The Role of Business Coaching in Enhancing Startups' Investment Attractiveness

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Abstract

Aim: The purpose of this research is to examine the impact of business coaching on startups' capacity to attract private capital through the enhancement of strategic signaling and the leveraging of their competitive advantages.

Method: To achieve the objectives of the research, the study adopts a qualitative approach, employing in-depth interviews with startup founders and private investors. Using corporate ethnography to gain insights into the coaching process and its impact on investment readiness.

Result and Conclusion: The study shows that business coaching enhances startups presentation and strategic communication skills, which are vital to tool for the startups to attract private capital. Pitch coaching assists the founders in developing better business pitches which are appealing to investors. Cognitive coaching is a process that helps to enhance confidence and decision-making skills of founders. The strategic signaling improvements help reduce information asymmetry, thus making startups more appealing to investors. Therefore, business coaching enhances investors relations which in turn attract investments it also helps to achieve long-term business goals and opportunities for growth.

Further Research: Future research should explore into the extent of positive impact business coaching has on the success of startups and should consider covering a broader range of geographical locations and various industry sectors. Moreover, looking at the long-term impact of coaching on the viability and development of startups would offer more insights into the topic.

Contribution of the Thesis: This thesis contributes to the academic understanding of the role of business coaching in the startup ecosystem. It provides practical recommendations for entrepreneurs, investors, and policymakers on how coaching can be leveraged to improve investment attractiveness and strategic management. The integration of Signal Theory and the Resource-Based View (RBV) offers a robust theoretical framework for analyzing startups' competitive positioning.

Key Words: Business Coaching, Startups, Private Investment, Pitch Coaching, Cognitive Coaching, Signal Theory, Resource-Based View (RBV), Strategic Signaling, Competitive Advantage, Uppsala Startup Ecosystem.

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1. Introduction

The background of the study will be outlined in the introduction. The researchers will then describe the problem and present the purpose of this study and the research questions.

1.1 Background

In today's rapidly changing economic environment, startups play an important role in driving innovation and economic growth. The dynamic and robust startup ecosystems globally are not only pivotal in fostering technological advancements and service innovations but are also key contributors to job creation and economic development. According to the Global Startup Ecosystem Report (2023), the combined value generated by global startup ecosystems between 2017 and 2023 is estimated at $7.6 trillion, marking a significant increase from the previous five years (Startup Genome, 2023). This growth trajectory underscores the strategic importance of nurturing and investing in startups, which serve as critical catalysts in both local and global economies.

Despite startups potential they face numerous challenges that can impede their development and scalability, particularly in the realms of strategic management and capital acquisition. Among the most challenging obstacles is the problem of funding—a key element of any startup hoping to grow and succeed. Securing investments is a complex and competitive process, as investors are becoming more and more cautious and the innovative projects with clear strategic goals and strong management teams are being increasingly preferred (Drover, Wood & Zacharakis 2017). In this context, business coaching has emerged as a critical tool that helps entrepreneurs navigate these challenges by enhancing their strategic thinking, leadership skills, and overall organizational effectiveness. Research by Audet and Couteret (2012) has pointed to the impact of business coaching on improving managerial decisions and business outcomes in small and medium enterprises.

In this competitive environment, the role of business coaching has become increasingly relevant to gain a competitive advantage (Jansen 2023). As entrepreneurs strive to articulate their vision and strategy to potential investors coaching can play a transformative role in shaping the narratives and strategies that appeal to private capital. A growing body of research suggests that targeted coaching can significantly influence a startup's trajectory by enhancing its leadership's strategic thinking and operational effectiveness. For instance, a study by Feldman and Lankau (2005) highlights that executive coaching leads to marked improvements in executive performance, directly influencing organizational success.

However, the mechanisms through which coaching impacts a startup's ability to attract and secure investment are not just about improved performance metrics or enhanced managerial skills. They also involve the subtler art of signaling—transmitting the right signals to potential investors about a startup's market potential and managerial sharpness. Signaling according to Spence (1973), as an economic concept, plays a critical role in reducing the information asymmetry between a startup and its potential investors, thereby facilitating investment decisions.

This thesis will analyze these aspects, paying attention to how business coaching can be helpful in signaling to investors the competitive advantage of a startup in attracting private investments. It goes into the fundamentals of how this influence comes about and how it is manifested in the high-stakes world of startup financing. By examining and collecting relevant data, personal stories, and professional opinions, this research attempts to launch a fresh discussion and deepen the knowledge of how business coaching and private investments are connected in the startup ecosystem. Exanimating the wider scale of economy development and startup achievement, this introduction gives an opportunity to explore the compelling subject of coaching as a tool for the startups on their way to obtain private funding. In the course of the next chapters, the study will exeminate these themes in detail, and thus provide the ground for understanding not only the tangible advantages of a startup but also understanding the intangible advantages of business coaching in the startup investment environment.

1.2 Problem Statement

There is a developing sense in academia that professional challenges must be confronted in startups. Coaches serve as mentors with both personal support and tactical assistance and as a way to deal with specific challenges that may emerge when growing a business (Matoug, Reinecke & Weber 2024). Katz and Neubaum (2008) noted that coaching interventions on workplace professionalism have positive significant impacts on the basic dimensions of entrepreneurship in the form of growth, profitability and scalability. These outcomes are important for securing new funds for a startup and for maintaining the secured funds (Brinckmann & Kim 2015).

But nevertheless, there is a notable gap in academia concerning the use of business coaching as a means of attracting investors through signaling mechanisms (Ahlers, Cumming, Günther & Schweizer 2015). Signaling competitive advantages is an important factor for fundraising as it enables companies to signal their perceived worth and the sustainability of their operations to investors who typically use such factors to make funding decisions (Connelly, Certo & Ireland 2011). This research attempts to address this gap by looking at how business coaching contributes to a startup's capability to attract or acquire private capital. Focus will lay on the effectiveness of certain coaching strategies in making a startup more attractive to investors and how to better signal their competitive advantages to help the startup secure capital.

1.3 The objectives and questions of the research

The purpose of this research is to investigate the impact of business coaching on startups, particularly focusing on how it enhances their ability to attract private capital. The study aims to explore the mechanisms through which business coaching improves startups strategic signaling and leverages their competitive advantages, thereby increasing their investment readiness and appeal to private investors.

- How does business coaching influence a startup's ability to attract and secure private investment?
- How does the process of improved signaling of competitive advantages facilitate the acquisition of capital?

1.4 Research Overview

The applied research was conducted within the dynamic startup ecosystem of Organization X uses a qualitative methodology to shed light on the relationship between business coaching, signaling theory, and gaining a competitive advantage. The research is specifically designed to give a detailed account of the role of business coaching in context of receiving private investments. Through combining theories, in entrepreneurship, management and finance literature, this research won't only develop the knowledge base of the academic target community but also provide actionable recommendations relevant for entrepreneurs, investors and policymakers. The result of the present study can be summarized in two ways: first in its theoretical contribution and secondly in its practical contribution.

2. Literature review

This chapter introduces a theoretical framework for the research topic based on the reviewed literature. It begins with a brief definition of startups, followed by explanations of business coaching and pitch coaching. Subsequently, it covers signaling theory and discusses how companies can achieve a competitive advantage. The chapter concludes with two shorter sections addressing gaps in existing research.

2.1 Startup: conceptual approaches and essence

The term startup refers to a business starting its operations. Startup companies are founded by one or more entrepreneurs who have an idea or invention for which they believe there is a demand. Most startups begin their operations with high expenses and little income; hence they are in search of capital from various sources (Baldridge, 2022).

Startups that have high costs and low revenue, usually makes them more dependent on investments. Therefore, investments play a vital role in a startups possibility to survive as it implies a way to improve, grow or become more mature and successful in operating business (Grant 2024). According to Limar (2023) investors can provide advice, a network and strategically guided solutions that enable startups to scale up their operations, grow their market relevance, and navigate industry challenges with ease.

A startup has a life cycle that can be roughly categorized into stages, each of which is characterized by different focus, challenges and goals. Blank and Dorf (2012) argue that the life cycle of a start-up is divided in six different cycles that is presented below.

Stage	Focus	Challenges	Goals
Idea and Conceptualization	Idea development	Identifying market needs	Formulate initial solutions
Seed and Development	Business setup	Securing funding	Develop product, market research
Startup Phase	Market entry	Market presence	Launch operations, refine marketing
Growth and Establishment	Expansion	Managing growth	Increase market share, manage structure
Scaling and Expansion	Scaling up	New markets	Expand markets, enhance portfolio
Maturity and Possible Exit	Stabilization and exit	Exit strategy	Consider exit or continue growth

Figure 1 *Life cycle of a startup based on Blank and Dorf (2012). Own illustration.*

Idea and Conceptualization: This is the first step when the seed stage of the startup is created, where the initial ideas or concepts are developed. Entrepreneurs watch the market, recognize a problem and make their product or service a solution of the problem.

Seed and Development: This stage is concentrating on how to start the business and is usually the most challenging and requires product development, market research and a lot of effort to secure early financing that comes from founders, friends and families, and often from angel investors.

Startup Phase: This phase is the launch and start of operations with a service or product. The primary sales targets and the marketing strategy to enter the market are the main issues here; also, there is the pitching of the company to investors in order to receive more funding and to grow.

Growth and Establishment: In this phase the startup is characterized by a hectic growth. As the brand becomes more popular, market share grows, customer base increases, and the structure of the organization becomes more complex. Addition investment usually come from venture capitalist which helps to sustain growth.

Scaling and expansion: Being well-established, the startups now want to move to the next level of operation, and that is scaling. This could be opening up to new markets, expanding the portfolio or acquiring other ventures.

Maturity and Possible Exit: Eventually, all the external conditions that spur growth will become equal, and the expansion will stabilize. As a startup, one may consider using some exit strategies like selling to a big company, merging with another company, or the initial public offering (IPO). They also may keep running as fully functioning business units, as well.
The life cycle of a business is important to be understood both entrepreneurs and investors. Each stage has its characteristics and requires proper actions to be taken to address the possible issues and achieve the goal. From the formation and development of an idea and a startup, through growth, and even its potential disappearance, it is possible to look for needs and opportunities in each phase for the improvement of a startup's sustainability Blank and Dorf (2012).

2.2 Business coaching.

This study will use business coaching for startups as a theory to address the research questions. Business coaching is a key component to help the journey of startup founders understand how they can expand their company and to help startup entrepreneurs develop their skills, gain new ideas, and broaden their networks (Aldianto, Anggadwita, Permatasari, Mirzanti & Williamson 2021).

However, it is crucial to recognize that personality traits play a significant role in the success or failure of entrepreneurial ventures. Research by Klotz and Neubaum (2016) highlights the complex process through which personality traits shape behavior and influence outcomes in entrepreneurial contexts. They emphasize the need for business coaching to also focus on mitigating the negative impacts of certain personality traits, ensuring that these traits do not hinder the growth and success of startups. By addressing both the positive and negative aspects of personality traits, coaching can provide a more comprehensive support system for entrepreneurs (Klotz & Neubaum 2016).

Business coaching for startups is that a coach with relevant experience and knowledge helps the startup in the early stages. It can be from gaining knowledge on the industry, how to present their company, how to hire the correct people or how to grow and get capital. Jansen (2023) explains that coaching is a vital tool in the success of a startup. Jansen specifies three main modes of assistance that are applicable for coaching startup´s and this is business coaching, executive coaching, and organizational coaching that are customized to solve particular problems. Business coaching emphasizes the assistance in the execution of operations, while executive coaching contributes to the development of leadership attributes of the leader. Organizational coaching takes a broader approach by focusing on the collective growth and development of the startup.

One of the distinguishing characteristics of business coaching lies in its emphasis on the operational and strategic aspects of the startup business. A part of business coaching is pitch coaching, which focuses on persuasive communication and is concerned with polishing the start-ups presentation and image to make it more appealing to potential investors and customers. It gives a specific approach to meeting the requirements of raising capital. This includes self-awareness, goal setting, and behavior change (Jones, Woods & Guilaume 2016).

In the view of Grant (2001) and Theeboom, Beersma and Vianen (2014), a winning pitch coaching may contain cognitive-behavioral strategies that help participants to identify and eradicate self-limiting beliefs that possibly may hamper their pitching performance, as well as the practical rehearsal and feedback cycle that can be used to improve the pitch delivery. These coaching interactions are to be engaged in order to obtain the maximum impact of the pitch from the standpoint of investor engagement, through an effective presentation of the business case.

On the other hand, for people who are looking for capital, it is very essential that pitch coaching focus on how to explain how investment will go into the startup, its viability of the market and the scalability of business model, these are some of the factors which determine the interest of the investors (Grant 2001).

Having a good and clear pitch can increase the trust and reputation in the entrepreneurs who are identified as having a clear plan and carefully consider their use of funds. For investors, the primary considerations are usually the return on investment and risk mitigation. Through the description of how the money will be spent, for example, in product development, marketing, or scaling operations, entrepreneurs illustrate their strategy planning skills and their intent of growing the business and making a profit. The increased clarity on these factors enables investors to determine the validity of the business idea and its potential for growth which are the very first factors that they focus on according to Burger-Helmchen and Guimtrandy (2022).

According to Grant (2001) coaching can have a positive psychology effect in a way to gain confidence for the participants involved in the coaching process. One technique of coaching that can help improve entrepreneurs' confidence and optimism is cognitive-based coaching. Cognitive-based coaching is an approach that is centered around the cognitive processes. The main goal of cognitive-based coaching is to gain awareness and insight that are necessary for the personal growth and to be able to manage oneself in a positive way. Cognitive coaching teaches people how to comprehend their own thinking processes, prejudice, and the assumptions they use to make their choices. Methods could entail, for example, reflective practices, and cognitive restructuring at the same time it is important to have an understanding about how thoughts influence the emotions and actions. Another part of cognitive coaching is that helps with gaining leadership skills according to Grant (2001).

Mansoori, Eesley and Sharif (2019) argues of the importance of coaching and the importance of coaching programs. Situated inside these coaching programs, entrepreneurs have the unique chance of going through life-changing educational programs, and teachings from highly experienced people. These programs are designed by experts to not only develop the individual competencies of founders but also to enhance the general competitiveness and investment appeal of startups, in the end aiming at pronounced growth and success for the startups in the emerging environment of startups.

2.3 Signal Theory

The Signal Theory, which belongs to the main economic and managerial literature, offers important information and alliance to companies and organizations about showing their features and characteristics (Spence, 1973). The Signaling Theory has been widely studied and applied across many different areas, the term ‘Signaling Theory’ stands for a concept that assumes that individuals with extraordinary skills or companies with superior quality status can deliberately send signals to external parties for personal or organizational advantage in competitive setting. The two-sided signaling, which is instrumental in overcoming the information asymmetry, where one party has more information than the other, is done by providing credible signals that indicate the quality or possibility of the party who’s signaling.

Spence (1973) identified several indicators which people can use for differentiating their properties in an effortless manner. The signs include level of education, job experience, membership in groups, and other qualitative characteristics that are the guides to an individual's ability, competence, and unrealized potential. By developing a cleverly thought-out mix of signals to send to the external stakeholders, individuals would be able to leverage the public’s view of them in a way that would strengthen their status in the market.

The article by Connelly et. al. (2011) represents a substantial review and analysis of Signal Theory, and how it helps to better understand organizational behavior and decision-making mechanisms. They indicated on the critical role of signals in downplaying perceptions and regulating stakeholder behaviors, especially in areas where financial markets, equipment's, and management take a center stage. In addition to these empirical investigations, other studies, such as the ones by Malmendier and Tate (2005), and Hermalin and Weisbach (1991), have demonstrated how signals differ in various instances.

Malmendier and Tate (2005) concentrated on how the educational background of the CEOs sends a signal of firm quality. Hermalin and Weisbach (1991) attention was on the role of dividend announcement as a signal of firm performance. Through these studies the signaling mechanisms can be observed as being all-pervasive and exerting influence over different fields and the ways of decision-making. Besides the use of this theory as an instrument in organizational issues, the theory has also been extended to explain how consumers behave and market dynamics.

Nelson (1970) described a situation in which individuals make decision based on other people's signals, in situations when there is uncertainty. This construct explains how factors of market dynamics and consumer behavior can be affected by signaling mechanisms. Such dynamics prove that signaling theory is an important tool to understand different economic phenomena. At last, signaling theory gives a helpful foundation with which the information asymmetry can be managed and the signaling precisely shapes the perceptions and decisions in diverse fields. Through the study of the signaling theory literature the researchers acquire knowledge about the channels as well as the instruments of strategic communication which help them to efficiently communicate their features and to acquire a competitive advantage (Connelly et. al. 2011). It's from this knowledge that a complete picture of the organizational behavior, decisions frameworks and market behavior will emerge.

The detailed analysis of the signaling theory found through literature search, shows that it plays a very important role of correcting the information asymmetry in different economical and managerial contexts (Malmendier & Tate, 2005). Here, this theoretical framework is especially relevant to business coaching in startups because it represents a sturdy framework of understanding how startups can strategically communicate to potential investors their competitive advantages, which is the main idea of this research.

Signaling Theory as developed by Spence (1973) and further examined by Connelly et. al. (2011) provides us with a very useful way of considering information dissemination from startups to investors. In particular, entrepreneurial signaling involves the intentional transmission of information about the quality, possible revenues, and stability of start-ups in order to compensate for the information asymmetries that may exist between new companies and the investors they are targeting. This theory helps in understanding why certain positive attributes, like competency of the leadership team or defined strategy of the startup, can be used to reduce risk for the investors and thus influence their funding decisions.

This theory offers direct relevance to the study, which is devoted to examining the use of business coaching to enhance the startups signaling ability. The coaching, which is done by professionals, on the other hand, looks at the development of the key competencies and competitive advantages of the startup teams, and which in turn improves the quality of the signals sent to the potential investors. As pointed out by Malmendier and Tate (2005) and Hermalin and Weisbach (1991), the content of this signals can drive investors' perception which in turn affects investors actions.

Additionally, the relevance of the signaling theory goes beyond just managing the interactions between startups and investors. It provides a foundation for knowing and analyzing deeper market patterns and consumers behavior, represented by Nelson (1970) in his research on informational cascades. Wider applicability of signaling theory reaffirms the scope of this tool as an analysis tool for both economic and organizational behavior, thus pointing to its suitability for start-up ecosystem analysis in particular.

2.4 Resource-Based view

The Resource-Based View (RBV) by Barney & Hesterly (2019) focuses on a firm´s resources and capabilities as the main sources of competitive advantage which can be considered the performance model of the firm. The RBV follows the understanding that the resources of a company are not only tangible resources but also intangible assets. Tangible assets are assets that are physical resources that a company owns. These assets are often easy to identify and measure because they have a physical presence and a specific financial value. Examples of tangible assets are machinery, equipment, inventory, buildings such as real estate, cash and other financial assets. Meanwhile intangible assets are things such as intellectual properties and knowledge, which are used to formulate and execute the strategic plans. This could be the whole organization to its brand name among the consumers, the range of products or the teamwork among its leaders.

RBV has two key assumptions, and they are: resource heterogeneity and resource immobility. These concepts are critical for comprehending how firms attain and maintain a competitive advantage (Lowe and Teece 2002).

Resource heterogeneity is that resources and capabilities are not equally available in different firms. This implies that some firms have resources or capabilities that can be differentiated or even superior to those of competitors. They may differ in terms of quality, quantity, or a combination of the two. Resource heterogeneity is significant due to the fact that it is the basis for competitive advantage, firms with rare or valuable resources can accomplish activities in superior ways as compared to their competitors. Some examples of heterogeneous resources may include distinct technologies, brand identity, talent pool or knowledge base (Lowe and Teece 2002).

Resource immobility implies inability of resource to move or replicate between firms. This immobility can have different causes for instance high transfer costs, firm specific advantages or resources being deeply rooted in the firm's routines and culture. Resource immobility is critical because it enables a firm to retain the distinctiveness of its resources and thereby, gain a competitive advantage. Some examples of immobile resources include culture, specialized procedures, relationships with customers and suppliers, or patents which are all difficult to move.

Heterogeneous and immobile resources are both important for a company to achieve a competitive advantage. But for a company to achieve a sustained competitive advantage they also need to have VRIO according to Barney (1991). VRIO is part of RBV and stands for value, rarity, imitability, and organization.

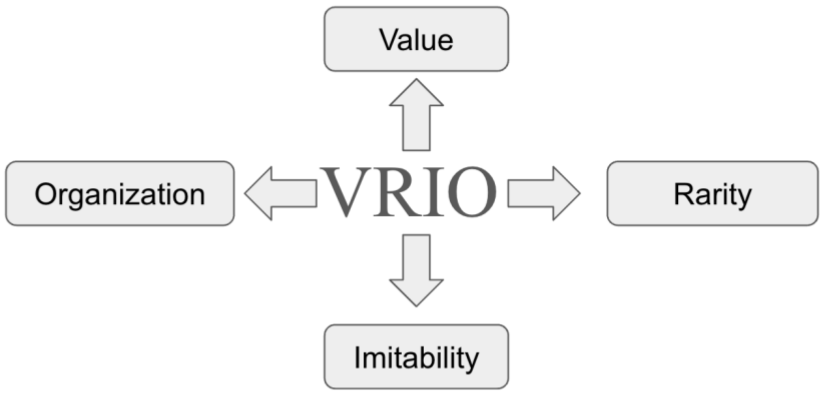

Figure 2: *The VRIO framework based on (Barney 1991). Own illustration.*

Value: An organization can consider a resource valuable if it enables the organization to take advantage of an opportunity or mitigate a threat. They are useful to the company in terms of its effectiveness and efficiency. For example, valuable resources enhance customer value, are consistent with organizational strategies, and strengthen competitive advantage (Barney 1991).

Rarity: A resource can be considered rare if it is not common among other competing firms. Rarity enables a firm to have an edge in the market although this edge is in most cases not a sustainable competitive advantage as other firms could also acquire these resources overtime. (Barney, 1991).

Imitability: Barriers to imitation: Resource that are costly to imitate can lead to a more sustained competitive advantage. Even if the product is rare but can easily be change for other products it won’t have a sustained competitive advantage according to Barney (1991).

Organization: A resource may generate a competitive advantage only if the firm is structured to generate value from that resource. This includes having the right management systems, processes, policies and culture in place to optimize the use of the resource (Barney 1991).

VRIO can for instance be applied, in a startup that have a patented technology (a scarce and unique resource) which is addressing a market need (value) and supported by a good management team (organization) as a potential source of sustainable competitive advantage. By aligning these resources with market opportunities and demonstrating their organizational capabilities, startups can convincingly present their value proposition to investors (Uhm, Sung & Park 2018).

RBV additionally allows for the detection of areas of weaknesses or gaps in the business. It provokes the assessment of whether a startup has got the right structure and basic resources to exploit the market opportunities. For example, if the gaps are identified, such as shortage of crucial capital or strategic partnerships, they can be addressed before the investor interaction (Uhm et. al. 2018).

In this study, RBV will be used to analyze how startups can identify their strengths and weaknesses to effectively present their company to investors. Consequently, RBV approach becomes a critical element of presentation preparation for investors as it not only helps startups with highlighting their strengths but also with recognizing and strategizing around their weaknesses.

2.5 Critique against current research

Current investigations of the startup ecosystem effect through business coaching, signaling theory, and resource-based view have a few significant criticisms. One of the important points that are being debated is the absence of statistical data in different regional settings. According to Mason and Brown (2014), an abundance of literature is concentrated on prominent startup hubs such as Silicon Valley, leaving the distinctive factors of other regions in the background.

Also, one important issue is that some critics argue that the findings cannot be generalized because of the small and homogeneous samples, for example, that Cumming and Johan (2017) have mentioned. This is exacerbated by the quantitative nature of most research approaches that are incapable of capturing the complex and nuanced nature of entrepreneurship processes and interactions (Neck, Greene and Brush 2014).

Another criticism outlines that there is a lack of interdisciplinary approaches. Despite the fact that signaling theory has been a focus of much research in the context of investor decision

making, some scholars, such as Connelly et al. (2011), argue that it is often examined in isolation without the parallel consideration of theories like RBV and business coaching frameworks. This isolated approach hinders the general situation of the complex interplay of various theoretical perspectives in real life situations.

Furthermore, the practical implications of research findings are sometimes underdeveloped. According to research made by Fassin, Van Rossem, and Buelens (2011), there are few studies that convert theoretical insights into specific plans for entrepreneurs and policymakers, which could be a reason for the failure of the studies to make a difference. The gap between theory and practice that this research uncovers shows that research should not only be about academic knowledge but also something that can be applied and used by the stakeholders in the startup ecosystem.

2.6 Coaching process

The coaching process made by organization X that the interviewed funders were a part of, which is a focused and intensive program intended to provide companies with the necessary tools to bring order to their business strategies and to better position themselves for investment opportunities.

The process begins with the application and selection stage, where companies are picked for participation based on their growth potential, level of innovation, and investment readiness. The chosen companies will go through a preparation phase involving a close collaboration with seasoned coaches and mentors that will help them on conducting a detailed analysis of their business model as well as their market potential and financial projections. This stage emphasizes not only strengths but also key areas of improvement according to organization X.

Subsequently, participants get hands-on workshops and training sessions on critical aspects of business development like panorama of markets, financial planning, pitch preparation and investor relationships. These sessions are designed to give companies the required information and skills to thrive. Pitch refining is one of the key facilities that will be available to the startups, providing them continuous feedback from the coaches, mentors and peers. This feedback, then, is tailored to address the early issues that may exist in their delivery and presentation and, consequently, it makes them sharpen their messages and improve their overall presentation according to organization X.

Then the startups are able to demonstrate their final pitches to a panel of investors, experts and potential partners. This is an occasion that the startups can use to gain exposure and connect with interested individuals. This multifaceted framework empowers promising businesses by arming them with the capacities, expertise, and networks necessary for successful competition.

3. Methodology

In this section, the methodological foundations upon which this study is constructed are outlined. Initially, the scientific approach and design are described, followed by an explanation of the selection process for both the subject of study and the participants involved. Subsequently, the procedure for data collection and analysis of the gathered information is detailed. Finally, a critical discussion regarding the methodology's reliability and limitations is provided.

3.1 Scientific approach and design

Within the study's qualitative methodology, the research applicates an corporate ethnography, which is an approach where the researcher gets involved and participates in the organization in order to comprehend completely the culture, the practices and the interactions of the organization. This approach focuses on rigorous, highly contextualized evaluation and even ethical implications, with an aim to reveal valuable insights for practical problem solving and organizational development (Ybema, Yanow, Wels & Kamsteeg 2009).

This research is centered on the basic principles of corporate ethnography, an advanced form of anthropology that explores the inner dynamics of a company and deciphers the relationships and traits that define such organizations. As per Ybema et. al. (2009), corporate ethnography comes as a tool by means of which the internal dynamics of a company are viewed and understood, hence allowing for the examination of aspects that are often left unattended in traditional business studies. This approach is especially relevant to this research that is aimed at the understanding of the impact that business coaching on startups with regard to their capability to attract private capital.

By placing corporate ethnography within a qualitative, inductive framework, it becomes possible to grasp the cultural and social formations of business contexts in full. The effectiveness of this approach is well-known, as Patton (2015) demonstrates the method enables theories to develop naturally from the results. Patton here emphasizes that in corporate ethnography, the richness and depth of qualitative, inductive methods lets researchers investigate the nuances of organizational behaviors, which results in a more natural and mature theory development. This method is appropriate for this study as it studies both the how and the why of business coaching. Thus, a strong scaffolding for theoretical frameworks based on empirical evidence is created.

According to Bryman (2016), it's the researcher who is the most important part of the qualitative research. This is because their involvement in data collection and analysis does not stop at interviewing, but also involves a reflexive evaluation of their own role in the research findings. Reflexive evaluation is an important principle in qualitative research. The process involves researchers critically reviewing their own involvement in the research, from data collection through to analysis. Reflexivity allows researchers to recognize and correct their biases and how their perceptions might affect the study which increases the study's trustworthiness and credibility.

Patton (2015) particularly stresses the notion of reflexivity as a tool that helps a theory build naturally from the data. On the other hand, Bryman (2016) argues that a researcher's reflexivity is critical because it reinforces the interpretation process, being the very essence of learning from the data. Accordingly, reflexive evaluation not only recognizes, but also reflects on the researcher's influence, thus making the knowledge constructed deeper by the empirical evidence and at the same time of the subjective elements of their creation.

Taking into consideration that the topic of our research is concerned with occupational settings within startups, the qualitative research design is deemed as the most suitable approach. Creswell and Poth (2018), for instance, agree that the fact that qualitative methods have a unique power to examine the variegated experiences of individuals within their natural environments makes them the choice input. This research will be based on in-depth interviews that is the main ethnographic tool in order to get an in-depth insight into the problem at hand. These interviews are therefore picked, as they allow for rich, descriptive, and interpretive analysis of the data to be conducted, revealing the dimensions at work in startup ecosystems.

In-depth interviews will give the interviewee an opportunity to express their opinions and their experience, particularly, the role played by the business coaching. They are to be semi-structured to let the participants further develop their thoughts about the role of coaching in their attractiveness for investors. The interviews will be open to give the opportunity to address both individual and collective perceptions.

The type of interview (in-depth) that will be utilized is very much in sync with the overall aim of this research. The current study seeks to explore cultural and social dynamics that govern startups, including the response to business coaching. The research is interested in how business coaching can make a difference in attracting private investments. This is clearly linked to the research questions that seek to understand how business coaching influences a startups ability to find investment and how the process of improved signaling of competitive advantages facilitate the acquisition of capital. A major contribution of this research is going to be bringing in a theoretical and practical perspective of the coaching role regarding startups particularly when it comes to establishing the viability of private capital. The research mentioned, therefore, is not only filling the gap in the existing scientific literature but also has a practical value in the sense that it makes it possible to apply its results to real-life cases, hence benefiting startups in their appearance in front of the investors.

Another scientific approach could be to do a quantitative approach to the study. A quantitative approach will likely be based on structured surveys/questionnaires administered among a bigger number of startup founders and their teams. According to Creswell & Poth, (2018) using a quantitative approach brings several limitations with it. The first and foremost thing it might cause is loss of the contextual depth and richness that qualitative methods provide with its detailed narratives and personal experiences. The effects of coaching on startup dynamics may not be fully captured by numbers alone; the subtlety of the influence of coaching may be lost in the emphasis on numerical data. The level of quantitative variability and complexity of startup ecosystems, which is determined by plenty of factors like market conditions, industry sectors, and personal attributes of founders (Creswell & Poth, 2018).

3.2 Selection of Participants

This part describes the participant selection criteria that were used to investigate the coaching that is relevant to the study's objective and research question. According to Palinkas, Horwitz, Green, Wisdom, Duan and Hoagwood (2015), information-rich cases should be chosen to gain more in-depth understanding of the phenomena under research. The participants were selected from various startups to give a multidimensional view on the inner dynamics of the startup. All participating interviewees have undergone business coaching and received invested capital. The data collection was conducted by the researchers of the study, utilizing a singular method, in-depth interviews as qualitative research method are in line with the study's qualitative approach. This choice was made with the aim of providing a narrowed and detailed insight into the corporate coaching. The interviews, conducted over a two-month period, gave the participants sufficient time to express their views and to share their experiences in detail. Through this technique, this allowed to have an insight of the employee´s experience, which consequently enriched the qualitative data.

Interviewee	Time	Date	How	Industry of startup
Startup Founder, 1	09:00 ≈ 09:50	28/4-2024	Physical	Life-science
Startup Founder, 2	11:00 ≈ 11:50	28/4-2024	Physical	Life-Science
Startup Founder, 3	15:00 ≈ 15:50	28/4-2024	Physical	Personal care
Startup Founder, 4	11:00 ≈ 12:00	3/5-2024	Physical	Personal care
Startup Founder, 5	14:00 ≈ 14:40	9/5- 2024	Physical	Retail
Private Investor, 1	10:00 ≈ 10:30	10/5-2024	Physical	Multiple
Private Investor, 2	11:30 ≈ 12:00	10/5-2024	Physical	Multiple

Figure 3: Interviews conducted during the study. Own illustration.

Each interview was recorded and transcribed in verbatim to maintain the authenticity of the data. The rigorous process of transcription preserved the integrity of the participants expressions. The researchers approach to the data handling involved the maintenance of the original content of the interviews that validated the findings and also helped in the understanding of the impact of business coaching for the startup. This research followed the structured yet flexible research framework, which was based on in-depth interviews and successfully showed the complexity of the corporate environment. This method was selected in particular in order to correspond with the research issue and to provide an explanation regarding how business coaching affects organizational processes in startups.

3.3 Ethics issues and Corporate Governance

Ethical subjects which are the core of each qualitative research provide the main framework of both the process and the results' credibility, making the process liberal and the outcomes not biased. According to Kvale and Brinkmann (2014), it is essential to consider the moral issues related to interviews, both as a method and in terms of their ultimate purpose. This consideration is crucial due to the ethical implications for the participants and the impact on the knowledge gained about human conditions. The ethics associated with this study are garnered from the frameworks adopted, whose goal is to safeguard the rights of the participants and to handle data carefully. According to Bryman (2018) principles, this research implementation was based on rigorous codes and regulations concerning informed consent, confidentiality, and the use of information. To start with the research, each participant was informed about the research purpose, their role, and that their participation was voluntary. This accorded with what Bryman said that informed consent was an essential element of research ethics (Bryman, 2018). Participants were in the know that they could leave the study or refuse to respond to some questions without being penalized.

3.4 Informed Consent & Participant Rights.

The participants had been fully informed on the importance of giving verbal consent for the interviews and oral consent for the recordings of the interviews, which were used for the study purposes only. The accessibility to these recordings were limited only to the research team, supervisors, and examiners to confirm that the data were being used according to the determined research aims. Such practice not only fulfils the ethic requirements for consent but also keeps all the participants in the position of authority to choose whether they take part in the research, as mentioned by Brinkman and Kvale (2014). Regarding the concealment of participant identity and confidentiality, which Bryman (2018) emphasized as crucial, the researchers used pseudonyms throughout the transcription and data analysis processes. Complete removal of any possible identifying information from the subtitles was carefully done.

Data was securely stored under protection of only authorized staff, securing it from any unauthorized way of being used and guaranteeing that participants' information was highly confidential. However, ethics of corporate ethnography are an issue that is full of ambiguities and dilemmas the process of managing power and handling confidential data. The researchers of this study were careful and sensitive towards these ethical challenges throughout the research, at the same time it was reflected on their methods and biassed views. A reflective approach that was built on principals outlined by Kvale and Brinkmann (2014) was employed to ensure that ethical consideration was appropriately addressed as the research advanced. A reflective approach in research is a method which is guided by the active participation of researchers in self-analysis of their biases, methodologies and the process as a whole to assure the credibility of the study (Kvale & Brinkmann, 2014). This is a continuous process of introspection, figuring out ways in which the personal point of view might have an impact on the result of the research, following ethical guidelines, and developing methods for more reliable results. These practices are important in case of sensitive areas like participant consent and confidentiality, which help in the increase in research methodological rigor and also professional growth in research.

3.5 Data analysis

After the collection of empirical data, the recommendations from Alvehus (2013) were implemented. First, the interviews were transcribed to preserve the integrity of the participants expressions. The collected empirical data was then analyzed through systemic and cyclic method to sort out the various patterns and themes that emerged during the interviews. These patterns and themes were identified after which an in-depth interpretation of the results was performed to obtain important insights. After that, a content analysis was done, where the empirical data was categorized into different thematic areas and subcategories. Through the process of organization, the material was reduced by removing content that was categorized as chit-chatting and irrelevant, ensuring that the empirical data was not overwhelming and that the relevant arguments from the interviewees were highlighted. The research process kept in mind both inductive and deductive approaches to exploring and confirming the theoretical assumptions through the comparison of the interviewees' arguments with, or against, the theoretical framework.

3.6 Primary data and secondary data

Primary data refers to all the information that investigators of the study have collected which is specific to certain research questions that for example addresses the problems analyzed. The primary data can be gathered by interviews, observations, research's articles or questionnaire (Fink, 2013).

Secondary data is data which was collected by other people in previous studies and can be used in different research projects. Secondary data can be a website, data collected by other organizations, statistics and reports from different businesses (Fink, 2013).
The study has used both primary and secondary sources to gather information that is relevant of responding to the research questions. Primarily, individual data was collected by having physical conversations with participants. Among other sources, secondary data was collected from books, reports, and the web.

3.7 Content Analysis

For the study, a qualitative content analysis has also been employed with the aim of "providing knowledge and understanding of the phenomenon being studied" (Hsieh & Shannon 2005). It is a flexible method used when analyzing textual data, focusing on the content of the text as well as the contextual meaning of the content. By further categorizing the content, different patterns can be identified and analyzed, and conclusions can then be drawn from this.

More precisely, a hermeneutic content analysis has been used in the study. Hermeneutic content analysis is the study of interpretation, focusing on understanding the deeper meanings and contexts of texts. It goes beyond merely describing content to exploring the underlying emotions, cultural contexts, and subjective nuances. This approach involves an iterative process of reading, interpreting, and re-reading texts to refine and deepen the understanding of the materia, which can be seen as an in-depth form of qualitative content analysis (Queiroz & Vieira 2017). Since material was collected through semi-structured interviews as well as from company X's website, a hermeneutic content analysis is most suitable. Through this analysis, a deeper understanding of the emotional nuance in a text can be explored, rather than merely described. This method encompasses both subjective and objective opinions, which is significant for the study's purpose and choice of research method.

3.8 Limitations of the study

The limitations of the study were firstly, the research was managed within a very limited timeframe which was a period of just 3 months. The duration of this time, per se, was what impeded the researchers to get a deep understanding of the peculiarities of the topic. The risk of losing on a more comprehensive analysis, and possibly missing some of the emerging trends that a longer study period would be able to capture, is one of the disadvantages of such a compressed schedule.

Furthermore, the study has a relatively small sample size due to the time limitations of the study. The study includes 7 interviews, in which 5 were conducted with startup founders and 2 with private investors. Additionally, this research is exclusively based on qualitative methods and does not involve any quantitative analysis. Although qualitative methods provide in-depth, descriptive narratives, there is no statistical validity, which gives a limited effect to the findings without the quantitative data. Quantified data could be a perfect complement to the qualitative insights, thus making the conclusions drawn more balanced and robust. This methodological decision, in turn, narrows down the scope of the study to make generalizing its results only to the specific cases studied.

Lastly, it is important to note that the research has helped in establishing the role of business coaching in enabling startups to obtain investments, but it should be considered within the limitations mentioned above. The small research timeframe is one of the main aspects that limit the usefulness and the generalization of the findings. Besides, a small sample size, the absence of the quantification of data, and the very limited focus of the research together make the results less generalizable. The foreseeable research should pay primary attention to compensating for the mentioned drawbacks of the current studies through increasing the length of the research, widening the sample to be bigger and more diverse, using quantitative methods, and broadening the scope of research to include other factors that the success of a startup depends on.

4. Results

This chapter summarizes the qualitative data extracted from the interviews conducted with private investors and startup founders that took part in a coaching program. Information obtained examined business coaching in context of receiving private investments.

4.1 Coaching process

The founders interviewed in the study all agreed that the coaching process helped them in one way or another. As founder 3 shared: "*The coaching process was positive in a way to gather investments and knowledge".*

During the process the startups were coached in how to grow their company by gaining knowledge about their industry, how to hire the correct people and how to gain capital by correctly presenting their company also known as pitch coaching. The main focus for this part of the coaching process was pitch coaching and cognitive coaching as a part of pitch coaching.

4.1.1 Pitch coaching

The qualitative data gathered showed that business coaching was a vital part of the process to transform the pitch presentations from technical presentation into a story that could attract investors attention and understanding. Founders described a significant increase in their capability to connect viscerally and conceptually with their audience and investors, which highlights the practical application of their solution to real-world problems. As founder 1 shared: "*Pitch coaching has helped us a lot to present to investors, as when you come from academia background it's easy to want to share all the details about what you're working on, but there's no room for that if you only have say, a time limit of 10 minutes or so".*

According to founder 1, being able to talk and present their idea was not the problem since they were invested in and knew a lot about their company and product. The problem lied in knowing what to present to investors. Since most of the founders never had presented in front of investors before, they wanted to present a lot more than they had time for. Pitch coaching helped the founders scale down their presentation and present the more important parts about their startup to investors.

Founder 2 shared: *"It was valuable to get good feedback on the pitch. All that is very valuable, and it contributes to further investment discussions with investors in the next phase".* This statement highlights the role that pitch coaching and good feedback play in the investment process. The feedback received not only enhanced the quality of the pitch but also laid a foundation for further investment discussions for founder 2.

According to founder 4 pitch coaching was not an important part of the coaching process rather the ability to be connected and pitch to investors during the coaching process. Since founder 4 stated they already had experience with pitching to investors the most important part was to be connected with investors, as Founder 4 shared: *"Well, that's probably the next fundamental thing, that you finally get to pitch to the investors. I feel that was the most important for me compared to, for example the pitch coaching, because I had already spoken to many investors before so I knew enough about that, I think I could actually jump on the investors directly. So, the value of being able to connect with them, I would say, is absolutely the greatest in the coaching process".*

According to founder 3 pitch coaching was the most crucial part of the investment process as they learned a lot during the process and highlights that they wouldn't have gotten the investments if they didn't have a good pitch. Founder 3 shared: *"The fact that we received help creating the pitch was crucial because it wasn't just like, 'Here's how you do it, now go home and do it. Instead, we did it, then had another meeting to review our pitch make changes and additions and such. Because the most valuable thing, of course, is that we got the money, and we wouldn't have gotten the money if we hadn't had a good pitch".*

4.1.2 Cognitive coaching

Founder 2 shared: *"Being able to practice presenting really helped with self-confidence when presenting for real to investors".* As founder 2 shared cognitive coaching in form of getting feedback and being able to practice presenting helped with their self-confidence when the time come too present to investors for real. Founder 2 also stated that this probably had a positive effect on the outcome of the pitch.

Furthermore founder 1 shared: *"And then there's this process of refining it by receiving feedback, going home to work on the presentation, delivering it once more, and getting new feedback. The ability to do this multiple times and really hone the presentations, I found to be very beneficial in terms of gaining self-confidence and really be able to know what you are doing".* And founder 3 shared: *"The coaching sessions were instrumental in helping me see where I needed to improve and how to leverage my strengths more effectively".*

During the business coaching process both founder 1 and founder 2 was coached in how to evaluate and gain a deeper understanding of their own mental processes, inherent biases, gain self-confidence and to gain more knowledge of the assumptions that guide their decision-making. During this coaching process it helped the founders recognize how their thoughts impact their emotions and subsequent actions. It is crucial to develop an awareness of the interplay between thoughts, feelings, and behaviors to optimize personal and professional outcomes and to be able to best present their company according to Grant (2001).

4.2 Strategic Signaling Enhancements:

The results from the interviews showed that coaching had a positive impact on startups by improving their ability to signal their company and overall quality to potential investors. The coaching sessions helped startups to prove their market readiness and to clearly state what their competitive advantages are. Through coaching, entrepreneurs were able to highlight and emphasize the winning sides of their business operations and team strengths that attract investor interest. For instance, founder 4 mentioned: "*We fine-tuned our pitch to emphasize our agile supply chain capabilities, a critical factor for sustainability and innovation in our industry, which really appealed to potential investors"*.

Additionally, founder 3 discussed the targeted emphasis on their unique technological assets: *"During coaching, we focused on our unique technology and its scalability, which helped us highlight our potential for market expansion and attracted more interest from venture capitalists"*.

From the investor's point of view, the strategic improvements were obviously beneficial. The feedback of the investors showed that the startups were ready, and they had good strategic communication skills as a result of the coaching process. Investor 2 elaborated: *"What I have seen is that these startups usually hit the ground running more prepared, with a well-defined strategy and a better level of communication skills"*. This citation reinforces the strategic signaling enhancements theory as it follows that business coaching builds up the startups to be able to ensure that they are better placed to communicate their strategic advantage and readiness, making them ready for engagements with investors. These strategic improvements not only develop the startups as a whole to get the role as strong investment targets but also help them in explaining their unique propositions in a clear way to the investors.

4.2.1 Feedback mechanisms and iterative learning:

In addition to this, the iterative feedback mechanism played a key role in the coaching process, which meant that the startups were being given continual and constructive critiques. They carefully made use of the responses for finetuning their pitches in conformity with the reactions of coaches. This helped to increase the quality level of their presentations. Founder 3 appreciated this process: *"The iterative feedback refined our pitch each time, helping us sharpen our message and better communicate our business vision".*

Investor 1: *"Well I think that one of the main things I seek for is coachability—their capacity to soak up the feedback and change".* This statement emphasizes the importance of feedback mechanisms and iterative learning in the coaching process, showing how startups that can adapt based on feedback tend to succeed.

4.2.2 Investor interactions and outcomes

The research findings show that the coaching sessions that startups received led to much better relationships between investors and the participants. Founders reported that they felt more confident and were better prepared to face the tough investor questions and to pitch their business ideas more effectively. Founder 1 elaborated on these improvements: *"After the coaching, we were much better prepared for investor interactions, able to clearly articulate our business model and financial projections, which significantly improved our credibility".*

Such a heightened level of confidence and readiness was not only felt from the startups' side, but the investors themselves also noticed it. Investors commented that the startups were more professional and strategically thinking, and these are the essential factors that will make the business venture investible. Investor 1 provided insight into how this professionalism influenced their decision-making process:

"This is the thing that makes them attractive investment options because they show a higher level of preparation and professionalism". This citation describes how the preparedness and professionalism fostered by business coaching positively impact interactions with investors and lead to successful investment outcomes.

4.2.3 Sustainable Impact and Relationships:

Our study shows that the coaching went beyond the first investment meetings and played an important part in the relationship between founders and investors. The competences acquired at such events were identified as key for the process of continuous, effective communications that are critical for the development of trust between the investors and the business. As founder 5 pointed out: *"The communication skills we developed have been vital in keeping our investors informed and engaged, which is crucial for our long-term success and additional funding opportunities".*

The study also shows that the contacts made during the coaching were not only beneficial during the coaching period but also after. As founder 1 stated "*We raise capital after the coaching process as well thanks to the connections made during the coaching process".*

According to our research, investors deemed coaching as the vital part of business success, which had a positive effect on both communications and strategic frameworks of companies they invested in. This strategic advantage is considered to be the key to the success of the business in terms of sustainability and scalability. Investor 1 shared their insights, reflecting the broader sentiment: *"I strongly believe that the business coaching enhances strategic platforms of the business which in turn makes it more sustaining and scalable. Over a period, it might offer a better return on investment than any other business model".* This quote reflects the belief in the sustainable impact of coaching, highlighting how it builds strategic foundations that contribute to long-term business growth and investor relationships.

4.3 Resource-Based view.

The Resource-Based View (RBV) application to startups shows the important lesson that these companies can learn to use their resources and capabilities to receive investment and be competitive. By means of qualitative data that was collected through interviews with the founders of startups and investors, some of the key themes appeared thus, showing the effect of RBV theory on the success of startups.

The RBV theory is based on the fact that there are two types of assets, tangible and the intangible ones. The founders realized the significance of both the tangible and intangible assets in their planning of the business. The tangible assets, for example, the machinery, equipment, and financial resources, are easier to count and control. Nevertheless, the interviews proved that the intangible assets like intellectual property, brand reputation, and organizational knowledge actually made the difference in the strategic direction and the attractiveness of the company to the investors.

For instance, Founder 5 shared, "*After the coaching, I realized that physical and intangible assets are two different things".* This realization helped the founders to understand the whole range of their resources and how to use them properly in their pitches to the investors.

Another part of RBV are the firm's resource heterogeneity and immobility which are two factors that can be considered useful for startups to gain a competitive advantage according to the empirical evidence of the study. The concept of resource heterogeneity, which states that firms with the same resources perform differently depending on how they use those resources, was evident from the interviews.

During the coaching process founder 3 realized what made their unique combination of resources and capabilities different which made them gain a competitive edge. The difference was very significant as it demonstrated the competitive advantages to the investors.

Founder 3 shared, "*The coaching process helped us gain more knowledge about how we use our resources to gain a competitive advantage".* This statement is an indication that the understanding and the use of their distinct resources helped them to make a convincing argument to the investors.

Resource immobility, which is the idea that some resources are difficult to move or to duplicate, was the other important factor for a firm's competitive advantage. Startups that have resources that are unique and non-replicable are in a better position to acquire a sustained competitive advantage. Founder 2 shared, "*The coaching process helps us recognize our unique resources".*

The VRIO framework can be used for startups to assess and improve their resource utilization.

Value is a resource that is considered to be useful in the exploitation of opportunities or in the protection against threats in the environment of a company. The understanding of a firm's value proposition is a part in enhancing their attractiveness to investors.

Founder 1 noted, "*The coaching was important for us as it enabled us to realize the importance of concentrating on what is really worth to our business and the customers*". This realization helped the startups to better articulate their value propositions, ensuring that their pitches clearly communicated the tangible benefits their businesses offered.

Rarity is if a resources and capabilities of a firm is scarce among the current and potential competitors to give the company a competitive edge. Startups that emphasized the exclusive features of their products or services that differentiated them had more of the investors interested. As investor 2 shared, *"startups that can show how they different from other companies are of more interest"*. During the interviews founder 2 shared, *"In the coaching sessions, we identified our unique technology and its scalability, which in turn helped us to gain investments from investors"*.

Imitability barriers to imitation, if a resource or capability is valuable and scarce, it can only be a source of sustained competitive advantage if the firms that do not have it cannot at a reasonable cost copy it our substitute it. The startups were guided to emphasize the parts of their business that the competitors would have a hard time to duplicate. Founder 1 shared, "*The knowledge we got from coaching enabled us to create the strategies that would be hard for the competitors to copy"*.

Organization includes that a firm has to be well organized to be able to achieve the maximum competitive advantages of its resources and capabilities. These are the things that are needed to be in place, such as the right structure, control systems, and policies to take advantage of its valuable, rare, and inimitable resources. Founder 4 highlighted the importance of connections facilitated by coaching, "*The benefit of linking with the right networks and having an orderly method of handling our resources was of great importance"*.

5. Discussion

This section describes the results from the qualitative study conducted through interviews with both startups and investors. The collected material will be analyzed in relation to the study's purpose and research questions. This analysis will be based on previous research and the theories represented in the study.

5.1 The power of business coaching in refining pitches and attracting investors

The result from the conducted interviews reveals that business coaching had a positive impact on the startup journey when founders were willing to take the next step in the startup life cycle. According to Mansoori et. al. (2019) coaching programs are important for startups because it can help founders develop skills as well as to gain new ideas and broaden their networks.

Additionally, understanding and addressing the dark sides of entrepreneurial personality traits, as discussed by Klotz and Neubaum (2016), can be an integral part of the coaching process, ensuring that these traits do not hinder the growth and success of the startup (Klotz & Neubaum, 2016).

Pitch coaching significantly improved the ability for founders to communicate their business ideas. This type of coaching helped founders transition from a more technical presentations towards a presentation that focus more on the core idea of the business that resonate more effectively with investors. This transformation is crucial as it not only enhances the clarity of the business proposal but also keeps the pitch more investor friendly. One founder stated that the coaching really helped them to scale down the presentation and focus on what's important to the investor.

Burger-Helmchen and Guimtrandy (2022) argues that having a good pitch is essential for a company seeking investment, as investors need to understand the business plan and determine if the business has the potential to scale. This correlates with founder 1 statement who noted that pitch coaching provided valuable insights into what investors are looking for. The pitch coaching helped them refine their pitch to focus on the business idea and the team, elements deemed essential by the coaching process.

This view is further supported by founder 2 and founder 3 that states that the pitch coaching helped them with further investments discussion. Founder 3 even went so far to credit that the coaching on the pitch was the reason they received an investment, which reinforces with Grant (2001) statement, that a company needs to have a good pitch to be able to receive investments. This strong correlation between theory and practice demonstrates why pitch coaching is critical in helping founders to convey their ideas and business plans effectively and gain access to the investments they need.

According to founder 3 the most important part of the pitch coaching was not only the feedback, but to be able to receive it multiple times and make continuous changes to improve their pitch. This correlates with Theeboom et al. (2014) that motivates a good pitch needs to be practiced multiple times and go through a feedback cycle to be improved.

This goes to show the importance of a good pitch for startups aiming to secure investment and succeed in a competitive market. Additionally, the iterative feedback process in pitch coaching allows founders to continuously refine and perfect their pitches, significantly improving their pitches and improving their chances of attracting investment. It helped the founders transition from a more technical presentations to focusing more on the core business concepts that resonate with investors. This shift enhances the clarity and appeal of business proposals, making them more compelling. Overall, pitch coaching is an indispensable tool for effectively communicating business ideas and achieving startup success.

The overall impression of pitch coaching as shown in the result of this study is generally positive most of the founders said they found it beneficial but not all founders were satisfied with the experience. One founder felt that they already knew how to pitch and therefore felt that the coaching was futile. They thought that the best use of their time was not to practice the pitch but to meet investors head on. Despite this, the mentioned founder still stated that the coaching process was beneficial based on the connections developed during the coaching process and being able too meet investors.

According to Jones et al. (2016), a successful pitch demonstrate that founders are ready to change and are open to being coached on how to improve. The founder's reluctance to coaching may not be received well by other investors such as one investor that highlighted that an important factor for them when making an investment is if the team is coachable. The founder mention was still able to receive investment even though the founder was reluctant to coaching, suggesting that their existing pitching skills and the content of their pitch were sufficiently compelling. This could be the case if the investors were already familiar with pitching abilities of the candidates and that investors were satisfied with their presentation was already sufficiently effective.

This scenario demonstrates a major controversy about the meaning of pitch coaching. On the one hand, it stresses the importance of preparation and refinement of the presentation skills, which many founders consider essential. In contrast, founder 4 may not see many opportunities from repetitive practice sessions since they have had much previous practice. These entrepreneurs might not view the time spent in pitch coaching as useful, since these individuals already know how to deliver pitches. They may reason that their time could be better invested in other important areas of their business including the creation of a product or service, market research or even go directly to the investors without the coaching process.

It could be argued that founder 4 had reservations about receiving coaching, however this was compensated by the fact that the founder had previous experience pitching. In summary, pitch coaching may therefore be of great help to those who are unfamiliar with the process, but it may not be as useful for those who already have a highly skilled pitching ability. The end benefits of the pitch coaching service may therefore vary depending on the founder's experience level or what is important to the business in general. Furthermore, coaching programs may be a source of useful contacts that can be as significant as the pitch itself when it comes to getting investors.

This divergence in perspectives raises important questions about the allocation of resources and time in the startup ecosystem. As an example, is it possible to improve the coaching strategy for pitch delivery depending on the stage of the founder's experience? Is there a combination of practice sessions and direct contact with investors that can be more effective than the current options? This debate also raises the issue that the challenges facing startups are not universal and must be differentiated. There are several factors which may be beneficial to one group of founders but have negative impact on the other group. But there are other aspects of pitch coaching, and the benefits of pitch coaching should not be viewed solely through the lens of improving the pitch itself. The broader benefits, such as networking opportunities, access to mentors, and the development of a more strategic mindset, can also play a critical role in a startup's success. For experienced founders, these benefits might outweigh the perceived improvement of the from pitch practice, making the overall coaching process still valuable.

5.2 The impact of cognitive coaching on confidence and strategic decision-making

During the coaching process most of the founders were able to boost their confidence and their decision-making skills. This kind of coaching is especially useful for those founders who are engaged in a startup that needs to navigate the complexities of pitching their ideas to investors, leading teams, and making strategic decisions according to Grant (2001).

Cognitive coaching is one of the main objectives to enable the entrepreneur to understand their own mental processes and how these affect their emotions and behaviors. Self-awareness is essential for the development of leadership skills and decision-making. An important practice according to Grant (2001) that can be found in cognitive coaching includes the reflective practice and cognitive restructuring. These methods aid people in recognizing and eliminating attitudes that might affect their performance.

The founders for instance agreed that the coaching process included the practice and feedback of presentations. This practice not only helped them in finalizing their pitch but also helped to increase their confidence when pitching to the investors. One founder mention that being able to practice on the pitch helped them gain self-confidence before presenting to investors. This shows that practicing helps with self-confidence and that the cognitive coaching process helps founders to improve their ability to recognize and translate their thoughts, feelings, and behavior. Another founder reinforces that the benefits of receiving feedback and the ability to refine their presentations based on this feedback was an important part in gaining self-confidence. The process of repeatedly refining their pitch helped them gain clarity and confidence in their business pitch.

The use of cognitive coaching in terms of applicability from a practical viewpoint is huge. First, it helps the founders deal with stress and uncertainty, which are inevitable in any business environment. Cognitive coaching teaches founders about the growth mindset and resistance to eliminate negative thoughts and motivate them even if they encounter problems along the way.

One founder noted the critical role cognitive coaching played in their journey by helping them understand their strengths and weaknesses better. This gain in self-awareness allowed them to make strategic adjustments that were crucial for investor relations.

While pitch coaching focuses on improving the presentation of the business idea, cognitive coaching provides foundational self-awareness and confidence that is necessary to deliver the pitches effectively. Together pitch and cognitive coaching forms a comprehensive coaching approach that addresses both what's in a pitch and the delivery of the startups pitch.

As the result showed cognitive coaching plays significant role in stress management and fostering resilience. Cognitive coaching helps founders develop a growth mindset enabling them to view challenges as opportunities for learning and growth rather than barriers. This type of mindset is crucial for maintaining motivation and perseverance, even when faced with setbacks.

In addition, cognitive coaching is important in enhancing the founder's leadership and interpersonal skills with the rest of their team. Management does not necessarily end with making the right decisions the process also includes inspiring and guiding a group of people towards a goal. Founder 3's experience highlights how cognitive coaching helped them better understand their strengths and weaknesses, allowing them to leverage their strengths more effectively and address areas needing improvement. This ability to realize one’s own limitations and adjust plans is critical for the effective management of a team and the motivation of employees, which is especially important for startup companies.

Cognitive coaching's benefits also from the extend to improving the quality of investor relations. By building confidence and clarity for the founders the cognitive coaching ensures that founders can present their business propositions more compellingly and convincingly. Investors are not just looking at the viability of the business idea they are also assessing the capability and mindset of the founders. A founder who demonstrates self-awareness, resilience, and a willingness to learn and grow is far more attractive to investors.

Cognitive coaching can offer advantages that are critical for the success of any start-up. It increases self-awareness, develops confidence, improves decision-making skills, self-esteem, helps to control stress, promotes resiliency, and forms leadership and communication abilities. When combined with pitch coaching, founders are not only prepared to present their business plans but also to be leaders of their teams and manage the challenges of the startup environment. It is, therefore, clear that cognitive coaching can be an essential element that addresses various aspects of a founder’s experience and development to achieve continued success.

5.3 Strategic Signaling and Competitive Edge

This research has highlighted that strategic signaling is a major factor which drives investor interest and creates a competitive edge for startups. The study findings are in line with the Resource Based View (RBV) model put forward by Barney (1991) which focuses on resource heterogeneity and immobility as the key elements of the sustainability of competitive advantage. This research, as shown, coincides with the principles of strategic signaling, and the result is an increased appeal of the startup in the eyes of investors.

The coaching provided to the startups was pivotal in enabling them to define their competitive advantages in a clear and persuasive way. The power to articulate their unique value proposition expeditiously is critical in an investor's setting in which many startups compete for funding and attention. These results are in line with the research of Connelly et al. (2011), who highlight the vital role of strategic signaling in shaping investor perceptions and decision-making. Among the most important results of strategic signaling presented in the interviews was the fact that startups could show their market readiness and talk about their competitive advantages. For instance, founders that were coached were able to define their pitches by giving examples of agile supply chains or unique technological assets. This not only led to a surge in investor interest but also positioned the startups as a ‘hot investment’ option. Investor feedback also justifies that these features are indeed beneficial. "These startups usually hit the ground running more prepared, with a well-defined strategy and a better level of communication skills." This brings about the understanding that an effective strategic signaling can be very helpful when it comes to the credibility and attractiveness of a startup to the investors.

Undoubtedly, strategic signaling is an important aspect, but too much focus on presentation may be detrimental if it overshadows operational preparedness. Spence (1973) suggests that if signaling is overrated in comparison with substance, it can do more harm than good. For startups, this could mean that a good pitch only attracts investor attention temporarily, and even if the business fundamentals are well-crafted, this does not mean the investors will be able to sustain the support or the success. Our evidence shows that startup founders might occasionally emphasize more on their pitches than the more critical parts of their operations. This disequilibrium may make it possible for startups to raise the initial investments based on powerful signaling, but subsequently knock them out of the game because of their operational shortcomings.

Strategic signaling is a very vital tool in attracting investment and gaining a competitive edge for startups. The capacity to formulate an understandable and persuasive value proposition will, in part, define a startup's credibility and its ability to attract investors. Nevertheless, it should be ensured that the signal in fact reflects the real level of the company's capabilities and readiness. Coaching methods which focus on both strategic signaling and competitive advantages are probably the most effective for the startups. Through creating a balance between the emphasis on pitch perfection and robust business fundamentals, startups will be able to attract initial investment and also maintain investor interest as well as support over the long term. Finally, strategic signaling remains a strong weapon in the arsenal of startups, however it needs to be combined with operational readiness to be able to attain the desired results. Through such a holistic approach, startups will be able to exploit their particular assets and capabilities, thereby ensuring long term growth and competitive advantage.

Furthermore, the results of this study are consistent with the literature highlighting the need for providing accurate and reliable information to investors to enable them make sound decisions. Nelson (1970) and Hermalin & Weisbach (1991) point out that credibility is an important requirement in the process of signaling information which was seen as central in the research. Startups that effectively articulated their firm's market and competitive advantages garnered investor attention, providing evidence that accurate information increases investors' confidence and decision-making.

Although our study did not provide empirical support for the argument suggesting that the strategic signaling approach results in the lack of operational preparedness, this is a possibility that cannot be ignored. This concern is supported by Malmendier and Tate (2005) who noted that over reliance on signaling can be detrimental if not accompanied by sound operational capacities. While our results indicated that high levels of signaling do create initial interest and investments, it is important to understand that relying solely on signaling is not a long-term solution. If the operational foundation is not established to back the signals given to investors during signaling, then the startups are likely to create dissatisfaction among investors, and as a result, investors may pull out their investments. As a result, it is critical for startups to pay equal attention to signaling and operational capabilities to guarantee sustainable growth and investor trust.

The findings of the study revealed the effectiveness of coaching on the strategic signaling process and the performance of startups are consistent with the conclusion of Theeboom et al.

(2014). In this context, their findings on the role of coaching in increasing performance align with our conclusions, stating that coaching assists a startup to better present its propositions to investors and create the right strategic plan for the startup. The combination of the two main objectives aimed at enhancing both communication and operational aspects is the foundation for keeping the promises made by startups and, therefore, sustaining investors' interest and funding in the long run.

Incorporating these findings with the signaling theory underlines the importance of a two-part framework where on one hand, strategic signaling is facilitated while on the other, operational readiness is ensured. This research indicates that strategic signaling when coupled with credible, transparent communication, can lead to improved credibility and appeal of a startup among potential investors. But it also points to the fact that startups need to manage the signals they send to the investors in order to maintain investors' confidence and consequently business viability in the long run.

5.3 Leveraging resource-based view for startup success

In the framework of the resource-based view (RBV) that was established by Barney & Hesterly (2019), startups are provided with a platform to utilize the resources and capabilities that they possess to leverage an edge in the competition and attain investments. This brings together the idea of RBV to startup application, using the analytical tool of qualitative data obtained from interviews with founders and investors, and analyzes closely the role of tangible and intangible assets in addition to resource heterogeneity, resource immobility as well as the VRIO framework in sustained competitive advantage.

The RBV framework reveals lots of insights on what a startups tangible and intangible resources are. Tangible assets, which include equipment, machinery, and funds, are easier to measure than intangible ones (Barney & Hesterly 2019). The interviews brought fore that the intangible assets, like intellectual property, brand reputation, and organizational knowledge often play a pivotal role in strategic planning and investor attractiveness. One founder noted the significant impact of distinguishing between these two asset types and that it's hard to do so. This highlights the importance of understanding a startup's complete asset base to effectively communicate with investors and formulate business strategies.

The idea of resource heterogeneity is that the possibility of firms with similar resources can perform differently based on how they are utilizing these resources according to Lowe and Teece (2002). Startups that could successfully synthesize their unique abilities and resources established a clear strategy. For example, one founder pointed out that the coaching helped arrange resources and capabilities in a special way, which were unique and more effective compared to competitors. This aligns with Barney (1991) statement that the way resources are deployed can significantly influence competitive outcomes. The ability to showcase unique resource combinations and how the startup work with them becomes a critical element in securing investor confidence and market positioning.

However, the concept of immobility of resources, which means that some resources are difficult to be transferred, copied or replaced, is a factor that determines how startups can compete effectively (Lowe and Teece 2002). One founder highlighted that the coaching helped them recognize their startups unique resources".

This underscores the importance of not only possessing unique, non-replicable resources that can provide a sustainable competitive advantage but also understanding what these recourses are and how to use them. Such resources, whether they are specialized knowledge, proprietary technologies, or unique cultural attributes can create barriers to entry for competitors and enhance the startups long-term strategic position.

The VRIO framework, provided a structured approach for startups to evaluate and enhance their resource capabilities (Barney 1991). Firstly, the values of resources are critical, as they determine whether a company can effectively compete in the market. Some of the factors that makes startups more attractive to investors include the consideration of how resources could be used to enhance the value of customers and position of the startup in the market. One founder mention that the coaching enabled them to focus on what's really worth to their business and too their customers. This illustrates the importance of aligning resources with what truly matters to both the business and its customers to be effective which correlates with Barney (1991).

In the competitive landscape of startups, uniqueness and scalability are important factors that can significantly enhance a startups market potential and attractiveness to investors. The emphasis on unique features is not merely a strategic choice but a necessity in differentiating a startup from its competitors. During the interviews, one founder highlighted that dedicating substantial time and effort to making their technology unique played a crucial role in attracting investments. This insight underscores the importance of rarity in a company's resources.

To gain a suitable competitive advantage, resources must also be unique for a startup so that competitors cannot easily imitate them. Emphasizing the inimitable aspects of the business, startups were able to secure a stronger competitive position and more interest from investors. Additionally, one founder shared, during the coaching process they created strategies for their startup that would be hard to copy and according to the founder helped the startups strategic insight and to grow and attract investment.

A good organizational structure and systems are essential for maximizing the benefits of valuable, rare, and inimitable resources. Effective management and strategic networking were highlighted as critical factors by the founders. As the founders noted that connections made through coaching as useful and that it was benefitable in linking with the right networks and coached about how handle their recourses. It was also important in the eyes of investors as investors pay attention to the organization of the startup and the team, noting that a well-organized structure is essential for receiving funding.

The application of RBV to startups underscores the importance of understanding both a company's tangible and intangible assets. It's also important to understand how a company can use these assets best. The structured provided by the VRIO framework help startups in highlighting their strengths and addressing weaknesses, thus enhancing their appeal to investors which also correlate with Uhm et. al. (2018) statement that RBV help to detect weakness in the business.

Startups should therefore focus on identifying and capturing unique, non-replicable resources and capabilities. They should also develop an organizational structure that support strategic resource management. Investors, on the other hand, can use the RBV framework to assess the potential of startups more effectively, identifying those startups with sustainable competitive advantages.

6. Conclusion

In this final chapter, we summarize the findings and discussions from our research, highlighting the key insights and implications for startups, investors, and policymakers. By combining theories from entrepreneurship, management, and finance literature, this research contributes to the academic knowledge base and offers actionable recommendations.

6.1 Summary of Findings

In our study, we identified this phenomenon through qualitative interviews with founders of startups as well as investors and the result showed that pitch coaching is a crucial factor in startups success. Pitch coaching has been established to increase the founder's skills of presenting their business ideas from technical and innovative concepts to pitches that can be attractive to investors. It is important to note that enhancement in presentation skills is very vital in the attraction of investments, as supported by various founders and backed by literature.

Nevertheless, it is crucial to understand that, as effective as pitch coaching is it has its drawbacks. Based on the findings, we have been able to understand that not all founders are likely to benefit from pitch coaching especially those who have had prior experiences pitching. The implication of this is that more effort should be put into ensuring that the goals of the founders are met by targeting the coaching programs to the needs of the founders and their experience level where necessary.

Besides pitching, the study also focuses on the use of signals that can be employed to capture the attention of investors. When a startup company incorporates strategic signaling alongside operational readiness, it makes the company more trustworthy and appealing to investors. However, this form of signaling without proper operational base may have negative impacts, as pointed out by Malmendier and Tate (2005). Thus, it is crucial for startups to not only focus on signaling while running the business but to also have sound fundamentals of business in place in order to sustain itself in the long run.

Moreover, the RBV framework enabled a better understanding of tangible and intangible resources as critical to competitive advantage. The results of this research suggest that startups need to build and deploy resources and capabilities that are inimitable in order to establish a viable market position. Using the VRIO framework helps to identify and develop these resource capabilities in startups, so that startups can better communicate the value of these resources to investors and gain a sustained competitive advantage

6.2 Implications for Practice

The implications of our research for startups are clear: communication is key, and organizations must be prepared to operate in these conditions. It is recommended that startups take advantage of pitch coaching to enhance their delivery and at the same time work on the fundamentals of their business. This way, they can source their first-round capital and retain investor confidence after that.

It is crucial to recognize that investors should evaluate both the signaling and operational mechanisms of startups before investing in them. The suggested approach of assessing the reliability of the information given and the stability of the startups processes will result in a more effective and long-term investment decisions.

Policymakers can support the startup ecosystem by promoting programs that offer comprehensive coaching, including both pitch and cognitive coaching. These programs should be designed to address the varying needs of startups at different stages of their development, ensuring that all founders receive the support necessary to succeed.

6.3 Further research

To continue the research the influence of different demographic characteristics including income, age, and sector should be investigated on the coachability of startups. Furthermore, analyzing other elements affecting the decision-making process of private investors when allocating startup capital would provide a more comprehensive understanding. This study mainly adopted qualitative techniques that to some extent constrained data collection. To increase the generalizability of the results, future studies should conduct a larger number of cases, which would involve more empirical investigation of a variety of firms. Additionally, the key question to be answered in the future is whether or not business coaching creates the desired effect and how it is related to the capital invested into the startups. Although some companies in this case study had successful and positive interactions with business coaching, it is essential to keep in mind that this sample may not be representative of the entire population of startups. Among them could be startups that don’t see the point of business coaching or have had bad experience with it. Broader and more comprehensive research could deliver an in-depth understanding of startups' experiences and evaluations of business coaching.

Future research could also look at current business coaching practices and future developments and examine how these developments affect organizations' perception of business coaching. The question that comes into mind here is whether these new options can satisfy and create different expectations for startups and investors. In short, further research is required to learn how business coaching is used together with privately placed capital. To achieve this, then research should have a larger empirical base, and the research should focus on examining multiple business coaching methods and how the different factors influence startups' experience with business coaching. By exploring this extended research approach, the real picture of the success and consequences of the business coaching for the startup community will be understood.

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8. Appendix

In this section the study´s appendix will be presented

8.1 Appendix 1 - Interview guide

Frågor startups:

Inledning och Bakgrund:

- Kan du dela med dig av en kort sammanfattning av din affärsidé?
- Hur kom du i kontakt med Connect och vad lockade dig att samarbeta med dem?
- Vilka utmaningar stod du inför innan du fick stöd från Connect och deras coachinprocess?

Coachingens roll och bidrag:

- Har coaching bidragit till er företagsutveckling?
- Vilka specifika resurser eller nätverk har varit mest värdefulla för dig?
- Ifall ni fått investering i samband med coachingen, hur har den påverkat er verksamhet?

Affärsutveckling och Tillväxt:

- Kan du dela några konkreta exempel på hur ditt företag har utvecklats sedan du deltog i coachingen.
- Har du kunnat öka antalet kunder, intäkter eller utökat din verksamhet på något sätt sedan du deltog i coachingen?
- Om dem tagit in pengar från annat nätverk? Hur såg den processen ut, fanns det coaching?

Lärdomar och Utmaningar:

- Vilka lärdomar har du dragit från din erfarenhet med coachingen?
- Har du stött på några specifika utmaningar och hur har du hanterat dem?

Framtidsutsikter:

- Vilka är dina framtidsplaner för företaget?
- Skulle du vilja att de som coachade er agerade mer som en långsiktig partner?

Feedback till coaching processen:

- Vad har varit de mest värdefulla aspekterna av samarbetet med Connect?
- Finns det områden där du tror att coachingen kan förbättra sina tjänster?
- Något dem saknade med coachingen helt?
- Finns det något värde i att skapa en digital plattform där man får ett community med andra bolag och investerare?

Questions: Investors

- Are you involved with any investor networks that focus on startups with structured business coaching?
- Can you describe the duration of the pre-investment process for startups with professional business coaching?
- What specific attributes do you look for in entrepreneurs who have received business coaching?
- How do you weigh the importance of business coaching against the startup's business idea itself?
- What investment timeframe do you consider for startups that engage in business coaching?
- From your perspective, does business coaching help mitigate gender bias among investors?

8.2 Appendix 2 - Information Sheet

Hello {Name},

We are Morris and Fredrik, studying a master's program in Entrepreneurship at Uppsala University. We are currently conducting our master’s thesis on the significance business coaching plays in the development of startups' capabilities to raise equity and attract private investors. Our method is qualitative and thus consists of interviews. Therefore, we are reaching out to you, {Name}, to see if you would consider contributing and participating in this study.

Participation is voluntary, and you can choose whether you want anonymity to be applied to the study. All collected data from the interview will only be handled by us, and after transcription, the recorded material will be deleted.

If you want to reach us, feel free to contact us either at this email address or by phone:

Fredrik: 070-356 12 51

Morris: 070-222 55 35

A big THANK YOU for sharing your time and input!

Best regards,

Morris and Fredrik

Master’s program in Entrepreneurship, Uppsala University

8.3 Appendix 3 - Consent Form

Consent Form

The following interview will address the topic of the significance business coaching plays in the development of startups capabilities to raise equity and attract private investors. Participation is voluntary, and you can skip a question or discontinue the interview at any time if you wish. You can choose whether you want anonymity to be applied to the study. The saved material will only be on a USB drive for transcription purposes, after which the material will be deleted.

• I have read and understood the information about the interview I received

• I have had the opportunity to ask questions about the interview

• I am aware that the interview will be recorded

• I am aware that the words I say during the interview may be quoted in the thesis

• I am aware that I can discontinue the interview at any time and that I do not need to provide a reason

Signature:

Name:

Position & Workplace:

Date of Signature: