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Scaling Professional Service Microenterprises: Perceived Challenges and Opportunities

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ABSTRACT:

Small and micro-sized companies are the backbone of economic growth and employment, and their strengths include flexibility, agility, and low bureaucracy. They act as economic buffers in crises and are more committed to their employees than large companies are. In addition, these enterprises create value for local communities, can serve niche markets flexibly, and act as dynamic innovation platforms. Despite their role in the economy and their status as the majority of businesses worldwide, microenterprises' digital development and growth lag behind those of larger organizations. Paradoxically, despite their enormous potential, few microenterprises grow purposefully, and many deliberately avoid expansion. The study aimed to gain a deep understanding of the perceptions that Finnish professional service microentrepreneurs have of scaling and to identify the obstacles and opportunities that emerge in scaling their businesses. The study was conducted as a semi-structured interview with ten professional service microentrepreneurs. The collected data was analyzed through thematic analysis to gain a deep understanding of the experiences and perceptions of professional service microentrepreneurs.

The study found that professional service microentrepreneurs define scaling significantly more broadly than the traditional literature. Scaling is, above all, seen as a way to optimize resources and time autonomy. The most significant obstacle emerging from the data was the strong personification of expert work. Also, external factors such as unhealthy price competition and the inflexibility of legislation were identified as obstacles that hinder the desire to grow. Despite the obstacles, significant possibilities also emerged from the data. Extreme productization of expertise through digitalization was identified as the most promising way to scale a professional service business, as well as the utilization of AI and other digital solutions in daily routine tasks.

The research provided a thorough understanding of how professional service microentrepreneurs perceive scaling, as well as the obstacles and opportunities they face in scaling their businesses. Furthermore, the research contributes to the theory by giving insights into the needs and experiences of microentrepreneurs and how external parties can enhance the growth of professional service microentrepreneurs.

KEYWORDS: growth, scaling, microenterprises, professional services

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TIIVISTELMÄ:

Pien- ja mikroyritykset toimivat talouskasvun ja työllisyyden selkärankana ja niiden vahvuuksia ovat joustavuus, ketteruus ja vähäinen byrokratia. Ne toimivat taloudellisina puskureina kriiseissä ja ovat sitoutuneempia työntekijöihinsä kuin suuret yritykset. Lisäksi nämä yritykset pitävät arvonluonnin paikallisyhteisöissä, voivat joustavasti täyttää markkinarakoja ja toimia dynaamisina innovaatioalustoina. Huolimatta taloudellisesta roolistaan ja siitä, että ne muodostavat suurimman osan yrityksistä ympäri maailman, mikroyritysten digitaalinen kehitys ja kasvuhakuisuus ovat jääneet jälkeen isommista organisaatioista. Paradoksaalisesti, valtavasta potentiaalista huolimatta, vain harvat mikroyritykset kasvavat tavoitteellisesti ja monet jopa välttävät tietoisesti kasvua ja skaalaamista. Tutkimuksen tavoitteena oli saada syvälinen ymmärrys suomalaisten asiantuntijamikroyrittäjien käsityksistä skaalautumisen suhteen ja tunnistaa esteitä ja mahdollisuuksia, joita he näkevät yrityksensä potentiaalisessa skaalaamisessa. Tutkimus toteutettiin puolistrukturoituna haastatteluina kymmenen asiantuntijamikroyrittäjän kanssa. Kerätty data analysoitiin temaattisesti, jotta saatiin syvälinen ymmärrys asiantuntijamikroyrittäjien kokemuksista ja käsityksistä.

Tutkimuksen tulokset osoittivat, että mikroyrittäjät määrittelevät skaalaamisen huomattavasti laajemmin kuin perinteinen kirjallisuus. Skaalaamista pidetään ennen kaikkea keinona optimoida resurssien käyttöä ja ajallista itsenäisyyttä. Merkittävin aineistosta esiin noussut skaalaamisen este oli asiantuntijatyön vahva personointi. Myös ulkoiset tekijät, kuten epäterve hintakilpailu ja lainsäädännön joustamattomuus mainittiin kasvua jarruttaviksi tekijöiksi. Esteistä huolimatta aineistosta nousi esiin myös mikroyrittäjien näkemiä mahdollisuuksia. Asiantuntijuuden tuotteistaminen digitalisoinnin avulla tunnistettiin potentiaalisimmaksi tavaksi skaalata asiantuntijapalveluita sekä tekoälyn ja muiden digitaalisten ratkaisujen hyödyntäminen päivittäisissä rutiinitehtävissä.

Tutkimus syvensi ymmärrystä siitä, miten asiantuntijamikroyrittäjät kokevat skaalaamisen ja millaisia esteitä sekä mahdollisuuksia he näkevät liiketoimintansa skaalaamisessa. Lisäksi tutkimus täydensi teoriaa tarjoamalla näkemyksiä mikroyrittäjien tarpeista ja kokemuksista sekä siitä, miten ulkoiset tahot voivat edistää asiantuntijamikroyrittäjien kasvuhaluja.

AVAINSANAT: kasvu, skaalaaminen, mikroyritykset, asiantuntijapalvelut

Table of Contents

1	Introduction	7
1.1	Research gap and motivation	7
1.2	Research objectives and questions	8
2	Literature Review	11
2.1	Characteristics of microenterprises and professional services	11
2.1.1	Definitions and significance	11
2.1.2	Special features of professional services	13
2.1.3	The role in the economy and employment	16
2.2	Scalability and scaling	17
2.2.1	Forms of scaling	18
2.2.2	Scaling vs. growth	20
2.3	Challenges and opportunities in scaling	20
2.3.1	Challenges	21
2.3.2	Opportunities	27
2.4	Summary	32
3	Data and Methods	34
3.1	Philosophical background	34
3.2	Data Collection	35
3.3	Description of the Research Method	41
3.4	Assessment of Reliability	42
4	Findings	44
4.1	Perceptions about Scaling	44
4.2	Growth Obstacles	47
4.3	Challenges as service providers	53
4.4	Growth opportunities	58
4.5	Summary	64

5	Discussion & Conclusion	66
5.1	Theoretical contributions	68
5.1.1	Reframing the concept of scalability	69
5.1.2	Resistance to knowledge codification as a question of identity	70
5.1.3	Questioning the positivist growth imperative and emphasizing context	70
5.2	Managerial implications	71
5.2.1	Accepting deep scaling as a strategic choice	71
5.2.2	Integrity of sales and identity	72
5.2.3	Structural flexibility	73
5.3	Policy implications	74
5.4	Limitations and suggestions for research	76
	References	79
	Appendix	94

Tables

Table 1 List of interviewees	38
Table 2 Quotes about perceptions of scaling	46
Table 3 Perceptions about scaling	46
Table 4 Quotes about perceived obstacles.....	52
Table 5 Quotes about perceived challenges as service providers	57
Table 6 Quotes about scaling opportunities.....	63
Table 7 Perceived challenges and opportunities	65

1 Introduction

Micro and small-sized companies serve as the undisputed backbone of national and global economic growth, as they create vital economic sustainability and offer the kind of agility and operational flexibility that larger bureaucratic organizations rarely are capable of (Iaroslav et al., 2021, p. 899). Microenterprises play a significant role as economic stabilizers and employers. They act as economic buffers against systemic shocks, as tight organizational structures and human capital reduce the likelihood of layoffs in downturns (Geremewe, 2018, p. 1; Hassan & Ahmad, 2016, p. 1). Regionally, microenterprises ensure the accessibility of vital services and strengthen the resilience of the local economy by utilizing local value chains, which minimizes import dependence and keeps value creation within the community (Omowole et al., 2024, p. 1133).

Structural flexibility and low bureaucracy make microenterprises dynamic innovation platforms, able to react to market changes and fill specific niche segments more efficiently than large companies relying on economies of scale (R. Anderson & Ullah, 2014, p. 1). Socio-economically, microenterprises promote inclusiveness by providing avenues for self-employment and economic autonomy also for groups on the margins of the labor market (Deller, 2010, p. 72). Overall, microenterprises are essential for maintaining market competitiveness, regional equality, and societal innovation capacity as they fulfill critical economic and social functions that the capacity of the larger businesses does not reach (Omowole et al., 2024, p. 1128).

1.1 Research gap and motivation

Despite a strong macroeconomic position, the digital maturity and strategic growth orientation of microenterprises lag significantly behind those of larger corporate sectors. Research suggests that many microentrepreneurs operate without expansionary goals (Polge et al., 2025, p. 763). The development of the SME sector is constrained by critical

resource shortages and financing gaps, which weaken its resilience relative to larger actors. The identified structural obstacles stem from a lack of technological expertise and effective management. In addition, distressing financial markets, resistance to change among entrepreneurs, and the lack of strategic R&D activities are also highlighted as challenges (Telukdarie et al., 2023, p. 690).

Despite the significant number and economic role of microenterprises, which would justify investment in their development, they often lack interest from growth-related institutions. One key reason for this is the liability of smallness. The continuous scarcity of resources forces entrepreneurs to foster a reactive operating model. In this case, the decisions are made based on the occurred events instead of pursuing strategic decision-making (Lefebvre, 2022, p. 708). Since the microenterprises are usually dependent on the entrepreneur's own work input, long-term investments are considered risky, as development work is directly outside the billable customer work (R. Anderson & Ullah, 2014, p. 2).

Given that statistics show that microenterprises make up most businesses and are considered the backbone of the global economy, questions arise. Why does this significant potential seem to be left unnoticed? If the importance of microenterprises is so significant, it is unheard of that they do not grow and scale more effectively. Why do we seem to lack sufficient support or tools for their growth? What ultimately causes the lack of scalability? Is it based on entrepreneurs' own choices that are shaped by their identity, or does the reason lie somewhere deeper in the structures? The study's objective is not only to state the lack of growth but also to raise the issue with concerned individuals.

1.2 Research objectives and questions

This research studies professional service microenterprises and the obstacles and opportunities they identify in scaling and growth in the context of their own businesses.

Previous research has identified a few central factors that prevent microenterprises from scaling. The factors include, for example, resource scarcity, lack of knowledge about digital solutions, and fear of losing control. The factors are closely linked with an entrepreneur's identity and core business, which can even emerge as resistance to change (Coco et al., 2024, p. 119). Despite identifying these factors, a sufficient knowledge gap exists in contemporary entrepreneurship research. The experiences of professional service microentrepreneurs have not been researched as deeply as they would require. Growth and scalability are often viewed as external and measurable variables. In this case, the entrepreneur's identity, professional freedom, and perceived institutional tensions are left unexplored. This research aims to identify the deeper factors behind this lack of growth.

The key objective of the research is to understand entrepreneurs' perceptions. What are the attitudes towards scaling, the challenges and opportunities they see, and what kind of changes would need to be made for them to consider growing? The study aims to deep dive into the reality in which professional entrepreneurs operate and identify the perceptions that promote or hinder growth. The goal is to produce new knowledge about how entrepreneurs' expertise and identity intertwine, and how that affects the pursuit of growth. Empirically, the research aims to map the individual growth experiences and ideas of Finnish professional service microentrepreneurs. And, practically, the objective is to provide appropriate recommendations for decision-makers and support institutions on how to provide appropriate support to microenterprises in scaling and growth.

The research questions of this study are:

1. What are the central factors that prevent professional service microenterprises from scaling?

2. What specific practices and strategies could enable these companies to scale successfully?
3. What would have to change in the regulatory environment to make scaling more attractive?

By answering these questions, the study aims to provide a thorough picture of the tension professional service microentrepreneurs face in balancing their efforts to manage their businesses and what it would take for them to step onto the path of growth.

2 Literature Review

This chapter provides a theoretical basis for understanding the growth and scaling of professional microenterprises. The literature review proceeds by first defining the terms critical to the research. This is followed by a deeper look at the specific characteristics of professional services, emphasizing the immateriality of professional work, the strong professional focus, and the challenges of codifying knowledge. Next, the study examines different forms of scaling and, finally, develops a thorough understanding of the challenges and opportunities that arise in scaling professional service microenterprises.

2.1 Characteristics of microenterprises and professional services

2.1.1 Definitions and significance

A microenterprise (ME) is a company employing fewer than 10 people. However, most microenterprises operate as a single-person business (Reeg, 2015, p. 16). The annual turnover must be less than two million euros (Statistics Finland, 2026). A microenterprise is an autonomous company with no partnerships or links to other companies. If a large company buys a small business, it is no longer considered a small business as it is part of a larger operating company. This implies that ownership or relationship with other companies is a crucial factor when defining the company (Raczyńska, 2019).

The term “microenterprise” is usually included under the umbrella of “small and medium-sized enterprise” (SMEs) or “micro, small and medium enterprises” (MSMEs). SMEs are also called small businesses, and these terms can be used interchangeably (Berisha & Pula, 2015, p. 18). In addition to microenterprises, the term SME includes two other categories of companies: small and medium-sized companies. A small company is one with fewer than 50 employees and a turnover of less than 10 million euros. A medium-sized company is one with a turnover of less than 50 million euros and employs a maximum of 249 people

(Raczyńska, 2019, p. 173). Much of the literature focuses on SMEs, including microenterprises. Therefore, this study and literature review utilize existing SME literature as well as literature specific to microenterprises. There are also quantitative measures to define the size of the company. Usually, these characteristics are related to the role of the company's founder and/or leader. Qualitative characteristics of a small company business can be, for example, that the company leader and founder are the same person, the company leader has a key role in decision making, and that the leader is in immediate interaction with all the key stakeholders, like employees and suppliers (Berisha & Pula, 2015, p. 21). In developed countries, the success of SMEs is clearly visible in production data. A major share of goods and services is generated by small-scale businesses, which make them a dominant force in driving Gross Domestic Product (GDP) (Iaroslav et al., 2021, p. 899).

Service is defined as a purchased experience or an interaction between the client and producer. In other words, services are intangible economic activities (Hole et al., 2018, p. 191). Service businesses sell services to either consumers (B2C) or to other businesses (B2B) (Lau et al., 2011, p. 49). The role of services has grown steadily since the 1970s in all developed countries, while agriculture and industrial manufacturing have decreased their shares. In Finland in 2019, services accounted for approximately 70 percent of gross domestic product, and this share has been steadily increasing (Koivisto et al., 2019, p. 17). The growing significance of services can be seen as a societal change. As societies prosper and progress economically, there has been a transition from an industrial to a post-industrial society, in which the growth in the importance of services and the service economy is essential (Leite & Vieira, 2015, p. 530).

Professional services, or knowledge-intensive business services (KIBS), such as financial, legal, and consulting services, require extensive interpersonal engagement before purchase due to their highly customizable nature (Simmie & Strambach, 2006, p. 27). This close interaction suggests that clients are not only passive service receivers. Instead, it requires

deep interaction between service providers and users, enabling the active absorption of external knowledge and stimulating continuous innovation (Tseng et al., 2011, p. 972). Professional services are usually offered by professional service firms (PSFs) (Mikolon et al., 2015, p. 513). These services often involve long-term outcomes that require a high level of expertise. In the field of professional services, the work depends on intangible, rare skills and professional judgment, which technical solutions or procedures cannot fully replace. Furthermore, the service process exceeds a simple knowledge transfer, because clients are active participants in co-producing customized solutions (Malhotra & Morris, 2009, pp. 895, 914). It is a collaborative procedure in which new insights are created and shared between the provider and the client to address the problem (Bagdoniene & Jakstaite, 2009, p. 360).

2.1.2 Special features of professional services

With the shift toward service-dominant thinking, the focus of businesses has moved from the products to the interaction between customers and the company, and the processes, models, and benefits associated with them (Sangiorgi & Prendiville, 2017, Chapter 1). With more service-oriented thinking, service is seen as the basis of all exchange, and individual goods act more as aid in providing the service. The key difference from product-oriented thinking is that, in service-oriented thinking, the customer is seen as central in producing and defining value. Value is always created between the customer and the company (Koivisto et al., 2019, pp. 18–19).

Value co-creation

While there are many similarities between selling goods and selling services, there are also qualities specific to services. The most significant difference between services and products is that the customer plays a major role in the production of the service (Oliva et al., 2012, p. 327). Instead of focusing on service quality, it is more important to focus on customer experience and on understanding what the customer values, while also considering the variables introduced by customer interactions. Since customers are part of the service

production, the company needs to manage customer actions to ensure they can and want to act in accordance with the service process. The differences between customers create variation in the process, and the company needs to decide whether to adapt to this variability or to steer customers towards more standardized operations (Frei, 2008, p. 3). Koivisto, Säynäjäkangas & Forsberg (2019, p.21) state that “the age of customer” is here, rewarding companies that prioritize a deep understanding of customer needs and the delivery of exceptional experiences.

Customer-perceived value creation is a vital driver of the process when considering competitive advantage. Contemporary research emphasizes that value is created through mutual interactions between the client and the provider (Oliva et al., 2012, p. 327; Smith & Colgate, 2007, p. 17). Therefore, value is not only a byproduct of service delivery but emerges throughout the entire process. This implies that the value of the service that is provided can be even more important than the service itself (Vargo & Lusch, 2017, pp. 46–47).

Researchers have identified a gap in the literature in a detailed understanding of the specific roles and responsibilities of the parties involved in value co-creation. Their research evidence shows that co-creation begins with defining needs and goals (Aarikka-Stenroos & Jaakkola, 2012, pp. 15–16, 20). Customers and service providers have emphasized the responsibility of professionals to utilize their specialized expertise to identify customers’ needs. This is very critical for inexperienced customers, who may not have a sufficient knowledge base to analyze their problems in depth. In this case, the expert’s task is to form a diagnosis and help the customer articulate and structure their challenges accordingly (Malhotra & Morris, 2009, p. 901). In the increasingly competitive business-to-business landscape, service businesses must leverage innovation through two distinct yet complementary dimensions: novelty and meaningfulness. Novelty emphasizes the service’s unique nature and originality. Meaningfulness ensures that the service provides practical

utility and addresses specific client needs. Together, these characteristics create a competitive advantage by offering superior benefits relative to existing market alternatives (Heirati & Siahtiri, 2019, p. 6).

Previous literature emphasizes the long-term recognition of value-in-use in professional services. This often results in direct financial wins, improved organizational decision-making, and mental relief from the extra support. On the other hand, customers perceive sacrifices mainly during the first stages related to costs and cognitive effort required to define the problem and find a suitable provider (Aarikka-Stenroos & Jaakkola, 2012, p. 23). The researchers suggest that value is co-created through the interactive process itself. This means that while customers utilize the provider's resources to achieve their goals, suppliers also gain profound organizational learning and customer knowledge. All in all, realized value-in-use makes customers co-marketers and vital reference points for the provider (Payne et al., 2008, pp. 83–84).

Personalized expertise

The current hectic lifestyle often leads people to make decisions in situations where seeking professional help is necessary. Individuals recognize the limitations of their time and capabilities, which force them to acquire services from more experienced people (Evers & Van Der Heijden, 2017, pp. 85, 95). Expertise and professional competence extend beyond simply acquiring special skills or extraordinary knowledge through education. Rather, it is defined as the habitual and judicious use of communication, knowledge, reasoning, emotions, and reflection in daily practice (Epstein, 2002, p. 226).

Professional service firms have three distinct characteristics: a high level of knowledge and a professionalized workforce. Knowledge of intensity reflects an organization's reliance on specialized expertise to deliver its core offerings. This not only implies the company's executive level but also the frontline employees (Von Nordenflycht, 2010, pp. 159, 163). A

professionalized workforce implies that employees have specialized expertise in the field in which the company operates. They oversee the value they offer and have autonomy and decision-making power over their work and clients. These characteristics indicate that employees are the company's main resource and that it relies on their knowledge (Empson, 2021, p. 1384).

2.1.3 The role in the economy and employment

Small businesses act as enablers of economic resilience and social mobility. Their flexibility, responsiveness, and lack of bureaucratic and formal hierarchy act as a competitive advantage (Egels-Zandén, 2017, p. 99). Short command chains, direct connections to the customer interface, and rapid problem-solving ability enable agile operations. The flexibility stems from close leadership, clear communication, and fast decision-making (R. Anderson & Ullah, 2014, p. 1). In addition, small businesses foster an entrepreneurial mindset and help diversify national output. This prepares the country for systemic shocks such as poverty and unemployment. In the context of globalization, small businesses act as a vital segment in achieving balance in trade and driving sustainable development projects (Geremewe, 2018, p. 1; Hassan & Ahmad, 2016, p. 1).

Even though the most significant effects of the Covid-19 pandemic have settled, its economic impacts are still evident, especially among SMEs. Small businesses were significantly affected by the restrictions but also served as a driving force in kickstarting the economic recovery (Zogning, 2025, p. 557). The same issues were also visible during the 2008 economic crisis. Structural problems, such as limited decentralization and a weak capital base, led to negative effects for SMEs. In addition, the SMEs suffered from the rapid decrease in global demand. This hit hard on subcontractors operating for large companies (Karadag, 2016, p. 24). The global significance of SMEs is undeniable. It covers almost 90% of all companies worldwide and employs more than half of the global workforce. Formal SMEs contribute around 40% of national GDP and provide up to 70% of all jobs in emerging

economies (Sharma et al., 2024, p. 2). The Covid-19 crisis highlighted SMEs' structural vulnerability to external factors but also revealed their flexibility and capability for fast innovation. SMEs have a crucial role in the current recovery phase as drivers of growth, sustainability, and a digital transition (Zogning, 2025, p. 557).

2.2 Scalability and scaling

Scalability means the ability to transform the size or scale of a system or process. This is executed in a way that controls the growing workload efficiently and, in the end, results in a continuously growing business (Lund & Nielsen, 2018, p. 1; Tippmann et al., 2023, p. 2). In a business context, scaling refers to an organization's capacity to achieve an increase in performance and output value that exceeds the amount of added resources (Palmié et al., 2023, p. 6). The increase in performance is driven by organizational agility. It enables rapid responses to external factors, such as legislation and competition, as well as to internal changes in R&D and resource allocation. This indicates that scalability is more than just expansion. It also requires the ability to continuously innovate and respond to constantly shifting market demands (Lund & Nielsen, 2018, p. 1). The term 'scaling' has its roots in the 19th century's industrial expansion. At the time, the focus was on mass production standardization. This meant minimizing distribution costs and expanding into new markets to achieve economies of scale (Begimkulov & Darr, 2023, p. 5).

Albeit scaling is considered an essential concept in international business research, it remains surprisingly unexplored in the field. In the internationalization literature, scaling is primarily achieved through market growth. This enables geographic expansion into new markets and organizational scaling, which refers to the expansion and reallocation of the firm's internal resources and capabilities (Palmié et al., 2023, pp. 2–3, 6). The new advances in digitalization have enabled organizations to 'hyper-scale', meaning that scaling and

moving into new markets occur at a significantly faster pace. It involves complexity, as scaling often requires close cooperation with multiple stakeholders. On the micro scale, scaling involves careful organizational planning and transformation to achieve the objectives (Tippmann et al., 2023, p. 1). Although scaling is connected to both social entrepreneurship and traditional business, their motives differ. Social firms aim for broader societal influence, whereas business enterprises are driven to maximize profit (Begimkulov & Darr, 2023, p. 5).

While scaling is usually considered a positive thing, business growth also brings significant managerial challenges and potential leadership crises. Understanding the complex effects of scaling is therefore necessary, especially from the viewpoint of the strategic decisions the entrepreneur must make regarding the company's core competencies and business models (Mussapirov et al., 2019, p. 1487). The literature has called this the 'entrepreneur's dilemma'. This describes the tension that arises when managing a growing business requires either decentralizing decision-making or hiring a Chief Executive Officer to replace the founder. Especially in micro firms, the entrepreneur can be emotionally connected to their company and struggle to trust employees to take as good care of it as they would (Lund & Nielsen, 2018, p. 3). To scale a business, a few factors need to be considered. These include things such as market conditions, financial situation, and legislation. While these are very vital factors, literature identifies that the most significant characteristic of a scalable business is a growth mindset (Ireta-Sanchez, 2024, p. 1738).

2.2.1 Forms of scaling

The strategies of the scaling stage in SMEs differ significantly from the experimental nature of the start-up stage or the plan-dependent growth of established companies. The most central difference is the exceptional pace of growth: many scaling businesses achieve annual growth rates of up to 40%, which is considered 'hyper growth' and exceeds the limits of normal growth rates (Piaskowska et al., 2021, pp. 1–2). During the scaling stage, firms need to rigorously control internal inefficiencies and operational bottlenecks as their structures

develop. At the heart of scaling is strategy. It involves continuous learning and adjustments to the business model to achieve rapid growth. This focus enables significant advancement, especially in digital business models, which can leverage structures and digital technologies (Lange et al., 2023).

Vertical Scaling

Vertical scaling or 'scaling up' refers to organizations growing on different levels in administrative or other hierarchies and involves stakeholders also outside the business, like research institutes and investors (Groot et al., 2019, p. 4). This can be, for example, on a local or regional level. The process usually involves different institutions, engaging grassroots organizations, donors, and development communities in the activities (Begimkulov & Darr, 2023, pp. 4–5).

Horizontal scaling

The focus of scaling out is to expose the business to a larger audience (Mehrabi et al., 2025, p. 851). The term 'horizontal scaling' or 'scaling out' describes diversifying a set of activities or expanding an initiative or a company's operations geographically. According to research, this geographical expansion and research of greater numbers can be executed in two different ways: replication or diffusion (Omann et al., 2020, p. 5). In replication, the company's geographical coverage is expanded to include more people. Diffusion is considered a more flexible framework, allowing communities greater freedom to implement innovations in line with local cultural, social, economic, and environmental conditions. Horizontal scaling also involves scaling downwards (Begimkulov & Darr, 2023, pp. 4–5).

Scaling deep

The literature also introduces a more current scaling method called 'scaling deep'. The term implies that the organization aims to strengthen its position in the market by improving its

quality of service, developing new delivery ways, or deepening its market share in the existing and new customer groups (Begimkulov & Darr, 2023, p. 5). Scaling deep can involve a shift in a community's values and cultural standards. This approach focuses on modifying social norms and beliefs rather than simply expanding the size of an organization (Mehrabi et al., 2025, p. 851).

2.2.2 Scaling vs. growth

Scaling is often used as a synonym for growth, even though it is not the same thing. Some scholars say that scaling is always growth, but growth is not always scaling. Growth usually involves an increase in some aspects of the business. This can be, for example, sales, output, or employees. Growth also means increasing the company's size or improving processes and quality via internal changes (Achtenhagen et al., 2010, p. 291). Scaling, however, is defined in research as rapid growth over a certain period without an excessive increase in costs (Palmié et al., 2023, p. 6). A distinctive characteristic of a scaling business is that it actively implements strategies such as mergers and digitalization to scale. Scalability in the long term is achieved solely by working hard. It is also important to pursue untapped market opportunities and implement systems that enable repeatable innovation, ensuring consistency and adaptability in the business model (Bohan et al., 2024, p. 4).

2.3 Challenges and opportunities in scaling

Microenterprises have a significant growth potential, both locally and economically. In this section, we will examine the challenges and opportunities identified by existing research regarding the scaling of SMEs, especially microenterprises.

2.3.1 Challenges

Many small businesses are assumed to have growth intentions, but rarely grow, nor are they even interested in growing. The literature has identified several factors associated with entrepreneurs' decisions not to grow or scale their businesses.

Identity-based barriers

In SMEs, entrepreneurs typically serve as CEOs and the ultimate decision-makers on strategy. Empirical research demonstrates that the characteristics of these top managers have a significant effect on the firm's entrepreneurial orientation and, consequently, its overall performance (Wales et al., 2013, p. 370). Entrepreneurial influence is further emphasized in environments with informal organizational structures. This means that ownership, management, and entrepreneurial roles are intertwined. Entrepreneurs tend to leave a decisive mark on the organizations they lead. This means that the values of the entrepreneur are reflected in the company's operations through entrepreneurial identity (EI) (Penco et al., 2023, p. 314). They face unique obstacles and opportunities that significantly affect their EI (Hagenauer & Zipko, 2024, p. 1). An entrepreneur's profile shapes EI, helping companies address the challenges of the operating environment and technology. This directly affects strategic decision-making processes, such as identifying problems and acquiring and handling information (Liu & Xi, 2022, p. 1758).

Entrepreneurial identity is not a professional role but often a force deeply rooted in the entrepreneur's self-concept that guides the company's strategic choices (Radu-Lefebvre et al., 2021, p. 2). For many microentrepreneurs, identity builds expertise rather than leadership. In this case, the entrepreneurs define themselves first as top experts in their field who value freedom and independence to realize their own vision rather than growing an organization. When the company and the entrepreneur's self-identity are intertwined, growth is seen as a risk that threatens the entrepreneur's self-perception and work (Morris et al., 2018, p. 460).

The research shows that one of the greatest obstacles to growth among microenterprises is the entrepreneur's fear of losing control (Garcés-Galdeano & García-Olaverri, 2020, p. 534). As an entrepreneur reaches a suitable financial status and standard of living, further financial gain is not seen as a significant enough motivator for growth, which would mean hiring new people, expanding operations, and becoming a manager instead of doing the work they love. They are also concerned with the quality of the service if it is in the hands of someone else (Polge et al., 2025, p. 763). The literature emphasizes the entrepreneur's autonomy in decision-making. To be independent and have the luxury of making their own decisions, they need to keep their business small. Small business owners are keen to have a close relationship with their staff, close communication, and have even tied their identity to their business (R. Anderson & Ullah, 2014, p. 5).

Instead of scaling up or out, microentrepreneurs might pursue a 'no-growth' strategy. This means they do not aim for growth but rather seek to optimize margins and resource allocation to ensure sustainable performance without increasing working hours or sacrificing work-life balance (Polge et al., 2025, p. 763). Especially, women rarely become entrepreneurs purely for financial gain, but to achieve flexibility and independence that cannot be achieved through employment (R. Anderson & Ullah, 2014, p. 5).

Liability of Smallness

Competent resource management is central to competitive advantage, and management's ability to recognize opportunities and manage resources is vital to success (Vakulenko, 2021). The company's performance depends on how well new external resources can be combined with existing internal strengths. This leads to another significant challenge for microentrepreneurs: the scarcity of resources and the difficulty of accessing new ones to

create structured operations. It is called the 'Liability of Smallness' (Lefebvre, 2022, p. 708). It includes not only tangible resources like money and workforce but also intangible ones like time, knowledge, and the realization of opportunities. In professional service firms, the most significant issue is that the entrepreneur possesses all the knowledge required to serve the customers, which makes scaling very difficult (Bettioli et al., 2012, p. 553).

Liability of Smallness affects small businesses' competitive advantage and makes them less capable of responding to rapid external changes (Gusenbauer et al., 2025, pp. 2868–2869). Time pressure, a lack of planning, and weak negotiation points relative to the operating environment create reactive small businesses. The scarcity of finance and limited management and expertise limit small businesses' capacity and shape entrepreneurs' perceptions of the business environment. Because of this, decision-making is speculative and intuitive, mirroring the entrepreneur's persona. This can limit the business's ability to adopt new information and grow (R. Anderson & Ullah, 2014, p. 2).

In terms of funding, the limited size of small and young companies makes it difficult for them to secure internal resources, leaving them dependent on external actors. This forces companies to rely, for example, on private banks and venture capitalists, on the technological expertise of research institutes, and on the marketing channels of business organizations to overcome the structural disadvantages of small size (Park et al., 2020, p. 215). Accessing external resources is not easy for small businesses due to information asymmetry. Because small businesses are usually opaque to investors, they are considered riskier than larger companies with long and strong histories (Lefebvre, 2022, p. 708).

Lack of Digital Literacy

Digital literacy is a central ability for critically evaluating information and navigating a digitalizing world. Especially for SME leaders, it is a critical skill because it enhances their ability to leverage software and technologies to improve business efficiency and support

decision-making. These skills enable identifying and integrating new knowledge that helps to sustain competitive advantage in quickly changing markets (Indrawan et al., 2025, p. 3). Digitalization has significantly shifted customers' expectations. They require more customized and enhanced shopping experiences. Digitalization is reshaping the entire structure of business models. It revolutionizes how businesses operate and changes both the value proposition and customer relationships. SMES need to keep up with this transformation to build a sustainable competitive advantage (Penco et al., 2023, p. 311).

Research shows that SMEs are significantly behind larger companies in digital transformation. This poses a growing threat to their role in the national and global economy as technology advances (Escoz Barragan & Becker, 2025, p. 1362). SMEs have a significant digital knowledge gap and are rarely aware of the availability of technological solutions or their benefits. Furthermore, limited financial resources and the severe scarcity of well-qualified digital talent in the labor market hinder their ability to invest in and successfully implement advanced digital technologies (Restrepo-Morales et al., 2024, pp. 2, 5). This usually leads to uncertainty and distrust towards new technology. Entrepreneurs often fear dependence on online environments. This also includes information security risks and increased costs, which can reduce the company's profitability compared to larger companies. Training staff is more expensive due to the small number of employees, making it more difficult to overcome technological and organizational challenges. Companies often perceive threshold costs as too high or fail to identify the strategic advantages that technology offers. These advantages would enable strengthening their reactive nature rather than improving their proactive one (Telukdarie et al., 2023, pp. 690–691).

2.3.1.1 Challenges specific to KIBS

Knowledge-intensive business services, also known as KIBS, are a quickly growing business sector due to high demand in consulting and problem-solving that requires specific knowledge (Heikka, 2023, p. 278). KIBS includes firms that offer high-level professional

services related to a specific problem or area of expertise. They provide highly customized solutions with exceptional expertise and knowledge, and act as innovative drivers in the service sector. As KIBS provide these high-level expert services, they have a significant impact on the performance of their clients and other stakeholders, and thus on the economy as well (Leticia Santos-Vijande et al., 2013, pp. 86–87). KIBS firms face problems that are unique to the service sector, and even further, to professional services. One problem is called the KIBS paradox. It is related to the fact that once the customer has turned to a KIBS firm to solve a problem and the firm has provided the knowledge and expertise to do so, the customer no longer needs them (Grandinetti, 2018, p. 161).

Quality Opacity

KIBS firms are highly versatile operators that primarily serve B2B markets. Their service processes are often complex, and integrating the customers into the delivery service is necessary, but also quite challenging (Heikka, 2023, p. 279). A typical characteristic of a knowledge-intensive business is opaque quality, meaning that a typical customer can have a hard time evaluating the professional's level of work, even after the service is provided (Von Nordenflycht, 2010, p. 161). In the eyes of consumers, service quality is a subjective concept intertwined with perceived quality and customer satisfaction rather than technical or mechanical quality. In practice, service quality is the gap between a customer's expectations and their experience. The smaller the difference is, the higher the quality is perceived (Cho et al., 2013, pp. 756–757).

Because ensuring service quality is challenging, professional organizations use various signaling mechanisms to build credibility. These mechanisms include, for example, partnership modeling that shows bonding, the organization's reputation, and its ethical rules and regulations. External outlook and the social features of employees usually serve as concrete aspects on which they base their perceptions of the organization's expertise (Von Nordenflycht, 2010, p. 161). Unlike other service industries where technology has

replaced human labor, such as ATMs in banking, KIBS firms remain highly labor-intensive, which keeps service costs high. On top of that, the costs of training the professionals are increasing as the needed expertise and skills become more advanced. (Stumpf et al., 2002, pp. 263–264).

Resistance to Knowledge Codification

Research on professional service organizations has focused on the gap between professionals' need for autonomy and the bureaucratic administration that governs them. This is because the values of professionals seem to conflict with the hierarchical structures of organizations. From the viewpoint of scaling, professional service firms are met with a challenge where personal intuition and expertise should be 'codified' or, in other words, changed into repeatable processes to enable better cost effectiveness (Von Nordenflycht, 2010, pp. 157–158). If a service is standardized, the company can utilize its expertise by offering the same result to many customers without continuous interaction. This requires process standardization, which improves the company's performance (Bettioli et al., 2012, p. 551). Even though this kind of standardization enables firms to achieve their wider economic ambitions, professionals tend to naturally resist procedural controls to protect their working autonomy, self-regulation, and domain of expertise (Quader, 2007, pp. 116, 146).

Professional service businesses are prone to the inevitable unpredictability of work results, both in quality and content. It makes it challenging to establish formal employment rules (Bettioli et al., 2012, p. 553). What really makes codification difficult is that every KIBS customer is different, and every solution is tailored to their specific needs. Personal relationships, their duration, and mutual chemistry are central factors in the success of the projects and development of customer relationships, rather than standardized and streamlined processes (Heikka, 2023, p. 280).

2.3.2 Opportunities

Resource-Based View

The Resource-Based View (RBV) emphasizes that a company's success and competitive advantage are based on the effective management and deployment of its tangible and intangible strategic resources (Zahra, 2021, pp. 1841–1842). In contrast to theories that focus mostly on external factors, the RBV highlights that a company can better control its internal strengths and weaknesses than external market changes. This includes, for example, trustworthy, proficient, and creative human resources (El Nemar et al., 2025, p. 3). Sustainable competitive advantage is based on a company's ability to organize co-specialized resource bundles to generate joint value. This requires the firm to share value not only with the organization itself but also with the stakeholders who provide these strategic resources (Helfat et al., 2023, p. 1358). For resources to bring long-term advantages, they need to be valuable, rare, hard to imitate, and hard to replace. In addition, RBV emphasizes the importance of a company's historical development path in the formation of unique resources, enabling the exploitation of market opportunities using existing resource bundles (Sipos et al., 2025, p. 3).

The small size of SMEs can be seen as a significant advantage. It enables agility, flexibility, and rapid responses to external changes, which, in this digital era, are central competitive advantages. Small size enables SMEs to integrate and renew competence that meets the needs of customers (Escoz Barragan & Becker, 2025, p. 1365). KIBS firms are usually quite small, and studies show that a company's performance or knowledge management is not dependent on the size of the company, nor does it prevent the company from growing (Ribeiro-Navarrete et al., 2021, p. 322).

Smaller sizes mean decision makers are closer to stakeholders, such as customers, making them more relatable and easier to work with. As they are closer to the customers, SMEs can provide more customer-oriented service, which gives them excellent qualifications to

achieve exceptionally strong performance (Ribeiro-Navarrete et al., 2021, p. 321). Closer cooperation with stakeholders can also provide them with vital market information (Eggers, 2020, p. 199). This will help the company identify new business opportunities and services that meet customer needs. Several studies have shown that a deep understanding of the customer significantly improves the success of new products by reducing market uncertainty. Moreover, this is where the true advantage of a smaller company size lies (Cabigiosu & Campagnolo, 2019, p. 596).

Networks & social capital

Social capital is the social dimension of the sustainable development paradigm. Social capital encompasses the resources that businesses utilize and acquire by forming networks and relationships with other parties (Indrawan et al., 2025, p. 3). To achieve a competitive advantage, SMEs must continuously innovate and develop new knowledge. Because they often lack internal resources, the external network structure and active networking behaviors are central. By integrating with external networks, entrepreneurs can access unique sources of knowledge and strategic resources to enrich the company's knowledge base and successfully drive innovation (Naudé et al., 2014, pp. 5, 17). Social capital has been seen to improve employees' motivation, job satisfaction, and commitment. To achieve efficient social capital requires clear communication and cooperation on all organizational levels (El Nemar et al., 2025, pp. 6–7).

Human capital is a critical strategic resource, and by investing in it, SMEs can create a competitive advantage that is sustainable and hard to imitate (Onkelinx et al., 2016, p. 353). SMEs with strong social capital have easier access to external knowledge and resources through both formal interorganizational partnerships and informal interpersonal networks. By combining this externally acquired knowledge with their internal capabilities, resource-constrained SMEs can successfully drive both product and process innovations (Do et al., 2026). Active participation in industry associations and online communities exposes

businesses to new digital trends and best practices. This facilitates the adoption of new technologies. Social capital can offer direct resources and feed the entrepreneurial mindset, which is vital for long-term success (Indrawan et al., 2025, p. 3).

Digitalization

Digitalization means using digital technology to renew the company's business model, creating new ways to generate profit and create value. Compared to traditional business models, digital business models enable better scalability without large physical investments (Westerlund, 2020, p. 48). SMEs' digital transformation supports economic development and internationalization. It also boosts innovation and companies' long-term vitality (Telukdarie et al., 2023, pp. 691–692). By utilizing digital solutions, SMEs can create a clear competitive advantage and significantly improve their efficiency. The process not only intensifies current operations but also usually leads to the accumulation of new competencies, skills, and knowledge. This, in turn, inspires companies to renew their processes and develop new products and services (Kádárová et al., 2023, p. 15). Especially for small businesses that face barriers such as a lack of resources to manage complex operational environments, utilizing information technologies can significantly increase the efficiency of work and bring resource savings (Isensee et al., 2020, pp. 2, 4)

Solutions such as Artificial Intelligence (AI) and the Internet of Things (IoT) can fundamentally change SME business models and improve operational performance. For example, several studies indicate that digital platforms increase SMEs' digital innovativeness and their ability to renew their strategic resources. Digital platforms support information sharing and enable companies to unify and update their data (Strilets et al., 2022, p. 292). Even in KIBS firms, IoT and Blockchain technology have been recognized as useful tools. Blockchain is used to enhance network cybersecurity and to verify personal credentials and certificates. IoT has enabled the exchange of information and mutual communication

between physical devices, which facilitates joint decision-making (Ribeiro-Navarrete et al., 2021, p. 320).

Digitalization simplifies access to financing services and training, while new ways of producing and analyzing data help companies to understand their own operations more deeply and achieve innovative capabilities (Telukdarie et al., 2023, pp. 691–692). Utilizing the newest digital technology and digital marketing helps companies to reach customers more efficiently, regardless of the distance, which increases companies' performance and profitability (Kádárová et al., 2023, p. 6).

Digital orientation helps SMEs navigate the complexity of the digital age and identify and utilize new possibilities by strengthening their dynamic capabilities. Successful digital orientation requires not only introducing technology but also foundational strategic change. Even though this transition is not easy for SMEs, it is a vital step toward fully leveraging technology, making the business more efficient, and achieving sustainable competitive advantage (Escoz Barragan & Becker, 2025, pp. 1364–1365). Utilizing digitalization helps avoid scaling-related pitfalls. Uncontrolled growth can become a burden for the company and even prevent future growth if the company's size requires sudden, large digital changes. Digitalization is indeed a central factor in companies' steady economic growth. Instead of putting off digitalization until growth happens, it should be implemented in advance. This way, future growth can be ensured without overloading the company's systems and processes (Vavura, 2022, p. 552).

Public & Private support

SMEs can improve their survival possibilities and economic performance by leveraging the diverse competence of external resource providers. (Park et al., 2020, p. 215). Research shows that companies with strong external relationships with government or financial institutions can access rare resources, thereby positively affecting their competitiveness.

Public support has a significant impact on SMEs' survival, especially during crises. In addition, the combined effect of public support and the company's internal capital is a much more efficient factor in improving the company's performance than public support alone (Otache & Usang, 2022, p. 79). Research shows that direct financial subsidies improve microenterprises' total productivity. The subsidies work as catalysts for growth and enable more efficient processes, new product launches, and market expansions (Janes et al., 2026, p. 207).

Public support for SMEs can be divided into three categories: technical, institutional, and economic. Technical support provides professional guidance and tools that help businesses to develop their products and processes. Consulting and mentoring offer support for management and strategic operations. In training, for example, staff's skills and competence are strengthened. However, institutional support is just as vital. It modifies the business's legislative and administrative guidelines and enables SMEs to grow in a competitive environment and build a competitive advantage (Kumar & Singh, 2023, pp. 10–11). External funding enables SMEs to invest in innovation, which is crucial for driving competitiveness. Innovations help address customer needs and differentiate companies from competitors, which, in the end, improves their financial performance (Sawitri, 2023, pp. 4608–4609). Public financial and government support contribute significantly to SME growth and job creation. They improve SMEs' access to finance, especially when private capital markets fail to provide funding for SMEs with low credit ratings or a lack of deposits (Abbasi et al., 2018, pp. 40, 45). However, public funding sometimes involves social objectives that can affect the company's decision-making. Public support often requires contributing also to societal needs, such as the employment of underrepresented groups or regional social mobility promotion (Park et al., 2020, pp. 219–220).

2.4 Summary

SMEs create the base of economic growth and provide national and global markets with flexibility (Iaroslav et al., 2021, p. 899; R. Anderson & Ullah, 2014, p. 1). Especially in knowledge-intensive business services, value co-creation, where the customer actively participates in the customized solutions, is a vital part of the process (Frei, 2008, p. 2; Mikolon et al., 2015, p. 513). KIBS' key strategic resources are the employees' or entrepreneurs' expertise and experience (Von Nordenflycht, 2010, pp. 159, 163).

In theory, it is essential to differentiate growth and scaling. Growth points to a linear increase in sales or resources, and scaling defines the organization's ability to increase value and manage workload in relation to added resources (Achtenhagen et al., 2010, p. 291; Bohan et al., 2024, p. 4). Alongside horizontal and vertical scaling, there is now an emphasis on scaling deep. It focuses on managing quality, processes, and existing customer relationships rather than growing (Begimkulov & Darr, 2023, p. 5).

However, scaling possesses significant challenges. Most notable are those related to the entrepreneur's identity. Many professional service microentrepreneurs' identities are closely tied to their substantial knowledge. This can, for example, lead to a strong unwillingness to delegate decision-making. This entrepreneur's dilemma can lead to a conscious avoidance of growth, which, in their mind, will secure autonomy and quality (Morris et al., 2018, p. 460). In addition, microenterprises face the challenges of small-scale operations, often referred to as the liability of smallness. It emerges as a scarcity of funding, time, and digital competence, which makes operations easily reactive when they should be proactive (Escoz Barragan & Becker, 2025, p. 1365; Lefebvre, 2022, p. 708). A particularly challenging aspect of expert work is the codification of silent knowledge, in which an individual's expertise, ways of working, and knowledge are translated into repeatable processes. Experts may resist this to preserve the uniqueness of their expertise, even if

processing is a prerequisite for the scalability of the service and for facilitating sales in situations where quality is difficult for the customer to assess in advance (Von Nordenflycht, 2010, pp. 157–158).

Despite the challenges, microenterprises have many opportunities that stem from their agility and resource-based strengths (El Nemar et al., 2025, p. 3). Small size enables fast responses to external changes and an exceptionally deep customer focus (Escoz Barragan & Becker, 2025, p. 1365). Resource scarcity can be addressed by utilizing social capital, such as networks, where collaboration and peer support promote knowledge exchange and adoption of digital solutions (El Nemar et al., 2025, pp. 6-7). Digitalization also offers tools that help to streamline processes and expand markets without the need for massive investments (Kádárová et al., 2023, p. 15). When combined with public and private support, microenterprises' innovation capacity and crisis resilience can be significantly strengthened. This creates the conditions for sustainable and qualitative growth (Otache & Usang, 2022, p. 79).

3 Data and Methods

This chapter presents and justifies the methods used to conduct the empirical part of the research. The objective of this chapter is to present the study's methodological framework and clarify the underlying factors that inform the chosen research design. This helps the reader to get a clear understanding of how the chosen methods enable us to answer the pre-selected research questions. The study's philosophical starting point is defined, and a research approach is presented. Next, the data collection method, research scope, and the selection process for interviewees are described. This is followed by a review of the data analysis methods used to interpret the collected information. At the end of this chapter, the study's reliability is reviewed.

3.1 Philosophical background

The philosophical starting point of this research is interpretivism. It highlights the interpretive nature of human meanings and social reality. The opposing philosophical point is objectivism, which holds that there is a single objective reality independent of people. However, interpretivism focuses on understanding the subjective experiences of individual people in their own context (Alharahsheh & Pius, 2020, p. 40; Junjie & Yingxin, 2022, p. 11). Because microentrepreneurs' perceptions are not universal facts but ideas shaped by their own values, this choice is reasoned. While objectivism or pragmatism view scaling as a phenomenon external to people, an interpretivist approach allows the researcher to deep dive into the entrepreneurs' meanings that cannot be reached with a quantitative approach (Pulla & Carter, 2018, p. 10). Therefore, the research does not aim for universal truths. It aims to gain a thorough understanding of how professional service microentrepreneurs perceive their operating environment and the opportunities it offers.

A qualitative research approach has been chosen for this study because it enables an in-depth understanding of a human-centered phenomenon. Qualitative research focuses on

the complex nature of the study's object, instead of numerical indicators. This possibility offers a broad view of human experience (Van Burg et al., 2022, p. 7). Unlike in quantitative studies, where the research questions are usually narrow and standardized, qualitative research uses broader questions that can be modified as the data collection process progresses (Denny & Weckesser, 2022, p. 1166). This flexibility is key to uncovering overtones that could otherwise disappear or be left untouched in numerical analysis (Lim, 2025, p. 199).

The research method highlights the interaction between the researcher and the research subject. In qualitative research, they are viewed as partners in a knowledge-sharing process. This engagement enables a deeper exploration of the subjects' realities and lived experiences. It can uncover the profound underlying meanings of the phenomena (Grossoehme, 2014, pp. 2, 7). Due to its interpretive nature, qualitative research does not aim to isolate variables or make universal generalizations. It aims to focus on understanding the feelings and meanings that entrepreneurs experience (Pulla & Carter, 2018, p. 9). This comprehensive exploration is vital, as it prevents oversimplifying complex social ideas. The approach offers a pathway to reach the entrepreneur's authentic voice and contextualized factors that guide the company's direction and future insights (Lim, 2025, p. 201).

3.2 Data Collection

Purposive sampling theory

In this research, a semi-structured interview was used as a means of data collection, and purposive sampling was used to select the interviewees. Purposive sampling is a common choice in qualitative studies because its main aim is to gain a deeper understanding of the subject (Campbell et al., 2020, p. 653). The objective was to select participants who could provide unique and rich insights in their own business context. In this approach, the sample

size is not determined statistically but is based on the principle of data saturation (Etikan, 2016, p. 4). This is also in line with the study's interpretivist philosophy.

Sampling technique

The interviewees were reached through the researcher's professional LinkedIn network, which enabled the identification of entrepreneurs who have in-depth experience in developing expert services. Some of the interviewees were already familiar with the researcher through professional connections, and others were new acquaintances. This increased the material's diversity and reduced potential bias in the interview process. Four key criteria were set for the selection of interviewees to ensure data matched with the research problem:

1. The interviewees had to work as professional service entrepreneurs in micro-sized firms. This is because the tensions of scaling are specifically focused on productizing individual expertise.
2. The interviewees had to have been working as entrepreneurs for at least two years, so they had an established view of the structures of their business and the obstacles to growth.
3. The selection process aimed to consider the length of entrepreneurial experience, including both veterans who have been in business for longer periods and more recent entrepreneurial identities.
4. An even gender distribution, which aimed to ensure the most diverse and comprehensive description of the phenomenon under study.

A total of 10 professional service entrepreneurs participated in the study, enabling a broad, multidimensional view of perceptions regarding scaling. The total of ten interviews was considered sufficient, as clear saturation emerged in the final stages of data collection. New interviews no longer produced significant new theoretical categories or new perspectives,

indicating that data saturation had been reached (Saunders et al., 2018, p. 1895). Instead, previously observed themes regarding the challenges of scaling, such as concerns about maintaining the quality of the expert services and the entrepreneur's own time, began to occur.

The selection of interviewees highlighted the richness of the material, as reflected in the diverse backgrounds of the participants. The years of operation ranged from 2 to 16 years. The variety of experience is valuable for the research. It allows comparisons between entrepreneurs just starting their journey and those running more established businesses. Longer experience brings a perspective to research on the development of scaling efforts. At the same time, more recent entrepreneurs can have optimistic visions and offer insights into current development opportunities.

Geographically, interviewees were located in different parts of Finland, which reduced the bias towards a specific growth center or regional culture. Even though professional work is usually not location-dependent, it is important to involve entrepreneurs operating across the country to ensure that the results reflect the broader Finnish field of professional service entrepreneurship. In addition, the interviewees represented five different industries within professional services. Differences across industries, for example, in the productization of services and the use of technology, add depth to the analysis and help identify universal scaling laws that are not tied to a single narrow sector.

All interviewees, listed in Table 1, met the criteria. The participants' genuine interest in the topic contributed to an open, reflective discussion. These are important characteristics of interpretivist research and contributed to the high quality of the interview data and the depth of the narrative.

Table 1 List of interviewees

Interviewee	Field	Years of operating
Entrepreneur #1	Coaching	2
Entrepreneur #2	Graphic design	13
Entrepreneur #3	Customer acquisition	5
Entrepreneur #4	Digital design	9
Entrepreneur #5	Business consulting	14
Entrepreneur #6	Professional training	16
Entrepreneur #7	Coaching	3
Entrepreneur #8	Business consulting	12
Entrepreneur #9	Business consulting	7
Entrepreneur #10	Professional training	4

Interviews

In this research, semi-structured interviews are used as a data collection method, as this approach appropriately balances flexibility and goal orientation (Qu & Dumay, 2011, p. 246). These interviews are structured around predefined protocols, which ensure the discussion remains within the study's central focus (Knox & Burkard, 2009, p. 3). However, to achieve a deeper understanding, the researcher uses active probing. It allows the researcher to deviate from the original plan and to pose clarifying and explanatory questions based on the interviewee's observations. This flexibility is important for the research to uncover each interviewees' personal views and provide space for rich perspectives that could not have been anticipated at the beginning of the research process (Robinson, 2023, p. 382).

The goal of the semi-structured interviews is to reveal individuals' experiences and how they make sense of them. This flexible approach values the participant's perspective, enabling the microentrepreneurs to freely express their thoughts and evaluate the phenomena

(Dursun, 2023, pp. 100–101). The method is especially valuable when aiming to understand how individuals perceive their social world and build meanings to their work. It offers the researcher access to entrepreneurs' lives, which is a prerequisite for discovering deep and often hidden knowledge (Qu & Dumay, 2011, p. 246). Because scaling professional service microenterprises is a complex process and is usually tied to personal experiences, semi-structured interviews can explore the grey areas of organizational culture and human behavior (DiCicco-Bloom & Crabtree, 2006, p. 315). The deep, intersubjective nature of the interview helps uncover not only the consciously expressed thoughts of the microentrepreneurs but also the hidden meanings and causal relationships beneath the surface of their narratives (Ivey, 2023).

The information generation in this research is seen as a constructive and interactive process, which challenges the traditional perception of an interview as a neutral transaction of knowledge (Nielsen, 2007). In a semi-structured set-up, it is acknowledged that information is produced through the dynamic interplay between the interviewer and the interviewee (DiCicco-Bloom & Crabtree, 2006, p. 316). In conclusion, semi-structured interviews provide a means of collecting rich, nuanced qualitative data. With these methods, entrepreneurs' multi-level challenges in day-to-day life are not reduced to statistical observations, but the research produces a deep understanding of the scaling of service microenterprises from the individual and situational contexts of each company (Lim, 2025, p. 215; Qu & Dumay, 2011, p. 246).

The empirical data for the study were gathered through semi-structured interviews conducted between late February and mid-March in 2026. The interviews were conducted online via Google Meet, as it enabled flexible participation regardless of entrepreneurs' whereabouts. The interview body was given to the participants in advance to ensure appropriate preparation. The duration of individual interviews ranged from 30 to 60 minutes, providing sufficient time for in-depth discussion of themes and potential supplementary

questions. Interviews progressed flexibly according to the interview body, but participants were given space to bring in what was meaningful to them narratively. All interviews were recorded in video format with the interviewees' permission. This allowed the researcher to focus on the discussion. After the data were gathered, they were carefully prepared for analysis by transcribing recordings into literary format. The transcription was conducted using a Microsoft Word transcription tool and checked manually afterwards, which ensured that the interviewees' emphases and subjective meanings were preserved as accurately as possible. The transcript data served as the empirical basis for the study, which enabled a deeper interpretation of the microentrepreneurs' reality.

Anonymity

The ethical and reliable conduct of the research was ensured by protecting participants' anonymity throughout the process. All interviewees have been anonymized, and their companies' names and specific industry information have been blurred so that no individual entrepreneurs can be identified. Ensuring anonymity extends to direct quotes. In such cases, any identifiable locations or customer references were removed. Anonymity allows the individual voices of the entrepreneurs to be heard without jeopardizing their trade secrets or professional reputations. The research material is stored securely, and the transcribed texts have been processed only for purposes of this research and are in accordance with suitable scientific practice.

Interview guide

The interview body was constructed to support the interpretive research approach, where the objective is to understand phenomena through entrepreneurs' individual thoughts and experiences (Junjie & Yingxin, 2022, p. 11). The interview questions were open-ended, which allowed the interviewees to answer freely in their own words. The interview body was divided into five sections, which progressed from introduction to questions that required more detailed thinking:

1. Background: Entrepreneurial story and motivational factors.
2. Scaling definitions and status of the business: Understanding the concept of scaling in an individual business context.
3. Growth obstacles: Identifying internal and external bottlenecks.
4. Growth opportunities: Identifying internal and external opportunities for growth and scaling.
5. Legislation and future vision: Review of structural factors and vision for the future of the company and entrepreneurship.

The structure ensured the discussion remained focused on the research problem while allowing for individual perspectives. By asking certain questions, the aim was to reach those subjective experiences and many truths that lie at the heart of an interpretive research approach.

3.3 Description of the Research Method

The data gathered in the study were analyzed using qualitative data analysis, implemented through a thematic design. As a data analysis method, the qualitative analysis approach is flexible and is well-suited for subjective interpretation and systematic classification of linguistic research material (Beekhuyzen & Bazeley, 2025, p. 2). The method not only enables the coding of text's visible and apparent contents but also highlights the hidden meanings behind the narrative (Mezmir, 2020, pp. 22–23). Through thematic analysis, broader structures and regularities were identified in the data that explain the phenomenon from the interviewees' own perspective (Lester et al., 2020, p. 97).

The NVivo program was used in the analysis process, which is designed specifically for managing qualitative data, such as coding and grouping (Beekhuyzen & Bazeley, 2025, p. 1).

Using a qualitative analysis program supports the management of broad and unstructured material (Mezmir, 2020, p. 15). The analysis progressed one transcription at a time to build a clear understanding of the interviewees' perceptions. In practice, the material was disassembled into smaller sections by generating codes from the text, which were later combined into larger categories and, ultimately, into themes that correspond to the research questions. NVivo supported this process by enabling an easy return to the original context of the coded text. This ensured that interpretations remained faithful to interviewees' original meanings long after the interview.

3.4 Assessment of Reliability

In the assessment of the reliability of this study, the main emphasis is on Guba and Lincoln's (2000, p.109) well-established framework, which substitutes for traditional quantitative research's concepts of validity and reliability with criteria that are better suited to qualitative research: credibility, transferability, dependability, and confirmability (Rose & Johnson, 2020, p. 436). Because this research adopts an interpretive approach and aims to understand the subjective experiences of expert microentrepreneurs, reliability cannot be measured by the mechanical repeatability of results (Cypress, 2017, p. 256). Instead, the reliability of the research is confirmed through transparent documentation of the research process and data analysis methods (Noble & Smith, 2015, p. 34).

In practice, dependability is ensured by maintaining a strict audit trail, which enables the reader to trace how data from semi-structured interviews have been grouped and coded into a logical entity using the NVivo program (Rose & Johnson, 2020, p. 444). The research's credibility and truth value are confirmed by the rich, specific description of the researched phenomena (Cypress, 2017, p. 260). To achieve this, direct quotes from the interviews that are used in the 'Findings' section are listed in the study to ensure that the analysis mirrors the interviewees' original thoughts (Noble & Smith, 2015, p. 35). Finally, researchers'

continuous self-reflection is central in the assessment of reliability. The researcher must acknowledge their own presuppositions and subjective positions compared to the studied subject. Research memos maintained throughout the course of the study have worked as a tool to ensure that the researcher's own attitudes about professional services do not distort the meanings emerging from the research data, and that the interpretations stay true to the perspectives brought up by the interviewees (Rose & Johnson, 2020, p. 442).

4 Findings

This chapter presents the key findings from the interview data. The interviews aimed to gain a deep, human-centered understanding of how complex social and technological factors shape entrepreneurs' activities. Semi-structured interviews enabled the researchers to reach the subjective meanings that entrepreneurs give to the scaling of their professional work.

4.1 Perceptions about Scaling

Scaling does not appear to be simply increasing the size of the company, but rather a multi-dimensional aspiration to detach revenue growth from the entrepreneur's personal time management. Entrepreneurs seek to separate the growth of their company from their own personal working hours and focus purely on their core business, which is professional work. Scaling is not only perceived as growing profits but also as saving resources, which refers to accomplishing more with fewer resources.

Scaling is seen, above all, as the productization of their expertise, for example, in the form of online courses or other digital products (see Table 2). By building ready-made coaching concepts and materials, entrepreneurs do not have to start from scratch with every new client. This emerges as a vision of helping many customers and making more money without the workload growing in proportion. Digital products are also seen as a better way for customers to consume products voluntarily, thereby enhancing their value. This development is also linked to a strong desire to minimize direct customer meetings (while not fully eliminating them) and to develop pricing models based on the value of expertise rather than time spent. Entrepreneurs value customer contact but also recognize that it takes time away from profitable work and makes the business model less scalable. Many are offering both independently completed digital products and courses, as well as more personalized services.

For many entrepreneurs who bill solely on an hourly basis, scaling means optimizing profitability, modifying their customer segments, and adjusting pricing, as shown in Table 2. Scaling can be as simple as learning to price services accordingly, enabling the acquisition of higher-paying gigs without exceeding working hours. Pricing accordingly can also mean refusing smaller, lower-paying gigs and focusing on clients with greater capital and larger project entities. Some entrepreneurs see that shifting from business-to-customer to business-to-business markets would scale their business, as that is where the big clients are.

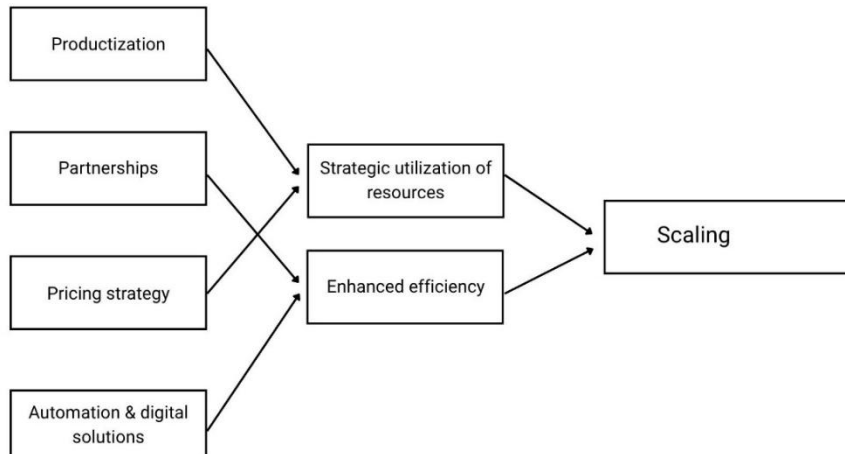
Automating routines and leveraging external resources to free up their own time are key ways for professional entrepreneurs to scale their businesses. Entrepreneurs use external resources, such as partnerships and networks, to free up their own time. Typical outsourced tasks include accounting and marketing. In these cases, entrepreneurs do not have the expertise or time to do these tasks themselves. Some do not enjoy doing them and instead use their time on fulfilling tasks. Some entrepreneurs use freelancers as subcontractors to offer services outside their expertise that complement their own expertise and service selection.

Automating routines can mean, for example, using AI to create social media content or creating automated processes. Entrepreneurs acknowledge the potential of automated processes, but interviews revealed that they lack the resources or willingness to set up the automations. So, for now, automated processes usually use AI for marketing and idea generation.

Table 2 Quotes about perceptions of scaling

Main theme	Quote	Interviewee
Perceptions about scaling	"I have created such concepts and ready-made material that help me get my own time, so I do not have to think everything again for each customer".	Entrepreneur #7
	"I create online courses that do the work for me without increasing costs."	Entrepreneur #6
	"For me, scaling has meant that I have learned to price correctly."	Entrepreneur #4
	"Using external help, utilizing freelancers in the work, has helped to scale certain functions like producing WordPress websites, because I do not do WordPress myself, so having someone do it allows me to offer a variety of services."	Entrepreneur #4

As stated in Table 3, entrepreneurs perceive scaling as a strategic choice that aims to improve the quality of life and freedom by translating professional knowledge into more efficient, accessible service products.

Table 3 Perceptions about scaling

4.2 Growth Obstacles

Although opportunities for scaling are identified, microentrepreneurs perceive several significant internal and external barriers to growth. Internal challenges are often linked to mindset-related barriers, such as the high-quality standards set by the entrepreneur and the fear that services are not yet ready for someone else to perform without quality degradation. Psychological factors, risk-taking tendencies, and the entrepreneur's own mindset often emerge as the biggest obstacles.

Technological breakthroughs, digital saturation, and maintaining human expertise

The possibilities offered by digitalization evoke mixed feelings among entrepreneurs, as an overwhelming flood of messages and so-called "digital bloat" create a significant barrier to new customer acquisition (see Table 4). Entrepreneurs are often troubled by potential customers getting bored with constant digital interaction and by the difficulty of customer acquisition. Algorithm-based visibility forces entrepreneurs to make significant financial investments or maintain continuous exposure on social media platforms. This is perceived as inconsistent with the credibility of their professional brand. Even though the potential of digital solutions for scaling is acknowledged, their implementation and maintenance require resources that are not available for microentrepreneurs. For example, the obstacles in application development or the digitalization of coaching concepts are usually high investment costs and the time required for maintenance, which are directly away from customer work. The entrepreneurs highlighted the challenges of technical management. For example, maintaining websites or building customer management automation is perceived as a difficult and slow process. Many identify the need for system integration, but practical implementation stalls due to a lack of energy or IT skills and the limited interest in such tasks when an entrepreneur oversees everything themselves.

Utilizing technology is mostly restricted by the nature of professional work, where genuine human contact is seen as an irreplaceable part of the service. Microentrepreneurs are skeptical about AI's ability to produce high-quality professional content and consciously aim to stand out in the market by highlighting the value of a human-produced service. Customers are considered to buy firstly one's expertise and human understanding that technology cannot fully simulate. This is why many entrepreneurs do not even try to achieve full automation or to eliminate their own presence from the service process. The meaningfulness of the work and the greatest value are seen to emerge from human interaction, specifically, which sets a natural boundary for technology-based scaling.

Mindset

As seen in Table 4, entrepreneurs' internal factors, such as fear of risk and psychological barriers, create a central obstacle to business growth. Interviews highlighted that entrepreneurs usually see themselves and their beliefs as the biggest growth obstacles, rather than, for example, the market situation or a lack of resources. An especially cautious attitude towards financial risks and investments was seen as a significant factor, possibly rooted in previous generational experiences of financial uncertainty or a general reluctance to take on debt. From a psychological perspective, the human mind's inherent desire for comfort and security acts as a growth inhibitor. The current, manageable situation is considered more intriguing than the uncertainty related to scaling and growth, which prevents microentrepreneurs from taking any steps towards development. The growth constraints are closely related to the entrepreneur's inner fears, self-respect, and self-critique. The uncertainty is further increased by the understanding that successful growth ultimately depends on entrepreneurs themselves, which creates significant individual pressure to bear responsibility. Comparisons with other entrepreneurs on social media often amplify internal pressure and uncertainty. The entrepreneur may mistakenly interpret others' public appearances of success as their own failure or slower progress.

Unwillingness to grow (human resources, value-based growth channeling)

Another central theme emerging from the interviews (see Table 2) concerns entrepreneurs' human resources and their consciously set boundaries between work and free time. Entrepreneurs' desire to protect their well-being, free time, and family relationships is a significant internal barrier to growing their businesses. Growth is seen not only as a financial opportunity but also as a direct threat to the quality of life. Especially, entrepreneurs with families feel that balancing children and entrepreneurship sets absolute time constraints, meaning that business is deliberately kept at its current scale to protect personal relationships and family integrity.

The data also highlighted fear of burning out and previous negative experiences with excessive workload. Many entrepreneurs have experienced stressful periods or even burnout during their careers, underscoring the need to identify the boundaries of their own human resources. This emerges as a reluctance to return to an intensive work rhythm, even if it offers the possibility of aggressive growth. Autonomy and the freedom to channel one's time, for example, the possibility of shorter workweeks, are seen as more valuable than the financial benefits of growth. Recovery and creative space are perceived as necessary prerequisites for coping at work and as non-negotiable for growth. Signs of growth or an increase in workload could even trigger a backlash among microentrepreneurs. After a strong spike in demand, entrepreneurs might consciously curtail their operations to avoid an excessive increase in customer numbers or a growing administrative burden that could lead to burnout. Especially worrying is the prospect of permanently longer workdays or an increase in bureaucracy, both of which are seen as significant barriers to growth. Hence, the subjective experience of their own well-being and coping creates conditions within which growth opportunities are either utilized or rejected.

Sales, resources, and marketing

The data also reveals a complex, in some ways contradictory relationship among sales work, new customer acquisition, and marketing, creating a significant operational bottleneck to growth (see Table 4). Many microentrepreneurs strongly dislike sales processes and sales work, even though the concept is seen as negative and poorly suited to an expert role. This prejudiced barrier emerges as a lack of proactivity in new customer acquisition. Microentrepreneurs might think they lack directness or arrogance, which are seen as prerequisites for active market takeover and expanding operations. The situation is further complicated by pressure from the digital marketing environment. The requirement of continuous social media presence is perceived as burdensome and is accompanied by the fear that expert credibility will erode due to aggressive marketing.

This prejudiced and operative threshold is connected to a broader strategic and resource-based problem: the time required to scale. Microentrepreneurs clearly identify the need for new customer acquisition, product/service differentiation, and automation, but feel they are too bound to the daily billable work that is vital to the company's financial stability and to maintaining the current standard of living. This creates a dilemma: scaling would require conscious detachment from immediate customer work, but without steady customer flow and its resources, innovating new ways to scale the business is impossible. The entrepreneur acknowledges the existing solutions that enable scaling, but is unable to implement them due to the fear of direct income loss. This is an especially common phenomenon among solo entrepreneurs. Data highlights that the in-depth planning required to provide professional services is already a time-consuming process. This means that every hour spent on business development is an hour less productive for customer work and income. This ongoing conflict in time management leaves scaling as a "future goal," without the time to act on it.

Structural barriers, financing environment, and societal climate

Legislation, taxation, and other institutional structures are also seen as factors hindering the growth and scaling of microenterprises, as seen in Table 4. Microentrepreneurs are especially critical of the entrepreneur's pension insurance system (YEL), which is perceived not only as a heavy and unfair expense but also as a direct growth-punishing mechanism. The system's perceived inflexibility and cost level create a barrier that reduces entrepreneurs' desire to grow their operations to a level that would significantly increase insurance costs. In addition, the inflexibility of the labor market and the legal and financial risks associated with hiring an employee force microentrepreneurs to favor external suppliers and freelancer networks rather than employment. Hiring an employee is considered a significant risk that jeopardizes the company's stability, thereby maintaining sole-entrepreneurism and preventing the growth of an employer company.

Operations in financial markets and public support mechanisms in Finland are also criticized by microentrepreneurs. Banks' lending policies are perceived as tricky, as entrepreneurs are deemed unwanted and risky customers. In addition, public financing instruments are usually considered inadequate. Criticism is particularly directed at the fact that support is strongly focused on technical product development. At the same time, vital business operations such as sales and marketing are excluded from the financing scope. In addition, many financing models are beyond the reach of microentrepreneurs, leaving them in an unequal position in their pursuit of growth.

In addition to individual regulations, microentrepreneurs cite the social climate and public-sector practices as significant obstacles to growth. The attitude of Finnish society and media towards failures and bankruptcies is perceived as stigmatizing, which decreases microentrepreneurs' desire to take even manageable risks. The fear of public failure and the associated social stigma are seen as factors that paralyze risk-taking. These structural factors, combined with illogical decision-making, create an unpredictable operating environment in

which long-term investments and scaling operations appear unreasonably risky for microentrepreneurs.

Table 4 Quotes about perceived obstacles

Theme	Quote	Interviewee
Digital saturation	"People actually get like 700 emails a day, so everyone calls and texts. (...) People are bored with the amount of interaction."	Entrepreneur #10
Digitalization	"My dream is to build a web-based application. (...) It is still a lot of money that it requires."	Entrepreneur #7
	"Well, maybe it is just that kind of [lack of] interest in putting those automations in order."	Entrepreneur #1
	"I am very skeptical about its (AI) level and abilities at the moment."	Entrepreneur #6
Human expertise	"I do not want it (coaching) to be 100% (independent) at any point, because for me what I get the most from is those interactions with the customers and the fact that I can help."	Entrepreneur #1
Mindset	"My biggest weakness is my lack of ability to take risks. (...) It goes back to the 90s. (...) My family has gone through the worst kind of depression."	Entrepreneur #6
	"When there is a certain status quo, you want to maintain it because it is safe and it ensures survival."	Entrepreneur #4
	"When everything is behind oneself, all sorts of uncertainties always arise (within)."	Entrepreneur #9
Unwillingness to grow	"My biggest fear is that what if I wake up one morning in that rat race."	Entrepreneur #10
	"I went through a bad burnout (...) I know my limits, I know how many gigs I can do in a year."	Entrepreneur #6
	"I kind of put the brakes on because I was afraid I would burn out if there were too many customers."	Entrepreneur #1
Sales	"I hate selling. It feels like a bit of a curse word, the whole word 'sales'."	Entrepreneur #9
Resources	"I should be able to spend a lot more time selling and contacting people so I could get (higher quality) customers. But then again, that time is always out of the billable hours."	Entrepreneur #2
Structural barriers	"And then that it is (YEL) based on some stupid calculation where it is just determined that, 'Well, you should earn that much, but aha, you do not have any money.' So then they file a bankruptcy against you. So	Entrepreneur #4

	yeah, it is a pretty twisted system.”	
	“The reason why I use freelancers (...) is the legal protection of employees and how inflexible our labor market is.”	Entrepreneur #4
Financing environment	“Microenterprises are practically completely excluded from growth support.”	Entrepreneur #5
	“If we think that Business Finland and all these support instruments are misallocated. They are only allocated to product development. You can design, you can come up with ideas, but you cannot put a single penny of them into sales.”	Entrepreneur #6
Societal climate	“The biggest obstacle for growth and scaling is our societal culture of how we deal with growth, success, and failure.”	Entrepreneur #6

4.3 Challenges as service providers

Personal brand

Service provider microentrepreneurs highlight that professional work as a microentrepreneur inherently involves a deep personal attachment, with the service sold as an inseparable part of the entrepreneur’s identity and unique expertise bundle (See Table 5). Entrepreneurs describe this core of expertise as a situation in which they themselves are the primary product of their business. Especially solo entrepreneurs are forced to build their company around their own personal brand, which makes it almost impossible to differentiate the person from the business. Personification of expertise creates a significant challenge for expanding the company’s operations. Entrepreneurs find it almost impossible to duplicate or transfer their own expertise to external parties. When customer expectations focus on a particular top expert, offering a compensatory person does not meet the customer’s expectations, even if the person is professionally qualified. The phenomenon creates a bottleneck typical for professional service businesses, in which case the entrepreneurs’ personal presence is a prerequisite for service quality and credibility. The perfect intertwining of personal brand and corporate identity puts entrepreneurs under constant responsibility and uncertainty. When the entire business's continuity rests solely

on the entrepreneur's expertise, strategic renewal and growth opportunities are perceived as psychologically stressful and burdensome.

Personal brands emerge as a paradox for entrepreneurs. It is a lifeline and an attraction for many businesses, but it is also the biggest obstacle to growth. In the context of microenterprises, business is almost always built around the entrepreneur's personal brand, which makes the entrepreneur themselves a hindrance to their own growth. The strong personification of expertise leads to a situation in which the company cannot grow without jeopardizing service quality or customer-perceived value, as the entrepreneur's own input decreases. Therefore, business models dominated by a personal brand set a natural growth ceiling that is hard to overcome without foundational change in the service production operations.

Productization

Productization and conceptualization of services appear to be the main strategies of professional service microentrepreneurs to move away from traditional time-based billing, as shown in Table 5. Entrepreneurs define productization as packaging expertise into repeatable, replicable bundles, in which case the service needs processes and customization standardization. In successful cases, entrepreneurs have created research-based digital products, standardized training materials, and tools that enable the delegation of operational tasks to external parties. In this way, an entrepreneur's role shifts from expert to strategic operator, enabling business scaling without increasing the entrepreneur's workload.

However, there are some challenges in implementing productization in practice. One of the most critical challenges is the time and resources needed for onboarding. Even if the service was designed to be delegated, onboarding and quality assurance require an entrepreneur to invest significant time, which can become an insurmountable obstacle in a hectic day-to-

day operational life. In addition, marketing and targeting fully digital products, such as online courses, is seen as quite a demanding business. Achieving scalability requires continuous search for the right target audience and significant investments in sales volume, which, according to professional service entrepreneurs, is not a straight path to growing fast.

The most significant structural obstacle to productization-based growth is the entrepreneur's strong personal attachment to professional work (see Table 5). The entrepreneur's own identity and presence are the key values customers are purchasing. Customer expectations are focused specifically on the entrepreneur's expertise, even when service processes and materials are productized. In this case, offering a compensatory service provider or a fully automated service might jeopardize the value the customer experiences. This creates a constant tension between business development and human interaction. It is almost impossible to productize the individual interactions without compromising the service's effectiveness.

Entrepreneurs are also concerned about how they will ensure service quality and the results achieved by the client if their personal contribution is reduced. The best results, according to entrepreneurs, are usually linked to the individual support and accountability they provide. Scaling into more group- or digital-based solutions is seen as risky in terms of customer impact. It is challenging to ensure that the customer can put into practice what they have learned and achieve the set targets without the constant presence and customized support from the entrepreneur. This quality assurance problem is a key mental barrier to growth because entrepreneurs feel a strong sense of responsibility to deliver on the service promise. The fear that a scalable model will produce weaker results than personal consulting leads entrepreneurs to stick to traditional, but hardly scalable, operating models so that the high level of professional work and customer satisfaction is not jeopardized.

Entrepreneurs are trying to solve this conflict with a hybrid model that offers side-by-side services, with products varying in degree of productization. In this way, self-paced digital courses and standardized product packages serve as low-threshold paths that help customers later move on to more personalized and highly refined professional services. Hence, digital products not only generate passive income but also serve as a strategic part of the customer path, balancing efficient scalability with individual mentoring that represents a high level of expertise.

Market situation, price competition, and verification of the value of expert work.

External factors such as economic cycles and increased competition are emerging as significant constraints on growth (see Table 5). Common economic uncertainty and recession are immediately reflected in the demand for professional services, as corporate customers prioritize costs and are quick to cut their investments in marketing, work well-being, and consultancy services. This puts professional service entrepreneurs in a situation where the necessity of their services must be justified even further within increasingly tight budget constraints, making it difficult to acquire new customers and expand existing customer relationships.

Challenges are deepened by the technological revolution, where the widespread use of AI and easy-to-use digital design tools has increased the “do-it-yourself” culture. This trend has blurred the line between professional expertise and amateur production, diminishing customers’ ability to understand the value of high-quality service and the resulting price. Markets are perceived as distorted when new businesses enter the industry whose pricing is not based on commercially sustainable calculations but on low hourly rates. This results in lower price levels in both the private and public sectors, where qualitative differences in expertise are often difficult to verify through price comparisons alone.

A central strategic challenge in the B2B market is demonstrating the effectiveness and return on investment (ROI) of professional services. Because there is limited research on the effectiveness of certain professional services, such as guidance or coaching, employers might second-guess the need for the investment. This forces entrepreneurs to spend a significant amount of time trying to prove the value of their service and improving the effectiveness of their sales processes. This results in a direct decrease in the resources available to develop the company's long-term scalability. In the end, the combination of quality assurance, careful planning, and the time investment required for customer-specific implementation creates a structural conflict. The pursuit of high-level professional services consumes resources needed for business growth and the development of new operations.

Table 5 Quotes about perceived challenges as service providers

Theme	Quote	Interviewee
Personal brand	"It just does not work when it is personalized, and they want the one person to train them. Not just anyone can go there."	Entrepreneur #6
	"I see that my company will probably always be driven by my personal brand."	Entrepreneur #1
Productization	"I have a certain type of training that I do, and they are always the same in content, so I do not tailor the training."	Entrepreneur #10
	"Not everyone wants coaching. Some people want to study that knowledge in a different way."	Entrepreneur #8
	"For me, the scaling that I have been thinking about a lot is something like group-based coaching or maybe even a smaller entity that does not require my personal help and support."	Entrepreneur #1
	"I would (...) build a smaller service alongside my current one, which would be more scalable and would act as a path to my individual coaching."	Entrepreneur #1
Value of professional work	"It is so hard for people to see the value of this work."	Entrepreneur #2
	"I know that in the end, the person achieves the best results when they have that support, that accountability, and that personal touch."	Entrepreneur #1
Price competition	"There are a lot of coaching businesses, as well as professional guidance, so there is a lot of competition."	Entrepreneur #10

	“Over the past 16 years, the stairs that have been climbed and the pricing has reached the level it should be. So, then competitors will appear who sell at a price that matches the hourly wage of a cashier.”	Entrepreneur #6
Market situation	“There is significantly less work. (...) For example, last year I had several projects that were already agreed and then they were cancelled because the customers could not order them.”	Entrepreneur #2
	“The economic recession that we have is a challenge. These services are now primarily being cut because they are not a necessity in the workplace.”	Entrepreneur #10
	“Companies’ decision-makers will not buy anything if you do not have ROI or something more than just imaginary proof.”	Entrepreneur #10

4.4 Growth opportunities

Opportunities for scaling arise from innate ambition and motivation. The interviewees expressed a desire to see how far the company’s potential can go, which reflects their entrepreneurial ambition and a need for respect within their professional community. This subjective drive for growth is not only financial; it is also part of the entrepreneur’s identity construction and search for meaning. The interviewees want to share their expertise with a broad audience and find great meaning in helping others.

Customer segmentation and pricing strategy optimization

Entrepreneurs acknowledge that scaling and growth do not always require linearly increasing operational work but can be achieved through conscious strategic choices, such as customer segments and pricing models, as seen in Table 6. One of the central observations is the possibility of moving from consumer (B2C) to corporate (B2B) and larger customer organizations. Microentrepreneurs perceive significant potential in giving up smaller, lower-paying customers and centralizing resources with capital-rich organizations and more comprehensive projects. The change in segmentation enables larger individual

assignments and a better margin, allowing turnover to grow slowly without increasing the number of customers excessively.

When scaling through pricing strategy, entrepreneurs have found that shifting from hourly-based to value-based pricing is the most effective way. In this model, the price of the service is determined by the benefit and impact it provides to the customer, breaking the direct relationship between hours spent and income received. Successful value-based pricing has enabled microentrepreneurs to make a significant leap in project-specific viability, a critical factor for scaling. Recognizing value and communicating it to the customer is seen as a skill that enables higher appreciation of expert work and financial growth without extending working hours.

In addition, scalable, low-threshold products are used in the growth strategy as part of the systematic sales path. Light digital services and products, like automated mini-courses or short challenges, work as throw-in products. Their purpose is to bring profit without the entrepreneur's direct time investment and to screen and prepare customers for higher-priced services that require more individual expertise. The hybrid approach enables the use of mass markets through digitalization. In this way, entrepreneurs can save their finite, valuable time for more demanding and profitable customers. Therefore, strategic segmentation and the creation of a hierarchical product family create a service selection in which growth is based on maximizing efficiency and value creation.

However, the difficulty in productizing and the attitude towards knowledge codification vary across industries. The process is perceived as the most challenging in the fields of coaching, professional training, and welfare. There, the value of the service is strongly linked to genuine human encounters and trust. Productization is hindered by the fear of guaranteeing results without personal support and the limitations of artificial intelligence as a substitute for human interaction. In addition, the strong personalization of expertise constitutes a

significant bottleneck, as customers often specifically require input from a specific top expert. This makes it difficult to transfer expertise to replicable products or other employees.

In contrast, in B2B and data-driven fields, productization has been most successful because services can be tied to clear data and method branding. In this case, expertise is transferred from the personal brand to the process itself, enabling global scaling, though the digitalization of expertise often requires years of documentation work. In the visual and marketing industries, the challenge is the do-it-yourself culture and the rise of artificial intelligence, which obscures the value of expert work in customers' eyes and makes it difficult to price larger, productized projects.

External Resources and strategic partnerships

Microentrepreneurs identify the utilization of a variety of external resources and partnerships as a strategy that allows them to scale their businesses beyond their own abilities (see Table 6). The most used strategy for this is optimizing the division of work. In this case, the entrepreneur focuses on their key competencies and strategic management while delegating operational customer work to subcontractors or other professional service firms. This model enables turnover growth and a wider service selection without the entrepreneur's time becoming an absolute block to growth. Identifying one's own skill palette and filling it with the unique skills of other professionals is seen as a direct prerequisite for a business that can serve larger customer volumes while still preserving the quality required for professional work.

While working with professionals in the same field is seen as a prerequisite for scaling, working with professionals in different fields is considered a prerequisite for scaling. Entrepreneurs have recognized that it is a waste of time and resources to try to do everything themselves, especially for tasks that do not directly contribute to the business's profitability. Outsourcing, for example, accounting, sales, marketing, and new customer

acquisition, was seen as an even more important way of scaling than broadening the selection of services with subcontractors. Because many entrepreneurs perceive customer acquisition as distressing or a poor fit for their role, external sales and marketing partnerships are seen as helping them overcome bottlenecks and reduce the stress of unpleasant tasks.

Digital networking platforms and professional entrepreneur communities are seen as potential growth opportunities and sources of new business opportunities. Systematic presence on professional social media channels like LinkedIn has generated a steady stream of demand for several entrepreneurs, underscoring the impact of digital networking in building a professional brand. Physical entrepreneur networks and organizational activities are also seen as valuable channels for lead generation. In these networks, entrepreneurs gain direct customer contacts, peer support, and partnership opportunities, which strengthen the business's market position and enable broader visibility without the traditional, pricey marketing investments. Therefore, strategic networking and partnership building form a dynamic whole that supports scalability by enhancing the entrepreneur's well-being and enabling efficient resource allocation.

Digital automation and AI

As seen in Table 6, entrepreneurs see decreasing manual work through automation and AI as a direct prerequisite for growth. Building a proactive digital infrastructure is one of the most common ways microentrepreneurs use automation. This means that businesses' basic operations, such as appointment booking systems and payment transactions, have already been automated and synchronized with the entrepreneur's calendar management in the early stages of operation. This use of integrated systems enables the management of larger customer volumes without the administrative work increasing in proportion. Automated structure eliminates operational bottlenecks and creates a scalable foundation. This enables

entrepreneurs to allocate their resources from routine administrative work to actual professional work and strategic development.

The deeper integration of artificial intelligence into everyday work is also seen as a significant productivity enhancer and a creative resource. Microentrepreneurs use AI in diverse ways as a creative sparring partner and a helper in content production, which quickens the planning and implementation of marketing and communications. Prospects emphasize visions to utilize AI in demanding analytical tasks, such as processing large data sets and email chains, structured information management, and complex budgeting and calculation processes. AI is not only seen as a technical helper but also as an analytical tool that enables experts to make more efficient use of their time and improve decision-making quality, which, in turn, supports the company's long-term growth goals.

Internationalization and global markets

Many microentrepreneurs also perceive internationalization as a possibility and a means of scaling and growth that enables overcoming the limitations of domestic markets, especially in digital operating environments. Even though international markets are not equally straightforward for all fields, many entrepreneurs see the use of global demand as a possibility for scaling their expertise. Improving language accessibility and internationalizing the digital presence are identified as straightforward yet effective first steps toward new growth. For example, creating English-language online content is seen to open completely new market segments to existing expertise with minimal operational charges. Exporting expertise is seen as a possibility and a natural continuation of former cross-border projects. International projects and global networking offer professional service firms the opportunity to leverage their expertise on a scalable basis beyond physical land borders. Therefore, internationalization is not only an objective but also a strategic tool that enables the positioning of expertise in broader, more dynamic markets.

Table 6 Quotes about scaling opportunities

Theme	Quote	Interviewee
Pricing strategy	"For me, scaling has meant that I have learned to price correctly."	Entrepreneur #4
	"I have tried to digitize as far as possible to get passive business with like data analytics tools with license fees and then (...) business simulators with license fees."	Entrepreneur #5
Customer segmentation	"If you want to scale more, you should leave the B2C side out completely because the money is there on the B2B side."	Entrepreneur #3
	"I would want to get rid of customers with a small budget and then replace them with customers who have more capital and bigger projects."	Entrepreneur #2
Strategic partnerships	"Using external help, utilizing freelancers in the work, has helped to scale certain functions like producing WordPress websites, because I do not do WordPress myself, so having someone do it allows me to offer a variety of services."	Entrepreneur #4
	"I would acquire around me people with expertise that are not my strengths and that I need. (...) I would use them as leverage to get ahead."	Entrepreneur #9
External resources	"LinkedIn is pretty good. I have gotten a lot of contacts and offers from there. (...) Now it's been a bit of a situation where I've had to say no, I don't have time."	Entrepreneur #3
	"I feel that you have to be active in networks yourself and give value to others. You cannot just be there to take."	Entrepreneur #10
Automation and AI	"I connected all my domains and emails so that when I get an appointment in the calendar, I get a note about that in my private email. And if I put a note in my calendar that I am busy, it will automatically exclude it from my appointment calendar."	Entrepreneur #7
	"Blog posts have been done for the next year with AI, and it reminds me of other tasks related to content production."	Entrepreneur #10
	"One example is that (...), when an email thread might have a huge number of messages, AI could then sort out the most important information."	Entrepreneur #2
	"Using some programs or budgeting tools or such ready-made ones would make (work) faster and easier."	Entrepreneur #9
Internationalization	"I have productized everything in Finnish and English	Entrepreneur

	from the beginning. I am prepared for that one beautiful day when the moment comes (internationalization)."	#5
	"Of course, one growth opportunity is to work internationally and work with people abroad."	Entrepreneur #2

4.5 Summary

The study shows that professional service entrepreneurs define scaling significantly broader than the traditional model, which aims for aggressive growth and increased personnel. Scaling is not seen as self-intentional growth but as a means to optimize resources and achieve time autonomy. The key objective is to break free from hourly billing and shift towards productized offerings, such as digital services or group coaching. This makes sure that the entrepreneur's own work input does not grow in proportion to the number of customers. Strategic scaling is closely linked to the development of operating models. This means switching to value-based pricing and reducing the customer base by giving up lower capital customers and focusing on bigger, more scalable ones. At its extreme, microentrepreneurs perceive scaling as the full digitalization of their expertise and derive all their income from passive sources.

The obstacles to scaling and growth create a complex combination that can be divided into structural, psychological, and market-related factors, as shown in Table 7. The most significant obstacle perceived is the strong personification of expert work. Entrepreneurs are concerned that customers buy the unique expertise of the entrepreneur, which is impossible to duplicate or delegate without compromising quality and customer satisfaction. On a psychological level, growth is obstructed by entrepreneurs' self-imposed internal restrictions, such as avoiding risk-taking, fear of burning out, and fear of losing freedom. Microentrepreneurs are constantly balancing between pursuing growth and ensuring a good quality of life, which leads to a conscious hindrance to growth. Emerging external growth obstacles are, for example, blurring of the value of expert work due to "do-it-

yourself" culture and increasing usage of AI, unhealthy price competition, and inflexibility of legislation, especially regarding entrepreneurs' pension insurance (YEL). In addition, public support mechanisms are perceived as lacking, as they support only technological innovations rather than the development of sales and marketing, which microentrepreneurs deem vital to the survival of their businesses.

Despite the obstacles, professional service microentrepreneurs identify significant opportunities to scale their businesses. The most promising approach is to extreme productize and conceptualize their expertise, creating online courses and digital tools that can be implemented by a partner or for which the customer assumes responsibility. Digital tools and AI are seen as vital liberators of resources. Automation enables managing routine tasks, while online solutions open the door to passive income. In addition, networking and strategic partnerships can increase capacity without hiring employees. Above all, digitalization erases geographical barriers, enabling international expansion.

Table 7 Perceived challenges and opportunities

	Obstacles	Opportunities
Psychological factors	<ul style="list-style-type: none"> • Fear of losing control • Opposition to knowledge codification • Personification of expert work • Lack of risk-taking abilities 	<ul style="list-style-type: none"> • Ambition to be respected • Wanting to share the expertise to a broader audience • Financial security
Structural factors	<ul style="list-style-type: none"> • Liability of smallness • Opacity of service quality • Blurring of perceived value 	<ul style="list-style-type: none"> • Customer segmentation and pricing strategy • Strategic partnerships • Automation and AI
Institutional & societal factors	<ul style="list-style-type: none"> • Inflexibility of entrepreneur's pension insurance act • Lack of sufficient public financial support • Stigma of failure • Risk of employment and bureaucracy 	<ul style="list-style-type: none"> • Social capital and networking • Internationalization • Enhanced communication about support options

5 Discussion & Conclusion

This study aimed to develop a deep understanding of entrepreneurs' subjective perceptions of the challenges and opportunities of scaling in the context of professional service microenterprises. Empirical findings revealed that for microentrepreneurs, scaling is not only about exceeding financial growth targets but is also strongly linked to the entrepreneur's time management, quality of life, and structural breakthroughs or changes in the business operating model.

In this chapter, the research results align with the previous theoretical framework and the literature. The aim is to analyze how entrepreneurs' experiences with the personification of expert work, growth obstacles, and technological enablers relate to prevailing growth theories and models of professional service management. In addition, the chapter evaluates the new information generated by the research, presents practical recommendations for expert services and external parties, and discusses the research's limitations and future research opportunities.

Empirical observations complement the previous literature about the obstacles to scaling microenterprises. The most central issue is the entrepreneur's dilemma. The identity of a microentrepreneur is often built around strong individual expertise, rather than strategic leadership (Lund & Nielsen, 2018, p. 3). This creates tension where the delegation required for growth is seen as a risk to quality and control. It leads the entrepreneur to protect their expert profile at the expense of growth (R. Anderson & Ullah, 2014, p. 5). Furthermore, entrepreneurs may consciously prioritize quality of life and profitability over traditional growth (Polge et al., 2025, p. 763).

The codification of knowledge and the transfer processes required by scaling are often met with resistance, as entrepreneurs want to protect their professional freedom and the

uniqueness of their work (Bettioli et al., 2012, p. 551). Interview data shows that for most, value is created from tailored human interactions, which they do not want to automate. The exception is situations where the goal is to exit the company, which reinforces the theory of the connection between codification and growth, independent of the entrepreneur

The study also confirms the theory of liability of smallness. Resource scarcity, time pressure, and lack of strategic planning make entrepreneurs reactive actors (Gusenbauer et al., 2025, pp. 2868–2829). As stated in the research data, a constant balancing act between billable work and administrative work prevents risk-taking and strategic work, locking the company into complete dependence on the entrepreneur's own work input.

Even though the research data confirms many established perceptions about professional service entrepreneurship, it also includes observations that challenge traditional literature. The most important difference concerns the definition of scaling. While traditional theory emphasizes exponential growth, for microentrepreneurs, scaling means qualitative optimization to free up time management and improve quality of life. Another theoretically interesting contradiction appears in the two-way role of digitalization. Even though technology improves efficiency, it also blurs the perceived value of professional work in the customer's eyes, which makes it difficult to justify pricing and challenges the traditional view of technology as the only creator of competitive advantage.

New dimensions emerge in the incompatibility of public support systems with professional entrepreneurship. National growth financing instruments emphasize technological product development, which leaves professional service companies in the shadows. Although more flexible local forms of support exist, the knowledge gap prevents entrepreneurs from using them. This reinforces the experience of exclusion from the system. In addition, the study identifies sales avoidance as an identity issue. Professionals may find aggressive marketing to be inconsistent with their professional brand's credibility. The results also highlight the

importance of the social climate and the stigma of failure. The obstacle to growth is individual psychology, as well as broader cultural pressures and a desire for security, which limit microentrepreneurs' risk-taking.

5.1 Theoretical contributions

This research broadens the understanding of scaling micro-sized professional service enterprises by bringing a more human and in-depth perspective to traditional economic and growth research. Traditional business research, often leaning on positivist science philosophy, emphasizes generalizable cause-and-effect relationships and measurable indicators, which often leaves entrepreneurs' subjective meanings, feelings, and individual experiences in the shadows (Wheeler & Murphy, 2016, p. 102). Although statistical research is capable of pointing out, as a statistical fact, that the majority of microenterprises do not achieve significant growth, it cannot explain the deep and multidimensional motivation factors affecting the background (Junjie & Yingxin, 2022, p. 11). An interpretivist research approach has enabled the fulfillment of this gap. In the heart of this approach is the presumption that reality is built socially, and people's actions can only be understood by examining the subjective meanings they themselves give to their experiences and their operating environment (Wheeler & Murphy, 2016, p. 103). Because of this choice, the research manages to reach the concept of scaling from "inside", that is, from the entrepreneur's own perspective.

The research shows that the non-scalability of professional service microenterprises is a conscious choice driven by entrepreneurs' values, identity, and pursuit of a high quality of life. This observation challenges the prevailing growth normativity and offers a more nuanced way of understanding the success of microentrepreneurs and the phenomenon of scaling, in which human factors are at least as significant as business mechanisms.

The research's theoretical contributions can be divided into three key themes: (1) Redefining scalability, (2) understanding resistance to knowledge codification as a question of identity, and (3) questioning the positivist growth mindset.

5.1.1 Reframing the concept of scalability

This research challenges the prevailing perception in traditional business literature, which associates scaling with fast growth and exponential capacity expansion. In positivistic research philosophy, this kind of growth often appears as universal and self-explanatory goals, as positivism aims to discover common laws towards which all subjects are expected to comply (Maksimović & Evtimov, 2023). The findings of this research show that, in the context of professional service microenterprises, the superiority of growth ideals is questionable. Interpretivist analysis reveals that scaling does not necessarily mean increasing size, number of employees, or turnover for microentrepreneurs in the traditional sense. Instead, it is seen as the qualitative optimization of resources and time management that enables them to maximize personal freedom, quality of life, and the meaningfulness of work. This observation broadens the theoretical discussion about scaling deep, in which case the emphasis moves from quantitative expansion to qualitative deepening. This includes factors such as service quality, internal processes, and customer relationship development.

The research contributes to the previous literature by showing that the “no-growth” strategy fostered by microentrepreneurs is not a sign of lack of entrepreneurial orientation or failure. It is the opposite. It appears to be a rational and conscious pursuit to optimize business margins and maintain a balance between work and personal life. Thus, scaling professional service firms can be seen as a tool for managing human risks in entrepreneurship and for building a sustainable business grounded in the entrepreneur's values.

5.1.2 Resistance to knowledge codification as a question of identity

This research deepens the phenomenon identified in the previous KIBS literature, where experts resist codifying their silent knowledge, in other words, transforming it into a repeatable, standard process (Von Nordenflycht, 2010, p. 157). Traditionally, this has been seen as protecting the expert's dominant position and monopoly over knowledge. Whereas the positivist research tradition might interpret this phenomenon as a structural inefficiency or operational resistance to change, the interpretivist approach reveals the deeper identity-based structures underlying it. The research shows that resistance to knowledge codification is a fundamental protective mechanism related to identity and value creation. For entrepreneurs, their expertise and the value of their service culminate in a genuine, human, and customized encounter that is not perceived as being moved to AI or another person without jeopardizing the perceived meaningfulness of the service or the expert brand. When the entrepreneur's identity and the company's core expertise are intertwined, traditional scaling methods appear as a threat to the entrepreneur's own expert identity.

Thus, the research broadens the understanding of the difficulty of decision-making and decentralization of power, also known as the entrepreneur's dilemma (Lund & Nielsen, 2018, p.3). It shows that it is not only about business management or technical optimization problems, but also a strong emotional and psychological process. In the context of professional service entrepreneurs, scaling obstacles are not only external structures; they also arise from the entrepreneur's need to preserve the integrity of their expertise and control over their own creative work.

5.1.3 Questioning the positivist growth imperative and emphasizing context

This study shows that professional service entrepreneurs' pursuit of growth and scaling is linked to their life situations, social climate, and institutions such as public support structures. While positivist research culture often emphasizes neutral observation and

covering laws over individual and contextual variables (Ryan, 2015, pp. 421–422), this study places them at the center of the analysis. In accordance with the interpretivist approach, the research assumes that human perception is always bound to time, place, and culture. By giving voice to entrepreneurs' individual subjective experiences, the study reveals a critical mismatch between current institutions and their everyday lives. The study contributes to entrepreneurship literature by highlighting the microentrepreneurs' development debt. Current political and economic support systems are built to support the traditional industrial or technological hypergrowth model. This leaves professional service entrepreneurs striving for quality and scaling deep, without appropriate support or the possibility of pursuing greater visions.

In summary, the study expands the theoretical understanding of professional entrepreneurship. It shifts the focus from the technical question of "How to make a company grow?" to a more suitable question: "What do growth and scaling mean to the professional entrepreneur in their own context?" This level of understanding can only be achieved through placing oneself inside the world of research subjects. The study, therefore, provides a qualitative contribution to existing, often quantitative-focused and growth-normative entrepreneurship research. It reveals the multidimensional and deeply human nature of professional entrepreneurship.

5.2 Managerial implications

The research results provide several practical applications for professional service microentrepreneurs who consider expanding and developing their businesses.

5.2.1 Accepting deep scaling as a strategic choice

Entrepreneurs should free themselves from the traditional ideal of fast growth and make room for figuring out what scaling means in the context of their own business. This research

shows that the no-growth strategy is a conscious choice made by microentrepreneurs. They choose to optimize business operations without the risks of growth. Professionals are prone to focus on saving resources and freeing up their own time. Because of this new definition of scaling, it should not be measured only by revenue growth. It should also be measured by the ability to deliver more value with fewer resources. This requires a shift away from hourly billing towards more efficient pricing models.

In addition, entrepreneurs are encouraged to consciously reduce their customer base and focus on its quality. Scaling deep means strengthening their position by improving service quality and deepening market share among the most profitable customer groups. In practice, this means strategically abandoning low-margin projects and focusing on high-value B2B projects that enable long-term partnerships and more stable cash flow.

Finally, to ensure the smoothness and scalability of the professional work, it is recommended that the professionals conceptualize their framework. To avoid starting heavy processes from scratch for each project, the expert should build repeatable service frames and audit models. This kind of structural framework allows for flexible adaptation to each client's needs without compromising depth of expertise or efficiency.

5.2.2 Integrity of sales and identity

The research shows that many professional service entrepreneurs find traditional sales work unpleasant and fear that aggressive marketing undermines the credibility of their expert brand. However, as sales are vital for the scaling and continuity of the business, experts must find a way of communication that aligns with their professional identity. A key recommendation is to shift from hourly to value-based pricing and clearly communicate the service's return on investment to customers. Because the quality of an expert service is often opaque to the customer beforehand, the value must be concretized. Entrepreneurs need to learn how to communicate the benefits customers will get from the service, rather

than just the time required. When the focus shifts from hourly billing to the change the customer achieves, the sales conversation becomes an expert-led definition of value.

Another recommended method is to soften the purchase path through productization. The purchasing threshold can be lowered by offering expertise first through digital products, guides, and self-study materials. These work as a scalable source of income and as a throw-in product that builds trust. With their help, customers can be convinced of the entrepreneur's expertise before investing in a more valuable, individualized service, thereby reducing the need for direct selling later in the purchasing process.

Finally, the entrepreneur is encouraged to reframe the sales situation as part of the expert work. In expert fields, the value is created from the start by diagnosing the problem together with the customer. If the sales situation is perceived as a consultative process and solving a customer challenge, it does not feel like selling. In this way, sales are combined with the expert's natural desire to help, which makes commercial communication credible and ethically sustainable.

5.2.3 Structural flexibility

The study revealed a critical gap between public support structures and professional service entrepreneurship, which leads to what is called development debt among professional service firms. Because traditional financing instruments are primarily directed toward technological product development, microentrepreneurs are left to address their resource constraints in other ways. This highlights the structural inflexibility. The key recommendation is to leverage social capital and strategic partnerships actively. Microenterprises do not have to bear the risk of employment to grow their business. Instead, growth can be built in a more network-based way. Microentrepreneurs are advised to outsource tasks outside their core expertise. This enables the focus on high-value-added

expert work while the company's capacity flexibly increases with demand, without a significant increase in fixed costs.

It is also recommended that professional entrepreneurs build a digital foundation as early as possible. Digital orientation is not only an enhancement tool but a vital prerequisite for long-term competitive advantage and scalability. Implementing automation for administrative tasks in the early stages of the business ensures that the administrative burden will not grow into an obstacle to growth as the number of customers increases. Especially experimenting with AI as an idea generator and routine manager offers microenterprises the possibility of operating as larger operations than they are.

Entrepreneurs are recommended to utilize peer support as a tool for learning and reflection. Because formal public support institutions are finite for microentrepreneurs, the role of unofficial entrepreneur networks and professional communities is highlighted. Participating in LinkedIn groups, entrepreneur organizations, or local networks not only offers new business opportunities but also provides the necessary support.

5.3 Policy implications

The results of this study show that releasing the growth potential of professional service microenterprises requires significant structural changes, combined with shifts in entrepreneurs' strategic choices. Public institutions and policymakers must recognize the reality of microentrepreneurs and adapt legislation and support systems to be more flexible than they currently are. The following recommendations are directed at the government, policymakers, and public support institutions.

Policy makers should acknowledge that microenterprises constitute the majority of the Finnish business sector and serve as drivers of economic sustainability (Iaroslav et al., 2022,

p. 899). However, the study reveals a deep inequality in the current support system. Enterprises with fewer than 10 employees feel excluded from public support. This perception can be seen as a lack of support instruments and inefficient communication, despite the previous literature indicating that financial support for microenterprises does exist. External public financial support is the basis for innovation and a competitive advantage for SMEs, enabling service differentiation and increasing brand awareness (Park et al., 2020, p. 215). Public support is vital for SMEs, especially in times of crisis, as it enables growth by offering companies resources they would not otherwise have access to due to their small size (Otache & Usang, 2022, p. 79). This is why being aware of and having access to public support is vital for the continuity of microenterprises. A central recommendation is to enhance communication between authorities and entrepreneurs to ensure that entrepreneurs are aware of all support options to which they are eligible. To offer equal support for all microenterprises, it is also important to shift at least some of the focus of support functions from product development to commercialization and sales. Microentrepreneurs perceive that current instruments favor technological innovation almost exclusively, even though the vital bottleneck for scaling up professional service enterprises is precisely the development of sales and marketing. In addition, low-threshold support instruments, such as innovation vouchers, should be restored and made more flexible. This would enable even smaller operators to get external help in scaling their business.

At the legislative level, the Entrepreneurs' Pension Act is perceived as one of the most significant obstacles to risk-taking. Microentrepreneurs see that the system does not function as a safety net for entrepreneurs but is perceived as a burdensome, punitive structure. Eesley & Lee (2023) state that when entrepreneurs perceive the systems as inflexible and unfair, it immediately weakens their trust in the system and willingness to invest in scaling the company. Decision-makers need to reform the YEL system to stop it from acting as a bottleneck to growth. Currently, entrepreneurs fear that as turnover and profits

increase, mandatory insurance contributions will rise to a level that takes resources away from business development and, for example, outsourcing. The system should be shifted to a direction that offers entrepreneurs more freedom and flexibility to decide on the level of their own pension security in relation to their life situation.

In summary, the enormous potential of Finnish professional entrepreneurship remains partly untapped due to the lack of structural support. By changing the criteria for public funding to reflect expert work better, and by correcting the leakage defects of the YEL system, the state can create an environment where risk-taking and scaling are attractive and financially sustainable options for micro-sized companies as well.

5.4 Limitations and suggestions for research

This study has certain limitations that must be considered when interpreting the results. These limitations stem from the chosen research philosophy, data collection methods, the delimitation of the target population, and the study's geographical and institutional context. The limitations and new findings from the research open several interesting and necessary directions for future research.

As this is a qualitative study grounded in an interpretivist science philosophy, its primary goal is not statistical generalizability but rather a deep understanding of the phenomenon from the inside (Alharahsheh & Pius, 2020, p. 40). The empirical data for the study consist of interviews with 10 Finnish professional service microentrepreneurs. Although the data reached saturation regarding key themes, it must be noted that these are subjective experiences from a small group. The results cannot be generalized to all Finnish microenterprises, but they provide a qualitative, context-specific view of the phenomenon under study. In the future, it will be important to test these findings quantitatively with a larger sample. A quantitative survey could reveal how many Finnish professional service

microentrepreneurs follow a conscious no-growth strategy and what factors drive this choice.

The research is limited to knowledge-intensive business services, which are characterized by the immateriality of work and the co-creation of value with the customer (Von Nordenflycht, 2010, p. 157). Many of the observed scaling barriers are typical of knowledge-intensive industries. For this reason, the findings are not directly transferable to companies focused on, for example, manufacturing or retail, which have different growth mechanisms. A comparative study between the KIBS sector and other industries to distinguish which growth barriers are purely psychological and which are due to industry structures.

The interpretivist approach emphasizes that human experiences are always bound by time and place (Wheeler & Murphy, 2016, p. 103). The study has been conducted by drawing data collectively from Finnish microentrepreneurs. Therefore, they reflect Finnish legislation, the financial systems, and the social climate. In particular, the challenges posed by the YEL system and the structural inadequacy of public growth funding for microenterprises emerged as significant factors in the data. The results also highlighted the stigmatizing nature of failure and the risk-averse culture in Finland. The findings, therefore, do not necessarily apply in countries where legislation or risk-taking culture is different, but could be applied, for example, in other Nordic countries.

The research material also revealed a dual attitude towards technology. It is seen both as an enabler of scalability and as a threat to the price premium of expert work. Future research should focus on this dynamic and explore how microenterprises can utilize AI to scale their expertise without compromising the perceived quality of service or human value. At the same time, international comparative research could help to clarify how institutional structures and cultural norms across different countries affect the adoption of technology in professional service firms.

The temporal context also needs to be considered. The research was conducted during a period of economic uncertainty and high inflation, which affected the demand for professional services and entrepreneurs' willingness to take financial risks. It is possible that the entrepreneurs' emphasis on a no-growth strategy and a search for security can be partly explained by this economic situation, and that during an economic boom, the attitude towards scaling could be different. A longitudinal study following the same entrepreneurs during an economic boom would help determine whether non-scalability and security-seeking are permanent, identity-linked states of expert entrepreneurship, or whether entrepreneurs' growth goals change as market attractiveness increases.

The data is based on entrepreneurs' subjective accounts. Self-reporting may be subject to social desirability bias, in which entrepreneurs may embellish their strategic choices or resources to maintain the impression of success inherent in their expert brand. In addition, the researcher's own background and preconceptions may have influenced the interpretation of the data. However, the researcher has strived for active reflexivity throughout the process to ensure the integrity of the analysis and fidelity to the interviewees' world of experience.

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Appendix

Interview questions

1. Briefly tell the story of your company and how you decided to become an entrepreneur.
2. What things are important to you as an entrepreneur?
3. What strengths do you feel you have as an entrepreneur?
4. What would “scaling” mean specifically in the context of your business and why?
5. So far, have you consciously sought to scale your operations?
6. Do you feel that your current business model is already scalable? In what ways?
7. In your opinion, how does the intangible nature of expert services and quality assurance hinder or facilitate the expansion of operations?
8. What factors within your company are currently preventing scaling or growth?
9. Which market or competitive factors do you perceive as the greatest obstacles to growth?
10. What is your biggest fear regarding scaling or growth?
11. How do you perceive the adequacy of your company’s financial and human resources if scaling and growth were to become relevant?
12. What internal factors do you believe would currently enable your company to scale and grow?
13. What external factors do you believe would currently enable your company to scale and grow?
14. How do you see digital tools helping in your work? What kind of tools do you use, and do you intend to expand the use of digital solutions in the future?

15. Do you see networks and partnerships could be beneficial in scaling your business?
How?
16. Which current laws, regulations or tax issues do you find to be the biggest bottlenecks for the growth of an expert service company?
17. What specific changes in legislation would make scaling and risk-taking more attractive to you?
18. In your opinion, is there sufficient public support and services available in Finland that could truly help an expert service company scale?
19. Is there any barrier or enabler for growth that has not been discussed in this interview yet?
20. How do you see your company in 5 years? Is it still personified to you, or is it more independently functioning entity?
21. If you knew now that in 5 years your company would be a large organization operating independently of you, what things would you do first to start scaling?