportunities or entrepreneur as innovator that lead to an opportunity creation, the emphasis here is that a business will inevitably face challenges and opportunities can arise if there is a desire to deal with the challenges. Business development is rapidly dynamic, new technologies and market potential are often changing and uncertain, exposes entrepreneurs to deal with additional difficulties and challenging conditions. As Ries stated, entrepreneurs face a different set of challenges because they operate with much higher uncertainty (2011, 88). There are many different views of encounter the business challenges and options of strategy implementation.

Business challenges can be a trigger in generating brilliant ideas and recognize opportunities into a business. An ability to overcome business challenges can be one of factor of business success. Business challenges can be considered as a barrier, but in a positive perspective way the business challenge is considered as an opportunity, which must be addressed in conviction that the action taken is appropriate action in creating and developing a business. Many challenging issues in running a business, since business creation such as actualize ideas, venture capital, market identification, legal issues; until business development such as operational management, product development, customer satisfaction and still many other things. Challenge is an

important issue for a business; it is beneficial to know what action is needed to make the challenge into an opportunity. Though the business challenges are unique to every business, many of others experiences have the same kinds of challenges. This is what can be used as valuable lessons and references in act from those who have been through it.

Information of entrepreneurs' experiences and insights in creating and developing the business can provide guidance on how they think and act, and how they can adapt to challenging situations encountered. By exploring it is a way to improve our quality of understanding of entrepreneurship. In analyzing this process, the thesis applies startup entrepreneurs' perspective. This research examines 2 cases to review the contrasting views between the two theories regarding entrepreneurial action in recognizing opportunities under different circumstances. As the object of study is 2 (two) startup companies in Indonesia, which can describe the events that occurred in create and develop business startup. Reveal the business challenges faced up to entrepreneurial actions taken by entrepreneurs in dealing with these issues. As Steve Blank stated, startup is a temporary organization designed to search for a repeatable and scalable business model (2010). In accordance to the theory, startup has dynamic changes and need to adapt to these changes in achieving growth. Frequently perform realignment after the actions of doing business no longer fit with the current conditions are due to the changes. Startup aims to grow fast, but mostly startups have limited resources. They face unique challenges in the creating and developing a startup business. Startup offers creative and innovative products or services, or even something that does not exist yet. Many thought that the main challenges of a startup is how they convince customers to the products or services they offer. However, it should be viewed from different sides with a renewed mind is how they can really know the wants and needs of its customers. It is very interesting to study in more depth. In addition, although startup business growing rapidly in Indonesia, and supported by potential and talented people to do innovation and creativity, but as with many developing countries in general, there is limited research and study about high technology entrepreneurship sector in Indonesia.

The matters investigated of this research are two cases of startup in expressing entrepreneurial action, and its connection with the academic literatures and current issues. This research highlights the current understanding of how entrepreneurs can deal with challenges in establishing and maintaining business startup. Using the literature background of entrepreneurial action theories as a support and startup companies as research objects, the author conducted multiple-case study on the phenomena to explore the influencing factors.

Handling these issues in a prudent and productive manner takes time to learn. Identifying effective action to be taken to deal with business challenging situations is one of the best ways to get a better grip on the dilemmas. Once getting a solid grip on variety actions for resolution and can use them in a difficult situation so as to achieve expected result.

To get an idea of how entrepreneurs are being acted in relation to the challenges of entrepreneurship, it is important to explore their views and insights of their experiences to be shared as a valuable knowledge and contribution to entrepreneurship. There are some things that cannot be obtained through learning theory in the classroom, as Yin stated that theories can be practical and not just academic (2009, 54). Learn directly from entrepreneurs' experience opening further insights about entrepreneurship. Therefore, this research is worth doing in response to perception and knowledge.

The outcomes of this research is expected to point out explore the experience of entrepreneurs, share insights, the nature of opportunity, exist challenges, and other valuable contribution to the entrepreneurship fields.

1.2 Research Aim and Objectives

In order to discover entrepreneurial action taken by the entrepreneur in creating and developing business required tracking on the challenges and way to be up against challenges. Identify business challenges and how to deal with them, brought us to the experiences and insights of entrepreneurs to maintain business and achieve success. By exploring these things, can be obtained an invention formulated as a recommendation to knowledge in the entrepreneurship field.

The aim of this thesis is to gain understanding of entrepreneurial action in relation to deal with challenges that describes business creation and development, that intended for business students, startup entrepreneurs, aspiring entrepreneurs or anyone who are interested in entrepreneurship. A theory of entrepreneurial action that develops on the entrepreneur as an agent's action and involved subject should consequently describe how entrepreneurs experience and perception their actions as they create and develop their business startup.

Research focus is to investigate entrepreneurs in running business startup in term of entrepreneurial action addressing the challenges. The central problem statement for this thesis will be: "How the entrepreneurial action in dealing with business challenges in order to create and develop startup?"

This problem statement mentions about entrepreneurial action, business challenges and startup. In entrepreneurship required an action in any conditions facing an entrepreneur, where the conditions are not always in line with expectation, there are always also challenges. Challenge can be defined as a difficult condition which has to use a lot of effort, persistence and skill in order to achieve desirable things. There will always be challenges in creating and developing a business startup, which generally of startups have limited resources. Challenges must be addressed with appropriate actions to obtain maximal performance.

It is important to support achieve this thesis goal, the following objectives were identified:

1. Identify challenges encountered by entrepreneur in doing business startup and ways to overcome.
2. Explore entrepreneur views and practices related to create and develop a business startup.
3. Provide recommendations in terms of entrepreneurial action issues.

Statement of research objectives 1 and 2 refers to the reasons and emerging issues, while statement 3 intended that this research will make contribution to the field of entrepreneurship. These objectives are not independent of each other, instead of relation to one another about the issues of entrepreneurial action in business startup.

The overall objective of this research is to improve understanding of the impact of entrepreneurial action in relation to the challenges of create and develop business startup. In the next stage, the research method and design is discussed, selection of the cases and research questions are based on the research objectives mentioned above.

1.3 Research Value

This research contributes to the development of entrepreneurship in a variety of ways. These contributions include providing a critical review of issues related to entrepreneurial action, gain insight and practical knowledge of the entrepreneur in business startup, and critical examining existing model and framework of entrepreneurial action.

For business students, entrepreneurs, aspiring entrepreneurs and to whom who have entrepreneurial spirit, this research provide insight and inspiration of entrepreneurship.

1.4 Thesis Outline

This study raised issues regarding entrepreneurial action in dealing with of business challenges encountered by startup entrepreneurs in their practical realities of creating and developing the business. All the relevant theory around the main topic of this thesis will be dealt with in chapter 2. This chapter defines the term of entrepreneurship, explores of entrepreneurial action, discusses variety of business challenges, and clarifies startup issues related to major reports. The methodology research will be dealt with in chapter 3, in this chapter discusses and justifies the research strategy and data collection techniques appropriate to be adopted in the implementation this research. Details on the case selection are provided; together with technique applied in analyzing the data also validity and reliability. In addition, issues regarding potential limitations and problems with the chosen research strategy and its implementation are discussed. In chapter 4 reports on the findings from the multiple-case study. This includes the results of research questions submitted to both cases. Presents the results of the two cases investigated, obtained through primary data and secondary data were gathered from reliable and relevant sources. Furthermore, all findings are resumed and outlined in the summary of findings. In analyzing not only compares and contrasts the empirical findings of two cases against one another, but also to the findings in the literature. Thus, this chapter explains, discuss, analyze and synthesize the findings and the findings of the empirical literature. Chapter 5 reviews the aim and specific objectives of this research study. The discussion is based on the results of this research work and related to research objectives outlined. Based on the conclusions are drawn, and then the recommendation is made. Limitations of the research work are also highlighted, as well as the issue of managing the implementation of the recommendations is addressed. The contribution of this research to knowledge is clarified and personal reflection on the process that has been undertaken to complete this research work.

2 ISSUES AND LITERATURE REVIEW

This chapter examines the main topics around the stimulating for entrepreneurial action in startup, addressing the challenges in creating and developing a business, and sample issues are presented to support entrepreneur in relation to entrepreneurial action.

Evolving issues related to the areas mentioned above is a source of information for entrepreneurial action taken. Revealing the experience of entrepreneurs' persistence to notice opportunity, generate ideas and turn them into action. Leveraging related issues and existing theoretical knowledge combined with findings of the cases, as a foundation for conduct analysis, and then draw conclusions which are used as recommendations.

2.1 Entrepreneurship

Creativity and innovation are viewed as combination of the concept of entrepreneurship. The concept of entrepreneurship also concerned with innovation in view of opportunities and risks, as well as new approaches to problem solving. Entrepreneurs are expected to demonstrate an evident strategic plan to recognize opportunities and risks, so as to exploit the opportunity by minimizing the risks that can occur. Planning and application of the strategy is an important part of the entrepreneurship concept, and it is supported in generating business success. The role of the entrepreneur as the major factor in entrepreneurship takes thorough responsibility for the operation of its business relating to corporate resources.

Definition of entrepreneurship based on an economist Kirzner more emphasis on alertness to the opportunity, while Joseph Schumpeter more emphasis on innovation, something new or new measures are discovered and developed. As stated by Hagedoorn, innovation and entrepreneurship are seen as clearly interrelated as the

role of 'the' entrepreneur in Schumpeter can only be understood if it is placed against the background of his theory of innovation (1996, 884). The linkage of innovation and entrepreneurship is changing innovative ideas into an effective business. Even in circumstances where there are opportunities, entrepreneur is required to innovate in order to minimize the risk of exploiting these opportunities. Innovator is able to create something that can change the existing scheme.

Entrepreneurship is risky especially because of the uncertainty faced by entrepreneurs in running its business. In entrepreneurship, an entrepreneur required to actualize his ideas, be a creative and innovative. It is the act that endows resources with a new capacity to create wealth (Drucker 2005, 27). An action by using its resources expected to create prosperity. Knowledge of entrepreneurship can be learned through experience or things that have happened in the past. Entrepreneurship can be studied and elaborated for those who are interested to cultivate the field. As Kuratko stated it's a discipline and like any discipline, it can be learned (2007, 31). The experience and insight possessed gives what actions need to be taken and what should be avoided in the further steps. It needs to learn different things (Drucker 2005, 131). It would be very different for each type of the business, which have different problems, come up with different challenges, and have different opportunities. Entrepreneurship is a way of thinking, reasoning and acting that opportunity obsessed, holistic in approach, and leadership balanced (see Timmons & Spinelli 2007, 79). Entrepreneurship requires management arrangements. Management focuses on the performance and results of an organization created from every thought and action taken in running the business.

A person who engaged in entrepreneurship is an individual who has a strong determination. Almost without exception, entrepreneurs live under huge, constant pressure-first for their firms to survive startup, then for them to stay alive, and, finally, for them to grow (op. cit. p. 8). Entrepreneurship is something that promised prosperity but also not easy to execute, there are always obstacle and challenges.

The word entrepreneur originates from the French word, entreprendre, which means 'to undertake'. There are a wide range of viewpoints in defining the entrepreneur, as

expressed as follows by some economists. As stated by Schumpeter the function of an entrepreneur as follows:

"We have seen that the function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on (1976, 132)."

According to Timmons & Spinelli, entrepreneurs are self-starters who appear driven internally by a strong desire to compete against their own self-imposed standards and to pursue and attain challenging goals (2007, 13). While Kuratko and Hodgetts stated entrepreneurs are individuals who recognize opportunities where others see chaos or confusion (2007, 4). The views of entrepreneur from the above statements, it can be said that entrepreneur is someone who wants work independently by using his resources to create value or someone who took an initiative to take advantage of the opportunity to establish a business venture and do some actions related to its success.

How to think and act of an entrepreneur can determine success. Contribution of entrepreneur success is not only of skills, education or work experience, but also of his personality type. Successful entrepreneurs possess not only a creative and innovative flair, but also solid management skills, business know-how and sufficient contacts (Timmons & Spinelli 2007, 15). As they exhibit following:

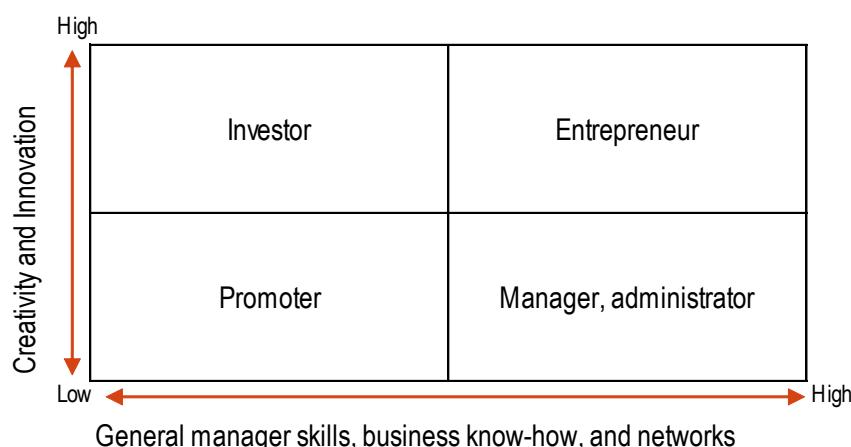


FIGURE 1. Who is the entrepreneur?

Based on the model proposed by Timmons and Spinelli, an entrepreneur has a high level of general manager skills, business know-how, and network, and also an entrepreneur has a high of creativity and innovation. An entrepreneur who seeks to create a cool product or service with his creativity and innovation, and want the product or service get to the market, it requires management skills in running a business venture. It is accompanied by the knowledge of business and has a network in order to reach consumers and meet their needs.

2.2 Entrepreneurial Action

One of the most important characteristics of the entrepreneur is an action, because the proper action with appropriate goals, business is expected to be run well and achieve success. Entrepreneurial action is something that an entrepreneur can do and make that happen on their business. Entrepreneurs are willing to take decisions and implement them in running the business.

Action is generally defined as doing something. According to MacMillan Dictionary definition of action is the process of doing something, especially in order to stop a bad situation from developing or continuing informal all the exciting or important events that happen in a particular situation or place. Furthermore MacMillan said also that action speaks louder than words, it used for saying that what you do is more important than what you say you will do. Decision of action taken by entrepreneur based on mature thinking and planning. The action is very important to realize the plan; this will result in the real outputs of the plan that have been created. As the quote from Peter Drucker, plans are only good intentions unless they immediately degenerate into hard work. There is no sense to make a plan if it is not executed.

Most definition of entrepreneurship stated that starting a business is to implement the business plan in action by utilizing the available resources. There are always great opportunities for true entrepreneurs those with passion and with business plans that

make sense. But if you're smart, you must realistically and carefully plan how and when to act (Swanson & Baird 2003, 4). Entrepreneurial action based on several things that facilitate and hinder an individual acting entrepreneurially. For the purpose of this thesis entrepreneurial action is in the form of any action or decision making that lead to action taken by an entrepreneur as part of the process of entrepreneurship.

Alternative theories of the entrepreneur stated by McMullen and Shepherd (2006, pp 136 - 139) are:

1. Entrepreneurial action as the outcome of less perceived uncertainty
2. Entrepreneurial action as the outcome of more willingness to bear uncertainty

McMullen and Shepherd (2006, 140) have illustrated their model as follows:

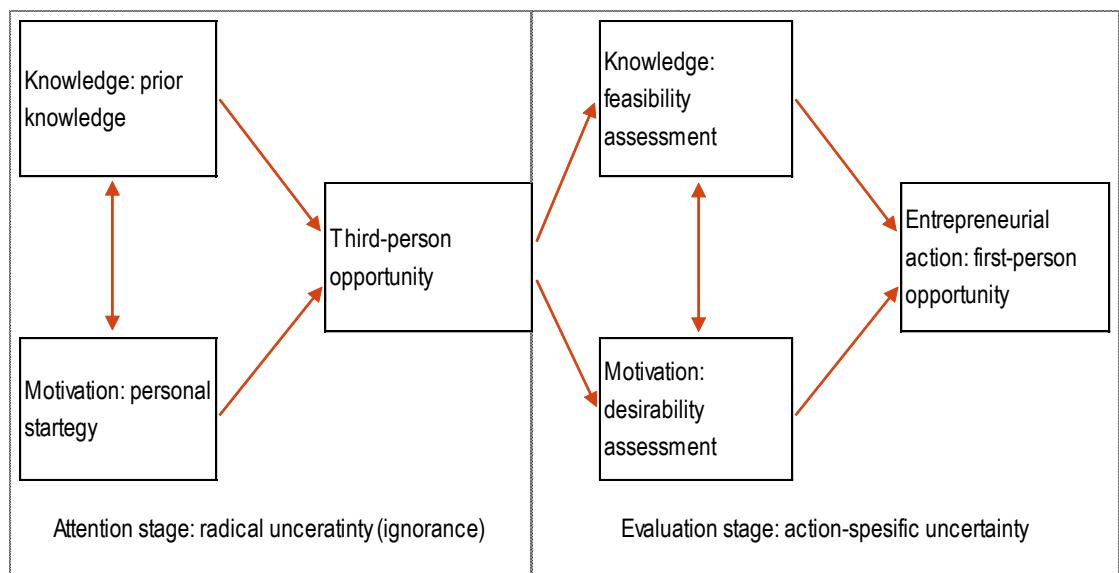


FIGURE 2. A conceptual model relating perceived uncertainty and motivation to entrepreneurial

Based on the above theory, uncertainty attached to entrepreneurial action. In response to uncertainty is closely related to knowledge, motivation and opportunity are owned by entrepreneur.

For the purposes of this research, entrepreneurial action is more emphasis on actions taken by entrepreneur in recognition of opportunities in creating and developing a business. There are two categories of opportunities (see Drucker 1999, 137-139):

1. Replacements of present products, activities and efforts which are almost right, by products, activities and efforts those are completely right.
2. Innovations, the highest-opportunity group, though a small one.

Opportunities exist due to awareness about what is happening in the activities that need to be addressed by making very small changes, which can convert the product in accordance with the existing business circumstances. And the other one is opportunities exist due to the activity in developing something new that can change a scheme or associating disconnected elements of business circumstances.

In article of theories entrepreneurship by Alvarez (see 2005, pp 3 - 12), that investigates two assumptions about the nature of opportunities, entrepreneur and decision making in context within which entrepreneurs operate. Alternative theories of entrepreneurial action are:

1. The Discovery Theory

It has focused on the existing, discovery, and exploitation of opportunities and the influence of individuals and opportunities. The assumptions: objective opportunities, unique individuals and entrepreneurs are risk-bearing

2. The Creation Theory

It has focused on the entrepreneur and the creation of the firm. The assumptions: subjective opportunities, individual do not recognize opportunities, they create them and entrepreneurs bear uncertainty

Below are the central assumptions proposed by Alvarez and Barney (2007, 127) of discovery and creation theories of entrepreneurial action

TABLE 1. Central assumptions of discovery and creation theories of entrepreneurial action

	Discovery Theory	Creation Theory
Nature of Opportunities	Opportunity exist, independent of entrepreneurs. Applies a realist philosophy.	Opportunities do not exist independent of entrepreneurs. Applies an evolutionary realist philosophy.
Nature of Entrepreneurs	Differ in some important ways from non entrepreneurs, ex ante.	May or may not differ from non entrepreneurs, ex ante. Differences may emerge, ex post.
Nature of Decision Making Context	Risky	Uncertain

Each type of business has a risk, whether small or great risks. The risk of uncertainty is part of entrepreneurship. Facing uncertain circumstances, one of the required traits of entrepreneur is a risk taker. But the important thing is courage can be demonstrated by the skills to overcome, in the form of preventive actions to reduce the risk and how the actions taken to control the future, as Draschil stated the only way to know the future, when the future is uncertain, is to take action (Babson, 2012). The actions performed triggered by variety of things and with a different ways, based on the conditions encountered. Entrepreneurs who create or recognize opportunities and the size and shape them into higher potential ventures think and do things differently. They operate in entrepreneurial domain, a place governed by certain modes of action and dominated by certain driving forces (Timmons & Spinelli 2007, 2). But basically the act, action is needed in establishing and developing their business. Of course these measures will differ depending on the conditions encountered and rationale about it differently. As expressed by Schlesinger, Kiefer and Brown that small business owners should shift from a ‘plan, optimize, execute’ mindset to an ‘act, learn, build’ mindset (Babson, 2012).

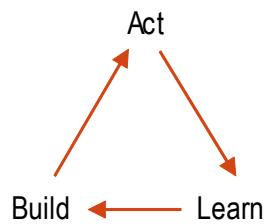


FIGURE 3. Act, learn, build

The presence of an opportunity or requirement to be met is a starting point in getting or looking for ideas as a solution. Realize the idea of the act is the main thing to do in running the business. The action will be accompanied by all hazards, which will produce good results or get a failure. From experience lessons can be taken as the next step in developing the business. This will continue repeatedly as long as the business grow and develop so that it can survive and achieve success.

Measuring the success of a business is generally seen from the profit generated and the growth of the business. Acting is a starting point for achieving entrepreneurial success and also increasing the added value of a business. Entrepreneurial action can be considered a success, if it can execute and accomplish the intended action by the entrepreneur.

2.3 Business Challenges

This study includes things related to entrepreneurial action in dealing with business challenges. Entrepreneurship deal with the dynamic of change and requires developments, action has grown increasingly challenging for entrepreneurs. Innovation often appears in tough times. It does not end emergence of new ideas, instead will lead to generate new ideas in order to get out of the difficult situation. Some people feel motivated or compelled to take an action in situations under pressure, recessive as a trigger force to act and strive, also willing to take risks.

The business world is a world that is very unpredictable and can change dramatically. In the face of these dynamic changes require thinking and action that is responsive to such changes, follow the existing conditions to control the situation and control the future. Drucker stated that, only if business learns how to convert the major social challenges facing developed societies today into novel and profitable business opportunities can we hope to surmount these challenges in the future (2007). The main purpose of business is to earn profit. To achieve that, a business should be able to learn from transforming the challenges into an opportunity, which used to be something beneficial. 'Learning' here means an iterative process until finding the most valuable thing to follow up. Learning new things continue to be done repeatedly so that it becomes a ritual for an entrepreneur. Yet, if the fundamental goal of entrepreneurship is to engage in organization building under conditions of extreme uncertainty, its most vital function is learning (Ries 2011, 38). Startup businesses encounter dynamic changes so that they are in a state of extreme uncertainty, dynamic changes and uncertainty inherent in the startup resulted the learning process is crucial, to achieve the goal of business, namely profit.

Learning process lead the startup to find the product or service intended by customer. Startup need to know what the customers really want and need. What entrepreneur thinks it as something the customer needs, not necessarily what the customer wants. It takes information about the wants and needs of its customers. Business can defined as a process that converts an outside resource, namely knowledge, into outside results, namely economic value (Drucker 1999, 5). The knowledge about customers will linked to the product/service specifications offered and what the kind of resources are needed to produce it, and in the end generate profit for the startup. Challenge in the transforming process of resources and knowledge in different ways into something has an economic value, which is aimed at creating customer.

Challenge is the trigger for entrepreneurs in entrepreneurial action, curiosity about the things, and the power of circumstances cornered. The desire to achieve goals and channelling passion in the face of the challenges can be considered as a reason for entrepreneurs to engage in entrepreneurial action. There are many different motivations in running a business, one of which is feeling challenged to do something

that is considered attractive or provide more value. Kuratko and Hodgetts stated that the passion and drive of entrepreneurs move the world of business forward. They challenge the unknown and continuously create the future (2007, 4). Kawasaki argues that one of the biggest mistakes you can make in life is to accept the known and resist the unknown. You should, in fact, do exactly the opposite, challenge the known and embrace the unknown (2006). The future is unknown but can be created. To be able to create the future must have the courage to accept the challenge and deal with it.

Entrepreneurs should consider what really motivates them to create a business. Entrepreneurs have a low need for status and power, and they derive personal motivation from the challenge and excitement of creating and building enterprises (Timmons & Spinelli 2007, 13). The challenge is one of the motivations of entrepreneurs in their business, as it is adapted from studies of new firms in Minnesota conducted by Reynolds; the challenge is rank third of reasons for starting one's own business (Swanson & Baird 2003, 7). A startup faces formidable challenges in the early years of its birth. Seeking out the challenge inherent in a startup and responding in a positive way, is achievement motivation in action (Timmons & Spinelli 2007, 13). Startup entrepreneur is an individual who has the motivation to excel, which is able to commit to a challenging activity, but believes it is something that can be achieved.

2.4 Startup Company

Nowadays many parts of the world is experiencing economic crisis, high unemployment rate, lack of jobs or mass layoff. Such a situation leads to the possibility of starting own business. This is something that brought success to many individuals, although the way they do it varies from each other. If the conditions in creating business venture are in a state of uncertainty and aims to have a growth in a next few years, then the business can be said as a startup. The following is a startup definition from a variety of sources.

"A startup is a company designed to grow fast. Being newly founded does not in itself make a company a startup. Nor is it necessary for a startup to work on technology, or take venture funding, or have some sort of "exit." The only essential thing is growth. Everything else we associate with startups follows from growth (Graham 2012)".

Blank defines a startup as follows, for startup as the community understands them, a startup is an organization formed to search for a repeatable and scalable business model (2010). While Ries views, a startup is a human institution designed to create new products and services under conditions of extreme uncertainty (2011, 27). From the above statement, hinted that startup is innovating, thus requiring finding business models that are repeatable and scalable. It is intended as a road map of products or services are offered to a market full of uncertainty. A startup is a business that has potential to grow rapidly and aims to repeatedly grow in the next few years.

There are 4 categories of startup according to Steven Blank (2007, 12) which is 'they are not all alike':

1. Bringing a new product into an existing market
2. Bringing a new product into a new market
3. Bringing a new product into an existing market and trying to resegment that market as a low-cost entrant
4. Bringing a new product into an existing market and trying to resegment that market as a niche entrant

Type 2 and 3 is the majority type of startup, which is startup 'don't know have a clue where their customers are' (op. cit. p. 10). Every startup has a unique and particular situation. The four types of start-ups have differences in the acceptance of the market situation, as well as the business challenges it faces differently.

Characteristic of startup is ambition to grow much larger than the current conditions. To grow over the next few years, need a time scale with strong ambition. Startup can scale the business much faster than other types of businesses. Startup is an innovative company that seeks to do cool things with technology. Startups use many kind of innovation (Ries 2011, 28). Cool and innovative product which must consider of the consumers need and understand what they really want. Because startup often

accidentally build something nobody wants, it doesn't matter much if they do it on time and on budget (op. cit. p. 20). Startup should be able to use innovation to create products or services that have value to consumers, thus startup need to search for business model. Startups employ a strategy, which includes a business model, a product road map, a point of view about partners and competitors, and ideas about who the customer will be (op. cit. p. 22). A business model describes the rationale of how an organization creates, delivers, and capture value (Osterwalder & Pigneur 2010, 14). Besides optimism presented in gaining value also highlights the uncertainty of the startups. Startup is a business that has strong ambitions. Create startup involves a lot of ambitions and uncertainties.

Startup in Indonesia

Currently startup in Indonesia is growing rapidly. It can be seen from the number of emerging startups founded, startup incubators, the competitions was held, startups that have successfully received funding or startups that have been acquired, and some investors are getting interested to invest in business startup in Indonesia.

To support each other, learn, share information and experience, Indonesian startups form their community. Indonesia has a vast territory and archipelago, the startup communities are scattered locally in various areas. Expanding the network is one of objectives of the activity, by collecting the startup owners, aspiring startup entrepreneurs, developers, investors, observers, students, educational institutions and media to meet and collaborate.

3 RESEARCH METHODS

This chapter discusses in detail about the research method to be used to obtain the empirical data. Presenting how the research is conducted, which covers research approach, data collection methods, and data sources use, and finally, the methodology of the analysis presented. In addition, it also discusses the limitations and potential problems.

3.1 Research Strategy

A valuable aspect of this research is an opportunity to gain an understanding of entrepreneurial action and implementation in business practice. The empirical research in this study case is interested in exploring entrepreneurs' views and experiences within a real life of business, how entrepreneurs are acting in dealing with challenges in running their businesses and entrepreneurs' view of their entrepreneurial action to challenges. As mentioned by Stake, we are trying to understand behavior, issues, and contexts with regard to our particular case (Stake 1995, 78).

The research strategy that will be used to implement the empirical research in this research is multiple-case study method. Yin (2009, 18) defines case study as follows, a case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. The multiple-case study is applied in this study to gain an understanding of a real life phenomenon in depth that includes important contextual conditions. If we want more information about what (groups of) people perceive and decide, in relation to their interaction during a certain period, a case study seems to be the optimal strategy (Swanborn 2010, 27). Judging from the three research objectives, it can be seen that I intend to gain more in-depth information from research object to identify and explore related issues and furthermore provide recommendations. This strategy research is especially appropriate with the second

objective of this research study which is to explore the views and practice of entrepreneurs. Following an illustration of the multiple-case study method (Yin 2009, 57) as described below:

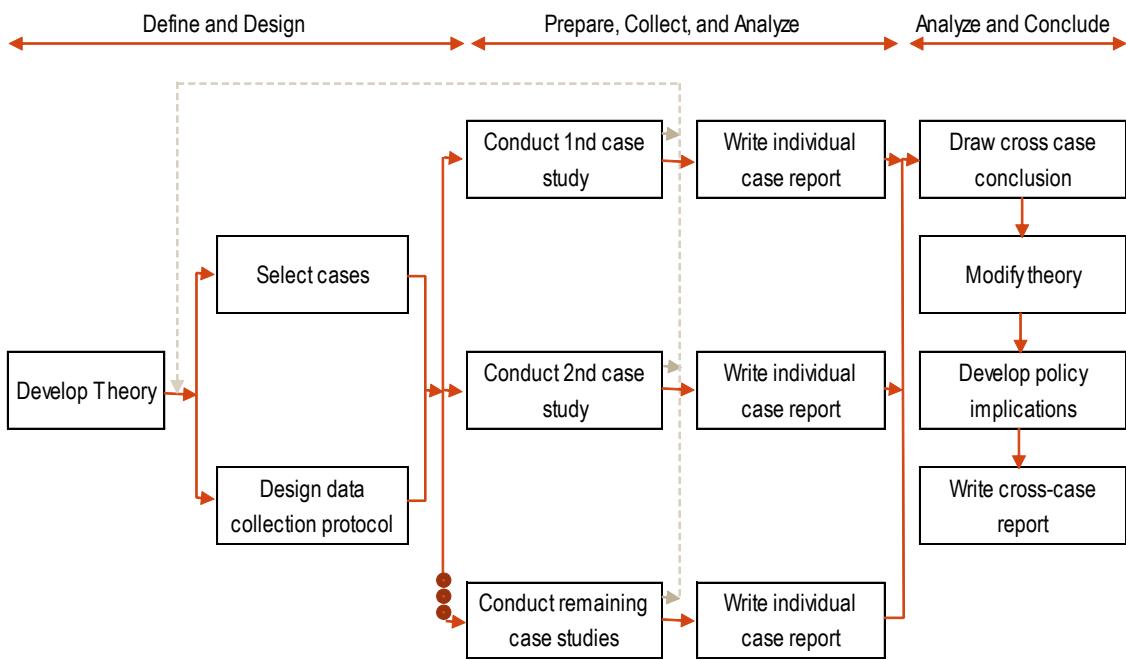


FIGURE 4. Case study method

The figure indicates that initial step in designing the study must consist of theory development, and then shows that case selection and the definition of specific measures are important steps in the design and data collection process (op. cit. p. 56).

The starting point of this case study comes from the type of research question: "How the entrepreneurial action in dealing with business challenges in order to create and develop startup?" According to the statement this case study is explanatory case study. As Yin stated, 'how' questions are more explanatory and likely to lead to the use of case studies (op. cit. p. 9). This research clearly asking the question that wanted to know how entrepreneurs address these issues and it leads to an appropriate method supporting the research question.

Comparing what was discovered in the chapter 2 Literature Review with the results of a case study is in interest of this research. By combining theory with practice the research find more information and understanding of the cases investigated.

3.2 Data Collection

This research used qualitative research methods, according to Ghauri and Grønhaug that qualitative methods are most suitable when the objectives of the study demand in depth insight into a phenomenon (2005, pp. 110 - 112). The primary method of data collection was questionnaires. In this process are conducted open-ended questions, which allow participants to answer questions with their own words. Qualitative data collection methods can be useful in such cases, as they often use unstructured questions that can be changed, translated and reformulated more easily (op. cit. p. 112). Having unstructured questions on research questionnaire facilitates participants to express freely their answers. It is conducted by a letter by email to the person who wants to target as the object of research and after getting approval to participate then sent a questionnaire to be filled.

For best possible results, a questionnaire is made as simple as possible and easy to understand the questions. Further details about the selection of the application letter and research questionnaire are given in Appendix 1 and 2. The questionnaire administered by email. Sending the questionnaire via online is becoming increasingly common due to its effectiveness in reaching the participants quickly and easily, and can also be directed to the specific object of research as intended. The questionnaire was filled out by the founder. At the heart of the entrepreneurial process is the founder: the opportunity seeker, the creator and initiator; the leader, problem solver, and motivator; the strategizer and guardian of the mission, values, and culture of the venture (Timmons & Spinelli 2007, 1). It is intended to delve as deep as possible the information from someone who really knows particulars of the company. The contents of the questionnaire given to the respondents relevant to the research objectives, it is important to note extracting information is related to analysis as the next step.

As secondary data collection technique, this research used various types of documents, such as news, blogs, articles, journals, websites and videos to complement the information to be obtained. As Swanborn stated, in case studies several data sources are used (2010, 17). Combination of these empirical materials is aimed to achieve better results usable for analysis.

3.3 Case Selection

This research applies a multiple-case design and consists of two (2) case studies that each focus on startup company. We have little or no control over the objects of study, an experiment is replaced by a (multiple) case study as a next best solution (Swanborn 2010, 35). Research approach for both of them is the same approach to more easily compare and differentiate between them. Each case must be carefully selected so that it either (a) predicts similar results (a literal replication) or (b) predicts contrasting results but anticipatable reasons (a theoretical replication) (Yin 2009, 54).

The author realizes that choosing the multiple-case study is not easy to conduct. Finding cases can take a lot of time (Swanborn 2010, 45). Consideration in selecting multiple-case design is to obtain more accurate and persuasive evidences. As Yin stated, the conduct of a multiple-case study can require extensive resources and time beyond the means of a single student or independent research investigator (2009, 53).

In order to facilitate process analysis of the cases, the case selection focused on startup companies in Indonesia. Apart from having easy access to information, as well as personally close and curiosity concerning related issues in Indonesia.

As mentioned in the previous section, there are 4 categories of startup stated by Steve Blank, and they are not all the same. This thesis chose 2 startups are included in the first category (new product and existing market) and the fourth category (new products and niche markets), where several cases (2 or 3) would be literal replication (Yin, 2009,

54). Category 1 and 4 are non-majority categories of startup, where the majority categories have a condition that they do not know the market. This study is expected to reveal more in related to issues other than that happen to most startup, describe what kind of challenges they encounter. Two (2) cases were selected in which two different opinions between Schumpeter¹ and Kirzner² on entrepreneurship in recognizing opportunities and based on the theory of entrepreneurial action by Alvarez³, is to determine whether in fact, predict the similar results. Steps taken in this research is the development of a theoretical framework of which has been described previously in chapter 2, where 'to state the condition under which a particular phenomenon is likely to be found' (op.cit. p. 54). Once synchronized of literature findings with two selected cases above, further analyzed to obtain the results of the case findings.

Based on the above consideration, following two startups were selected, namely Prasimax Inovasi Teknologi and Agate Studio as the research objects of this case study. Following an overview of both the startups:

Case 1: Prasimax Inovasi Teknologi

Prasimax Inovasi Teknologi is a high technology startup company devoted to the creation of new technological solution that enables the offering of new services for increasing efficiency in business, the electronic embedded system customized solutions. New technologies are considered to be crucial for enabling a new and sustainable business paradigm. Prasimax Inovasi Teknologi was established in Jakarta, Indonesia in year 2001. The company develops and offers integrated management system software applications to industry, public and service sector organizations. The software supports operational development, strategic and decision making process. The whole solution is developed to respond the needs in management and operating environment. The company also provides training and consulting activities that Prasimax can offers their customers the whole comprehensive integrated management system concept which combines consulting on management systems, communication

¹ Joseph Schumpeter (1983): entrepreneur is an innovator who implements change within markets through the carrying out of new combinations.

² Kirzner (2008): entrepreneur only act as an alert, which is also creative in terms of responding available opportunities.

³ Alvarez (2005): discovery theory and creation theory.

technology and required support services. The product lists such as, MIFARE Cards and Tags (MIFARE contactless smart cards), MIFARE Application Services (application software and backend systems), MIFARE application consultancy, MIFARE technical consultancy). The company provides variety solutions such as M2M, embedded system over IP, PLC, Robotics and many more. All of these products by direct sales production. The founders of the company have strong experience from quality management and certifications. As it happens, many of the customer companies are aiming for the certificates as a result of implementing an integrated management system.

Case 2: Agate Studio

Starting with knowing nothing about video game development, a group of college students decided to make an epic 3D strategy RPG, complete with FMVs (Full Motion Videos) and voice acts. The project was being made in a borrowed campus lab. Since April 1st, 2009 they started a professional game development company, Agate Studio in Bandung, Indonesia. Now the company supported by more than 80 talented people, with more than 120 games across all sorts of platforms and more than 20 parallel projects, and Agate Studio has won numerous awards. Their extensive portfolio covers a wide range of high quality games which has been distributed worldwide, what makes they are not just survived but growing even more. They started development on two of their best received titles, Football Saga and Valthirian Arc. In addition, company started development on two of its best received titles, Football Saga and Valthirian Arc. They also started making a mobile social gaming platform for Indonesian market, according to Nokia Store, they had their 1 million download. The company operates in three cities (Bandung, Jakarta, and Yogyakarta) in Indonesia and also in Singapore. They believe that everyone's life will be better with happiness; game is one of the ways to go towards that happiness, and they are ready to face new challenges in this industry.

The criteria used in selecting the cases and the level of importance to each criterion are summarized in the following table:

TABLE 2. Case study targets

Summary of Key Criteria for Selecting Case Study Targets	
Criteria	Level of Importance
Industry	Primary
Company Size	Secondary
Geographic Location	Tertiary

Necessary to represent type of data analysis that appropriate to this study case and it discussed in the next section below.

3.4 Data Analysis

Data collection obtained through a questionnaire via email and also interviews and documents need to be analyzed. These findings will be analyzed in a way to reveal it to try to figure out the reality of a matter to the investigation.

This case study has started with an open-ended research questions for each case, which would lead to the use of an explanation building technique, and subsequently supported by the results of interviews conducted with each cases and other secondary data. Based on Yin's opinion, one goal is to build a general explanation that fits individual case, even though the case will vary in their details (2009, 142). As mentioned above, the case study research conducted in two cases, the type of case analysis is an explanation building in multiple-case study.

The analytic technique in this case study research is explanation building technique, one of the five (5) types of data analysis proposed by Yin. This means that analyzing case study data is to consider alternative explanations for each case study findings. This can be done by comparing the findings with collecting literatures. As element of explanatory is expressed by Yin; to "explain" a phenomenon is to stipulate a presumed

set of causal links about it (2009, 141). This research describes several approaches relating to the cases studied with the existing theory. Explanation building aims to analyze the results of findings. Disclose the data collected by building an explanation about the case related to the literature theory presented. The explanation presented has reflected some of the literature and the cases findings are significant so that it can guide recommendations for the future.

In which the analysis of the case study is carried out by building an explanation of the case. Explanation-building is an iterative process that begins with an initial theoretical statement, comparing, revising and repeating this process from the beginning. It is tutorial pattern in understanding a situation of the cases. This is known to be a technique that is fraught with problems for the researcher. Much analytic insight is demanded of explanation builder (op. cit. p. 144). Try to focus on the original purpose of the investigation helps to reduce potential problems.

The thesis uses a multi-case study methodology for elaborating two cases, to find the results of different statements regarding the theory of entrepreneurship in recognizing opportunities, related to actions taken in the face of the challenges of creating and developing a business startup. The development of data collection, selection of target cases, data analysis and preparation of case study reports were conducted from late 2012 through June 2013.

3.5 Validity and Reliability

This research is represent a logical of entrepreneurial action relating to opportunity recognition dealing with challenges of startup business, it is necessary to assess the quality of the research design to test the validity and reliability.

Define the four criteria for judging the quality of research design: (a) construct validity, (b) internal validity, (c) external validity, and (d) reliability (see Yin 2009, pp.40-45).

- a. Construct validity: The research is using a chain of evidence, during the collection of data, both primary and secondary data to form a chain of evidence that leads to the research findings. The process is done by defining the actions taken by entrepreneurs in the deal with challenges in doing business and connecting with the purpose of this study, furthermore identifying what steps are in accordance with the literature findings as consideration.
- b. Internal validity: This research method is explanatory, in which believes certain conditions cause other conditions. As mentioned previously, this study analyzed by using explanatory building technique. This research attempts to explain the causal relationship of entrepreneurial actions undertaken entrepreneurs in recognizing opportunities and how they deal with the challenges of doing business startup.
- c. External Validity: This research uses replication logic in multiple case studies. The findings of the study are generally applicable to any startup, although each entrepreneurial action in recognizing opportunities and challenges are facing differently. But the results obtained in dealing with such situations can apply to any startup regardless of geographical boundaries. By using 2 cases as the research object, other than wanting to know the differences of opinion regarding the theory of entrepreneurship and entrepreneurial action in recognizing opportunities, also can offering a sound basis to generalize the analysis of the findings. Authors attempt to synthesize the case findings with the literature findings and conduct analyzes that develop a broader insight of theories and practises that can be applied in general.
- d. Reliability: The research uses the case study protocol to guide the data collection from two cases. The author tries to figure out the issues beforehand by studying the theory and practise of related issues from textbook, case studies of thesis and dissertations, journal, news and others as a source of information to minimize the biases of the research. Another important thing is to learn in advance about the companies which are considered to represent as an object research. In the process of data collection is done first by planning, preparation and evaluation of the data collection method to get the conclusion that contains the relationship between entrepreneurial action and business challenges at the time of implementation of the research.

This research chose two case studies that illustrate contrasting entrepreneurial actions related to the opportunities recognition in dealing with business challenges. One case represents entrepreneur who act as an innovator with an unavailable opportunity condition and the other one represents entrepreneur who act as an alert to an available opportunity.

3.6 Limitation and Potential Problem

It obvious that case study research is detailed and time-consuming undertaking. In this study case research, one of those problems that can arise is the loss of focus while in process of analysis and around this issue by concentrating on three (3) main objectives of this case study, as described in Chapter 1 Introduction. Davies adduces, the nature of the case study context will lead to wide variations in the appropriateness of different questions (2007, 205). In making a list of research questions confronted with the challenge of getting actual information with records may not deviate from the research objectives. In keeping this in mind is to protect researchers from this problem.

The other problem that can arise is the difficulty in getting access to the research object; as Yin (2009, 26) stated you need sufficient access to the potential data. Do you think access should be so important? This is overcome by the concentration of applied research startup companies in Indonesia, which was personally close to the identity of the author.

4 CASE STUDY FINDINGS

This chapter presents the findings of the research. These findings will include views of research object, analyze and discuss improvement suggestions according to findings.

This chapter gives expression of the case study results that has been described in Chapter 3 Research Methods. The study concentrates on the business challenges and entrepreneurial action taken by startup entrepreneurs as a research object. In the context of these developments, appreciations of entrepreneurs are implemented in this study. It should be appreciated that their experiences and insights are useful for aspiring entrepreneurs, or particularly for those who are in the business startup.

This multiple-case study is approached in a structured manner. A description of questionnaire results is presented. The collection of empirical data for this research is based on cases, to allow analyze real problems in context. Theoretical aspects concerning this study have been discussed in the previous chapter.

Following from the objectives of this research, the overarching research questions to be addressed through the case studies can be found the transcript in Appendix 1, and the transcripts of the application letter for entrepreneurs can be found in Appendix 2.

This empirical finding will revolve around the tasks of description of empirical data, analysis of what has been described in each case and synthesis of discussed empirical results toward literature findings that have been presented in Chapter 2 Issues and Literature Review.

It is important to understand that any entrepreneur can have a different perception in view of the business challenges and respond differently to them. It is interesting to observe their expression about how to turn thinking into direct and immediate action.

Entrepreneurship in general is economic growth through job creation and achieving prosperity. Entrepreneur is a talented person with a brilliant idea and willing to take risks. Startup has a rapid growth, which has the shape of a rapidly changing and

uncertain. This of course has its own challenges than traditional business. Inevitably encourages entrepreneurs to innovate and overcome challenges in achieving success.

In the findings of the cases studied are discussed in a way it describes the case findings, and then analyzed on the basis of the literatures and issues findings, and synthesized. In analyzing the case, startup companies are involved as research object associated as Case 1 and Case 2. This research has chosen not to refer to companies by name in order to maintain a clear focus in the analysis of cases on learning from these experiences of startup entrepreneurs in doing business. The use of the term to preserves the original purpose of this case study and avoids tendencies to interpret the case findings as an evaluation for related object research.

4.1 Individual Case Analyses

The research conducted at two companies that have different characteristics and affect the result of research, as with any entrepreneurial action distinct from both of startups that implemented by each entrepreneurs. Each of these startups faces different business challenges and is taking a different path in overcoming.

In table 4.1 it lays out the summary of the individual case studies for ease of comparison.

TABLE 3. Individual case studies

Research Questions	Case 1	Case 2
1 Biggest challenge Solution	Unknown market	Successful IP Internal development capability
2 Hurdles challenge Lesson learned	Customer expectation	Partnership Careful creating legal agreement
3 Risks and opportunities Action	Term of payment & supply of material Advance half payment Never promise immediate delivery	Popular game Preventive methods
4 Other challenges	Technology Learning Government	Limited talent The right business model
5 Uncertainty and dynamic change	Flexible, adaptive & innovative business model	Trends & tastes, focus creating the best game
6 Turn challenge into opportunity	Think new business model	Explore several markets, focus on the best market
7 Business survival	Have a common goal and same passion	Opportunity
8 Advices	Persistence, consistency & keep passion	Creating business early, no employee mindset

Case 1

The biggest challenge to running a startup company is unknown market whether they want the product or service being offered. This case focuses on niche and innovative products. Entrepreneur identifies a problem or gap in the market where they are able to offer an alternate solution, but struggle to integrate their solution into a market. The important task is to know their customers and market. As stated by Swanson and Baird, (2003, 104) is to establish a niche market which your technology and product can profitably play. To do that, you need to know your customers and markets. Market equals with people who want, need and reacts to the product or service being offered. To make efforts in a certain direction, they should be able to read the market and actuate the company. Make sure it's something that doesn't already exist, that customers are dying to have (Ryan 2002, 35). Creating demand for their product or service, figure out how to get the user to try and to steady. Do the test market to early adopters who are willing to tolerate some imperfections to help improve the product or service. Gathering and using customer feedback (op. cit. p. 44), because it can influence and reshape the next set of ideas (Ries 2011, 75). This is done repeatedly, 'we will screw it up several times before we get it right' (Blank 2007, 19), to search for product or service desired and intended by consumers. In addition to collecting information, it is also a learning process for development of the product or service being offered. Startup is a business, where there is a product or service that has a commercial value and can

be sold, and there are consumers who are interested or required the product or service, and who are willing to pay for it. The occurrence of events of sell and buy, formerly should be exists demand and supply, and an established market presence. This is the market to be identified by the startup, which mostly operate without clue about their customers. Identifying the market and its customers is one of the challenges faced by startup.

It is quite struggle for supply chain that requires longer lead time than customer expectation for delivery. According to Park (2005, 743), Baker (2001) suggested that the start of the design process often coincides with the commencement of the business venture and that improvisation in the face of changing customer expectations could be a key organizational skill. In this case to minimize business potential risks, the company always asks customer in advance half payment and half on delivery in term of payment. They never promised immediate delivery in supplying material. This ability to adapt is vitally important in emerging markets where the technology has to evolve with customer expectations (Park 2005, 749). The important is a comprehensive management plan and alert to critical situation in order to find out as early as possible how to avoid the risks. We must discover whether we are on a path that will lead to growing a sustainable business (Ries 201, 38). Since the products are received by customers, it takes more energy to win more customers, it is a challenge. Even the smallest startup faces the challenge of supporting existing customers while trying to innovate (Ries 2011, 24). Initial customers are long-term investments as supporters of the company. Understand and manage customer expectations to win strong references regarding customer acceptances that leave the impression of good responses.

Based on their experiences and insights, technology, learning and government have very big challenges in their business, while challenges of market and human resources have a big effect to their business. The first step for startup is to focus on learning and discovery process, from starting the company to scaling the business (Blank 2006, 12). The first case offers innovative product with unknown market, this requires a learning process in terms of product, customer, market and many other things. While on the other hand, there is no government support for innovative startup. At the heart of the entrepreneurial process is the innovative spirit (Timmons & Spinelli 2007, 55). Support

and attention from government and educational institutions are needed to foster entrepreneurship and those should understand the importance of innovating for the development of a country. The product innovations developed through a process that requires research, knowledge, funds and other facilities. Social challenge has a moderate effect to their business, while strategy and competition challenges have small effect on the grounds that they focus on the niche and innovative products. Higher potential businesses can identify a market niche for a product or service that meets an important customer need and provides high value-added or value-created benefits to customer (op. cit. p. 130). In this case, the challenge is an inspiration for entrepreneurs to innovate and be creative with new ideas. Competition is not considered to be a major challenge, as they create new innovative product. But it requires innovation, it demands innovation (op. cit. p. 38) and innovation product must be able to meet customer's value and pretention. It needs an appropriate strategy. Starting with a niche market and plug your nails in there, then think about the next action to create better value and can dominate the market and unexpected success can be achieved.

They argue that it should be flexible and adaptive to changes in the response in terms of products and services. Successful entrepreneurs are adaptive and resilient. They have an insatiable desire to know how well they are performing (op. cit. p. 13). Respond to changes with flexible and adaptive, directing a products and services to desired specifications and also continuously improve of the business performance. They contend, as an alternative solution is an innovative business model. To cope with the changes, their effort is adjusting, improving or defending the existing model to adapt a changing environment (see Osterwalder & Pigneur 2010, 244). Think of the new business model is the action taken in turning challenges into opportunities that can be utilized. Business model innovation expected to be applied as soon as possible to take immediate action and executes it, but in creating the business model takes times to get the best solution. It requires the ability to deal with ambiguity and uncertainty until a good solution emerges (op. cit. p. 246). Moving quickly gets you to market first (Ryan 2002, 146) and especially for new ventures, time to market is a crucial factor (Heirman & Clarysse 2007, 304). It is to avoid product obsolescence and reduce its value. But it must be accompanied by knowledge of the market, where the product will be delivered. Speed has its place, but only in the context of a broader, market-driven

strategy (Swanson & Baird 2003, 56). Speed in delivery products to customers, with more emphasis on strategies leading to market conditions, not to avoid product obsolescence. It can be accepted as something that is valuable to customers. A business model describes the rationale of how an organization creates, delivers, and captures value (Osterwalder & Pigneur, 2009). The purpose here is to require proof business model that represents how profits will be made, how to sell products or services and achieve attractive margins.

They believe that having the same goal and passion are triggers of business success. An entrepreneur's passion will lead to setting more challenging goals for the tasks and activities associated with the invoked role identity (Cardon, Wincent, Singh & Drnovsek 2009, 12). Passion, vision and technical expertise possessed human resources within the company can be considered as a key early success. Furthermore, understanding the company's operations will be an important role along with the growth of the company. From entrepreneurial action perspective, they expressed the need for perseverance, consistency and keep passion when converting idea into real business. Most researchers share the opinion that while entrepreneurs are extremely persistent, they are also realistic in recognizing what they can do and cannot do, and where they can get help to solve a very difficult but necessary task (Timmons & Spinelli 2007, 9). Attitudes and behaviour expressed as the cornerstone of entrepreneurial action. Prior to take an action, formerly there are thoughts and desires that drive a person's behaviour. Business startup undertaken requires persistence, identify action that need to take and it always attached to the entrepreneurs during business operate by keeping the entrepreneurial passion despite facing all business challenges.

Case 2

One of the business challenges is to create more successful Intellectual Property (IP). They assess the results achieved are not as planned. The solution is more focused on internal development capabilities, in terms of technical and quality. As stated in lecture Supercoach Workshop, IP Disclosure Plan Concept consists of public, potential investor, NDA and secret sauce (Spring 2010). In relation to this case can be interpreted that one of the more challenging aspects of a company based on IP assets is the challenge in

valuing those assets for the purpose of pitching potential investors. Entrepreneurs understand the basics of intellectual property valuation; it can communicate with those who are willing to finance their startup, besides they need of legal assistance, as Nesheim stated it is critical for start-ups to have good legal assistance from a very early stage (2000, 53). From the establishment of the company until the company operates as well as matters relating to the change of ownership or bankruptcy, legal aspects will often be found and must be handled. Thus the strategic intellectual property protection is critical to maintaining the value of the company. Legal assistance is often needed for the problems that may occur. Need to be careful in choosing legal assistance, because it for a long time to deal with it. During the company operates is likely related to legal matters. There are two general categories of legal help that the entrepreneur need to get started: legal assistance with intellectual property issues and general legal work, including incorporation (op. cit. p. 53). In this case, a startup engaged in the field of game development full of technological innovation and creativity, IP has a very important role. They alone can decide what the right approach to their situation is as their secret sauce.

Experience in the most challenging situation is when they had a partnership that is not going well for both parties. Problems found in the legal documents that are not clearly stated on the specifications of the partnership. It is growing in line with the larger project with unreasonable deadline. In the end they must break the partnership to maintain the developer team; even it costs some financial loss. The team, not the product, is the root from which the entire company growth (Ryan 2002, 27). A relationship between the company and its employees is a partnership. The relationship needs to be managed because the employees are talented people which are as human capital for startup business. These relationships need increasingly to be organized as long-term partnerships in the process of change (Drucker 2001, 91). Rapid growth is one of the characters a startup that causes changes often occur in a startup organization, either from within or outside the organization. Deal with changes in the continuity of a business, require information to one another, to facilitate the delivery of what is expected and required of each other. So the information relating to the relationship is 'opportunities to get to know one another and to understand one and another' (op. cit. p. 91). From that point on, they are more careful when creating the

legal agreements to avoid similar cases. The key is identifying and working with the right partner or partners (Timmons & Spanelli 2007, 292). Conscientious in determining the partnership and having the foresight to assure that the startup does not get caught up in a partnership which its usefulness not functioning properly. They may choose the next best action by learning from the experiences they have been through to find the right partner. Learning from past mistakes is important, but also need recent and actual information about the partnership for further action.

The potential risk to their business is the game is not as popular as planned, so it will not be enough revenue to cover the development costs. Instead responsive action, they perform preventive methods, in terms of maintaining high quality processes to produce high quality games. In order to get the popular game product, start by talking to customers repeatedly, as stated by Ryan that you've got to keep hunting around until you find the golden egg (2002, 45). Focus on the customer development prior to developing products to reduce development costs. The goal of customer development in a startup is to find a market for the product as spec'd, not to develop or refine a spec based on a market that is unknown (Blank 2007, 27). Product development costs will be reduced if could find out the market. The first thing that should be done in the marketing process of a product is devoting attention to the customers rather than to the product itself. Knowing the market can avoid building unwanted products or avoid rebuild product to find the right specification. As Ries (2011, 96) stated if it turns out that we're building something nobody wants, the whole exercise will be an avoidable expense of time and money.

Based on the insights and experiences of the company, human resources and the market has a big challenges, where there are very limited talents to hire in Indonesia, and those that can be hired usually did not have the needed skill for their role in the game development industry. Finding good candidates quickly is a higher priority (Ryan 2002, 159) and the founders should pick the most outstanding talent that can be found (Nesheim 200, 91). It added that the international game market is already saturated, and the game market in Indonesia is still developing, so they need to create the right business model. Furthermore challenges impacting sufficiently to their business are from the aspects strategy, government and learning. Agate Studio as a startup

company, they need to create the right strategy, they continue to learn along with running the company. To be able to compete with company that has already established they need to have a very fast learning process. While aspects of technology, social and competition has a small impact with the reason that even if the technology changes a lot, but because the basic tech is the same, so it will not be too much trouble. And there are tools to make product in multiple platform. There are no direct impacts of social changes because games are not primary needs of people and the market size is very big compared to the number of game development studio in Indonesia.

They prepared to deal with uncertainty and dynamic changes are just focus on creating the best game. In their opinion, uncertainty and dynamic change are big part of entertainment business. There are trends, people's taste of entertainment, and so forth. Entrepreneurs, in their best creative mode, are constantly thinking of new ideas for business by watching trends, spotting patterns, and connecting the dots to shape and mould a unique enterprise (Timmons & Spinelli 2007, 11). Talk with your customer. As Steve Blank has said for a decade, to "get out of the building" and talk to the only folks who matter—your customers (2012). Go out, spend time with customers, and listen to their feedback (Ryan 2002, 194). In coping with uncertainty and change are needed products with new features with contemporary tastes. They revealed the truth through their action or inaction as we struggled to make the product better (Ries 2011, 43). Consumer behaviour is as one of aspects that determine the market trends. Talk to them to know their tastes and to know actions or reactions to the products offered.

To transform challenges into opportunities that can be utilized for their business, they explore several markets, even the markets that other developers see as not profitable. Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation (Drucker 2005, 17). Conduct an investigation to find out which market has the opportunity to innovate. Another signal of the existence of an opportunity in a market is at full capacity in a growth situation (Timmons & Spinelli 2007, 131). Based on their data and experience, they will focus on the best market. Opportunity in high grows market often accompanied by high competition. Data available about market characteristics, competitors, and so on, are frequently inversely related to the real potential of

opportunity (op. cit. p. 139). Knowing the best markets for their products require accurate information from various aspects. And then both enterprises and individuals will have to learn what information they need and how to get it. They will have to learn to organize information as their key resource (Drucker 2005, 110). Obtaining such information is a challenge, where and how to get it. It is fast becoming the major information challenge for all enterprises (op. cit. p. 123). The challenge of obtaining data that provides information about what is happening out there. Companies should be able to build a system to acquire, collect and organize data, as an information tool for the company's operations.

They believe that the most important reason why their business survives is opportunity. The Indonesian game development industry is growing, they are in the middle of the growth, so Agate Studio and other developer in Indonesia got the benefit of it. As the discovery theory which has focused on the existence, discovery, and exploitation of opportunities (Alvarez 2005, 3), in this case, the challenge is an inspiration for entrepreneurs to explore opportunities, wherein the business industry is growing and they are responsive to these opportunities to conduct the business. Successful entrepreneurs are obsessed first with opportunity (Timmons & Spinelli 2007, 11). Acting responsive in capturing opportunities and take advantage of the opportunity to build business startup and achieve success.

They state that try to create a business early, even better if you can be in a bootstrap condition. As Drucker said, it all such pursuit decisions have to be made, and the essence of any decision is uncertainty (2005, 23). Despite much uncertainty, if you have an idea, execute it. If you are thinking of delaying entrepreneurship, or if you are waiting after saving money from ordinary jobs, it will be harder to be successful, because you will have much more needs and you will have the employee mindset. But everyone who can face up to decision making can learn to be an entrepreneur and to behave entrepreneurially (op. cit. p. 23). In the mind of an employee tends to gain something, whereas an entrepreneur tends to think to give. What can be given to customers and deliver them from their pain. An entrepreneur is someone who thinks and acts with an entrepreneurial mindset. The mindset leads to a person's identity.

The conclusion of each case

Case 1

Startup exists due to an attitude of entrepreneurs who tend to response positively to ideas and situation. Entrepreneurs tend to act appropriate with their feeling or their knowledge in motivate them to make an innovation product. They have a passion for their work and have strong personal commitment to the business. The attitude influences entrepreneurs' choice of action and response positively to challenges. In this case, entrepreneur identified a problem or gap in the market where he is able to offer an alternate solution, but struggle to integrate his solution into a business. Startup produces new things that need to educate customers and introduce them to their products. They entered into 'unready' business environment. Entrepreneurs need to focus on their efforts to find what customers actually desired. To deal with this situation, entrepreneurs need to gain information of its customers. Go to find out the information that is intended by the customers. On the basis of information obtained from the customers, the startup is expected to develop an innovative product into commercial version and guide them in their actions. The information contained in the innovative business model is a way to note and evaluate the innovative actions and performances. Innovative business models can serve as guidelines for action and making decisions in running a business. It is suggested for startups that have a common condition with case 1, to act underlain by strong passion, persistence and high commitment to what is done.

Case 2

Startup exists due to behaviour of entrepreneurs who tend to response to existing opportunities and exploit them to make a business. Their businesses are in a ready business environment. The product is not a new things, customers does not need to educate. Entrepreneurs need to think creatively to offer something unique, make their products different from the others. In this case, startup growing quite rapidly that the entrepreneurs should be able to keep up with the same pace. They experienced relatively rapid changes that have an impact on organizational activity. The situation encourages entrepreneurs to be on the alert to manage and develop its business, which is they need to understand the functional areas of business. Understanding the various

functional areas within an organization is supporting the production process to produce the best products on offer. Managerial skills are a main attention to handle of challenges issues they faced, namely Intellectual Property (IP), partnership and human resources to develop the best product to serve the best market. They should be careful to take appropriate actions, where they need to use information to help gain conviction and commitment in making the strategic course of actions. It stated in an innovative business models, which is a solution to the rapid changes they encountered in their organizations and leads them to actions taken. It is suggested for startups that have a common condition with case 2, to act underlain by responsiveness to the opportunities and no delays to be utilized.

4.3 Cross Case Analyses

The cross case analyses is organized according to the three research objectives posed previously. First, identify challenges encountered by entrepreneur in doing business startup and ways to overcome. Second, explore entrepreneur views and practices related to create and develop a business startup. And third, provide recommendations in terms of entrepreneurial action issues.

The findings from the case analysis provide insight gained from startup entrepreneurs experience as it pursues challenges and entrepreneurial action implementation. Uncover the realities of persistence in entrepreneurship through each own way of entrepreneurial action taken. Investigate the challenges and opportunities in integration process, and the factors responsible for the success of startups, are steps taken in obtaining answers to the first and second objective research. As an answer to the third objectives research is to express the attitudes and behaviours that sustain entrepreneurs in the entrepreneurial action. Based on data related to the research question, this research organized the analysis result into each research objectives, and then identify and explore possible relationships between analysis findings and the related issues. The results of this analysis are detailed in the table as follows:

TABLE 4. Findings based on research objectives

Objectives Research	Case Findings	Literature and Issue Findings
1. Identify challenges encountered by entrepreneur in doing business venture and ways to overcome.	<ul style="list-style-type: none"> - Market - Customer expectation - Technology - Learning - Government - Innovation - Intellectual Property - Partnership - High quality product/The best product - Human resource 	<ul style="list-style-type: none"> - Business Model by Osterwalder & Pigneur 2009 - Information Challenge by Drucker 1999
2. Explore entrepreneur views and practices related to create and develop a business venture.	<ul style="list-style-type: none"> - Flexible - Adaptive - Innovative - Opportunist - Passion - Same goals (team) 	<ul style="list-style-type: none"> - Who is the entrepreneur? By Timmons & Spinelli 2007 - Discovery and Creation Theory by Alvarez 2005
3. Provide recommendations in terms of entrepreneurial action issues.	<ul style="list-style-type: none"> - Persistence, conscience and keep passion - No employee mindset 	<ul style="list-style-type: none"> - Discovery and Creation Theory by Alvarez 2005 - The entrepreneurial mindset by McGrath & MacMillan 2000

First Research Objective

The study identifies the various aspects of challenges. The aspects and dimensions provide a theoretical framework to measure the entrepreneurial action of entrepreneur startup perspective.

The analysis result of entrepreneurs focusing on the perceptions and experiences in doing their business startup. From the results of both cases note that the most dominant element to describe the situation of how they deal with the challenges in creating and developing the business startup is to create innovative business models, as disclosed by the entrepreneurs. Innovation business model is about new ways of creating, delivering and capture value (Osterwalder 2009). In a startup, if the product or service offered showing signs of becoming obsolete due to the dynamic change in the market or technology, then it's time to trying to find the right business model innovation for redevelopment. These repeatable and scalable processes that are in accordance with the conditions encountered are in line with business growth and minimize risks. An interesting consequence of this process is that it keeps a startup at a low cash burn rate until the company has validated its business model by finding paying

customers (Blank 2007, 20). The business model includes details on how the process of delivering the product to reach the consumer, potential market conditions, revenues are made, costs are incurred, or operations are performed. Business model analysis also gives us a sense of firms in action (McGrath 2010, 248). Actions may vary depending on the conditions it faces. Creating a business model innovation is a solution for every startup that is often confronted with dynamic changes. Every business model design project is unique, and presents its own challenges, obstacles, and critical success factors (op.cit. p. 244). The business model is scalable and repeatable needed for business startup which is full of innovation and creativity, has dynamic changes and uncertainty. Each of the challenges encountered by each startup generating business model that is unique and different model from each other, depending on the conditions and the strategies it uses to perform actions.

The importance of innovation as a driver of competitive advantage in the economy has increasingly developed. Innovation is something very important because as support to generate excellent products or services, something new to meet market needs, something to facilitate ways with more efficient or also can improve the business performance. In all these cases, innovation is at the heart of the company's success (Ries 201, 28) and opportunity is the source of innovation (Drucker 2005, 62). The process of innovation or explore of opportunities in business startup involve uncertainty and risk taking, but as Drucker stated, successful innovators are conservative. They have to be. They not 'risk-focused'; they are 'opportunity-focused' (op. cit. p. 128). Any kind of business certainly has risks, great or low. Even live also have some risks and uncertainties. Innovative entrepreneurs are not focused on the risks faced but focuses on opportunities that can be explored. Focus on best opportunity and opportunity is absolute, which can be utilized into something that has value. In business life, like two sides of a coin, there is always a success and a failure. But both in terms of success or failure, if it continues to be learned will yield insight in evaluating the action in the future. Learning about key of successes and risk of failures is as ingredients to build in advanced product or service, as customers need it. This is an iterative process during the process of running a business startup.

Challenge to produce innovative products derive from the creative ideas are supported by skills and knowledge, to make this happen should be implemented into action. Sometimes entrepreneur is faced with condition that must be addressed immediately, and there are also that require further observation before action is taken. Both of situations need an appropriate action, which entrepreneurs are not doing something that they do not feel sure or do not know more about the problem, simply because they feel pressured. They must be on guard, in time to face a situation such a thing, and they need to prepare information on related issues. As Drucker stated, they had turned the data into information-and had decided what action to take long before that action become necessary (2001, 129). It could be happen in variety of tasks. Any action both internally and externally that need to be improved such as: 'product and service, production processes, marketing, service, technology, training and development of people, using information' (op.cit. p. 80). Each challenge issues both inside and outside part of the organization, using the information as a reference in the act to deal with it. Entrepreneurs are required to act appropriately and adapt to different situations. Entrepreneur should be able to play a multifunctional role, which requires a variety of resources in appropriate to the role being played. The main thing, actions to be performed should lead to goals and generate value. For the purpose of information is not knowledge. It is being able to take the right action (Drucker 2005, 130). Information needed for the right action to be performed.

Information contributes to entrepreneurial action in terms of recognizing a source of opportunity and valuable information gives inspiration to the appropriate action. Decision-making process in generating appropriate action requires information directly from relevant sources regarding the matter at hand. As Drucker stated, executives have to learn to eliminate, to organize, to analyze, to interpret data and then to focus the resulting information on action (2005, 130). Entrepreneurs are sorting related and unrelated information according to their needs. After going through the process of organizing, analyzing and interpreting of data, then focusing on the information results that will lead to actions taken. Information is required to perform the right course action and used to make further adjustments. It avoids taking action that does not produce anything, just drain energy, mind and money or just waste of various kinds of resources.

Second Research Objective

Business startup utilizes technology to generate innovative and creative products or services with commercial value. Generally startup has high growth potential and uncertainty. It requires supervision with high management skill to adapting conditions. Startup entrepreneurs should include not only technical skills but also management skills. As Timmons and Spinelli stated, successful entrepreneurs possess not only a creative and innovative flair, but also solid management skills, business know-how, and sufficient contacts (2007, 15). Being successful as an entrepreneur requires more than as a creator, an innovator or a hard worker, but also need to learn how to manage and grow a business. Growth means exploiting the opportunities that the economy offers (Drucker 1999, 136). It should be addressed correctly and appropriately, so that the growth rate can be achieved. For the survival and growth of a startup, entrepreneur is able to learn to manage the company while also is able to learn to innovate. It is a simultaneous and continuous process, 'management and entrepreneurship are only two different dimensions of the same task' (Drucker 2001, 38). The success of a business should have high creativity and innovation, high managerial skills and have extensive networks, as a support to deliver value to consumers. Success will not be achieved if strong only in one position, both interdependence and mutual support.

As a startup entrepreneur should be adaptive and flexible to any changes, so that challenges encountered can be seen as opportunities, not threats. The other thing is the entrepreneurs' attempts to bring their product or service value proposition to market are also subject to dynamic change and constant adjustment. Entrepreneurs have the flexibility to adjust their action to changing situations in order to achieve their goals. As companies grow, what changes is the mix of these activities in the company's portfolio of work (Ries 2011, 24). The entrepreneur understands these economies of scale and takes advantage of it. The activity is scalable, the condition which it takes no more effort to have greater benefit. The challenge of entrepreneurship is to balance all these activities (op. cit. p.24). It has been mentioned above, there are many challenges facing entrepreneurs in creating and developing a business startup, and various actions taken to overcome them. Startup is a business organization that has a variety of activities; there are many things about management problems and challenges to be

faced and as Drucker stated, it needs to be managed (2005, 26). The challenge for the organization itself is to balance all the activities related to the survival and success of a business startup.

Third Research Objective

Business startup undertaken requires persistence and consistence, identify action that need to take and it always attached to the entrepreneurs during business operate by keeping the entrepreneurial passion despite facing all challenges. Having a passion in entrepreneurship is as an additional energy in any action taken. You must create mindset that pushes you and your team beyond mere incremental improvement to entrepreneurial actions that really make a difference (McGrath & MacMillan 2000, 9). Entrepreneurs are continued to seek for the best opportunities. Feel challenged in order to generate more value from these opportunities. Challenges are as a trigger, power of recessive, is where the force arising because of having a sense of urgency. A successful entrepreneur is someone who has the entrepreneurial mindset, who has a great courage and passion, he or she strive to create a business startup with a strong ambition and great persistence in the face of various challenges and obstacles to achieve success in entrepreneurship.

From the findings and analysis, entrepreneurial action is triggered by the creation of innovative products or services and exploiting opportunities to make products or services. It can be said that, entrepreneurial action through the creative process illustrated as though construct puzzles by using the clues and build them into a value, while entrepreneurial action through a process of discovery is responsive in answering the opportunities to create a value. As Alvarez stated, in discovery settings, they will put together plans that actually guide their business decisions, while in creation settings, they will constantly be adjusting the fundamental assumptions of those plans (2005, 42). In discovery condition, entrepreneur has a path to conduct something of value, and in creation condition, entrepreneur keeps searching patterns and shapes sustainably in order to get maximum value and adjustments.

4.4 Summary of Findings

Analyzing the evidences obtained led us to the summary of findings below.

- Creating a business requires action. It takes a reference that the action taken appropriate and to minimize the risk. There will always be risks in any business, but the odds are not necessarily come twice. Business startup is created and developed by utilizing of opportunities, using creativity and innovation to invent value intended by the consumer. Understand the consumer desires is a challenge for entrepreneur. By extracting and organizing the information addressed to determine what action should be performed and which ones is just a drain on resources.
- Designing a business model is something that is absolutely necessary for a startup business, which describes how the startup in action. Making a business model takes a lot of effort and time, but it is well spent and worthy. A business model forces entrepreneur to think critically and foresight concerning value and reduces risk of failure. Analyzing the business startup process and the entire 'event' related with the business operation, gives an illustration of cost centre and profit centre. Business model contains strategic decision of all the function of the business; it's like a storyline about the process of making the product until the product is up to the consumer. Startup has limited resources and often struggles to access the assets they need to bring their ideas to the market with the most productive way.
- Uncertainty, dynamic change, challenges and obstacles in running a business startup requires entrepreneurs being adaptive and persistent. High managerial skills, in addition to the ability to innovate and be creative are capital for entrepreneurial success. Entrepreneurs bring a great idea and working hard to make it into valuable thing. In line with business growth, entrepreneurs should capable to manage and develop the business that they need to understand the functional areas of business. Entrepreneurs should be able to metamorphose into a variety of functions, as a salesperson or as an accountant as well as entrepreneurs as a decision maker. The attitudes and actions reflect the mindset of an entrepreneur.
- From the above explanation of findings, it can be concluded that the both of cases are triggered by different entrepreneurial action. The first case is driven by the desire to create innovative products in order to provide a solution that has not been

met, and this is in accordance with the creation theory. And the second case, the entrepreneurial action triggered by exploiting the opportunities that exist to create a business, it is in accordance with the discovery theory.

Framework of findings from this study can be explored from the Appendix 1 below, to facilitate the understanding of the overall findings. Furthermore, this summary of findings would lead to the research question that has been raised previously. Answering the research question is central (Swanborn 2010, 24). This is to achieve a satisfactory purpose, which will be presented in the last chapter of this case study.

5 DISCUSSION

This section presents discussion based on the findings and provides useful recommendations for both insights and practical knowledge. Contribution value of this study research to the entrepreneurship field is clarified, limitation of the research process that has been undertaken is included, and a reflection of the work of this thesis is presented.

The research question of this thesis is “How the entrepreneurial action in dealing with business challenges in order to create and develop startup?” To answer the research question it raised, primary and secondary data were gathered from credible and relevant sources. Sources of information and data collected, including the results of the answers to the questionnaires posed, companies website, academic books, journals, articles, theses, dissertation and electronic resources used are email messages, video, online publications that related to the research issues.

This study case research does not attempt to find the right one system entrepreneurship or good decision making process, but the goal is to use the illustrations collected from narrative source, to explore and to gain a better understanding of the entrepreneurship.

In accordance with the research question of this thesis, the main conclusions that can be drawn from this study research are as follows: The underlying of entrepreneurial action is the desire to create innovative products or services or exploit opportunities to create products or services in creating business startup. There are many of the challenges revealed in creating and developing business startup, which basically summed up as the information challenge. Information needs related to a variety of processes in running the dynamic of business that can deliver value to the consumer and possess commercial value. Information is a key resource in taking an appropriate action, which should be organized for decision-making. The solution is to be responsive to the challenges and strive to create innovative business models.

Appropriate action can be beneficial to the efficiency and effectiveness of business. It needs a framework, on basis the information, in which action is taken to prevent entrepreneur from disadvantage as well as to obtain these benefits. Framework on taking action through strategic business approach and is part of the business model pursued by startup. Not only reaction and take action in deal with business situation, but also choose smart actions to be performed so that generating value. Designing an innovative business model is something that is absolutely necessary for a startup. Startup has limited resources and often struggles to access the assets they need to bring their ideas to the market with the most productive way.

Startup entrepreneurs dare to take the challenges and not be afraid of failure. Failure is a learning process, evaluation and improvement, redevelopment and stride for the next challenges. The challenge in creating a startup and get the results of hard work and existence, as well as give contribution to society, can get much better satisfying than money. An entrepreneur tend to be an action oriented, courageous to the challenges, enthusiasm, willing to learn from failure in order to achieve the goal.

The main challenges revealed in this study are unknown market, customer expectation, government support, Intellectual Property (IP), partnership and human resource. Entrepreneurs are required to be able to recognize a business startup challenge to the selection of a solution. Consideration of entrepreneurial action is to innovate and exploit opportunities. Business startup utilizes technology to produce an innovative product with commercial value to provide a solution that is currently not being met or business startup utilizes opportunities to create and develop creative product with commercial value. Innovation and creativity are the factors for entrepreneurs in creating business startup. It should be supported by managerial skills in delivering value to consumers. These things mutually supportive, success will not be achieved if only strong in one area. In creating business startup that should be emphasized is the mindset of an entrepreneur underlying entrepreneurial action. This is an attitude, the proper attitude as an entrepreneur in creating a business, in addition to the behaviour in response to opportunities. Successful entrepreneurs should have entrepreneurial mindset, have courage and great passion. By a strong ambition trying to create business

startup that operated with high persistence, though for running it deal with many challenges and barriers to achieve success in entrepreneurship.

By comparing theories with real practises, comparing the literatures and issues findings with cases findings, the results of this thesis research reveals that entrepreneurs are take effective action and raise awareness of their own role in facing the business challenges. It inspires to generate alternative ways and creative in running the business, the results can be used as a tool for analysis and evaluation. Simply states that this thesis is expected to contribute in improving the understanding of entrepreneurial action in dealing with business challenges in startup environment, and also expected to present a useful contribution for those who have interest toward entrepreneurship field.

In this discussion including future research proposition, introduce what future study could be made to support findings or to complete gaps or questions that may still be unanswered. Explanation will never ending and comprehension will increase gradually, still have to keep elaborated to continue to add insight and knowledge. In author's opinion, the issues that could be explored for further research on similar cases is issues surrounding model or method to obtain information both from inside and outside the organization of startup, and relation between entrepreneurial action with entrepreneurial mindset. There are many things still to be done in discussing this issue, both in theoretical and practical.

Although every startup has its own conditions, but similar things, such as the experience of objects study, it could be happen to any startups and in anywhere with no geographic boundaries. The research assigns illustration of different business challenges, and also explain theory of entrepreneurial action and contrasting views about entrepreneurs act creativity and innovation under different circumstances. This research compares the ability of existing theory to explain the actual course of events in entrepreneurial action; how case 1 used innovation for create a product and eventually led to an opportunity and how case 2 responded to an existing opportunity and to encourage doing a business. This research shows the explanation of the issues, that entrepreneur performed as an innovator or opportunist. Furthermore, the lessons

from the research findings are intended to be generalized to startup business more broadly and also to a variety of entrepreneurship insights. This research can be the basis for significant explanations and can be applied to startup businesses in general.

The following recommendations are offered in the field of entrepreneurial action. Attitudes and behaviour of a startup entrepreneur is recommended to have strong passion, persistence, creativity, alertness and high commitment to utilizing innovation and opportunity to produce something valuable and commercial.

In addition, the role of government and educational institutions in Indonesia are encouraged to help the community more tend to act entrepreneurially. Pave the way for opportunities and genuinely supports the innovation and creativity of the nation. Raising awareness the importance of entrepreneurship for the economic progress of a nation, supported and facilitated by educational institutions and government to encourage people become an entrepreneur, through education, training, improving services, financial aid support, connectivity, policies and regulations that facilitate and promote entrepreneurial spirit. Fostering entrepreneurship education and training is an investment for the future economic growth of society. There have been many facts from developed countries, countries that have a friendly environment and respond positively to entrepreneurship, has a high rate of economic growth and can reduce unemployment. Developing countries generally have economic problems and struggling to improve economic growth, although on the other hand has a high risk due to the instability of the various aspects. This is an opportunity that must be observed perceptively, so that gets ideas for building a business. It needs to take the lead in innovation, willing to take risks, and flexibility towards rapid change.

Write a thesis should be a pleasant experience. Experience that can be shared in writing of this thesis is to choose genuinely an interesting topic that close to your heart, easy access to the information and conduct an enable research method. Analyze the cases clearly and focus on the core issues. Note the research objectives to restrict the analysis and to avoid the spread of topics. Wanting something to be perfect is legitimate, but it could be confronted with difficult circumstances.

There was broad evidence on the entrepreneur's view and practise in dealing with business challenges in doing startup. The results of this multiple-case study are expected can be an insightful and inspiring experience, which has literally transform into optimistic outlooks, motivates to entrepreneurship and act to make it happen.

There are assessments of what the author has learned through the process of writing this thesis. As the author, this is a personal achievement which can invite entrepreneurs to share their experiences in create business startup, their insights about the twists and turns of real life business, their lessons learned, and their advice to aspiring entrepreneurs.

The author is grateful for the opportunity provided by several parties in the making of this thesis. The subject is viewed as a suitable topic with major of high technology entrepreneurship in which the author is studying, and enables to have a clear focus and proper scope for the research. Through the work of this thesis gained a better understanding to the lessons presented in lecture. It showed evidence that occurs in the real life of business. The author hopes that by reading this thesis can provide benefits to the readers and even provide new insights, as happened to the author.

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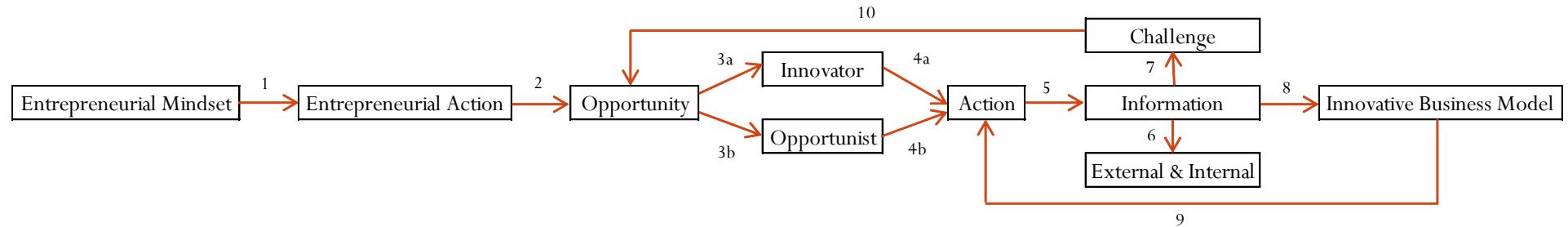
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Appendix 1. Framework of findings



Explanation

1. Someone who has a passion to work hard and stay consistent on what he/she wants to do is a mindset that allows someone to thrive even though in the most challenging times. Mindset affects action. Entrepreneurial mindset is a process where someone who has the traits as persistent, consistence, flexible, optimist, focus, and able to motivate themselves to act entrepreneurially.
2. Entrepreneurial action is based on opportunity recognition, that executed by an actor who is willing to create the value.
- 3a. Innovator is the actor who uses innovation to make a business that leads to the opportunity
- 3b. Opportunist is the actor who recognizes and exploits the existing opportunity to make a business
- 4a. Action is based on strong passion, persistence and high commitment to transform an innovative idea into a successful commercial product.
- 4b. Action is based on immediate response of the opportunity to produce a commercial product.
5. Action requires information to do it appropriately and to avoid wasting of the resources (examples: energy, money, time and human).
6. Information needed by the actors to create their value, which deals with internal and external issues of organization. The information provided by employees, accountants are inside perspectives. The information provided by customers, competitors, suppliers and sales

representatives are outside perspectives. Both of the information sources are valuable information that connects entrepreneurs to their actions. Information requirement related to the issues of inside an organization can be obtained from internal environment of the organization, whereas information requirement related to the issues of outside an organization can be obtained from external environment of the organization.

7. It is not easy to pursue to get the information. It is a challenge for a startup to get the data and process it into accurate information, as a reference in response to issues from within and outside the organization. Not all of the required information can be obtained or be available. Or even if the required information is available, there is possibility that the user is not aware of its existence or do not know how to use it, as a basis for taking appropriate action.
8. The information contained in the innovative business model is a way to note and evaluate the innovative actions and performances. Innovative business models can serve as guidelines for action and making decisions in running a business
9. Respond positively to the challenges will lead on business opportunities. To understand the challenges, entrepreneurs are required to look at all aspects of the business, both internal and external sides of organization. With the information held can see the balance between opportunity and ability that entrepreneurs have. So entrepreneurs can evaluate which opportunities can be actionable. Opportunities arise whenever there is a challenge that can be overcome and provide a solution or satisfaction with innovative and creative ways.
10. Information is a challenge also in the discovery of new opportunities for the survival of a business, which will continue in the search for values that are innovative, creative and adapt to any changes in its environment. This illustrates recognize opportunities with respond to the challenge.

Appendix 2. Application letter

Muurame, January 14th, 2013

Dear Participant,

I am a registered student at the JAMK University of Applied Science, Finland. I am undertaking a master thesis project with the topic Entrepreneurial Action in Dealing with Challenges. I hope you could share your experiences and insights in starting and running your own business for the successful completion of this project.

I have enclosed a research questions, please find attached file. I would be very grateful if you could complete it and please send back the filled out questionnaire by January 28th, 2013 to the following address: dea.viinikainen@hotmail.com. Your participation is a valuable contribution to all of us in entrepreneurship.

Please do not hesitate to contact me should you wish to ask for any additional information.

Thank you in advance and your assistance is appreciated.

Yours sincerely,
Dea A. Viinikainen

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Appendix 3. Questionnaires

RESEARCH QUESTIONS

1. Explain the biggest challenges you have encountered and that you face today. How did you overcome them?
2. Please tell us about the most challenging situation you have ever been in which you could not handle, and what can be learned from it?
3. What are your business potential risks and opportunities? Please state responsive actions you will do.
4. Based on your experiences and insights, how would you rate (x) the following challenges affecting to your business and please explain your rating:

Challenges	Very big	Big	Moderate	Small	Very Small	Explanations:
Technology						
Human Resources						
Market						
Strategy						
Learning						
Social						
Government						
Competition						

5. How do you prepared to deal with uncertainty and dynamic changes on your business?
6. What do you do to turn the challenge into an opportunity that can be utilized to grow your business?
7. What do you believe are the most important reasons why your business survives?
8. What advice would you give to aspiring entrepreneurs or students from entrepreneurial action perspective?

Please feel free to provide additional comments:

Thank you once again for taking the time to read and answer to these research questions.

If you wish to be informed about the result of this research, please indicate your e-mail address:
