

Exploring the value creation in a long-term support services for solo entrepreneurs and micro firms

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Abstract

Business service for solo entrepreneurs and micro firm leaders are often standardized and thus run a risk of producing less value than expected. This study explored three different long-term support service concepts and analyzed how value is co-created in them together with business coaches and entrepreneurs, what kind of value-in-use emerges for the entrepreneurs and for his or her business and to what extent perceptions of perceived value are aligned between coach and entrepreneur. The results revealed the essence of constant customization of the process and concentration, on not only business development, but also on supporting entrepreneurs as a person in a dialogical process.

Introduction

Micro and small firms have an acknowledged role in economic growth and innovation (e.g. Nartisa, 2012). When developing their business, solo entrepreneurs and micro firm leaders might experience business related challenges for which they search support from e.g. consultants, coaches or mentors. However, entrepreneurs might have challenges to explicate their actual problem and thus the experience might be that after receiving advice the problem remains unsolved. This highlights the question whether the supportive services actually met the value expectations. In solo entrepreneurs' and micro firm leaders' lives running business and concerns related to private life are essentially intertwined. This has an impact on the experienced problems and how entrepreneurs experience the support they receive and whether they experience receiving value from supportive services. Prior literature has shed light to the challenges of supportive services (e.g. Ardley, Moss & Taylor, 2016; Sawang, Parker & Hine, 2016). When for example developing policy concerning advice to small businesses should be framed taking into account the context of the firm and its owner, rather than relying on broad and generalizable systems of business knowledge. For sustainable relationship to be formed between advisers and owner-managers/entrepreneurs, investing time and putting a focus on the process is important (Ardley et al., 2016). Sawang et al. (2016) have studied business advisory

service and focused on the experience of the facilitators/business adviser during the collaborative process/ business advisory program.

In this study we will be looking at the process of long-term support service from the perspective of the customers, that is, the entrepreneurs who engage into long term collaboration process with business coaches. We believe, that when analyzing the benefits and experiences of the entrepreneurs, whether they believe that the process has provided them with valuable ideas and solution, it is important to address the question of value. The value for the customer, customer-perceived value, “can be described as core solution plus additional services divided by price and relationship costs or core plus/minus added value” (Ulaga, 2003). Lately, the discussion has moved on even more towards reciprocal value creation, “value to both parties involved in business engagement” (Grönroos, 2011). In order to provide effective supportive services for solo entrepreneurs and micro firms’ leaders more attention should be paid to value creation. It is crucial for service provider to create a solid understanding of entrepreneurs’ challenges in order to be able to co-create value and enable value-in-use.

Based on our literature review, there is still need to focus on the long-term support services for micro and small firms by focusing on the customer expectations and by analyzing the process and outcomes to address the question on value. To address this gap, the purpose of this paper is to explore the way in which long-term support service from business coaches enhance the entrepreneur’s perceived value. We are particularly interested how value is co-created in long-term support service process, what kind of value-in-use emerges for the entrepreneurs and for his or her business and to what extent perceptions of perceived value are aligned between coach and entrepreneur. As a theoretical contribution, this study bridges value creation literature to entrepreneurial discourse by revealing how value is created in long-term support services for solo entrepreneurs and micro firm’s leaders. Our study provides practical implications for professionals planning and providing long-term support services for micro and small firms.

Background literature

Value

Current support services for solo entrepreneurs and micro firms’ leaders tend to highlight the providers role in value creation (Strandvik, Holmlund & Edvardsson, 2012). Emphasis is on information transfer, advising, offering steering and juridical issues, among others. These typically cross-sectional services are undoubtedly important and useful if entrepreneurs have a specified problem to solve. Unfortunately, customization level of these services tend to be low and they are unable to take account entrepreneurs’ or his/her business’ distinctive challenges. Furthermore, entrepreneurs might not have any specific question or they might not be able to put it in words. Instead, they may have, for example, decision making challenges, to what

direction they should proceed or their business may have low sales volume without having understanding why or view how to overcome the issue. These challenges are difficult to solve with cross-sectional, information transfer oriented service. Due to the resource limitations from providers' side, such as time constraints, the level of value co-creation is low and emerged value-in-use might turn out to be modest as well.

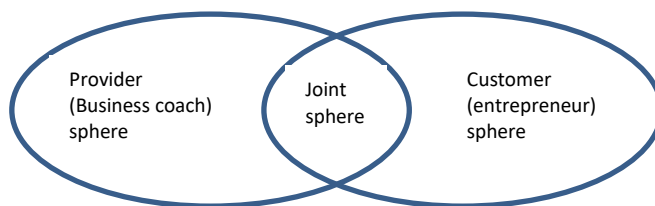
In this study, we emphasize value creation for entrepreneur or for his/her business (see Grönroos, 2008; Helkkula et al., 2012) and concentrate on entrepreneur's value-in-use as well as how business coaches co-create value with entrepreneurs. The ultimate target for the supportive coaching service is to mutually create monetary gains. However, versatile value (e.g. better service quality, effective service design process, work wellbeing) can be received either from value-in-use or from co-creation. The received versatile value potentially leads monetary benefits.

According to Grönroos & Voima (2013) value "co-creation occurs only when two or more parties influence each other [ie.] interact". Interaction entails physical, virtual or mental contact in which provider engages customers' experiences and practices and thus influence the flow and the outcome (Grönroos & Voima, 2013). Dialogue is an essential part of interaction (Ballantyne & Varey, 2006) and requires coordination as well as active participation from each participant (Grönroos & Ravald, 2011).

For creation of value-in-use particularly important is how entrepreneurs are able to e.g. deploy, exchange and combine the offered or received resources, for instance information (Strandvik et al., 2012). In this process long-term support from business coaches can be crucial. Although value might be co-created in meetings along the process, most importantly support from business coaches can help entrepreneurs build the value-in-use both between meetings as well as after the process.

In this study, we turn to Grönroos and Voima (2013) and deploy their framework related to value creation spheres, depicted in Figure 1. According to it in provider's sphere business coach produces resources for entrepreneur (i.e. customer) and thus facilitates the value creation. Simultaneously they provide potential value-in-use and also in that sense facilitate the value. In the case of business coaching the joint sphere constitutes of intensive dialog and thus coaches undoubtedly participate the value creation process as a value co-creator. In customer sphere entrepreneurs create value-in-use independently with no direct interaction with coaches. (Grönroos & Voima, 2013.) Furthermore, value-in-use is considered to be related as a part of customers', entrepreneurs' in this case, life (Heinonen et al., 2010; Helkkula et al., 2012) in a sense that they accumulate experiences and resources from past, current life and even from envisioned future and thus create value in use. Experiences and resources are effected by service providers, networks, personal resources etc. (Epp & Price, 2011).

Figure 1. Value creation spheres (Grönroos & Voima, 2013)



Long-term business coaching

In this study we deploy the concept of business coaching. Coaching means developmental approach in which one person is assisted with another to enhance his or her skills (Bacon, 2003). With business coaching we refer to the coaching services in which the main goal is to enhance the business. Promoting business can, however, be conducted in various ways. We understand that in solo entrepreneurs' and micro firm' leaders' lives are intertwined with their business and thus can not be separated. Consequently, business coaching can concentrate on e.g. promoting entrepreneurs wellbeing if it is considered important in promoting the business itself.

Coaching have close concepts such as consultation and mentoring. Consultation typically aims to provide ready-made answers to specified problems (Audet & Couteret, 2012). This is not the case in coaching. Instead, coaches aim to create a platform for learning for entrepreneurs to find the right answers themselves both during the process but also after the process (Audet & Couteret, 2012; Katz & Miller, 1996). Compared to mentoring, mentors do not aim to equip entrepreneurs with any specific skills (Audet & Couteret, 2012) but to widen their understanding of entrepreneurial issues, such as decision making and network skills (St-Jean & Audet, 2012). According to Audet and Couteret (2012) mentoring is voluntary which the business coaching in this study is not.

The existing literature has focused on value in entrepreneurial coaching context. Audet and Couteret (2012) were concerned about the usefulness of the coaching services provided for the micro firms. They evaluated the success of the coaching and argued that being receptive to coaching and open to change are as the most important success factors for coaching. In situations, where the entrepreneur was unfamiliar with the concept of coaching, unrealistic expectations arose and this had an effect of the perceived success of collaboration.

Since the value-in-use is understood to accumulate from past, current, and future experiences (Grönroos & Voima, 2013; Helkkula et al., 2012), it is important to take the temporal perspective into consideration. Consultative services are often cross-sectional or they consist of predefined number of interactions. This is in contradiction with the aims of coaching. In effective coaching it is impossible to predefine the length or frequency of the process. Also the themes to be discussed and develop may change during the process, because of the changes taking place either in the business or private life of the entrepreneurs. For business coaching to provide value for the entrepreneurs, it might important to be flexible and ready to re-evaluate

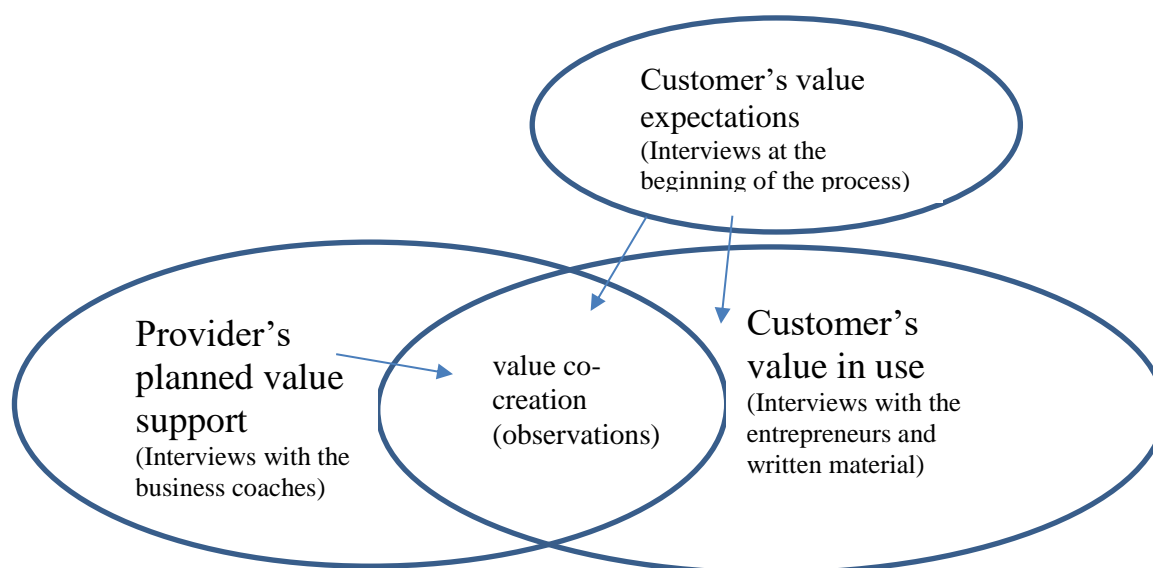
and re-directed both the length and contents of the coaching process. In our study we focus also on the effects and consequences that this type of flexibility may have, when it comes to value-in-use.

Methods

In this qualitative case study we follow three different service concepts for long-term support services – Competence clinic, Company pilot and Minicamps. All of the concepts are new services, in the state of development and provided by different service providers. While having different emphasis, all concepts are based on long-term customized support. In practice, competence clinic arranged private as well as network meetings for entrepreneurs. Main emphasis was on recognizing and wording competences. Company pilot arranged only private meetings for entrepreneurs and concentrated in personal support. Minicamps arranged only network meetings about the topics related to business development.

Aim of this study is to analyze 1) how value is co-created in long-term coaching process, 2) what kind of value-in-use emerges for the entrepreneurs and for his or her business and, to 3) what extent perceptions of perceived value are aligned between coach and entrepreneur. In order to answer these questions, the data collection is threefold (see Figure 2). In the first phase, we interviewed business coaches from three companies providing aforementioned supportive services for solo entrepreneurs and micro firms. They described the way in which they planned to support entrepreneurs and how they aimed to align their support along the process according to entrepreneurs' needs and wishes. Furthermore, they described how they define entrepreneurs' value expectations (based on discussions with entrepreneurs), how they co-create the value with entrepreneurs and evaluate whether the value expectations are met. Secondly, we collected the written material related to the process, provided to us by the business coaches. This included e.g. notes from the meetings and material used in them (e.g. interviews related to entrepreneurs' initial situation, history canvas, business model canvas). In the third phase, the entrepreneurs were interviewed. Fifty solo entrepreneurs and micro firm leaders from different fields of business participated the process over two year's period. Interviews consist of questions related to value expectations entrepreneurs had, how they experience the value co-creation during the support process, whether their value expectations are met and how they experience the received value-in-use. Most of the network meetings were observed. These data sets were then compared and next we describe the tentative results of our study.

Figure 2. Research design



Tentative results

As an outcome we will first describe entrepreneurs' expectations towards the long-term support and second, value that business coaches endeavor and plan to provide for entrepreneurs. We then present the process for each concept as well as tools that are used both in value co-creation as well as to create value-in-use for entrepreneurs. Finally, we provide example of value that entrepreneurs receive from long-term support.

Entrepreneurs' value expectations towards the long-term support

Entrepreneurs' expectations were rather similar regardless of which process (concept) they participated (Figure 1). The overall value that entrepreneurs expected most was increasing the success of or maintaining successful business. However, quite a few entrepreneurs were also looking for another kind of advancement e.g. increasing self-understanding as way of building entrepreneurial identity or enhancing their work well being.

	Competence Clinic	Company Pilot	Minicamp
Entrepreneurs expectations	Growing and developing business Understanding and managing competencies Network support	Support in change management Business and new service development Support in work wellbeing Development of entrepreneurial identity	Support in business development Support and inspiration from the network

Table 1. Entrepreneurs' value expectations towards long-term process based support

Value that business coaches endeavor to create for entrepreneurs

Business coaches had preunderstanding related to what they endeavor and plan to offer for entrepreneurs and what kind of value-in-use they thought can be received from the process. The preunderstanding was formed based on the experience that the business coaches had, and also during the first contacts with entrepreneurs, when they were recruited to the process. Although the overall aim of all coaches was to enhance the entrepreneurs' business, the value were framed rather differently, depending on the service concept in question (Table 2).

In Competence Clinic the value for business was created through competence management. Understanding the role of competences in successful business was important as well as understanding were to find or gain relevant competences. Network served as a competence exchange platform although it provided place to learn and receive encouraging examples from other entrepreneurs. Company Pilot, on the other hand, encouraged entrepreneurs to increase their self-understanding and ability to reflect one's decisions and actions/behavior. This was seen to support entrepreneurs in making well informed business decisions. Long-term process provided a platform to be heard and possibility to reflect ones history and to proceed from there towards future plans. Through discussions during Company Pilot it was possible for entrepreneurs to make their own networks more visible and thus more useful in the future. Minicamp supported entrepreneurs by providing essential and topical information related to entrepreneurship and business management. In Minicamp's case, the network served flexibly as a platform for entrepreneurs to decide for what purposes they wanted to use it (e.g. new service development, sparring).

	Competence Clinic	Company Pilot	Minicamp
Endeavored value (described by business coach)	Making visible and taking advantage ones competences ja potential Understanding the meaning of competencies for business success Building competence partnerships in network	Sense of being heard, valued and not blamed Understanding how ones history relates to present (flaws and success) and future Understanding oneself as a human and as an entrepreneur	Boost, help (supervision), perspective, contacts Support and sparring from community

Table 2 Value provided by business coaches for entrepreneurs

Practices and tools used in long-term support processes to create value

Next, we will describe three concepts providing long-term support service that aim to enhance entrepreneurs' business. Regarding three different concepts, we recognized the ways in which they are similar and different to each other. We evaluated differences related to their mindset, tools and target audience (Table 3).

	Competence Clinic	Company Pilot	Minicamp
Mindset/ approach	<ul style="list-style-type: none"> • Mental support • Sparring partner • Competence Tribe 	<ul style="list-style-type: none"> • Dialogue • Supervision of work • Process consulting 	<ul style="list-style-type: none"> • Peer learning • Network community
Methods	<ul style="list-style-type: none"> • Tools (swot, business canvas, development map etc.) 	<ul style="list-style-type: none"> • Dialogue between entrepreneur and business coach • From history to present and future 	<ul style="list-style-type: none"> • Theme based • Inspiring material • Discussion in network
For who	<ul style="list-style-type: none"> • Need for business development 	<ul style="list-style-type: none"> • Entrepreneurship in turning point 	<ul style="list-style-type: none"> • Networked sparring • Peer learning

Table 3. Mindset, methods and target audience of concepts.

With regard to similarities, all concepts aimed at customization of process content in the beginning and during the process. All processes started with discussion aiming to identify challenges either in the present or in the past. All processes were agile in tailoring the chosen agenda both within meetings as well as along the process. All business coaches experienced this kind of tailoring highly essential. They argued that meeting and the entire process was a waste of entrepreneurs' time if it did not concern topics uppermost in entrepreneur's mind. It was important to adjust the agenda regardless of what had been planned. Next we will describe the way in which the value was created within different service processes, namely Competence Clinic, Company Pilot and Minicamps.

Competence clinic is targeted for entrepreneurs looking for business sparring. Competence Clinic combines network aspect and individual support. Entrepreneurs are met mainly individually while coach organized also several network meetings with other entrepreneurs in similar process. The role of the network is to provide so-called competence tribe to entrepreneurs. This tribe can both support as well as offer competence partnerships to the entrepreneurs. The Clinic combines business sparring and mental coaching. Competence clinic enhances entrepreneurs' understanding about his/her knowledge, competences and capabilities. The aim is to make the competence visible and help entrepreneur in wording his/her

competence. It also offers mental support for entrepreneur to value his/her capabilities. Method of the clinic is very action based and various tools are used in this competence supporting process. Tools (e.g. swot-analysis, Neuro-linguistic programming, business canvas models and development map) are selected based on entrepreneurs' challenges and they are filled either as a homework or in discussion between entrepreneur and business coach.

Company Pilot is targeted particularly for entrepreneurs, who are in turning point either in their personal or in business life. *Company Pilot* is highly dialogue orientated and it is based on process consulting. According to business coaches in *Company Pilot*, there are no wrong or unnecessary topics if they are selected by entrepreneurs. This service concept draws from entrepreneurs' history and makes explicit different phases and turning points. The diverse future paths are thus reflected upon against the history and entrepreneur is encouraged to small experimental operations to pave the way for new directions. By finding ways to support the entrepreneurial identity, the *Company Pilot* is seen so enhance business also. During the process the entrepreneurs are encouraged on a journey to develop both oneself and the business without setting pre-defined goals or assumptions. The idea is to go with the flow and to trust the process.

In *Minicamp* concept small-size network meetings aiming for networked sparring and peer learning are organized. All meetings are facilitated and educational introduction is provided often in the beginning. Furthermore, introductions, chosen together in network, offer possibility to discuss about hot topics of entrepreneurship.

	Competence Clinic	Company Pilot	Minicamp
The ways in which value is created in long-term support service	Combining network and individual support Combining business sparring and mental coaching Rehearsal of wording and presenting Understanding of where from one can obtain competencies	Dialogue based process – time for discussion Customer oriented discussion themes – no wrong or unnecessary topics	Possibility to receive information and discuss about hot topics of entrepreneurship Community oriented topic selection

Table 4. The means for value creation in long-term process

Received value-in-use described by entrepreneurs

Entrepreneurs participating *Competence Clinic* experienced that they received self-confidence as they could better recognize their competences and understand their capabilities. Entrepreneurs' experienced that it gave them opportunity to discuss with other entrepreneurs, and through increased understanding of competencies they could verbalize their service

offering to potential customers better than before. This can also aid the entrepreneurs in orientating their marketing more effectively.

Entrepreneurs participating Company Pilot were positively surprised about the dialogue oriented approach of the process, which differed from the typical information distribution based services provided for entrepreneurs. Possibility to discuss without exact time limit about issues experienced important by entrepreneurs was new and positive experience for many. Realization how life lived through affected entrepreneurs' decision making was eye opening experience and provided possibility to make more informed decisions in the future.

For Minicamp participants was important to realize how similar challenges other micro entrepreneurs experienced. Minicamp network encouraged them to get down to work on issues they had postponed, such as social media marketing. On the other hand, they were relieved to realize that they were not the only ones with such challenges.

Discussion and Conclusions

In this study we recognized elements that enhance both value co-creation as well as received value-in-use in long-term support services. As a tentative conclusion can be argued that in order to enhance entrepreneurs' perceived value, customization of supportive services must entail also other aspects than promoting business. Essential supportive element is to acknowledge entrepreneurs' personality and private concerns.

Dialogue is considered as an essential part of interaction in value co-creation (Ballantyne & Varey 2006). According to our tentative results long-term process-based support enables dialog between business coach and entrepreneurs which helps to adjust and reframe value expectations over long period of time. Long-term process based support constitutes of two parallel process. One process is related to business activities and the other is related to entrepreneurs' identity and other personal concerns. Initial stimulus to start the process is typically related to business activities. However, in micro firms entrepreneurs' personal matters, such as entrepreneurial identity, private life and personal work well-being, significantly influence on business activities. During customized, long-term service process it is possible to support also these issues.

According to our results, networks had an important role in both in value co-creation as well as in value-in-use. It was obvious that networking requires coordination as well as active participation from each participant (Grönroos & Ravald 2011). Long-term process however, can support entrepreneurs to learn to take advantage of networking in various ways and thus receive value-in-use in long run.

Since this study is a working process, the results concerning the extent to which coaches and entrepreneurs expectations are aligned are not analyzed yet. We will be collecting more data, interview the business coaches again and also interview several more participating

entrepreneurs. The participants have been recruited over a period of time and thus with many entrepreneurs the long-term support process is still ongoing. This also affect our data collection. This study bridges value creation to entrepreneurial discourse by revealing how value is co-created in long-term support services for solo entrepreneurs and micro firm's leaders. Furthermore, this study reveals how value-in-use is created through customized process which takes into account entrepreneurs individually.

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