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HIGH-GROWTH:
A LOOK BEHIND THE SCENES

A qualitative study exploring the growth-drivers of modern high-growth firms

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Abstract

Purpose – This thesis sets out to understand what drives and enables high growth in modern high-growth firms (hereinafter HGFs). *Design/methodology/approach* – We approached this research from two sides. First, we conducted a qualitative analysis of seven HGFs in Europe and enhanced our understanding through a review of the major academic frameworks on the strategic management of HGFs. Then, we brought both sides together in a discussion to understand how the growth-drivers defined by the reviewed literature explain the high growth of the sampled HGFs, and to identify potential additional growth-drivers that our inductive analysis highlighted. *Findings* – We have found that some of the growth-drivers help understand how high-growth was enabled in our sampled HGFs. Furthermore, we have not just been able to contribute with new perspectives on growth-drivers and how they had been executed in HGFs, but also have been able to introduce new attributes to the academic conversation that have not been discussed yet in this field of research. *Research limitations/implications* – This research was conducted amid the Covid-19 pandemic, for which our sample comprises of seven founders of HGFs. On a conceptual level, this research has been able to shed light on a gap between current research on high-growth in firms and what is happening in modern HGFs. *Originality/value* – This study is the first study connecting product-market fit, product-channel fit, business model fit, and virality in the context of HGF research.

Keywords: high-growth firms, gazelles, entrepreneurship, founder characteristics, product-market fit, virality, partnerships, network, unique customer value, agile strategy, diversification, hiring, planning, blitzscaling.

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List of Abbreviations

HGF – High-growth firm

LGF – Low-growth firm

HR – Human resources

HRM – Human resource practices

UV – Unique Value

1.Introduction

Back in 1996, when the Internet was rather young and unexploited, *BackRup,* a small student project was founded by two PhD Student and one their professor which aimed at developing a search engine that would help users find anything they wanted on the Internet. With some initial growth within the first four years, this company gained enough traction to sustain economic growth and finance its first employees. However, they had not properly understood the best business model for that target group they were addressing. It was not until one of their experiments demonstrated such an impact in the market that it substantially changed its business model, while the firm experienced exponential growth (Google, 2020). Under its new name, *Google* gained market leadership within a few years and was named the fourth most valuable company in the United States in 2019 (Duffin, 2019).

This research sets out to understand the approaches HGFs like Google took to achieve this growth. Over the decades, Google passed a multitude of milestones which accelerated its growth exponentially, continuously triggered through projects that have initially started as consumer experiments and resulted in the diversification of the firm's capabilities along their customers' user journey (Sokolov, 2014). Google functions as an example for the many HGFs that have risen over the past decades due to new capabilities in the market. It is unclear what actually enabled this growth, however, there are a multitude of scientific and unscientific theories trying to makes sense of the phenomenon of HGFs, and with this research, we want to bring those theories into context to each other.

In this chapter, we present the reader the role of this research within the context of the current academic conversation as well as the motivations, objectives, and research question that builds the foundation for this research.

1.1 Research Question & Objective

Before we introduce the motivation and context of this research to our reader, we want to create clarity and transparency for the reader, by elaborating on our research question:

How do high-growth firms set themselves up for exponential growth?

The purpose of this thesis is to understand what drives and enables high growth in modern HGFs. In doing so, we conduct a small qualitative study on HGFs in Europe, to record and analyze their growth process in an inductive study. We build an understanding of the matter by reviewing the major theoretical frameworks on the strategic management of HGFs published between 1986 and 2019. This process allows to answer our research question from two sides: firstly, we focus on how the current academic frameworks can explain the observed growth processes in our sample group. This process helps to understand the relevance of the identified growth-drivers for our sample group. Secondly, we investigate which additional growth-drivers contribute significantly to high-growth in our sample that are currently underrepresented in the academic field.

The objective of this paper, for us researchers and the reader, is to be well-versed in the leading theories on the strategic management of HGFs and to understand the prevalent mechanisms that have caused high-growth for the sampled firms.

1.2 Academic Conversation in Context

The purpose of this section is to place the research subject in the context of the HGFs' strategic management and entrepreneurship field. In the academic field of strategic management of HGFs, the intensity of growth is bizarre, especially as it is caused by an innovation and diversification strategy. In an extensive literature review on the strategic management of HGFs, Demir, Wennberg and McKelvie (2017) show that the commonly identified growth drivers between 1980 and 2010 focus more on optimization, sales and human resource strategies, rather than on innovation-driven strategies. In 2005, Barringer, Jones and Neubaum developed a framework to identify the growth drivers of HGFs. With a current Field-Weighted Citation-Impact score of 6.11 by the academic-paper database SCOPUS, and cited by 281 future papers in the field of strategic management and entrepreneurship, their framework became a fundamental piece and foundation for the future academic understanding of what supports HGFs' growth.

In the years leading to Barringer et al.'s (2005) research, entrepreneurship and exponential growth of tech-firms gained more popularity in the private sector, which provoked the development of frameworks outside of academia, on how high-growth is achieved. One prevalent framework of the private sector is the concept of Blitzscaling, developed by LinkedIn founder Reid Hoffman and his co-author Chris Yeh (2018). While the Blitzscaling concept does not build upon scientific research, the professional expertise accounted to their authors caused Blitzscaling to be highly utilized and discussed among the media and industry landscape, as it appears to match the growth process of tech-incumbents such as Google, Amazon, and Facebook (Sullivan, 2016).

However, we have encountered a gap in the literature on strategic management of HGFs, reviewing the growth-drivers identified by Barringer et al.'s (2005) framework and the research building upon it (Demir et al., 2017), as well as the growth-drivers identified by the Blitzscaling concept (Hoffmann & Yeh, 2018). Considering the societal and commercial relevance of this topic, this research sets out to investigate this gap, with the objective of contributing to the understanding of the mechanics behind modern HGFs and to inspire future research to fill the gap in the literature that this paper aims to identify.

1.3 Background

This paper is about HGFs, described by the OECD (2010) as *"all enterprises with [an] average annualised growth greater than 20% per annum, over a three year period"* (p.61) and where growth is either measured in terms of turnover or number of employees.

Additionally, there are two main frameworks that build the basis of this paper. Firstly, there is the unscientific concept of *Blitzscaling* (Hoffman & Yeh, 2018) which inspired our research and made us eager to investigate the relevance of theories surrounding HGFs. Secondly, there is the article from Barringer et al. (2005) that identifies attributes of HGFs, which we will touch upon later in the literature review (Chapter 2, *Literature Review*) . This article is the backbone of our research in terms of high-growth attributes and we set ourselves to investigate their relevance 15 years after on a sample of seven companies spread across Europe and industries.

A Brief Review of the Blitzscaling Concept

Blitzscaling was first mentioned in September 2015 by Reid Hoffman - co-founder of LinkedIn and current partner at Greylock Partners - in a Stanford University course (Greylock Partners, 2015). Taking its meaning from *blitzkrieg* - translated literally as the lightning war in the german language. It is, therefore, a recent concept defined as *"a technique for rapidly scaling companies by prioritizing speed over efficiency in the face of uncertainty"* (Global Scaling Academy, 2018: p.1) and gained popularity with the publication of a book around the topic in 2018 written by Reid Hoffman and Chris Yeh.

The Blitzscaling concept is a high-risk tool that requires complete and conscious buy-in from all investors and stakeholders to invest large amounts of financial resources into the all-or-nothing scenario of dominating the market (Hoffman & Yeh, 2018). The case-examples connected to Blitzscaling are the tech-incumbents Amazon, Google and Facebook (O'Reilly, 2019; Hoffman & Reid, 2018; Kuratko, Holt & Neubert, 2019).

In the case of Amazon, when it was founded in 1994, Amazon went through an exponential growth period between 1995 and 1998, by growing from 11 employees to 2100. They achieved this growth by fully committing in an all-in pursuit of the dominant market position. Other examples of companies that successfully managed to blitzscale include Apple, Paypal, Airbnb (Hoffman & Yeh, 2018; Kuratko et al., 2019; O'Reilly, 2019;).

1.4 Structure

In order to answer our research question and to further the understanding of HGFs, we have structured the paper as follows. In the literature review, we start by laying out the articles, theories, and concepts that will inform our research. More specifically, we dive into the evolution of HGFs, the characteristics associated with their founders, employee recruitment, and selection process, as well as HGF's attributes and business practices.

We then proceed to outline the methodological foundation of our research, its limitations as well as ethical considerations. We continue by laying out and analyzing the results of our primary and secondary data. This section is followed by a discussion, which streamlines our findings and the theoretical concepts that inform our research. Lastly, we conclude on the implication of our findings for future research.

2. Literature review

This chapter provides the reader with an overview of the current literature on HGFs. We start this chapter introducing HGFs, to take a look at the research behind it, and how it changed over the years from 1986 until 2019. We hope to lay out the different aspects that research emphasized within the different decades. Building upon this knowledge, we will dive deeper into the recent literature on the specific growth-drivers that have been defined by Barringer et al. (2005).

2.1 Introduction to High-Growth Firms

Investigating HGFs has been a prevalent topic for many researchers in the entrepreneurial and managerial fields prior to this research (Eisenhardt & Schoonhoven, 1990; Penrose, 1960), yet the HGFs as a research object appears to be too complex and challenging to assess, which creates widely distorted research findings across the mentioned fields (Coad, Daunfeldt, Johansson, & Wennberg, 2014; Daunfeldt Elert & Johansson, 2014; Nicholls-Nixon, 2005; Powell & Sandholtz, 2012). Demir et al. (2017) ascribe the origins of the fragmentation of this research field to three main reasons: *"inconsistent definitions, sampling challenges, and organizational complexity"* (p.431). The nature of HGFs creates difficulties for the research process, as it is difficult to achieve a comparable and representable sample size (Daunfeldt et al., 2014) and the rapid pace by which these firms change their organizational structures during their growth process (Nicholls-Nixon, 2005; Powell & Sandholtz, 2012). Achieving a representable sample size encounters its first challenge at the beginning of the process, referring to describing the criteria of eligible firms.

HGF as a term is inconsistently used among scholars in terms of how it can be measured (Coad et al., 2014), the timely lengths it needs to be sustained by the firm, and the speed in which the growth occurs (McKelvie & Wiklund, 2010). What scholars agree upon is that HGFs grow *"at or above a particular pace, measured either in terms of growth between a start and end year, or as annualized growth over a specific number of years"* (Coad et al., 2014: p.95; Demir et al., 2017: p.431). Regardless of the type of growth, these firms go through, most of them experience major organizational and structural changes along the way. These changes make it difficult to empirically sample and track their growth process, as they are either managerial and hierarchical changes or even organizational changes, caused through merger and acquisition activities (Daunfeldt & Halvarsson, 2015; Daunfeldt et al., 2014). The complexity of intangible conditions as described earlier creates significant challenges for management teams to strategize for and during rapid growth, in relation to average-growth firms (Covin & Slevin, 1990; Delmar & Shane, 2003; Delmar et al., 2003; Powell & Sandholtz, 2012). Taking these conditions into consideration, it gets easier to understand the fragmentation of this research field.

The purpose of this literature review is, therefore, to assess and connect the current prevalent theories on the enablement and management of rapid growth in small to medium-sized firms. Along the way, we will present the reader with an overview of how the field of high-growth research has shifted its focus over the decades, to dive deeper into the relevant drivers of high-growth. The starting point for our literature review and the theoretical foundation is Barringer et al.'s (2005) article: *A quantitative content analysis of the characteristics of rapid-growth firms and their founders*.

2.1.1 Defining High-Growth Firms

There are several ways of how research refers to HGFs, with the initial accounts leading back to Hambrick and Crozier (1985). The distinction in focus always regarded the speed in which these firms are growing. With labels as *stumblers* and *stars* as described by Hambrick and Crozier (1985), or *mice* and *gazelles* (Birch & Medoff, 1994 in Guerrero & Axtell, 2013). Birch and Medoff (1994) set a direction on how these firms were understood and referred to by researchers that followed thereafter. Nevertheless, many researchers have added their own set of variables to their individual definitions of HGF, *"including the type of firms studied, the measures of growth used, and the mode of growth"* (Demir et al., 2017: p.432). The increased utilization of varying variables is at the root of the sampling problem and is an inherent structural problem of research in this field. Following Demir et al.'s (2017) reasoning, we needed to take specific aspects into account during the process of defining HGFs. Using the types of high-growth companies can create a biased sample-set, as there are HGFs in any industry. however, younger firms account for the majority of rapid-growth firms (Daunfeldt, Elert & Johansson, 2016; Delmar & Shane, 2003; Delmar, Davidsson & Gartner, 2003).

In regards to the measurement of growth, most empirical studies fall apart in the understanding of what it is that is growing. Growth as such can come in the form of annual revenue, numbers of employees, increased performance rate, and many more, which could only be compared relatively to each within specific points in time (Havnes & Senneseth, 2001). Demir et al. (2017) show that empirical studies that use relative growth as a variable tend to over-sample smaller firms, whereas studies focusing on absolute growth tend to over-sample larger firms (Delmar, 1997). This led to the decision to mainly focus on studies that use relative growth factors as a foundation for their findings, as this thesis aims to understand HGFs that are currently in the process of undergoing high-growth. These intangible definitions and inconsistent tracking measures of high-growth in various studies pose a challenge for this paper in producing a consistent definition of HGFs. This is furtherly corroborated as most scholars state their skepticism *"about the emergence of a single definition of HGFs, as different research questions require different definitions of firm growth"* (Coad et al., 2014: p.105).

With this paper, we want to investigate how contemporary Barringer's theory is, in light of modern HGFs and mechanisms highlighted by the Blitzscaling strategy, which focuses mostly on technology-enabled growth (Hoffman & Yeh, 2018). Barringer et al. (2005) define HGFs as companies with an annual growth rate of 15%, measured on employee size (2005). Keeping the above-mentioned perspectives on HGF definitions in mind, we adapt Barringer et al.'s definition, replacing the focus on employees with annual revenue, as we believe that high-tech companies' growth in revenue is mostly independent of the number of employees.

2.1.2 Research on High-Growth Firms over the Decades

Barringer et al. (2005) aimed to understand the systematic differences between HGF and what they describe as their low-growth counterparts. Their review builds on 55 research articles published between 1989 and 1996 on firm growth, with one conclusion being that these publications share *"little agreement on what factors affect growth"* (Barringer et al., 2005: p.666) similar to the reasons mentioned above. Although Barringer et al. (2005) acknowledge the fragmentation of this research field, they manage to conceive a framework that connects the findings of these publications, by structuring them into the four dimensions of *"founder characteristics, firm attributes, business practices, and human resource management (HRM) practices*" (p.666) with each dimension containing a set of attributes to describe them. The first dimension *Founder characteristics* puts the firm founder in the center, assessing how the founders' human, social and financial capabilities are crucial to determine their rapid-growth potential of the firm (Barringer et al., 2005; Mullins, 1996). The second dimension is *Firm attributes* and focuses on the firm's strategic commitment to growth. The third dimension *Business practices* focuses on the firm's value creation processes in regards to its customers and competitors. The last dimension looks at the firm's *HRM practices*, on how the firm acknowledges and integrates its own employees in the growth process. The framework defined by the authors results in the identification of three major drivers of high growth, the founder's human capital, their HRM practices as well as the strategy used (Barringer et al., 2005). To understand the current implications of Barringer et al. (2005) framework, this literature review will cover not just their theories and the ones they build upon, but also recent studies that build their findings and identification of these four dimensions, which will be reviewed in the upcoming section.

In the article, *A quantitative content analysis of the characteristics of rapid-growth firms and their founders*, Barringer et al. (2005), summarise the attributes of HGFs in four different categories: (1) founder characteristics; (2) firm attributes; (3) business practices; and (4) human resources management practices (Table 1).

1. Founder characteristics	2. Firm attributes	3. Business practices	4. Human resource management practices
Relevant industry experience Higher education	Growth-oriented vision and mission	Creating unique value for customers	Selective hiring
Entrepreneurial experience	Commitment to growth	Product superiority	Performance-based incentives
Broad social and professional network	Participation in interorganizational relationships	Innovation	Stock option plans and employee stock ownership plans
Size of founding team	Planning		
	Geographic location		
	High buyer concentration		

Table 1 – Drivers of Growth according to Barringer et al. (2005)

Barringer et al. (2005) presented us with a framework through which we can categorize and compare modern research on the strategic management of HGFs. The following overview of modern and past literature on the strategic management of HGF summarizes the findings of 84 peer-reviewed articles and empirical studies, mainly gathered through research databases and journals such as Wiley, Emerald Insight, Springerlink, Research Gate, JSTOR, Science Direct, SCOPUS, Sciencedirect, and CBS libsearch. With Barringer et al. (2005) paper as a starting point, we used the citation tool provided by SCOPUS to identify research papers that build upon their theories and focus on reviewing the state of the art theories on HGF or intend to develop new findings through their conducted empirical and case study based investigations. From these search results, we narrowed down on the papers where the content overlaps with the highly relevant attributes identified by Barringer et al. (2005), resulting in 84 papers that we included in the following.

Table 2 and 3 provide an overview of 22 papers that conducted empirical research to develop new findings on what drives growth in firms they have investigated. Whereas it is clear that their definitions and findings differ from each other, we have been able to cluster all findings under the four dimensions defined by Barringer et al. (2005). The research findings recognizing founder characteristics as growth factors remain relatively homogeneous and identify mostly prior entrepreneurial experiences as an identifier for potentially occurring high-growth in firms (Barringer et al., 2005; Baum & Bird, 2010; Muurlink, Wilkinson, Peetz & Townsend, 2012). Up until 2010, firm attributes received a great amount of attention through a focus on strategies that put growth as their main goal (Barringer et al., 2005; Chan, To & Chan, 2006; O'Regan, Ghobadian & Gallear, 2006; Baum & Bird, 2010; Senderovitz, Klyver & Steffens, 2015), however, more research arose that puts users and user experience as an indicator for high-growth (Rindova, Yeow, Martins & Faraj, 2012; Ryzhkova, 2015). The majority of the currently available research developed findings that emphasize the dimension of business practices and focus on innovation and value creation for the end-user (Barringer et al., 2005; O'Regan et al., 2006; Moreno & Casillas, 2007; Coad & Rao, 2008; Stam & Wennberg, 2009; Goedhuys & Sleuwaegen, 2010; Barbero, Casillas & Feldman, 2011; Rindova et al., 2012; Ryzhkova, 2015), whereas the research focus of the past decade took a turn towards service and distribution-driven innovation (Barbero et al., 2011; Parker, Storey & van Witteloostuijn, 2010; Rindova et al., 2012; Ryzhkova, 2015). Research that emphasizes the dimension of HRM practices appear to be the most fragmented. It is, therefore, difficult to identify a single prevalent topic, as the literature emphasizes different growth factors from training, to hiring criteria, up to team cohesion.

Table 2.1

Review of empirical research between 2005 and 2016 on what drives high-growth in high-growth firms

Empirical Research		Driver(s) of high-growth identified in			
Author & Year	**Definition of High-Growth Firms**	**Founder Characteristics**	**Firm Attributes**	**Business Practices**	**Human Resource Managment Practices**
Barringer et al. (2005)	Three-year compound annual growth rate of 80% or higher	industry experience, education, "an entrepreneurial story"	commitment to growth, mission statement, inter-organizational relationships	unique value creation and customer knowledge	training, employee development, financial incentives, stock options)
Nicholls-Nixon (2005)	Firms 4 - 13 years of age with 30 - 2500 employees and annual sales of $10 - $390 million having experienced mean annual sales growth over the past three years between 35% and 266%	leadership style focusing on facilitation	building relationships		flat hierachies
Chan et al. (2006)	Firms with sales C$10 million and C$1 billion and three or more years of consecutive sales growth		Alligns with Barringer et al. (2005)		Alligns with Barringer et al. (2005)
O'Regan et al. (2006)	Sales growth rate of at least 30% per year for three or more consecutive years		prospective strategy for growth opportunities	unlikely to invest in R&D or launch new products	
Sims and O'Regan (2006)	Index of (1) employee growth, (2) sales growth, (3) profit growth, and (4) profit margin growth	CEO under 40	network and relationships		Alligns with Barringer et al. (2005)
Ensley et al. (2007)	Mean three-year growth rate between 1,591% and 2,084%, yearly mean employees ranging from 53 to 95, and yearly mean sales ranging from $6.5 million to $14.5 million				team cohesion
Moreno and Casillas (2007)	Percentage of three- year growth (1998 e2001) more than 100% higher than median growth in the same industry sector			unique value that competition cannot serve	
Coad and Rao (2008)	Firms at the top 10% growth distribution			Level of continous innovation	
Hölzl (2009)	Firms in the top 10% and 5% growth distribution with a firm size of less than or equal to 250 employees in 1998		geographical location for level of innovation		
Stam and Wennberg (2009)	10% fastest-growing firms in terms of employment	leadership and industry experience, founding team size		innovation	
Baum and Bird (2010)	Founder-managers' intentions to grow their firms to 100 employees in 10 years	entrepreneurial self-efficacy	Optimization for growth		
Goedhuys and Sleuwaegen (2010)	At least 10% annual employment growth in 2002 - 2005 for owner- manager firms in manufacturing industries with more than five employees in 2002		Not focusing on process innovation	Product innovation	

Table 2 – Review of empirical research between 2005 and 2016 on what drives high-growth in high-growth firms Part 1

Table 2.2

Review of empirical research between 2005 and 2016 on what drives high-growth in high-growth firms

Empirical Research		Driver(s) of high-growth identified in			
Author & Year	**Definition of High-Growth Firms**	**Founder Characteristics**	**Firm Attributes**	**Business Practices**	**Human Resource Managment Practices**
Parker et al. (2010)	Independent firms with sales between £5 million and £100 million and annual sales growth exceeding 30%			Not focusing on product innovation and on marketing instead	
Barbero et al. (2011)	Firms below 500 employees with 10þ annual sales growth 2001 - 2005			product innovatin and marketing	
Keen and Etemad (2012)	Fiveþ years of annual sales growth, 179% þ five-year sales growth, $100,000 þ in base year sales, $1 million þ in Year 5 sales		International focus		
Lopez-Garcia and Puente (2012)	10% fastest-growing firms with the highest “Birch-Schreyer indicator” value (i.e., a mix between absolute and relative growth rates)				focus on qualified personell, employment options
Muurlink et al. (2012)	20+ employees within five years of establishment	prior entrepreneurial experience to make better decisions under stress and uncertainty			
Rindova et al. (2012)	93(88) product introductions were identified for Yahoo (Google), representing entries into 29 (14) markets		Partnering up with distribution partners	Distribution innovation	
Koski and Pajarinen (2013)	10% highest-growing firms in the sample			R&D subsidies are NOT correlated	employment subsidies improve employment growth
Lee (2014)	“Actual HGFs” identified by past and expected employment growth (zero to two years); “Potential HGFs” are then identified using PSM according to their similarity to HGFs	negative finding: lack of management skills	negative finding: finance issues, cash flow		negative finding: challenges in recruitment and skill shortage
Coad et al. (2014b)	50,000 firms and 500,000 individuals employed in the total population of HGFs during 1999 - 2002 in Swedish knowledge-intensive sectors				during crisis periods in society: hiring young, poorly educated workers, long-term unemployed and immigrants
Ryzhkova (2015)	Sales over 10 million Swedish Krona, 10+ employees, continuous early growth in sales and positive results, and doubled sales during the past three years based on organic growth (not mergers and acquisitions)		user centric approach	service innovation, but not process innovation	
Senderovitz et al. (2016)	Firms grew at least 100% in gross profit in a four-year period (2004 - 2007) and had gross profit above 0.5 million Danish Kroner		Strategic orientation for growth		

Table 3 – Review of empirical research between 2005 and 2016 on what drives high-growth in high-growth firms Part 2

2.2 High-Growth Founder Characteristics

In the following section, we present literature regarding the founders' prior industry experience; its entrepreneurial experience, and, finally, its level of education in relation to high-growth.

2.2.1 Industry Experience

The literature on HGFs is unequivocal when it comes to the role of the founders and, more specifically, the positive influence industry experience has on launching a successful firm. In conducted studies over the role of the founder on firm growth, it becomes clear that previous relevant industry experience is the founder's highest-impact characteristic on firm performance (Barringer et al., 2005; Lee & Tsang, 2001; Jo & Lee, 1996). This finding is repeated in Siegel, Siegel and Macmillan's (1993) paper, *Characteristics distinguishing high-growth ventures*, where the authors point out that the most crucial founder characteristic that distinguishes HGFs from LGFs is prior relevant industry experience. What is interesting is that Siegel et al. (1993) looked into 20 variables relating to founder characteristics and noted that, not only industry experience was the only founder characteristic impacting firm growth positively, but there was no other characteristic than the aforementioned distinguishing HGFs from LGFs. For Feeser and Willard (1990), industry-specific experience has been found to be so important that they state it is a determinant of firm performance.

Brüderl and Preisendörfer (2000) conducted a study on 1,849 german firms to assess their potential for high-growth. Their findings showed that industry-specific experience is positively correlated with initiating a HGF since the founder had already available knowledge about how the industry functions and experienced potential challenges and failures. Similarly, Van de Ven, Hudson and Schroeder (1984) as well as Deeds, Decarolis and Coombs (2000), underline the importance of industry experience in successfully reaching a high-growth stage. Furthermore, when evolving in an uncertain environment, being able to seize opportunities and having industry-specific knowledge is a crucial entrepreneurial characteristic in building a successful firm (Colombo & Grilli, 2010; Macpherson & Holt, 2007). In the same line of thought, experienced founders are more likely to identify and exploit opportunities in the pursuit of growth because of their previous relationships with clients (Sapienza & Grimm, 1997). Additionally, previous industry experience and the founders' familiarity with it allows them to anticipate and be more proactive in their decision-making process, therefore, participating in the performance of their firm (Sapienza & Grimm, 1997).

Previous relevant work and industry experience, allows founders to have more specialized knowledge and leverage these capabilities to lead the firm to superior levels of growth (Colombo & Grilli, 2010). Furthermore, industry experience supposes a pre-existing network that can facilitate access to resources which can be used to lead the firm to a high-growth stage (Deeds et al., 2000; Florin, Lubatkin & Schulze, 2003).

Lastly, in their article, *A profile of new venture success and failure in an emerging industry*, Duchesneau and Gartner (1990) put forward a specific term that describes both managerial and industrial experience. With *breadth of management experience* they emphasize the significant link between management experience with high-growth in HGF.

2.2.2 Entrepreneurial Experience

While some scholars find no relationship between entrepreneurial experience and firm performance (Sandberg & Hofer, 1987) and even report a negative relationship with firm growth (Jo & Lee, 1996), prior entrepreneurial experience has also been found to have a more balanced relationship to firm performance. In fact, Duchesneau and Gartner (1990) find that prior startup experience is positively linked with successful entrepreneurs since it allows them to transpose and adapt their knowledge to navigate through uncertainty and resolve potential arising problems. Similarly, Florin et al. (2003) suggest that previous entrepreneurial experience is particularly important to transpose the know-how into their current firm, thus increasing its probability to survive and reach high-growth. In fact, founders with prior entrepreneurial-specific experience tend to *"have better entrepreneurial judgment and more specialized knowledge than other individuals"* (Colombo & Grilli, 2010: p.612).

Entrepreneurial capabilities and the ability to exploit opportunities are intrinsically linked with previous entrepreneurial experience. In their study, Brüderl and Preisendörfer (2000) conclude that *“founders with industry-specific, self-employment and management experience have a higher probability of initiating a fast-growing business.”* (p.62). In Barringer et al.’s (2005) article, the authors show that entrepreneurs that have prior entrepreneurial experience are more likely to succeed since they possess critical knowledge to successfully build a firm, and are more likely to avoid mistakes.

The above findings show that research from the ‘80s and ‘90s tend to find no links between previous entrepreneurial experience and high-growth whereas more recent studies tend to show the contrary.

2.2.3 Level of Education

The impact of the founder’s level of education on firm performance remains controversial and inconclusive (Lee & Tsang, 2001). In their study, the same authors put forward the idea that the level of education of a founder participates to a certain degree to firm growth and is moderated by firm size. They conclude that, for larger firms, the level of education has a greater impact on firm growth than for smaller firms where the level of education impacts negatively the firm's growth (Lee & Tsang, 2001). Similarly, Stuart and Abetti (1990) find that advanced education - beyond a bachelor’s degree - was negatively correlated to firm performance and the founders with less education would actually perform better. Interestingly enough, Jo and Lee (1996) concluded that the level of education was associated with profitability but not firm growth.

However, several studies have found a positive link between the founder’s educational level and firm performance (Barringer et al., 2005; Brüderl & Preisendörfer, 2000; Duchesneau & Gartner, 2003; Sapienza & Grimm, 1997; Senderovitz et al., 2015; Storey, 1994; Van de Ven et al., 1984; Watson, Stewart & BarNir, 2003). Going into a more in-depth analysis, a majority of scholars argue the relevance of college education as it may provide the necessary skills to launch a firm, especially if the education is in a technical field. Whereas for other fields (such as social science), higher education only provides a beneficial social network. Both would impact positively firm performance

(Barringer et al., 2005). However, contrasting findings were laid out in Colombo & Grilli's (2010) study. The authors point out that *"technical university education does not seem to have any robust direct influence on new-technology based firms' growth"* (p.619) whereas education in managerial and economic fields had a positive impact on firm performance. However, they conclude that a higher level of education, independent of the field of education, is almost always associated with higher firm performance since the individuals possess specific knowledge and are better equipped to make decisions that will lead their firm to high-growth (Colombo & Grilli, 2010).

2.3 Employee Recruitment and Selection

In this section, we review the literature regarding the recruitment and selection process used in HGFs and the challenges associated with it.

For a firm to be able to grow and reach a high-growth stage, employee recruitment and selection is crucial and is seen as a recurrent challenge that high-growth founders have to overcome. In fact, it is a distinguishing characteristic of HGFs since they grow so fast that they are put into a position where they need to recruit and select employees fast and well to sustain their growth (Hambrick & Crozier, 1985). In a survey conducted by Price Waterhouse Cooper in 2000, it is shown that one of the main concerns founders face is to build the right team and hire the right people at the right time to achieve rapid growth. Demir et al. (2017) find a positive link between HRM practices and successfully managing high-growth. In his article, *The Growth Imperative,* Rich (1999) talks about the importance of crafting a *"distinctive employee value proposition"* (p.28) in order to attract and, more importantly, retain skilled employees. Rich (1999) puts forward the idea that human capital is an investment in which the firm must realize a return and, if done correctly, increases the likelihood of reaching a high-growth stage. The recruitment and selection process is costly; of such importance and can divert the founder's attention that some rather delegate this process to consultants or, hire an in-house employee specialized in HR who will, in turn, be in charge of recruiting the right employees (Hambrick & Crozier, 1985). Therefore, in advance of growth, firms that are successful have the tendency to build a highly experienced HR team, spending a much greater amount of time looking for the right employees and focus on hiring talents that have experience in larger firms (Hambrick & Crozier, 1985). Furthermore, a study by Fischer, Reuber, Hababou, Johnson and Lee (1997) suggest that HGFs' selection process is rather based on the capability of a candidate to manage the pressure that goes along working in a HGF and that shares the vision and values of the firm (Hambrick & Crozier, 1985) rather than on their professional experience. Additionally, in comparison to LGFs, HGFs allocate much more time and energy to attracting and selecting the right employees (Fischer et al., 1997). In their article, *Whom do high-growth firms hire?,* Coad et al. (2014) state that, in comparison to LGFs, HGFs have the tendency to hire employees that are typically young immigrants from Asia, Africa, and Latin America that have suffered from higher unemployment periods and are more flexible and versatile in terms of personal traits and professional experience. This suggests that HGFs provide them with job opportunities that they might not have had otherwise (Coad et al., 2014).

2.4 Firm Attributes

In this section, we present the literature regarding HGFs' attributes linking high growth and the following four subjects: (1) growth strategy; (2) participation in inter-organizational relationships; (3) planning; and (4) high buyer concentration.

2.4.1 Growth Strategy (Vision, Mission & Commitment to Growth)

Scholars agree that it is close to impossible to predict firm growth, however, they identify two attributes that appear to have a subliminal impact on high-growth, which together can be summarized as the growth strategy of HGFs: (1) the founding team's commitment to growth during internal decision-making, and (2) a clearly communicated mission statement (Barringer et al., 2005). Both factors together form a growth strategy that functions as a sub-layer, or enhancement, of the other underlying firm strategies.

"[T]here is no one best way to organize or manage a firm" (Galbraith, 2012; Van de Ven, Ganco & Hinings, 2013; Woodward, 1958), instead, when designing the growth strategy, most scholars plea for a dependence on the environment and the way the firm relates to it (Scott & Davis, 2007). Leaning on Durand and Coeurderoy's (2001) contingency theory logic, this applies to the evaluation of growth strategies: *"we argue that a growth*

strategy is most beneficial when it fits the other internal chosen strategies" (Senderovitz et al., 2015: p.395). Thus, one should not evaluate a growth strategy individually, rather, one should take all firm strategies into account and look at how these align and benefit each other.

We acknowledge that growth strategy as terminology is not sufficient to understand how it is executed in most firms. Senderovitz et al. (2015) differentiate between two styles of growth strategies in the market, (1) a broad and generalized market strategy, in which firms find it hard to gain momentum in the market (Amburgey, Kelly & Barnett, 1993; Greve, 1999; Parker et al., 2010), or (2) a niche-strategy through which the firm creates more specialized resources to outperform their competition while remaining vulnerable to fall into path-dependency and risk sudden market changes (O'Cass & Sok, 2014; Peteraf, 1993; Wernerfelt, 2013). In Senderovitz et al. (2015) empirical longitude study on HGFs, the authors identified that firms with a broad market strategy outperform their market-niches counterparts. However, 67% of studied HGFs follow the niche-market strategy approach, bringing up the question *"whether a growth strategy is about achieving a greater share of a given and fixed-sized market or whether it is about enhancing or creating a market?"* (Senderovitz et al. 2015: p.405). While the authors find it difficult to form a definite answer, they shift the focus towards the understanding of growth in relation to the entrepreneurial mission of enhancing current markets, or to create new ones (Gartner, Carter & Hills, 2003; Sarasvathy, 2001; Senderovitz et al., 2015).

Recently, more research arose on the execution of such growth strategies and highlighted a more periodical view on this matter. While it is important to keep a growth mindset and lead the firm through the challenges that come with the high-growth process, the managing team needs to acknowledge that an intense growth period should not persist indefinitely (Coad et al., 2014; Hölzl, 2014). Most scholars investigating HGFs understand high-growth as a closed period that occurs singularly in the lifetime of a HGF (Daunfeldt & Halvarsson, 2015) and, therefore, should be considered consciously, rather than intuitively, based on the state of the organization and the market environment (Monteiro, 2019).

As it is close to impossible for founders to predict the outcome of their operations and future demand, most judgmental decisions are intrinsically motivated. The strongest impact on these decisions, therefore, is the growth ambitions and the initial mission set by the founding team, to intrinsically form the decision-making process across the organization (Barringer et al., 2005; Delmar & Wiklund, 2008).

Monteiro (2019) identifies a sub-group of HGFs that is characterized through strategic entrepreneurship and pursues the search for opportunities in the market as a strategy. While their motivation derives from their mission to grow, founders spend their initial life stage identifying the highest potential business model and positioning to surpass their competitors (Nickerson, Hamilton & Wada, 2001; Zott & Amit, 2008). Strategic entrepreneurship as described above displays the most recent understanding of how growth is currently achieved, although it should be considered that this research field is rather novel and requires further investigation.

2.4.2 Participation in Interorganizational Relationships

> *"Compared with mature firms, new ventures face more resource scarcity, newness, smallness and inexperience, experiencing a high failure rate. This implies that entrepreneurs per se should pay more attention on utilizing their business ties to overcome this disadvantage, and further realizing new venture growth."* (Machado, 2016: p.13)

A newly-built firm is, by nature, constrained by a limited amount of resources it can draw on. Barringer et al. (2005) argue that the participation in inter-organizational relationships *"help firms share costs, increase speed to market, gain economies of scale, and gain access to essential resources, knowledge, and foreign markets"* (p.668). The authors define these relationships between organizations as an attribute to overcome startups' *“challenges of smallness”* (Wang, Li & Jiang, 2019: p.2).

Brüderl and Preisendörfer (2000) conducted a quantitative study of 1849 startups in retrospect. Four percent of the reviewed startups demonstrated high-growth characteristics and a positive correlation was found between HGFs and engagement in partnerships. Of all considered startups in all growth-stages, 80% did not engage in inter-organizational partnerships, in which 3% were HGFs. More interestingly, of the remaining 20%, 60% engaged in partnerships and were, in fact, all HGFs. This does not place business relationships as the root cause for exponential growth, but it places inter-organizational relationships at the center of contributing factors for high-growth (Brüderl & Preisendörfer, 2000).

In a recent study, Machado (2016) contributes with a rather focused view upon these findings. Growth has traditionally been examined as an organic development (Penrose, 1960; Leitch, Hill & Neergaard, 2010), however, Machado (2016) investigates growth rather as a strategy, by specifically looking at the effects of mergers and acquisitions of small firms (Machado, 2016). Merging with suppliers and the creation of joint firms (Beekman & Robinson, 2004) enable high-growth in small firms if they fulfill one of two reasons: the joint-firm enables the small firm to further orientate their strategy towards fulfilling more customer needs (Brush, Ceru & Blackburn, 2009; Julien, 2002 in Kay et al., 2014; Reid & Xu, 2012), or if the partnership provides access to new clients and decreases the operational distribution risks for the firm (Achtenhagen, Naldi & Melin, 2010; Brenner & Schimke, 2015; Coad & Tamvada, 2012; Davidsson, Achtenhagen & Naldi, 2010; Wakkee, Van Der Veen & Eurlings, 2015).

In more recent studies, the view on inter-organizational relationships shifts. Instead of focusing solely on the impact of larger individual events, as in joint-ventures & mergers, the relevance of smaller business relationships grew, which is what we call the web of business ties around the founder (Wang et al., 2019). They *"define entrepreneurial business ties as entrepreneurs' relationships with business partners, such as suppliers, customers, and peer companies"* (Wang et al., 2019: p.3) placing the individual, instead of the firm, at the center of the network. These business ties help entrepreneurs build a supportive environment that helps them overcome acute challenges, for specific product needs, bring knowledge and emotional support or financial resources when required (Anderson, Dodd & Jack, 2010; Anderson, Jack & Drakopoulou Dodd, 2005; Jing Zhang, Soh & Wong, 2010). Scholars identify these business ties as growth drivers for firms to overcome the initial growth stages (Anderson et al., 2010).

2.4.3 Planning

Planning participates in organizing a firm for growth (Barringer et al., 2005: p.899) and as a firm grows, it needs to introduce more formal processes, especially in relation to planning and control (Hambrick & Crozier, 1985) to communicate their mission and vision effectively to all stakeholders (Roure & Keeley, 1990). Gradually introducing these systems is crucial to be able to refine them before they become absolutely critical, as they allow employees to become accustomed to the new objectives (Hambrick & Crozier, 1985).

Barringer et al. (2005) do not find a significant difference in terms of planning between HGFs vs LGFs. However, Siegel et al. (1993) find that HGFs were more likely to carefully plan than other firms, especially in regards to writing and updating a business plan and setting objectives. In their article, Duchesneau and Gartner (1990) state that *“successful firms spent more time planning (237 hours) than unsuccessful firms (85 hours)”* (p.298). The use of a comprehensive planning process and the time allocated to it is, therefore, crucial to building a prosperous firm. Similarly, Roure and Maidique (1986) show that the level of planning differs between successful and unsuccessful firms and that the former has a more comprehensive planning process that is positively linked with firm performance.

In their article, Shuman, Shaw & Sussman (1985) present their study in which they studied the 500 fastest growing firms in the United-States in the ’80s. They find that more than 70% of high-growth founders positively linked profitability, decision-making, and planning together. For Fischer et al. (1997), planning and preparedness help bridge the present with future goals by setting clear goals, control mechanisms, deadlines, and a direction to follow which is characteristic of HGFs.

In *What Makes a New Business Start-up Successful,* Reid and Smith (2000) state that planning can be associated with putting together a business plan. However, they find that simply creating a business plan is not what enhances firm performance, it is rather how the business plan is used as a guide for planning that does. Similarly, Duchesneau and Gartner (1990) conclude that most firms - whether successful or not - do not have formally written-down business plans (p.306). However, successful entrepreneurs seem to be using *“personal planning notes”* to assist them with decision-making (p.307).

For Bracker and Pearson (1986), planning includes 8 distinct components: (1) objective setting; (2) environmental analysis; (3) strengths, weaknesses, opportunities and threats (SWOT) analysis; (4) strategy formulation; (5) financial projections; (6) functional budgets; (7) operating performance measures; and (8) control and corrective procedures (p.507). In their view, the degree of planning sophistication is positively linked with the financial performance of a firm.

Van de Ven et al. (1984) introduced the Program Planning Model (PPM), a comprehensive structured planning process encompassing problem and knowledge exploration and business plan development. They find that firms that applied this model are more successful than the ones that do not. Brüderl and Preisendörfer (2000) posit that careful planning *“suggests a more ambitious and goal-directed behavior, and thus may be a factor that improves chances for growth.”* (p.60).

2.4.4 High-Buyer Concentration

High-buyer concentration refers to a firm serving a small number of customers that have a relatively high-buying capacity (Roure & Keeley, 1990**;** Roure & Maidique, 1986). This also means that depending on a small number of customers lowers the firm’s bargaining power and can, therefore, endanger its success (Porter, 1980) and profits (Barringer et al., 2005). However, Roure and Maidique (1986) conclude that all the eight HGFs they analyzed have high levels of buyer concentration, in addition to being in market segments without any large competitors and where they could expect to have a higher market share. It has also been shown that the success of a firm is linked to a level of buyer concentration which has an inverted U-shape relationship to the number of customers (Roure & Keeley, 1990**;** Roure & Maidique, 1986). This means that too little or too much buyer concentration is not beneficial in terms of firm performance, but rather there is an optimal level between the two extremes.

Furthermore, in a subsequent study, Roure and Keeley (1990) measure the optimal level of buyer concentration of the 36 firms they studied on a five-point scale: 1 = very low concentration (over 300 customers); 2 = low concentration (100 to 300 customers), 3 = medium concentration (30 to 99 customers), 4 = high concentration (10 to 29 customers), 5 = very high concentration (less than 10 customers). They conclude a medium concentration of customers is optimal, more specifically, they state that the ideal number of customers in relation to high-growth is around 60. Lastly, Barringer et al. (2005) state that fewer resources are needed when dealing with a small number of customers. As a result, a piece of advice for HGFs would be to concentrate on *"a narrow set of markets and customers, rather than be too aggressive."* (p.672).

2.5 Business Practices

In this section, we present the literature regarding HGFs' practices linking high growth and the following three subjects: (1) unique customer value; (2) innovation; and (3) product superiority.

2.5.1 Unique Customer Value

Unique value (UV) as a driver of firm high-growth occurs most frequently in the research leading up to the findings of Barringer et al. (2005), however, the research shifts its tone after 2005, from the existence of UV, towards the creation of a novel UV in the form of continuous innovation.

In the '80s and '90s, scholars argue that one of two strategies to retrieve a competitive advantage is by offering a unique product or service, regardless of the positioning in a broad or niche market (Lewis, 1981; Porter, 1991; Senderovitz et al., 2015). Barringer et al. (2005) found that a major differentiator between HGFs and LGFs is the creation of a unique product and/or service that exponentially increases customer growth.

Kim and Mauborgne (2004) describe the creation of UV as value innovation and put it in the context of leaving the competition behind. Value innovation is a mean to leave the dense competition in a red ocean, by creating a slightly different market and increasing the initial market size by winning over new customers. According to the authors, value innovation poses an opposing management strategy towards the more conventional approach to management. Conventional logic is a term to describe traditional management principles, such as *fixed industry conditions*, *competing in markets* and the Resource-Based View by Penrose (1960). Whereas value innovation in these areas is described by Kim and Mauborgne (2004) as a way to rethink the industry's conditions, value-driven goal-setting instead of competitive benchmarking. A firm should pursue value increase to dominate the market, and a firm should not constrain itself by the existing assets and should solve the market problems as if they are starting new. In short, a value innovation logic does not focus on market and organizational boundaries and competitors but rather aims to rethink boundaries and focus directly on the user problem.

Ryzhkova (2015) frames a more modern understanding of UV creation which aligns with the more recent research on UV creation in HGFs. Providing UV for customers is usually understood as a product innovation that competitors cannot provide (Barbero et al., 2011; Barringer et al., 2005; Goedhuys & Sleuwaegen, 2010). Ryzhkova (2015) argues the relevance of the way in which a product is received or serviced. Specifically relevant for firms in the knowledge-intensive service industry, the utilized distribution channels play a significant role in the gross margins and, therefore, the explosive growth of the firm. In contrast to its product counterpart, service innovation addresses two relevant drivers for high-growth directly, providing unique customer value, and increasing the growth margins for the firm (Ryzhkova, 2015).

We conclude that research on UV as an attribute for high-growth has shifted its focus towards service innovation and the creation of unique consumer experience. In the following chapter, we are focusing on innovation as an attribute for high-growth, which takes a more holistic view of the role that innovation plays in enabling high-growth in firms.

2.5.2 Innovation

We define innovation following Schumpeter's work (1947) *"as the doing of new things or the doing of things that are already being done in a new way"* (p.151). In a Schumpeterian sense, innovation has long been associated with firm growth. However, the literature is not unequivocal when it comes to linking the two together. For instance, Barringer et al. (2005) state in their research that *“innovation results in a constant supply of new product and service offerings, which increases a firm’s revenues and business reputation”* (p.699). However, a study conducted on 207 manufacturing firms by O'Regan et al. (2006) find that innovation has no significant influence on firm growth. The authors show that HGFs are less innovation-focused than they are focused on sales.

For Hölzl (2009), the success of HGFs is partly due to innovation since it allows them to outperform their competitors by combining *“existing input factors in novel ways”* (p.61). If enough financial capital is allocated to product innovation, and if successfully managed, the new products that are born out of that innovation create new value and replace the obsolete products (Patterson, 1998). This is what Schumpeter calls creative destruction, while Hölzl (2009) insists that this mechanism is largely associated in HGFs.

While Coad and Rao (2008) argue that innovation is not linked to firm performance for most firms, they also show that it is a crucial element in the performance of HGFs. In a study of 2721 firms in the United-Kingdom, Ireland, and Germany, Roper (1997) finds that product innovation is significantly linked to sales growth, thus, launching innovative products is intrinsically linked with firm growth. Similarly, Goedhuys and Sleuwaegen (2009) show that product innovation is positively linked to high-growth for African firms.

Some scholars differentiate the impact of innovation on firm growth depending on the size of the firm or the field in which it is evolving. For the former, Heunks (1998) concludes that innovation stimulates growth in small firms whereas, in medium-sized firms, innovation has very little importance in terms of firm growth. For the latter, Stam and Wennberg (2009) find a positive link between innovation and firm growth for high-technology firms but no such link was found for low-technology firms.

In terms of strategy, Brüderl and Preisendörfer (2000) put forward the idea that an innovative strategy increases the likeliness of high-growth, though it is not a condition for success since 2.2% of the HGFs they studied managed to reach high-growth with a more traditional strategy that is not oriented towards innovation.

2.5.3. Production Superiority

Garvin (1984) states that *"quality is not a single, recognizable characteristic; rather, it is multifaceted and appears in many different forms"* (p.41) and lays out 8 dimensions of product quality: (1) performance; (2) features; (3) reliability; (4) conformance; (5) durability; (6) serviceability; (7) aesthetics and (8) perceived quality. Garvin (1984) insists that to increase their chances to be highly performant, firms should focus on a few carefully selected dimensions of product quality and focus their energy solely on them rather than spreading themselves thin. This suggests a firm has limited resources and should allocate them carefully. In addition, different quality dimensions *"impose different demands on a firm"* (p.43), thus, it is better for a firm to compete on a few quality dimensions rather than the other way around. In terms of superior product quality, Tatikonda and Montoya-Weiss (2001) define it to be a product that offers UV to its clients. Thus, customer knowledge is a critical factor in making superior quality products since the firm needs to be familiar with its customers' desires to tailor products specifically to their needs (Tatikonda & Montoya-Weiss, 2001; Zhou, Li, Zhou & Su, 2008). Furthermore, manufacturing high-quality products allows a firm to differentiate itself from the competition; enhances customer satisfaction; the likelihood of repeated purchases (Barringer et al., 2005) as well as sales performance (Tatikonda & Montoya-Weiss, 2001). A number of studies link superior product quality with firm performance. Amongst the 10 hypothesized success factors they analyzed in their study, Copper & Kleinschmidt (1987) conclude that product quality is the strongest determinant of firm performance. Similarly, Yang & Ju (2017) find a strong positive link with product superiority and performance and it has also been shown that higher product quality is a strong predictor for firm success (Roure & Keeley, 1990). Alternatively, O'Regan et al. (2006) analyze 207 SME manufacturing firms and find that both high and low performing firms focus on delivering superior quality products. This suggests that product superiority is not only linked with HGFs and that it can be also associated with lower firm performance.

3.Methodology

In this section, we provide a detailed description and justification of the methodology we have used and the reasoning behind this research. We start by laying the philosophy of science underlining our research. We continue by presenting the research design we have chosen to use for our study. Then, we outline the way in which we collected and analyzed both primary and secondary data. Lastly, we state the limitations and ethical considerations that relate to our research.

3.1 Considerations on Philosophy of Science

Fundamental to our thesis is the research paradigm of social constructivism. We start this chapter by describing the epistemological and ontological fundamentals of social constructivism. The ontology examines the nature of reality, whereas the epistemology defines the way this reality is being measured, or investigated, whereas *“[e]pistemology is the study of the process of knowing”* (Spencer, Pryce and Walsh, 2014: p.82) or the science of how we know what we know. Hence, any research paradigm can be described as the ontologies and epistemologies, coming together. If we understand the ontology and epistemology of our research, we can select an appropriate research methodology, suited to investigate the investigated phenomenon.

In his description of social constructivism in the social and human sphere, Collin (2013) describes the ontological belief that the object "reality" is a construction of society's thoughts and practices. The assumption on which epistemic constructivism is based is that the construction and generation of social and scientific knowledge are subject to change by the societal forces. When we bring these beliefs together, we can understand how social constructivism relates to reality as a societal defined understanding of the world (Holm, 2013).

Social constructivism stems from the belief that all knowledge and perception of reality is constructed through each person's individual understanding of the underlying causes and actions of a certain phenomenon (Collin, 2013). *"Social constructivism with respect* *to a given phenomenon is the view that the latter does not possess an independent existence but is 'constructed'—that is, generated and maintained through collective human action, thought, discourse, or other social practices"* (Collin, 2013: p.2). (Social) constructivism thus forms the counter-theory to positivism, another common paradigm in social science, which assumes that the existence of a single reality or truth that can be measured, whereas (social) constructivism states that the understanding of reality consists of many individual points of views, each based on an individual understanding of reality.

Choosing the right research paradigm is fundamental to select appropriate tools and methodologies to measure, capture, and generate existing and new knowledge. Building on Charmaz (2006) explanations, we as researchers can create new knowledge through the investigation and understanding of the individuals of a human collective. The researcher accomplishes this by entering the investigated phenomenon directly in order to develop an understanding of the different point of views, acknowledging that the interpretation of the findings is in itself a construction (Charmaz, 2006: p.187), as the knowledge itself is situated socially in time and environment (Cho & Trent, 2014; Moses & Knutsen, 2012).

Investigating the mechanisms behind the exponential growth in startups, we as researchers acknowledge the fact that many variables come together that influence the understanding of the reality we aim to capture and analyze. The object of our investigation is to understand how HGFs enable rapid growth, which we measure by recording the founder's knowledge, thoughts, and experiences. The insights gathered through this approach allow us to grasp the individually constructed understandings of each founder of what enabled their own organization's growth. This process of data collection is additionally influenced by the perceived role of us as researchers by these founders. Keeping in mind that the individuality of creating knowledge differs always in time and environment, this is the principle process of investigating qualitative research (Cho & Trent, 2014: p.639). It is the responsibility of us researchers to uphold the qualitative and scientific standards to generate and analyze the data, to ensure the trustworthiness and reliability of our research findings (Cho & Trent, 2014).

3.2 Research Design

This research is conceived around the concepts of Grounded Theory (GT) (Thornberg & Charmaz, 2014) and constructed as an abductive study to generate new theories of understanding that are based on the current state of initiating the research with abductive reasoning, to subsequently induct new reasoning on the basis of the priorly created foundation (Timmermans & Tavory, 2012). The goal of this study is two-folded. First, we set out to challenge the applicability of traditional theories of exponential growth in modern firms. Secondly, we analyze the generated qualitative data to search for hidden patterns relevant for exponential growths, which are yet unidentified by the traditional theories.

Following GT, the data collection and analysis took place simultaneously to construct the theories that describe the phenomenon (Thornberg & Charmaz, 2014). Whereas the research was initiated through an abductive approach to set up the initial research design to investigate the phenomenon, we conducted interviews through which we were able to induct further insights about what was actually happening in the phenomenon (Thornberg & Charmaz, 2014). Iteratively going back and forth between the analyzed data and the theory, to continuously build out the theoretical framework is common in many qualitative investigations. This approach aligns with Timmermans & Tavory's (2012) central argument behind abductive reasoning, as it *"fits in with the traditional grounded theory recommendation to move back and forth between data and theory iteratively"* (p.168) and allowed us, as researchers, to continuously revise our understanding of the phenomenon and interview guideline (Charmaz, 2006: p.188).

According to Timmermans and Tavoy, abductive studies are *"a creative inferential process aimed at producing new hypotheses and theories based on surprising research evidence"* (Timmermans & Tavory, 2012: p.167). Keeping Timmermans and Tavory's words in mind, the study's design goes in line with an abductive approach and pursues to build theoretical rules, based on similarity and comparisons in their data analysis that answers the research question priorly mentioned.

The starting point for abduction is empirical data. Going through Barringer's research the attributes he established that enabling high-growth in new firms triggered a sense of doubt, as they do not seem to apply to our understanding of how modern high-growth startups are functioning. New frameworks and theories that have arisen from the private industry that seem to contradict, or enhance the theory that Barringer had laid out. In the pursuit to test our understanding and the theories that are in place, the researchers of this paper engaged in the journey of identifying the modern attributes that make high-growth startups grow, by abducting criteria that are based on the initial research of Barringer, as well as the unscientific, but fairly distributed practical approach of Blitzscaling (Hoffman & Yeh, 2018). Through conducting qualitative semi-structured interviews, we continued with an inductive reasoning approach to developing guidelines for orientation of which dimensions played a prevalent role in the firm's growth.

The central idea behind this iterative approach is to identify the "surprising findings" within the data, as mentioned above. These usually result from a gab, or conflicting in understanding, between the theoretical foundation of the research and the findings developed through the data analysis (Timmermans & Tavory, 2012). This resistance allows us to explore further theories and explanations for the investigated phenomenon, based on the finding that existing research already has discovered (Timmermans & Tavory, 2012).

3.3 Data Collection & Sampling

Our data collection process involved three consecutive stages, from defining the interviewee criteria, over-identifying appropriate interviewee candidates through applying different sample strategies, to conducting the interviews through the use of qualitative interview methods.

3.3.1 Interviewee Criteria

In the first step, we established specific criteria that qualify the interviewees' eligibility. Our criterion consists of two factors that needed to be fulfilled. The first focuses on the research object, being HGFs according to the definition defined by Barringer et al. (2005). Within these firms, we needed to access the knowledge and experiences that were present and involved in the decision making process during the high growth stage of that firm, for which we have focused on founding members of the firm and first employees.

In order to create sample groups that are sizable enough to create proper research findings we relied on publicly available listings of pre-assessed HGFs (Flick, 2016). In total, we engaged in two rounds of sampling, beginning with a list provided by the danish national newsagency Borsen, consisting of 100 firms with the *Gazelle* status. This first sampling round followed the guidelines of purposeful sampling (Flick, 2016). According to Sandelowski (1995), purposeful sampling can take the form of a diverse set of approaches, such as phenomenal, theoretical, and maximum variation (Flick, 2016). Our sampling criteria followed the description of high-growth startups according to Barringer et al.'s research, which consists of a set of different variables. Before Covid-19, our intention was to include danish firms only, but the pandemic forced us to adjust the sampling criteria along the process. We have applied our sampling criteria on the danish market first, followed by expanding towards the European market. For this it made sense to us to apply purposeful sampling with a clearly defined maximum variation strategy, which allows us to sample through a diverse set of criteria (Flick, 2016), enabling us to reach out to a large set of matching startup-founders. Among these lists and awards, we applied random sampling to select the firms that we were going to reach out to. In total, we have contacted 234 (Attachment 1), as further specified below.

3.3.2 Identifying Interview Candidates

The next step involves identifying relevant interviewees among the 234 new firms identified in the first step. To gain access to interview candidates, we used the professional social network Linkedin, inquiring whether potential interviewees would be interested in participating in the study. We have structured the reaching out process systematically and have tested various messages for the first and second contact, always continuing and improving with the versions that have received the highest response rate. The process of reaching out to the firms is documented in detail and can be seen in our Appendix 3.

Ultimately, our sample consists of the firms that answered our emails and LinkedIn messages and were available to us. Unfortunately, a global pandemic (Covid-19)

Table 4
Overview of Interview Partners and their high-growth firm

Company	Description	Date	Interviewees Position
MicroSecond	MicroSecond was founded in Denmark in 2014 and evolves in the semiconductor industry. According to the Borsen Gazelles Awards 2019, it is the 28th fastest growing firm of Denmark with a recorded growth over 66% for 2019 (virk) and an absolute growth of 15 492%	19th February 2020	Founder
Poweray's founder	Poweray is an industrial power plant manufacturer that was founded in Denmark in 2008. With a recorded growth of 60.71% in 2019, it is the 32th fastest growing firm of Denmark (Borsen Gazelles Awards 2019) and, on the Financial Times 1000 list of Europe's Fastest Growing Companies 2020, it is ranked 68th fastest growing firm in Europe with an absolute growth of 7 132%	21st February 2020	Founder
Marketic's founder	Marketic is an i-Gaming Danish Firm established in 2014. According to the Borsen Gazelles Awards 2019, it is the 375th fastest growing firm of Denmark with a recorded growth of over 29% for 2019 (virk) and absolute growth of 2 820%.	27th February 2020	Founder
Spector's founder	Spector is a Romanian IT consultancy established in 2006. It is ranked 509th fastest growing firm on the Financial Times 1000 list of Europe's Fastest Growing Companies 2020 with an absolute growth of 335%.	10th April 2020	Founder
Snackable's founder	Snackable is a U.K. film distributor established in 2016 and part of Seedtable's 111 London Startups to Watch in 2020.	9th April 2020	Founder
AdviceLab's founder	AdviceLab is a French consulting firm established in 2013. With an absolute growth of 1 716%, it is ranked 69th fastest growing firm on the Financial Times 1000 list of Europe's Fastest Growing Companies 2020.	7th April 2020	Founder
MyFish's founder	MyFish is a Swedish firm evolving in the application software industry which was founded in 2013. From 2016 to 2018, it had an average growth of about 860% and an absolute growth of 4 471 899 900% (https://www.allabolag.se/5567965370/bokslut).	9th April 2020	Growth Manager (Member of the founding team)

Table 4 – Overview of Interview Partners and their HGF

disrupted all industries, making it harder for our interview-partners to engage in non-essential activities, ultimately resulting in a loss of many interview-partners for our study.

Over the course of 2 months of reaching out to firms, we have contacted 253 (Attachment 1). Due to Covid-19, many founders cancelled the interviews or have not shown up to the promised date. Because of these circumstances, we agreed with our interview candidates that the interview will not take longer than 30 minutes.

In total, we performed 7 semi-structured interviews on founders of HGFs across Denmark, the U.K., France, Romania, and Sweden. Below we will elaborate on the collection of primary data.

3.3.1 Primary Data

We interviewed 7 founding members from different firms, out of which 6 hold the founding position and the remaining is one of the first employees who is in charge of enabling and increasing the firm's growth. The aim of the interviews is to provide us with a phenomenological understanding of firm-growth before and during the period of exponential growth, as it was enabled by the founding members of their firm. Prior to the interviews, we built a semi-structured interview guide (Appendix 1), based on the theoretical concept of Barringer et al. (2005) and the strategic concept of Blitzscaling (Hoffman & Yeh, 2018).

We chose the semi-structured approach to create a conversation in which the interviewee can construct their own meaning behind the processes their organization went, rather than to get information about specific topics.

This interview set-up created an interplay between the theoretical groundwork and the interviewee's perception. In order to build an interview guideline without leading questions, we have decided against creating a quantitative survey regarding the interviewee's opinion of the relevant attributes (Flick, 2018). Instead, we utilized Barringer et al. (2005) and the Blitzscaling concept (Hoffman & Yeh, 2018) to abduct the central challenges in which these attributes played the differentiating role, and structured the interview guide around these challenges. This interview approach invites the interviewee to provide their unbiased understanding of the key aspects of these challenges (Flick, 2018).

The interviews were held and recorded online through the video-communication platform Zoom. James and Busher (2009) position face-to-face interviews as the most powerful tool to understand how people construct their social reality. In comparison to static data or phone-interviews, offer face-to-face a higher variety of levels of understanding. The interviewer does not just rely on the voice and content of what the interviewee states, furthermore can the interviewer draw from the information they receive through the observation of physical gestures and social cues. Opdenakker (2006) argues that the interviewer and interviewee need to share time and space to obtain these benefits, but a more recent argument made by Hanna (2012) sheds light on the benefits of video-online interviews as a feasible substitution for face-to-face interviews. Conducting these interviews highlighted a few disadvantages towards an in-person face-to-face interview. The central disadvantage is the effect that a slow internet connection has, on the quality and flow of the conversation. Sharing video and voice simultaneously is quite impactful on the internet connection. Since many of our interview partners held their interviews from home with moderate internet speed, did we experience occasional delays in our conversation flow, as well as incomprehensible sentences. Nevertheless, technical difficulties made up only an insignificant portion of the interview, and almost all interviews have been conducted without any major issues.

3.3.2 Secondary Data

To triangulate and augment the data collected in the interviews, we collected publicly available data on the firm’s background, firm growth, and professional background of the founder, prior to the interviews. The founders' professional experiences were sourced from their individual profiles on the social network LinkedIn.com. The firm information was sourced from governmental databases that list all financial reports from these firms, such as Virk.dk, etc.. When information has not been able to be accessed, we have asked our interview partners after the interview to provide us with the information that we have been missing. These data sets were used primarily to triangulate our findings and make sure that what the interviewees were saying matched the information we could find about them.

3.4 Data Analysis

We have described how we used qualitative methods to collect data that contain the data required to understand the investigated phenomenon. This section will lay out how we have used qualitative analysis tools to make sense of the data we have collected. *"The most widely used categorizing strategy in qualitative data analysis is coding. In coding, the data segments are labeled and grouped by category; they are then examined and compared, both within and between categories"* (Flick, 2016: p.24).

We have used coding as our categorizing strategies to sort the collected data into different topics and theories and created links between these categories, when we have been able to identify relationships between them. The central challenge of coding is first to physically retrieve the content given on a specific topic and to subsequently bundle the retrieved data into tangible and processable groups for the research, without losing the integrity of the data (Bogdan & Biklen, 2007; Miles, Huberman & Saldaña, 2014). The process of *“coding is a deep reflection about and, thus, deep analysis and interpretation of the data’s meaning”* (Miles et al., 2014: p.72). The nature of the data, therefore, is not standardized and rather complex, making the coding process a deeply subjective one that changes with the understanding and context of the researcher undergoing it. Because of this reason, coding is a widely used tool for grounded theory-based research. Due to the subjectivity of the process, grounded theory coding is flexible and supports the enablement of data-based resistance between the researcher and the phenomenon (Bryant & Charmaz, 2019).

The coding process followed the principles of an iterative approach, displaying *“an interplay between data collection and analysis”* (Brianna & Kennedy in Flick, 2018: p.2). Different from a linear-sequential approach, where the researcher collects the data first, in order to analyze it, the analysis starts in smaller iterations during the data collection process, therefore guiding the further enhancement and reduction of the aspects involved in the data analysis (Brianna & Kennedy in Flick, 2018).

3.4.1 First Cycle of Coding

We have coded our first cycle with inductive logic while creating different types of coding categories: *"Inductive logic consists of inferring categories or conclusions based upon data"* (Thornberg & Charmaz, 2014, in Flick, 2018: p.3), with the effect that the codes created stay very close to the actual data, and *"can reveal new understandings of existing knowledge and conclusions*" (Reichertz, 2007, in Flick, 2018: p.51). The goal of our first cycle of coding was to identify the most relevant, but also inherently new ways to understand the phenomenon to open up new theories to include in our initial theory. To ensure a mostly unbiased coding process, we deemed it important for the categories to emerge out of the *"defined meanings within them"* (Charmaz, 2006: p.47), rather than to force-fit the new findings into the existing theories that are already well known.

The evolving codes resemble topics more than categories. These topics function as abstract buckets, or vessels, to sort the content of our interviewees prescription, which subsequently lead to the identification of either additional research or the adaption of our interview guideline. Organizational codes are useful tools to initiate the process, however, they do not describe the actual phenomenon as such, nor do they offer much insight into what actually is happening (Coffey & Atkinson, 1996: p.34).

3.4.2 Second Cycle of Coding

In our second cycle of coding, we bundled the inducted codes into two categories, substantive and theoretical categories (Flick, 2018). These categorizations help us to better understand the two sides of our research question: to gain a better insight into the factors that drove these firms' exponential growth and to identify which of these factors have been priorly identified by the theoretical frameworks (Barringer et al., 2005; Hoffman & Yeh, 2018, Flick, 2016) on which this research is based. In addition to a better understanding of the investigated phenomenon, the goal of this process was to identify novel dimensions that were not covered by existing frameworks (Flick, 2016).

We have started the bundling process by revisiting the organizational codes from the first coding cycle to develop substantive and theoretical categories out of them. Substantive and theoretical categories help us to develop a deeper understanding of the phenomenon. By analyzing the content of the organizational categories, the researcher develops claims that aim to describe the phenomenon in focus. During this process, organizational categories function as conceptual boxes to hold data, whereas the substantive and theoretical categories build on the analysis of the organizational categories. The analyzed categories portray an initial intent to understand and to describe the researched phenomenon. Nevertheless, these new categories shall not be confused with claims we state to be true. With coding being also a subjective process, we acknowledge the potential fallibility of our categorizations, however, as being derived directly from the data, the subjective and theoretical categories hold a higher authority in describing the phenomenon than the organizational categories that merely function to hold data (Flick, 2018).

Substantive categories are descriptive by nature and include the concepts and beliefs as they are verbally provided by the participants (Flick, 2016). These categories are generated inductively (Strauss & Corbin, 1991) and constructed close to what is described. Rather than implying the existence of a theoretical framework or foundation, these categories are based on the researchers' understanding of what is going on (Strauss & Corbin, 1991; Flick, 2018). The substantive categories helped us group the different points of view on the relevant mechanisms that have caused exponential growth for these firms.

Theoretical categories are contrary to the substantive categories as they are based on theoretical frameworks: *"These categories may be derived either from prior theory or from an inductively developed theory (in which case the concepts and the theory are usually developed concurrently)"* (Joseph & Chmiel, in Flick, 2014: p.7) and commonly represent the researcher's understanding of the phenomenon (Flick, 2018). The theoretical categories were derived from Barringer et al. (2005) and Blitzscaling (Hoffman & Yeh, 2018) in the form of the attributes they identify that enable exponential growth.

By coding substantive and theoretical categories, we have applied two different lenses on the presented data: the interviewees' and the researchers' understanding of the phenomenon. This presented us with the challenge that we have assigned multiple codes to individual quotes. As Elliot (2018) states, it is not uncommon in qualitative research that one text passage receives different codes, representing individual themes, as long as this is part of the central research design. Creswell (2015) supports Elliot's (2018) argument by highlighting a similar principle: "*You can certainly code a text segment with multiple codes, but ask yourself, 'What is the main idea being conveyed?' and assign a single code*" (p.160). Elliot goes on elaborating: "*If your project is designed to view data through more than one lens (testing the fit of different theories to the data, for example) then multiple coding is likely to be necessary*" (Elliot, 2018: p.2854). As most literature on qualitative data analysis is unclear on this specific challenge, the question of multiple-to-one coding is up to the specific use case and should follow the principles of qualitative data analysis, in order for the developed findings to stay reliable (Elliot, 2018). We believe that Elliot's argument applies to our use case as we are building the answers for our research question, *How do high-growth startups set themselves up for exponential growth?*, based on data, developed from different lenses. One lense answers this question according to the founders of these firms and the other lense develops an answer according to the researchers behind the theoretical frameworks.

This process can follow the categorizing strategy of thematic analysis as described by Ayres (2008) in which the researcher intentionally obscures the complexity of the data from their contextual connections *"in order to emphasize the most prevalent connections"* (Maxwell, 1996 in Flick, 2014: p.49) eventually decontextualizing the data. According to Ayres, *"thematic analysis is a data reduction and analysis strategy by which data are segmented, categorized, summarized, and reconstructed in a way that captures the important concepts within a data set."* (2008: p.867). The codes or themes, as Ayres (2008) refers to them, are developed through thematic analysis distinct from organizational coding, as they focus on a broader and more abstract level of understanding of the investigated phenomenon. Ayres (2008) acknowledges that the decontextualization of the data through coding retains the connections to their original context. Thus the subsequent analysis is based on the generic relationships the researcher draws based on their subjective understanding (Ayres, 2008; Maxwell, 2011 in Flick, 2014). This danger of decontextualization is a common practice in qualitative studies and most qualitative researchers are aware of it. But although retaining the connection to the contextual data marks a quality standard, many researchers continue to apply the approach of decontextualization due to its practicality within open, and non-case study based research.

In order to develop the final arguments that answer our research question, these two code categories have been compared and aligned in the third cycle of coding.

3.4.3 Third Cycle of Coding

The third cycle of coding transforms the most prevalent categories of the second coding cycle into tangible arguments (view *Analysis*) upon which we discuss the theory and our findings. Within this cycle of coding, the focus is on building relationships between the most prevalent categories. Due to the small numbers of interviews, we decided to only focus on categories that are truly dominant, to decrease the likelihood of working with false-positive findings. We determined dominant categories either by comparing the categories on a firm-level (at least six out of the seven firms mentioned a specific category) or on a frequency level (the categories with the highest frequency rate amongst each other / Top 10%).

After having identified the most dominant categories, we continued to link the categories based on Maxwell and Miller's (2008) similarity-based categorizing strategy. In our approach, we have linked categories based on resemblances or common features. Grouping and comparing data in categories based on similarities is in qualitative research commonly referred to as a categorizing strategy (Maxwell & Miller, 2008). This process of coding generates categories which the researcher aims to link, based on larger patterns. Using different connecting techniques on the categories, the researcher aggregates the full diversity of data to develop a uniform level of understanding and to continue the process of deriving insights and theories (Flick, 2016).

3.5 Limitations of Methodology

In this section, we provide the reader with the limitations and shortcomings of our methodological approach. One of our major shortcomings is the number of interviews we were able to realize. While there is no official maximum or minimum number of required interviews in qualitative research, there are certain indicators upon which the researcher can determine when to conclude their data collection process (Rapley, 2014 in Flick, 2014). Furthermore, our sample consists of founders and firms spread across different countries and industries which is not ideal to draw more general conclusions.

Additionally, our research is limited by the time restrictions set by the academic format of a master thesis and aggravated due to the COVID-19 pandemic that led additional interview partners to cancel our interviews. We addressed this issue by following the principle of *Saturation of Knowledge* (Bertaux, 1981: p.37). Our iterative approach of going back and forth between the data collection and the analysis enabled us to identify recurring patterns within the interviewee's experiences, up to the point where the interviews confirmed or unconfirmed what we, researchers, assumed.

We further acknowledge the limitation of conducting qualitative interviews to understand and analyze a phenomenon, as there are potential inconsistencies of what interviewees say they did and what they actually did, as they *"routinely provide inaccurate accounts of their past activities"* (Jerolmack, 2014: p.179). We are aware of this issue and have put mechanics in place to diminish its effect on our data analysis. For example, prior to every interview, we used secondary data sources to triangulate the information that we received during the interview. This helped us to get a sense of the accuracy of the information that we are receiving. Lastly, all of the interviews were conducted in English which, in most cases, was not the respondents's native language, thus we might have refrained them to express their thoughts fully.

3.6 Ethical Considerations

Our research process is designed for the purpose of developing findings that can be generalized within a certain cohort of firms with high-growth. During this process, we accessed potentially sensitive information that could point to competitive advantages and firm secrets the firms might have. However, we believe that our process aligns with Saunders, Lewis and Thornhill's (2006) depiction of *"standard behavior"* (p.239), as we have designed the process around not-accessing the sensitive data itself and anonymizing all founders and firms. Before the interviews took place, we disclosed to our interview partners that we want to use the interview to further understand how their firm became what it is today. Although an NDA has not been required by the interviewees, we adhere to the verbally agreed contract that all data will be anonymized to prevent potential harm to be caused by our research findings and analysis. We implemented the anonymization of our interview partners by providing them with fictional names for their firms.

4. Analysis

In this chapter will we present the analysis of the data we have retrieved in Table 5. Table 5 presents us with a summary of the occurrences of codes in our last cycle of coding. Each of these codes represent a potential growth-driver that has enabled high-growth in the respective firm. When we have conducted our analysis, we have tried to make sense of the codes from two different point of views: (1) how many times does a code occurs in comparison to the other codes ("*Accumulated Occurences of Codes"* in Table 5), and (2) in how are the codes distributed across the firmsl ("*Accumulated Occurrences distributed across firms"* in Table 5). Additionally have we added a second layer of coding to the already existing method, by differentiating whether something has been said that is related to the topic ("*O"* in Table 5) and whether the mentioning was actually confirming the sentiment behind the code ("*+"* in Table 5). Let us look at Product Superiority in Table 4 to further understand its meaning. 9 text passages across all interviews (*of Codes)* have been coded to "Product Superiority", but out of the 9 times Product Superiority was mentioned, only 5 of the mentioned actually placed Product Superiority as a significant contributor to their growth, whereas the other 4 times Product Superiority was mentioned, the interviewee was in fact declining its contribution to their respective growth. Furthermore, Table 5 also provides us with the distribution of the codes across the firms. There we see that 5 of the interviewees firms have had a link to Product Superiority, although only 2 out of the 5 interviews confirmed Product Superiority as a growth-driver.

Table 4

Summary of our Qualitative Analysis

O = Occurences of the Code / + = Occurences that confirm the Codes Relevance

Codes	**Accumulated Occurences**																	
	Spector		Snackable		Advicelab		MyFish		Marketic		Poweray		MicroSound		of Code		distributed across firms	
	O	+	O	+	O	+	O	+	O	+	O	+	O	+	O	+	O	+
Opportunistic / Entrepreneurial	12	12	3	3	4	3	3	3	0	0	3	3	0	0	25	24	5	5
General Strategy and Vision	8	8	2	0	2	2	3	3	3	3	3	3	3	3	24	22	7	6
Grand new Opportunity	13	13	5	5	1	1	4	3	0	0	0	0	0	0	23	22	4	4
Competitive Landscape & First-Scaler Advantage	2	2	6	6	1	1	1	1	0	0	3	1	9	9	22	20	6	6
Hiring	6	6	1	1	4	0	4	4	1	1	3	3	3	3	22	18	7	6
Participation in interorganizational relationships	5	5	2	2	2	2	4	4	0	0	3	3	3	3	19	19	6	6
Network Effect & Virality	3	3	5	5	1	1	7	7	0	0	2	2	1	1	19	19	6	6
Planning	6	6	5	4	1	1	2	2	0	0	3	3	0	0	17	16	5	5
Organizational Growth	7	7	1	1	3	0	0	0	0	0	3	3	1	1	15	12	5	4
Making Money, Growing Business	5	5	0	0	4	4	2	2	1	1	3	3	0	0	15	15	5	5
Industry Experience	1	1	2	2	3	3	4	0	0	0	2	2	2	2	14	10	6	5
Partnerships General	3	3	4	4	2	2	2	2	0	0	2	2	1	1	14	14	6	6
Unique Customer Value	2	2	6	6	2	2	1	1	0	0	1	1	1	1	13	13	6	6
Systematic Approach to Growth	6	2	0	0	1	1	5	5	1	1	0	0	0	0	13	9	4	4
Diversification	5	5	1	1	2	2	1	1	0	0	0	0	4	4	13	13	5	5
Distribution Advantage and Technology	1	1	9	9	0	0	0	0	0	0	1	1	1	0	12	11	4	3
Operational Scalability	0	0	5	5	3	0	1	1	0	0	2	2	1	1	12	9	5	4
Product Market Fit	0	0	5	5	0	0	3	3	0	0	2	2	1	1	11	11	4	4
Growth oriented vision and mission	5	5	0	0	0	0	1	1	2	2	2	2	0	0	10	10	4	4
Management Practices	6	6	0	0	2	2	0	0	0	0	1	0	1	1	10	9	4	3
Team-Size	4	4	1	1	3	1	0	0	0	0	2	1	0	0	10	7	4	4
Product Superiority	0	0	1	0	2	2	3	3	2	0	0	0	1	0	9	5	5	2
Geographic Location	0	0	1	0	0	0	4	4	1	1	1	0	2	1	9	6	5	3
Gross Margins	0	0	3	3	0	0	1	1	0	0	3	3	2	2	9	9	4	4
Partnership Programs	2	2	2	2	1	1	2	2	0	0	1	1	1	1	9	9	6	6
Financing Situation	2	0	2	2	0	0	0	0	1	0	2	2	1	0	8	4	5	2
Funding	2	0	0	0	0	0	1	1	1	0	3	3	1	0	8	4	5	2
Change of Business Model	4	4	1	1	1	1	0	0	0	0	2	2	0	0	8	8	4	4
Autonomous employees	4	4	0	0	0	0	3	3	1	1	0	0	0	0	8	8	3	3
Broad Social & Professional Network	1	1	0	0	2	2	2	2	0	0	2	2	0	0	7	7	4	4
Commitment to Growth	5	5	0	0	0	0	2	2	0	0	0	0	0	0	7	7	2	2
Shift of Founder Role	1	1	3	3	2	2	0	0	0	0	0	0	1	1	7	7	4	4
Entrepreneurial Experience	1	1	3	3	0	0	1	1	1	1	1	0	0	0	7	6	5	4
Relationship Building	2	2	0	0	1	1	2	2	0	0	1	1	1	1	7	7	5	5
Innovation	1	1	2	2	0	0	1	1	0	0	1	1	1	1	6	6	5	5
Founder personal Growth	1	1	0	0	4	4	0	0	0	0	1	1	0	0	6	6	3	3
Culture	5	5	0	0	0	0	0	0	0	0	0	0	1	1	6	6	2	2
Size of the Founding Team	2	2	0	0	0	0	0	0	1	1	2	2	0	0	5	5	3	3
High buyer concentration	0	0	1	1	0	0	4	4	0	0	0	0	0	0	5	5	2	2
Selective Hiring	1	1	0	0	0	0	0	0	1	1	0	0	3	3	5	5	3	3
Business Processes (Pirate to Navy)	4	4	0	0	0	0	0	0	0	0	0	0	1	1	5	5	2	2
Customer Feedback	1	1	1	1	3	3	0	0	0	0	0	0	0	0	5	5	3	3
Personal Referral	2	2	0	0	2	2	0	0	0	0	1	1	0	0	5	5	3	3
Expanding to different industries	4	4	0	0	0	0	1	1	0	0	0	0	0	0	5	5	2	2
Hierachies	2	1	0	0	0	0	0	0	0	0	1	0	1	0	4	1	3	1
Market Size & State	0	0	1	1	0	0	1	1	0	0	1	1	1	1	4	4	4	4
Stock-Option Plans and Employee Ownership Plans	2	2	0	0	0	0	0	0	0	0	1	0	0	0	3	2	2	1
Market Growth / Stagnation	0	0	1	0	0	0	0	0	0	0	1	1	1	1	3	2	3	2
Foundation for Strategic Decision Making	3	3	0	0	0	0	0	0	0	0	0	0	0	0	3	3	1	1
Standardization of business processes	2	2	0	0	0	0	0	0	0	0	0	0	1	1	3	3	2	2
Two-Sided Benefit	0	0	3	3	0	0	0	0	0	0	0	0	0	0	3	3	1	1
Internal Communication	1	1	0	0	0	0	0	0	0	0	1	1	0	0	2	2	2	2
performance-based incentives	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1
Social interactions and tricks (Influencer)	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	1	1	1
Creating a new market (Blue Ocean)	0	0	0	0	0	0	1	1	0	0	0	0	0	0	1	1	1	1

Table 5 – Summary of our Qualitative Analysis

In the analysis of our data, we proceeded as follows: First, we looked at the top 10% codes that occurred most frequently of the 56 codes established initially (Table 6).

Top 10% codes	**General Strategy & Vision**	**Opportunistic / Entrepreneurial**	**Hiring**	**Network Effect & Virality**	**Competitive Landscape & First-Scaler Advantage**	**Industry Experience**
Occurrences (%)	**4.8%**	**4.6%**	**4%**	**3.8%**	**3.3%**	**2.5%**

Table 6 – Top 10% occurred codes

Then, we looked at the unique mentions, more specifically, we focused on the codes that were talked about at least one time by at least six out of the seven founders (Table 7).

Top 10% codes	**General Strategy & Vision**	**Unique Customer Value**	**Participation in inter-organizational relationships**	**Network Effect & Virality**	**Competitive Landscape & First-Scaler Advantage**	**Hiring**
Unique mentions (out of 7 founders)	**6**	**6**	**6**	**6**	**6**	**6**

Table 7 – Codes that have occurred in almost all firms

These two complementary analysis processes provided the foundation to answer to our research question. The structure of the analysis is divided into two distinct parts: (1) high-growth founder characteristics, and (2) setting up the firm for growth. In the first section, we start by presenting the most relevant founders' characteristics in terms of high-growth which include entrepreneurial experience and traits, relevant industry experience as well as level of education. Then we move on to the second section in which we explain how the seven HGF founders chose to set up their firms for high-growth. This section encompasses an analysis of how firms use planning as a driver for growth; how they successfully reached product-market fit and set the conditions for virality. Lastly, we will analyze the way HGF founders approach their hiring process in relation to high-growth. This analysis informs our research and will be further discussed (Chapter 5, *Discussion*) against relevant academic discussions.

4.1 High-Growth Founder's Characteristics

In this section of the findings, we present what the seven founders we interviewed perceive as being key when it comes to characteristics and personality traits associated positively with high-growth.

4.1.1 Entrepreneurial Behavior

The second most mentioned topic (22 times) relates to the founders being entrepreneurial and was mentioned by five founders out of the seven. The following five founders included entrepreneurial behavior in their self-description: Poweray, Spector, Snackable & MyFish, whereas only one founder (from AdviceLab) had not. In the following section we illustrate the four founders' entrepreneurial traits, then we turn to the one without.

Entrepreneurial Founding Team

We have found that the number of growth opportunities stands in direct connection to the number of entrepreneurial personalities within the founding team. Spector's founder showed how opportunistic and resourceful the founding team was during the growth process of their firm. They have created partnerships and new connections whenever the opportunity arose: *"We were hungry enough not to refuse [new clients, especially not] when they were small."* (Spector, 11:42).

Similarly, MyFish's founder talks about how strong-willed and resourceful he was:

> *"I've got my skill set. Like I'm more like, I'm great at some shit. But it's like, how do I get involved in this stuff and he was just like, read these books. And you know, like, I think you can figure it out, like, you'll never do what I do, but you'll find the shit you're good at. And that was basically it, like adapting how to bring those skills that were completely alien to these tech companies in an ecosystem like Sweden and just be like, alright, this is what I can bring to the table."* (MyFish, 19:18).

Spector's founder insisted on the importance of iteration in trying out different strategies, seeing which one works, and working with external and uncertain conditions. The fact that he uses iteration shows that he is entrepreneurial, and the following quote illustrates it:

> *"And at some point, we tried a few things. One of them went really big because of the virus."* (Spector, 22:10)

Similarly, Snackable's founder talked about their lean approach in creating a minimum viable product with little money and testing their product on their customers as early as possible which is associated with being entrepreneurial, as illustrated in the following quote:

> *"We started our own internet site in a very cheap way and, within no time, we were getting 3 millions views on the site. We then invested in building our own AT&T platform, which was 5 months ago and we launched that with very small spend."* (Snackable, 4:54)

In the case of Spector, the founder talked about how the founding team had already had an entrepreneurial mindset before they even started their firm together:

> *"Each one of us three was a little entrepreneurial in a way, but it was more like freelancers or consultants, and then we went together."* (Spector, 26:39)

He further insists on how they went from being employees to building their own firm which reveals their entrepreneurial nature:

> *"We were working, we had day jobs, but I think most of us have been entrepreneurial in nature. Spector is actually the first big really successful company. It's my third, I guess."* (Spector, 26:39)

When it comes to Poweray's founder, he showed how entrepreneurial he was since he was building very costly power plants on his own for several years:

> *"I have been a one-man company for several years, doing design of these plants which cost about 10 million euros. So based on our design, I have been building these plants for a few years."* (Poweray, 2:01)

Building plants on your own for several years was entrepreneurial but realizing that vertical integration - from being a designer of plants to becoming a fully-fledged plant contractor - was the way to go, although he did not have all the competencies, was even more enterprising:

> *"So instead of just designing, we took a turnkey contract with a client and now the turnover was 10 times bigger for the same type of project. And also more responsibilities, of course, and more work because we had to do all the details. Before, I did not do all the details, I did the design and I had some other companies to do all the details. So that is back in 2016, I signed the first turnkey contract where we became contractors with our own design."* (Poweray, 2:01)

In terms of entrepreneurial traits, MyFish's founder goes a step further and showed he was so entrepreneurial that he monetized himself and his personality get to his ends:

> *"It's one of those you know, they call it the soft skill. It's probably the hardest fucking skill to develop because not too many people have it. And it's, you know, I've made a career these last five, six years from just being myself. I've basically learned to monetize my personality and that has brought a lot of value for the companies."* (MyFish, 20:57)

Unlike other founders, AdviceLab's founder showed his reluctance in scaling his firm, from a one-man firm to an established firm, which goes against the entrepreneurial mindset. The following quote illustrated it:

> *"And so for a long, long period of time, I did everything myself, which was a bit tricky. I think it was a bit reluctant, you know, coming from a company I built on being alone. It's always a bit tricky to start hiring new people because of course, it comes with new responsibilities."* (AdviceLab, 9:24)

Nevertheless, AdviceLab's founder insisted that he had the desire to be more than a one-man consultancy firm and wanted to build something bigger than being a freelancer on his own:

> "*Actually, I created the company first to be freelance. And then after two years, you know, working for the different clients. I found something was missing because obviously I was doing some assignments for different clients. So it was really interesting but I wasn't building something in the end and you know, we all want to build something in different ways and that is something we know from a mental picture interview.*" (AdviceLab, 4:12)

Entrepreneurial Behavior through Opportunistic Actions

Opportunism is a trait belonging to entrepreneurial behavior and describes in the context of this thesis an opportunistic attitude to create new business relationships and growth possibilities for the firm. Spector was a particularly good example of opportunistic behavior. Spector's founder stated that: *"One of the things was that we were very opportunistic at some point."* (Spector, 11:42) and their opportunistic mindset led the founding team to try and never turn down any offers, as illustrated in the following quote:

> *"That's one thing if you have to do that, one of the things is that we were not turning, we're doing a lot of effort not to turn down any offer, even because and that was critical because at some point you are in handling."* (Spector, 11:42)

Spector went as far as adapting its strategy to be able to cater to the needs of their clients if they sensed there was an opportunity for growth: *"That's one of the things so one of the parts we were able to try to change their strategy if we felt that there is growth in another place."* (Spector, 11:42).

In the same line of thoughts, Spector seized the opportunity to diversify whenever possible, even though it might not be in their area of expertise: *"And then if we felt that it's still within our competencies, okay, if it's not core competencies, but if we can extend our competency over there, let's try it."* (Spector, 11:42)

Ultimately, whenever Spector sensed a new opportunity that could have a huge pay-off, they followed with the idea and, eventually, it paid off:

> *"And at some points in with the original, the first instinct was to say: 'Okay, let's partner with a company whose core competencies' then, we went out in the market and we found out there is such a huge demand for chip design services [..] Now we have something like 8% of our revenue coming up from designing chip-services in two years."* (Spector, 11:42)

Spector's founder also insists on the fact they self-financed their firm but were opportunistic enough to consider funding offers: *"We bootstrapped the whole thing. But that would mean that we would not take the money as you know."* (Spector, 21:01).

Even though AdviceLab's founder did not show entrepreneurial traits, the founder showed some sign of opportunistic behavior by recognizing his clients' needs and growing his firm as well as building new products according to their needs:

> *"And we, yeah, that that is where it comes from and why it was not only in terms of market perspective but also from, you know, a personal wish to design something else and to evolve. But, in the end, we also had a lot of requests from clients, you know saying hey, we work with you, but do you have a friend of yours that is doing this kind of stuff or do you know like, who yourself doing this kind of thing and you know, in the end, so, there was a need, there was definitely a need. So, these are so no need to say: 'Okay, there is a need and if I want to do it, we should do it.'"* (AdviceLab, 4:12)

AdviceLab's founder even recognized himself that his firm was born from his opportunistic behavior, as illustrated in the following quote:

> *"To be fully honest with you, it was a bit opportunistic at the beginning too, like I said, it was more like, let's try it, and we'll see if it's gonna work. And it worked pretty well very, very soon."* (AdviceLab, 7:55)

Similarly, Snackable's founder showed opportunistic traits in realizing opportunities for partnerships and following through with it:

> *“Because also our content is short form, it doesn't take a great leap to realize that telecommunication companies are significant opportunities because content plays out really well, of course on mobile phone, it's snackable content, it's on the go. Telecommunications companies are looking for an edge against their competitors and wanting to engage their customers further and use bandwidth and everything. So they are a very natural partner for very high-quality content.”* (Snackable, 7:46)

Lastly, MyFish's founder showed how bold and opportunistic he was by going all in and pitching his idea not to anybody but to one of the most influential people in the market he was trying to penetrate:

> *“So I was out on a boat, my first trip there with the senator has this, you know, one of the senators will say fishing and like, showing him this app, and it's just like, so it's, I think it was a lot of like, just being delusional, and just being like, shameless.”* (MyFish, 16:01)

4.1.2 Previous Entrepreneurial Experience

Even though the previous entrepreneurial experience is not part of the top 10% most mentioned code and was “only” mentioned by four out of seven firms, we decided to include it in our findings as it is closely related to entrepreneurial traits. Three founders confirmed having previously started a firm (Marketic, Snackable & Spector) while the remaining founder (Poweray) implied he did not have previous entrepreneurial experience: *“My background is a researcher and a consultant”* (Poweray, 11:03).

Marketic's founder mentioned having started at least one firm prior to building Marketic: *“I had a company before that”* (Marketic, 2:24). In the case of Spector's founder, Spector is its third firm as he mentions having built two firms prior to this one: *“[Spector] is actually the first big really successful company. It's my third, I guess.”* (Spector, 26:39).

Similarly, Snackable's founder founded several firms prior to Snackable, the first one even became a successful publicly traded firm: *"I founded my first company back in 2000, on London Stock Exchange, which was a major information business where we analyzed advertising [...] By the time that I exited the company, we were monitoring 90% of advertising worldwide, about a thousand staff in 52 countries."* (Snackable, 2:59). Not only Snackable's founder has prior entrepreneurial experience but she has had a successful entrepreneurial journey: *"After I had done that, I started another business which is a children's newspaper which is called First News which is the largest newspaper anywhere in the world."* (Snackable, 2:59).

The data collected during the interviews relating to entrepreneurial experience correlate with publicly available data (LinkedIn). We could verify the founders' claim in terms of entrepreneurial experience for Marketic's founder, Poweray's founder, Snackable's founder and Spector's founder. AdviceLab's founder, MicroSecond's founder and MyFish's founder did not discuss any kind of previous entrepreneurial experience, however, secondary data collected on LinkedIn allowed us, researchers, to gather that information.

Prior entrepreneurial experience	AdviceLab	Marketic	MicroSecond	MyFish	Poweray	Snackable	Spector
Interviews	Not discussed	✓	Not discussed	Not discussed	x	✓	✓
LinkedIn data	x	✓	✓	✓	x	✓	✓

Table 8 – Prior Entrepreneurial Experience

4.1.3 Previous Relevant Industry Experience

Industry experience is a topic that was mentioned 12 times in total and is the 6th most mentioned topic. In simple terms, industry experience relates to the previous relevant experience of the founder or founding team. We found that most founders (AdviceLab, Poweray, Snackable & Spector,) had industry experience, whereas the remaining founder (MyFish) had not. In the following we illustrate the four founders with industry experience, then we turn to the one without.

To begin with, Spector's founder stated that all the founding members had previous relevant industry experience in the field of their current firm: *“We started as a small team of developers, each one of us were working for multinational corporates.”* (Spector, 2:29). Similarly, Poweray's founder stated that: *“[His] background is a researcher and a consultant”* (Poweray, 11:03). Poweray's founder added that he built his previous experience during the period of time where his firm was a one-man firm:

> *”I have been a one-man company for several years, doing the design of these plants which cost about 10 million euros. So based on our design, I have been building these plants for a few years.”* (Poweray, 2:01)

When looking at AdviceLab's founder, he built his experience by starting his entrepreneurial journey as a freelancer and gradually built his firm up to become a consulting firm:

> *“Actually, I created the company first to be freelance. And then after two years, you know, working for the different clients. I found something was missing because obviously I was doing some assignments for different clients. So it was really interesting but I wasn't building something in the end and you know, we all want to build something in different ways and that is something we know from a mental picture view.”* (AdviceLab, 4:12)

Prior to building AdviceLab, its founder had a decade of experience: *“10 years experience and worked abroad for a short time.”* (AdviceLab, 4:12). Not only AdviceLab's founder had previous relevant experience but he also has an expertise in a niche that only a few firms have:

> *“So on the first one, we really have a strong expertise in tourism and have industries mainly around booking systems, which is something very specific and there is not a lot of expertise in the market.”* (AdviceLab, 6:36)

Looking at Snackable, its founder also had extended previous industry experience in a similar field than the one she was evolving in when we spoke with her:

“My background is primarily media, I founded my first company back in 2000, on London Stock Exchange, which was a major information business where we analyzed advertising - eventually we analyzed advertising in real-time globally using technology such as audience/audio matching [...] By the time that I exited the company, we were monitoring 90% of advertising worldwide, about a thousand staff in 52 countries. After I had done that, I started another business which is a children's newspaper which is called First News which is the largest newspaper anywhere in the world.” (Snackable, 2:59)

Unlike the other founders we interviewed, MyFish's founder had no prior relevant experience in the industry MyFish is evolving:

“My whole journey started actually in scaling a business called MyFish, which is the world's largest social network for anglers. So it's for people that fish which is the biggest sport in the world.” (MyFish, 0:12)

He continued by stating he had a late start in the tech world and even dislikes the industry his firm was evolving in:

“I don’t know if you knew that, but I hate fishing, but I'm very much a mercenary. I just, you know, it was a job and it was my first, you know, fairly important tech job, which is odd because I took that job in my mid to late 30s. So I started very, very, very late.” (MyFish, 0:12)

What is interesting is that AdviceLab's founder compensated his lack of experience and the fact he knew nothing about the industry by being resourceful and leveraging his prior skills to grow his current firm (MyFish, 19:18). Ultimately, AdviceLab's founder’s diverse background helped him compensate for his lack of previous relevant experience:

“Yeah, so my background is varied. Non techie. So I mean, I've, I've had all sorts of a bit involved in all sorts of businesses. Everything from manufacturer to fast food to, you know, to being a teacher.” (MyFish, 20:57)

The data collected during the interviews correlates almost perfectly with publicly available data (LinkedIn) relating to the founders' prior relevant industry experience. All mentioned industry experiences were verified. However, even though MicroSecond's founder did not discuss industry experience during the interview, we found on LinkedIn that he had extended industry experience. Furthermore, this additional set of data gives us more detailed information regarding the exact length of their industry experience (Table 9). With more than 20 years of industry experience, both Snackable's founder and MicroSecond's founder were verified to have extended industry experience. AdviceLab's founder, Poweray's founder and Spector's founder had moderate levels of industry experience, totaling respectively 12, 7, and 10 years of industry experience. However, two founders were reported to have very low to none prior relevant industry experience: Marketic's founder had only 1 year of industry experience prior to starting Marketic, and MyFish's founder had none.

LinkedIn data	AdviceLab	Marketic	MicroSecond	MyFish	Poweray	Snackable	Spector
Relevant industry experience	10 years	1 year	23 years	x	12 years	20 years	7 years

Table 9 – Relevant Industry Experience

4.1.4 Level of Education

Even though level of education has not been mentioned by any of the founders we interviewed, we gathered secondary data on LinkedIn that confirms almost all founders had a university degree (Table 10). In fact, four founders (AdviceLab, MicroSecond, MyFish & Poweray) had master's degrees while two other founders had bachelor's degrees (Marketic & Spector) - even though Marketic's founder did not complete it. The remaining founder from Snackable had no information regarding any kind of degree available on his profile.

LinkedIn data	AdviceLab	Marketic	Micro Second	MyFish	Poweray	Snackable	Spector
Higher education	Master	Bachelor (never completed)	Master	Master	Master + Researcher	Not provided	Bachelor

Table 10 – Level of Education

4.1.5 Sub-conclusion

We have seen that founder characteristics were perceived by most of the founders we interviewed as an important factor that participated in the high-growth of their firm. More specifically, three traits were particularly mentioned: being entrepreneurial, opportunistic, and having previous relevant industry experience. Additionally, two other characteristics, entrepreneurial experience, and level of education were seen as important in relation to high-growth. To provide a visual overview, we summarised whether or not the founders possessed the five above-mentioned characteristics, in Table 11.

	AdviceLab	Marketic	MicroSecond	MyFish	Poweray	Snackable	Spector
Entrepreneurial traits	x	Not discussed	Not discussed	✓	✓	✓	✓
Opportunistic traits	✓	Not discussed	Not discussed	✓	Not discusse d	✓	✓
Relevant industry experience	✓ (10 years)	Not discussed (1 year)	Not discussed (23 years)	x	✓ (12 years)	✓ (20 years)	✓ (7 years)
Higher education	Master	Bachelor (never completed)	Master	Master	Master	Not provided	Bachelor
Prior entrepreneurial experience	x	✓	✓	✓	x	✓	✓

Table 11 – Sub-Conclusion Founder Characteristics

What is interesting is that we can link entrepreneurial traits with entrepreneurial experience as seen in Table 12.

	AdviceLab	Marketic	MicroSecond	MyFish	Poweray	Snackable	Spector
Entrepreneurial traits	x	Not discussed	Not discussed	✓	✓	✓	✓
Prior entrepreneurial experience	x	✓	✓	✓	x	✓	✓

Table 12 – Sub-Conclusion entrepreneurial experiences

For almost all the founders that we could verify both entrepreneurial traits and experience (AdviceLab, MyFish, Poweray, Snackable & Spector), we found a perfect correlation between the two. MyFish’s founder, Snackable's founder and Soector’s founder both had entrepreneurial traits and experience; AdviceLab's founder had neither entrepreneurial traits nor experience, however, Poweray's founder had shown some sign of entrepreneurial behavior while he did not have prior entrepreneurial experience.

4.2 Setting up the Firm for High-Growth

In this section, we present how the founders prepared their firm for high-growth. More specifically, we highlight what the founders perceived as the most important factor in reaching high-growth. We begin by talking about their approach to planning, their focus on agile strategies. Then, we move on to their respective competitive landscape and how they provide UV to their customers and we finish by talking about their hiring process.

4.2.1 Planning

Although planning was “only” confirmed by five out of seven firms, we decided to include it in our findings as it directly links to the other codes that have occurred dominantly. While some firms we interviewed used goal setting as a way of planning, some others used continuous reassessment to gauge the fulfillment of objectives. Overall, the five firms for which planning had substantially contributed to their growth, planning acted more as a Northstar, rather than as a strict plan that needed to be executed (AdviceLab, 9:24, MyFish, 3:02; Poweray, 6:37; Snackable, 9:55; Spector, 11:42). This highlighted aspects of their planning routine. The first one regards to the communication to the employees of the organization, which was having a clearly defined goal that everybody in the organization understood and could work towards, as described by Spector's founder:

> *“You need to have a system of having objectives, which and then you make sure that everybody's doing their job and they know who the objectives are. Because what they found out is that actually, people want to do their job.* (Spector, 17:08)

The second aspect of this planning strategy involves the continuous reassessment of the most effective activities that can fulfill these objectives (Snackable, 4:54, 9:55; Spector, 11:42):

> *“Well, I mean, businesses evolve all the time daily when we talk to a distribution partner, then it's a case of what makes, you know, business sense for them and what makes business sense for us. So that's how it evolves.”* (Snackable, 9:55)

These firms understood planning as a process of recurring assessments to identify and test new opportunities for the firm’s growth, which did not just affect the firm’s activities, but also the understanding of how success and fulfillment were measured (Snackable, 10:44).

4.2.2 Agile Strategy

When it comes to growth, the existence of a clearly defined general strategy and vision is the topic that was mentioned the most (23 times). The existence of a clearly defined general strategy and vision was linked with six out of the seven startups we interviewed. While the respective strategies differed from one another, six out of seven implemented an agile strategy and goal process that allowed them to move flexibly and reactively to the changing market and customer needs (AdviceLab, 06:31; MicroSecond, 6:37; MyFish, 20:57; Poweray, 2:01; Snackable, 15:24; Spector, 11:42): *“We couldn't set in stone a strategy and say, you're going to grow exponentially if you stick to the original strategy.”* (Spector, 11:42). The startups leveraged this attribute for three different reasons: (1) the organization needed to be able to react and adjust quickly to the changing market needs (MicroSecond, 16:46; Spector, 11:42), and (2) the product and services should be built in iterations in a *“tailored need approach”* (AdviceLab, 06:36) around the customers’ needs (Spector, 11:42; Snackable, 15:24; AdviceLab, 06:36). Lastly, (3) an agile strategy enabled them to exploit new market opportunities to reach product-market fit, either through diversifying their product and services or accessing new target audiences by engaging in strategic partnerships (AdviceLab, 09:24; MicroSecond, 16:46; MyFish, 16:01; Poweray, 2:01; Spector, 11:42).

We identified three different strategies that allow startups to be agile and to pivot quickly. These are strategies based on (1) diversification; (2) customers; and (3) partnerships. In the following, we review each one of them. We found that some firms used combinations of those three strategies. Some examples of combinations are briefly summarised at the end of the section.

A Strategy Based on Diversification

MicroSecond chose diversification as their main strategy for growth which allowed them to reduce risks and keep on going if one of their activities was not working as well as they initially thought, as described in the following quote:

> *"So, there are ways to diversify yourself and what we are accounting for and we have leading technologies in 3 different fields that are targeting a lot of different verticals so, I think, we are very diversified and it's for sure the most important factor on this. So you don't have a singular item that is able to shuttle down."* (MicroSecond, 16:46)

Similarly, Spector chose to diversify whenever they sensed an opportunity that was worth pursuing and put everything into place to exploit that opportunity:

> *"We didn't have a chip strategy at the moment, but we started the market. We saw that we just wanted to refer to another company so that nobody's doing, we said, okay, no, there is demand. We met the quick business plan itself, okay, that's an area we want to entreat. And then we assign resources. I was personally responsible for this."* (Spector, 11:42)

Even though Spector did not have all the sets of competencies to diversify, they were always willing to expand them whenever possible, thus allowing them to enter new industries, as illustrated in the following quote:

> *"And then if we felt that it's still within our competencies, okay, if it's not core competencies, but if we can extend our competency over there, let's try it."* (Spector, 11:43)

A successful strategy that paid off: *“Now we have something like 8% of our revenue coming up from designing chip-services in two years.”* (Spector, 11:42) It was the agile nature of their strategy that enabled them to utilize arising opportunities (Spector, 11:42). Spector's founder further insisted that his firm’s strategy was not set in stone and evolved over time:

> *“That's one of the things so one of the parts we were able to try to change their strategy if we felt that there is growth in another place.”* (Spector, 11:42)

While MicroSecond's founder also based his strategy on diversification, he pointed out that it was mainly to reduce risk in the face of uncertainty: *“We are trying to diversify in many dimensions to decrease vulnerability to, for example, entrance of competitors, financial crisis.”* (MicroSecond, 16:46).

A Customer-Centric Strategy

Snackable chose to build its strategy around its customers by listening closely to them, thus building a product that fulfilled their needs:

> *“And the most important thing is on your product and your customers, and making sure that you're providing, you know what they need, in the format that they need it. And if you're doing that, then your numbers can look after themselves.”* (Snackable, 15:24)

Not only Snackable had a customer-centric strategy but they also focused on delivering high-quality products tailored to their customers’ needs (AdviceLab, 6:31). Similarly to Marketic whose mission was to produce high-end products (Marketic, 5:05). Similarly to Marketic's founder, Poweray's founder chose to follow its clients’ needs by developing a high-quality product at a higher price but with lower maintenance costs:

> *“So we are robust for the fuel and fuel is more than half the yearly cost of a plant. Basically the client can buy cheap fuel by having our design. Secondly, we have so little in the dust in the fuel that we don't need any filters so the clients are saving both investment in these filters and also operation costs. [...] So when*

> *people calculate the economies in 20 years, our technology gives the lowest energy bill."* (Poweray, 8:07)

In the case of Spector, being a consultancy, its strategy was logically based on its customers' needs: *"And what happens is that, okay, if our product is basically. you know, it's consultancy is actually bringing custom solutions to customers. "* (Spector, 5:12) Furthermore, to be able to cater to its customers' needs, Spector did not hesitate to hire an experienced person that had expertise in a field where they wanted to diversify:

> *"We didn't have a strategy, we're doing a lot of different projects, but we brought in a bank CIO - this is one of our VPs. As a former bank CIO, he actually knew the needs of the customers so he said, look, you have to orient into solutions x y z."* (Spector, 22:10)

A Strategy Based on Partnerships

Spector's strategy was not only agile and customer-centric but also based on key partnerships. Whenever an opportunity arose, they did not hesitate to partner with a key player in the pursuit of an opportunity:

> *"And at some points in with the original, the first instinct was to say: 'Okay, let's partner with a company whose core competencies' then, we went out in the market and we found out there is such a huge demand for chip design services." (Spector, 11:42)*

In total, six out of the seven firms have engaged in inter-organizational relationships that enabled exponential growth in their firms' reach (AdviceLab, 4:54, 9:24; MicroSecond, 4:32, 7:26, 10:04; MyFish, 16:01, 20:57; Poweray, 2:01, 13:47, 19:58; Snackable, 4:54, 7,46, 18:15; Spector, 11:42, 22:10, 25). In all cases, the partnership the firm engaged with played a decisive functional role in the exponential growth, which can be differentiated in different areas. The overall motivation can be summarized in building lasting relationships that created new opportunities in the future in which the firm could grow (MicroSecond, 4:32; MyFish, 16:01, 20:57; Poweray, 19:58, 15; Spector, 11:42, 22:10). This was executed by the startups either through diversifying the firms' capabilities to fulfill new projects (AdviceLab, 9:24; MicroSecond, 10:04; Poweray, 13:47; Snackable, 18:15; Spector, 22:10, 25) or through the direct access to new target audiences (AdviceLab, 15:28; MicroSecond, 4:32, 7:26; MyFish, 16:01; Snackable, 7:46). Examples of increasing the capabilities for project-fulfillment were exemplarily used in Snackable, - a streaming platform - where the founder described the positive impact of partnering with one of their content providers:

> *“that [partnership] will have a significant impact on our business, [...] having incredible unique content where the stakeholders can also, you know, create audiences for us, [...] that you won't get anywhere else. So that will be a growing part of our model as we go forward.”* (Snackable, 18:15)

Snackable states in this quote that this partnership created another USP, and therefore and additional value for their end-users. The same firm leveraged another partnership that provided them with access to a new market, by targeting their partner’s needs and framing their product as the ideal enhancement:

> *“It doesn't take a great leap to realize that telecommunication companies are significant opportunities because content plays out really well, of course on mobile phones [...] Telecommunications companies are looking for an edge against their competitors and wanting to engage their customers further and use bandwidth and everything. So they are a very natural partner for very high-quality content.”* (Snackable, 7:46)

By partnering up with this telecommunication firm, their app rolled out to every device of that telecommunication firm, not just providing them with many more users, but also transforming their cost-structure towards one that benefited exponential growth more:

> *“So you can see our content there, but in terms of significant numbers worldwide, then working with telecommunications companies is a perfect distribution model because we don't have to pay everytime we get a customer, they are providing the customers to us so then we have a shared revenue model with our distribution partners.”* (Snackable, 7:46)

Nearly all the firms used combinations of strategies. For example, Spector applied all three of them whereas MicroSecond used diversification and partnerships as the pillars of its strategy. For a better understanding, these combinations are summarised in Table 13.

	AdviceLab	Marketic	Micro Second	MyFish	Poweray	Snackable	Spector
Diversification strategy	Not discussed	Not discussed	✓	Not discussed	Not discussed	Not discussed	✓
Customer-centric strategy	✓	✓	Not discussed	Not discussed	✓	✓	✓
Partnerships strategy	✓	Not discussed	✓	✓	✓	✓	✓

Table 13 – Agile Strategies used to reach Product-Market fit

4.2.3 Reaching Product-Market Fit

Reaching product-market fit is the common denominator for most interviewees and formed a turning point for their firms. They had commonly positioned their firms in niche markets before they expanded into further markets. Starting with a niche positioning enabled startups to establish a sound firm and customer foundation, as well as to act out of a leading position. In the following, we dive into how the founders entered their respective competitive market by positioning themselves in a niche, how they manage to establish a leading position as well as how they were maintaining it.

Providing Unique Value to Their Customers

Providing unique customer value to its customers is essential for gaining a dominant position within a market. Nearly all startups we interviewed (six out of seven) aimed at providing unique customer value. Providing UV to their customers was understood as crafting a solution that no other competitor could provide up to this point. We identified three different strategies for providing UV for their customers. The first pertains to customizing the solutions and services they offered (AdviceLab, 6:31; Spector, 05:12); the second to differentiation through a higher quality compared to their competitors, offering their own solutions to a similar, or lower price (Poweray, 8:07; Snackable, 12:59).

However, the approach that occurred the most in these startups was to position their solution into a very niche market within a larger market (AdviceLab, 6:31; MicroSecond, 13:10; Snackable, 04:54) as described by the founder from the Snackable: *"We are kind of entering the huge market of streaming, up against [Netflix, Youtube and Amazon Prime] really the only other dedicated short-film entertainment provider is Quibi"* (Snackable, 04:54). MicroSecond benefitted from competing in a niche market, as that gave them the leverage to enhance their market lead by providing higher quality solutions:

> *"We have products that are very niche but, in these niches, we are the worldwide leaders in these components and, in some cases, the only component supplier for large scale businesses."* (MicroSecond, 13:10)

Exploitation of Opportunities Through Experimentation

Diversity as a code describes the action of creating diversity by experimenting, either in the firms' internal resources or in their product and service offering. In both cases diversity concentrated the practices, to identify and exploit new opportunities for the firm to find the business model that enabled product-market fit towards exponential growth (AdviceLab, 4:12; MicroSecond, 15; MyFish, 11:29; Snackable, 12:59; Spector, 2:29; 13:15, 22:10). All of these firms based their decision to diversify on the demands from their market and customer audience (AdviceLab, 4:12; MyFish, 11:29; Spector, 11:42). Meaning, they reacted to a need that was there initially, before finding the resources to run an experiment that tested out this market opportunity (MicroSecond, 14:51; Snackable, 12:59; Spector, 2:29; 13:15, 22:10).

In addition, we uncovered a common practice in nearly all the firms: covering more areas of the user journey towards a full-service solution (AdviceLab, 1:46; MicroSecond, 7; MyFish, 11:29). MyFish's founder provided an example, where their mobile app for fisher-clubs partnered with the local fishing-bureau to include one of their services into his app:

> *"Eventually it also led to like getting deals with people where, you know, once you cross the border into Alabama, there's a notification that goes off saying, well, you need to buy a fishing license. Here, buy [it] through the app"* (MyFish, 11:29)

Initially, this service had nothing to do with the mobile fisher-community-app, nevertheless, this was an important and challenging aspect for the users in their journey to be able to fish on foreign ground. By solving this issue for these users, the mobile app gained an advantage towards their competitors, as they entered the users' mind before they naturally would think about joining new communities, as they were first challenged with being able to fish at all.

Positioning Themselves in a Niche Market

Choosing to position itself in a niche market is an active choice that we have seen in the firms we interviewed. As illustrated in the following quote, Snackable entered a vast market by positioning itself in a niche in which they had one main competitor: *"We are kind of entering the huge market of streaming, up against - really the only other dedicated short form entertainment provider is Quiby."* (Snackable, 4:54). Snackable's founder brought precision about their main competitor who was aimed for a similar partnership but with a different provider and a slightly lower reach:

> *"Who came up from the States and is set up by Jeffrey Katzenberg who ran Disney and Meg Whitman who is Ebay. And they have raised almost 2 billion dollars and they launched 2 days ago - on the 6th April. So, we are very much in their space, they have an exclusive with T mobile who have 84 million handsets but we have already made a deal with Huawei with 100 million and we have got many other conversations with telecommunication companies happening now."* (Snackable, 4:54)

When entering the market, the way Snackable differentiated itself from its main competitor was by having a different proposition value, focused on delivering quality content to its users:

> *"Our content is quite different because their content is more series-based where they are supposedly leaving you on a cliff edge - there is a bit a question mark over it whether it is really a cliff edge or just an ad popping up every 2 minute - whereas ours, every time you are watching it's a film, there is a beginning a middle and an end. We chose them for production values, for the sheer quality of the entertainment and the story and then the acting and everything else. So they go through a very big process to get on our platform. So we would say that our content is different [...]"* (Snackable, 12:59)

In the case of Poweray, they entered the market knowingly that they will not be competitive pricewise from the start but, as they grow, they will be able to compete not only on quality but also on price:

> *"We are still a small company, we haven't been building hundred power plants but just a few. So we are still a bit more expensive compared to those who have built hundreds of plants and have the whole supply chain mature. So we are still, at the moment, a bit higher in price but, overtime we will be lower in price."* (Poweray, 9:38)

Contrary to Poweray, MicroSecond chose to enter the market by competing on costs with the goal in mind to become one of the industry's main player, as described in the following quote:

> *"To start with we could maybe come in as a second provider competing on costs and, then, we could transfer to a role of being dominant in the few years after having competed on costs."* (MicroSecond, 3:42)

MicroSecond's founder adds that the industry his firm was evolving in has a low level of competition because of the low number of firms involved in that industry:

“I don't think we have been doing any particular innovation, we are just into a field with very few players and very few competitors.” (MicroSecond, 6:18).

Becoming Leaders in their Niche

When looking at the data we gathered, six out of the seven firms have been the leaders within their specific markets, and the ways they leveraged it seems to be very specific to their own business model. All of the high-growth startups that were the first in their market, were able to do so because they were evolving in a very niche market (AdviceLab, 6:31; MicroSecond, 3:42,14:51, 16:46; Poweray, 6:37, 9:38; Snackable, 4:54, 12:59; Spector, 22:10). What the interviews left open, was the question of the chicken and the egg, it was unclear what came first: the decision to act within the niche market, or the decision to be first in a specific niche.

In this part of the findings, we look at the existing factors in these firms. Therefore, we address the coexisting factors that seem to be linked with their respective advantage within their niche market. The prominent condition of that came along with the niche market, was the little and condensed competition within these markets. Their actions during that period aimed to outperform their competitors as quickly as possible, to reach the stage of product-market fit first to ensure the leadership position within the niche (MicroSecond, 3:42; Poweray, 9:38; Snackable, 4:54; Spector, 22:10). In the following, we present the three approaches that appear to be proven strategies to reach product-market fit for these firms. Engaging with different experiments in their product line to identify which approaches seem to be the most profitable (AdviceLab, 6:31; MicroSecond, 14:51, 16:46; Snackable, 4:54; 12:59):

> *“There are ways to diversify yourself and what we are accounting for and we have leading technologies in 3 different fields that are targeting a lot of different verticals so, I think, we are very diversified and it's for sure the most important factor on this. So you don't have a singular item that is able to shut down.”* (MicroSecond, 16:46)

MicroSecond's founder elaborated on how their diversification strategy created new opportunities on one hand, but also decreased risk of operational failure on the other.

On top of that, they were experimenting through diversification by leveraging the strengths and resources their firm already possessed. This maneuver led them to come across an opportunity through which they have received immediate and strong feedback: "*We have had the product-market fit from day 1 because we have only been developing products that were requested in the market."* (MicroSecond, 3:42).

Not all firms have used the approach of diversifying their product line. Snackable had a product through which they had received the confirmation of relevance from their market already. In their case, the next stage of product-market fit they had to reach was more directed towards the availability of their product, for their end-consumer, which happened to be enabled through partnering up with a new distribution partner, and to be more specific, with a better distribution partner than their existing competitors:

> *"They have raised almost 2 billion dollars and they launched 2 days ago - on the 6th April. So, we are very much in their space, they have an exclusive with T mobile who have 84 million handsets but we have already made a deal with Huawei with 100 million and we have got many other conversations with telecommunication companies happening now."* (Snackable, 4:54)

MyFish had the same approach and went as far as stating that being better in building those partnerships was what made a true difference in outperforming their competitors - to some extent - regardless of the product superiority:

> *"It wasn't really this amazing software development I mean, there was a competitor doing pretty much the same thing that was an American competitor. And we went in there as the foreigner as the Swedish company and just crushed them. And it was basically just based on the fact that we were not afraid or I wasn't afraid to just do you know, even as a Costa Rican guy to just go up to people and engage with them."* (MyFish, 16:01)

Maintaining a Dominant Position

After achieving market leadership within their niche market, the HGF decided to expand their current market leadership position into different markets. They have followed three approaches to enable this growth: through engagement in partnerships that opened new target groups; through covering further aspects of the user journey that activated customer-driven growth through excitement; through utilizing what had them succeed in their local niche market, to replicate it on the niche markets on a global scale.

MyFish's founder stated that they had competitors whose concept was very similar to theirs: *“You know, it wasn't really this amazing software development I mean, there was a competitor doing pretty much the same thing that was an American competitor.”* (MyFish, 16:01). However, they managed to take the leading position, even though they were foreigners within the localization of the market they were in:

> *“And we went in there as the foreigner as the Swedish company and just crushed them. And it was basically just based on the fact that we were not afraid or I wasn't afraid to just do you know, even as a Costa Rican guy to just go up to people.”* (MyFish, 16:01)

In the case of Snackable, to keep a dominant position, they chose to solidify their position against their main competitor by catering to a much broader market: *“I mean, the interesting thing for us is that Quiby is pretty much based in the US and Canada and we are global so there is the first difference.”* (Snackable, 12:59). When it comes to AdviceLab, they became important players because of their unique expertise in very specific fields which other players did not have, as illustrated in the following quote:

> *“So on the first one we really have strong strong expertise in tourism and have industries mainly around booking systems, which is something very specific and there is not a lot of expertise in the market.”* (AdviceLab, 6:36)

Similarly to MicroSecond, which was also focused on 3 very specific fields in which they were market leaders because of their technical expertise in these respective fields:

> *“So, in our respective area, we are absolute leaders in this technology with the circumstances that are given. So, in the 3 different areas, we have our own technical specialties which are appealing for engineers to be able to set their*

> *footprint on technologies such as 5G, self-driving cars and space components and similar."* (MicroSecond, 10:04)

Not only were they leaders in their local market but they were also worldwide leaders in some of the fields they were evolving in:

> *"Let's just mention that we have products that are very niche but, in these niches, we are the worldwide leaders in these components and, in some cases, the only component supplier for large scale businesses."* (MicroSecond, 13:10)

4.2.4 Setting the Conditions for Virality

The code Network Effect and Virality exists in six out of the seven assessed HGFs (AdviceLab, 15:28; MicroSecond, 7:26; MyFish, 24:34; Poweray, 22:06; Snackable, 7:46; Spector, 5:12, 10:10). Overall, network effect and virality was the 4th most mentioned (18 times). Entering deeper into the quotes of this code, it becomes clear that what initially was understood as the intersection between network effect and virality actually describes the entanglement between virality and product-market fit (AdviceLab, 15:28; Snackable, 4:54, Spector, 10:10). Almost all firms went through the same cycle of events, first experiencing a clear event of product-market fit (MyFish, 24:34; Poweray, 22:06; Snackable, 4:54), which enabled exponential growth on a later stage (AdviceLab, 15:28; MyFish, 3:02; Snackable, 4:54; Spector, 10:10). In the following, we give an in-depth analysis of what the 6 founders said regarding virality.

The moment product-market fit was achieved by these firms was marked by the moment when their future customers started to reach out to their firm, without the need of additional activities or payment (Spector, 10:10).

However, an increase in demand was rarely mentioned without the underlying mechanism of how these future customers learned about the product or service in the first place. For the firms, current customers started to spread the word of the firms' product value, reaching more potential customers than the firms' marketing budget could have, if they had paid for it (AdviceLab, 15:28; MyFish, 3:02; Snackable, 7:46).

Two underlying attributes seemed to be linked to this mechanism. The first was to leverage a credible brand image. Companies with this attribute focused on producing great relationships with their clients and partners through their products, to get them to function as multipliers for their own client acquisition (MicroSecond, 7:26; MyFish, 24:34; Poweray, 22:06; Spector, 5:12, 10:10). MicroSecond demonstrated how word of mouth applies to business-to-business (B2B) business models:

> *"And, if you can, for example, have Intel endorsing your products, then it's a good qualifier for many other big companies. And that's how we have worked, in general, to have other company's suppliers - big suppliers - endorsing us."* (MicroSecond, 7:26)

The second underlying attribute was directed towards business-to-consumer (B2C) business models and leveraged organic growth (MyFish, 3:02; Snackable, 4:54). What connected these specific B2C firms was the existence of a digital platform that created a space for customers and content providers to come together and exchange their values. During this process, the user took on the role of the customer and value provider simultaneously, turning themselves into ambassadors of their own value, therefore the ambassador of the platform as well. MyFish utilized this attribute, as described in the following:

> *"It was basically just tapping into people's ego and letting them do work for you. Because everybody wants to be officially sponsored. You know, in skateboarding and surfing and fishing, especially everybody wants to be sponsored. You're the coolest. You're the cool kid if you know if you have a T-shirt that says that, if you're getting the free gear, you know, and it was such a low-cost thing for us to do. And that's how it took off."* (MyFish, 3:02)

Snackable started getting a lot of traction when they built their first version of their website which set the stage to go viral: *"What we did is that we started our own internet site in a very cheap way and, within no time, we were getting 3 million views on the site."* (Snackable, 4:54). Not only did they get a huge number of views when launching their platform, but they also acquired a fair amount of paid subscribers: *"Then, we have seen exponential growth in that, we have got 200 000 subscribers from 200 countries."* (Snackable, 4:54). Then, they built a second version of their platform and noticed a continuous growth in the number of subscribers from all around the world:

> *"Basically, it was building the ATT platform and being able to get it out there with very minimal spend. Once we put it out there we started noticing people were signing up from almost every country in the world."* (Snackable, 7:46)

This viral effect got them to partner with one of the main telecommunication firms and this strategic partnership further set the stage for the right conditions to go viral: *"And, then, recently, signed a deal with Huawei to be preloaded onto 100 million handsets globally."* (Snackable, 4:54). In the case of MyFish, its founder chose to build a community around its product with the aim for it to become viral, as described in the following:

> *"Get those people that fish and this was old Tampa Bay, by the way, which is, you know, it's a little place where everybody fish literally, like you're the weirdo if you don't fish, like everybody fish, that's what they talk about is a fishing town. So basically, we set up, we set up shop there and we basically went around and we found all these people that are already fishing and we're like: 'Hey, this is the number one fishing app in Florida' "* (MyFish, 3:02)

More specifically, MyFish tapped into influencer marketing and the ego of its potential customers to create a viral effect around its app:

> *"But how do you get people to use it? Right? Their hack was that this one influencer started using it. And she started writing about it and it blew up. And then they piggybacked on that and that became the strategy and that there's a strategy around that."* (MyFish, 24:34)

By creating brand ambassadors and sponsoring them with branded merchandising, he managed to kick off a viral effect:

“*We would get people like: ‘Hey, you're like an official you know a member of Team MyFish which is the top fishing app’ so there was an ego thing obviously, they would go there and just get people to download it and like there was like all these tears and it was like this whole ego thing and, and it's because we found out that obviously fishing was is all about the ego. It's all About the size of the fish, it's all about proving it.”* (MyFish, 3:02)

Tapping in people’s ego and promoting his brand by giving them merchandising was his way of making his product go viral (MyFish, 3:02). Ultimately, MyFish's founder’s strategy worked successfully. The founder managed to make its product go viral and benefited from the explosive growth of its users:

“You know, it's kind of like the Coronavirus. I mean, if I can get into a classroom and start touching people, it's gonna spread. That's what happened. You get that viral effect one of one out of every five people has heard about you or has downloaded the app. It's done all of a sudden everybody in Florida has it. And that's how we went from 300,000 users to 3 million really, really quickly.” (MyFish, 3:02)

In the case of Spector, it was a great example of when a firm manages to build enough credibility that customers start coming to you instead of you coming to them:

“And at some point, you get a lot of case studies and you show up on various, you know, various lists of who's who in the industry. And in this case, and that is the case where in some parts of the market people will start coming to you, rather than you going to chase them directly.” (Spector, 10:10)

Similarly to Spector, MicroSecond benefited from endorsements from important industry players which allows them, in turn, to get more clients:

“And, if you can, for example, have Intel endorsing your products, then it's a good qualifier for many other big companies. And that's how we have worked, in

> *general, to have other company's suppliers - big suppliers - endorsing us."* (MicroSecond, 7:26)

When it comes to AdviceLab, the founder talked about closing a big client which made him a credible player in the field and, ultimately, helped attract other clients:

> *"And when you get to know we work with major companies such as Disney or the French railway, which are bigger companies. And when you go to another country, for example, I say okay, I work with the French railway and we and then the trust is really easier to get with your future customer."* (AdviceLab, 15:28)

Similarly to Poweray who closed a deal with an important client which participated greatly in being seen as an established firm, thus, getting them more clients:

> *"For every time we do a project with success, we get more and accepted as a real company and a reliable company. So that is now spreading the word and it's a bit different than in the last years that we are respected as a real company. We were truly a start-up a few years ago so that's a big difference. I don't know if that is going viral like that but we've had a lot of positive publicity. We had a very huge client in France, the big energy company in France bought a plant from us that has been a very big thing for us and has given us a lot of respect for our job that this big big big professional utility would put a contract with us."* (Poweray, 22:06)

Lastly, Spector talked about how referrals brought them more clients. The founder started by mentioning the positive impact of customer referrals:

> *"So they could be able to go to the customers and get the solutions and then the customer refers us in turn. So we had, we could have some kind of an acceleration factor."* (Spector, 5:12)

He went on talking about referrals from their former employees to their new employers and how it impacted them positively, in terms of getting new clients on board: *"And they are asked if they can refer to a company that they were working for before. If they had a good experience with us, they will refer us to their next job."* (Spector, 10:10).

4.2.5 Hiring the First Employees

With 18 mentions, hiring was the third most brought up topic and seemed to be an important factor in driving the growth of the respective firms. In six out of the seven HGFs, hiring new employees happened under specific circumstances and was intrinsically linked to firms' exceptional performance (AdviceLab, 9:24; Marketic, 8:36; MicroSecond, 9:24; MyFish, 19:18; Poweray, 11:03, 13:47; Spector, 5:12).

We have analyzed how firms have approached the hiring process. For example, the founder of Spector valued attracting and hiring the best employees – as the most impactful factor that caused their firm's success. Spector's highest priority was to become a firm that potential employees want to work for: *"The sources are basically people. And that means we need to be able to attract good people and to attract people that are experts in their domain"* (Spector, 5:12).

Above mentioned priority goes in line with six firms mentioning hiring as an important factor and putting systems and structures in place which ensure a sophisticated execution in recruitment (AdviceLab, 9:24; MicroSecond, 10; Poweray, 11:03; Spector, 5:12). Due to its relevance, it was common practice to delegate the responsibilities of hiring from the founder to an expert on this matter (Poweray, 13:47).

Even though most of these firms had a specialized recruiter to take over these human resource tasks, most of them followed the approach to hiring only when it became unavoidable, focusing on low growth in the early stages of the firm (AdviceLab, 09:24; Poweray, 11:03; Spector, 11:42). The first hires that have been done were key roles that enhanced the initial skill-set of the team (MyFish, 19:18; Poweray, 11:03; Spector, 02:29) and in roles in which they take over elemental functions for the overall process (AdviceLab, 09:24; Poweray, 11:03; Spector, 11:42). For example, Poweray's founder went through the process of hiring someone who could take over multiple key roles, one of them being hiring his own team:

> *"Then, the first thing to do was to hire an experienced project guy and his job was to hire the project team. So I hired a very experienced project manager who was experienced in*

> *doing these types of contracts, also experienced in hiring the people we needed to do the project. So he was hired and within 3 months we had hired an assistant to him and one who did drawings and we also hired an accounting assistant."* (Poweray, 11:03)

Attracting New Talents

Attracting talents can be a challenge, however, for Marketic, it was made easy thanks to their relaxed and flexible firm culture as well as their geographic localization (Marketic, 5:05). Since they were outside the industry's hub, it was easier for them to attract talented people and retain them:

> *"One advantage is that our competitors are principally based in Malta. That's like the iGaming hub. And you could say the advantage is that we are actually far away. Like in Silicon Valley, people always try to take each other's people, Apple they want the Google people, Google they want the Microsoft people, you know. So, when you actually go out from that, then, it's even harder for people to move."* (Marketic, 8:36)

Contrarily to MicroSecond who struggled to attract highly skilled engineers - the main part of their workforce - because of their localization, as illustrated below:

> *"We have just been hiring engineers, engineers, engineers, engineers, engineers. In our field, it is a very scarce resource. It is very difficult to get people in the field I am in. Even though you would be able to already pay anything, it is still very difficult to get senior people in this field, in Denmark."* (MicroSecond, 9:24)

Attracting talents was also a challenge for Spector's founder, who insisted that it was hard to attract experienced people: *"We need to be able to attract good people and to attract people that are experts in their domain.*" (Spector, 5:12).

In-House Recruitment

Rather than outsourcing work, some of the firms we interviewed chose to hire people in-house. We describe below the approach of Poweray and Spector regarding in-house recruitment. Spector's founder decided to recruit people that have very diverse skill sets from the founding team to be able to diversify in areas that were outside their expertise with the goal in mind to diversify their activities:

> *“One more web software. And that meant we had to bring in the company very different talents and opportunities. And the people that we brought in basically were the seeds of various competency areas where we grew.”* (Spector, 2:29)

In the case of Poweray, its founder chose to grow his team by delegating the responsibility of hiring to a key team member which had skills the founder was lacking:

> *“Then, the first thing to do was to hire an experienced project guy and his job was to hire the project team. So I hired a very experienced project manager who was experienced in doing these types of contracts, also experienced in hiring the people we needed to do the project. So he was hired and within 3 months we had hired an assistant to him and one who did drawings and we also hired an accounting assistant.”* (Poweray, 11:03)

Outsourcing Human Resources

Some firms we interviewed chose to outsource work or even their hiring process, as they deemed it more relevant to delegate this task to qualified people, rather than to do it themselves with mediocre quality. In the following, we describe how AdviceLab and Poweray respectively chose to outsource their hiring process or some of their work to people outside of their organization. AdviceLab chose to outsource part of their work to freelancers, consultants, or subcontractors, as described in the following quote:

> *“On the outsourcing strategy we're working with freelancers or with other companies, so subcontractors, let's say, partners, and on the advisory or consulting part well more working with employees.”* (AdviceLab, 9:24)

Similarly to Poweray's founder who chose to outsource work that was outside his area of expertise to consultants:

“But also we hired some consultants to do things we did not have expertise ourselves. For instance, describing the electrical system and buying the electrical system. We had some consultants to help us with that.” (Poweray, 11:03)

Additionally, he chose to outsource fully its recruiting process to a consultant in human resources:

“I rented out one of the rooms to a friend of mine who is also an HR. So she became more and more my internal HR on a consulting contract but she has the office next office. I think she's been very good for us, when we hire people she does a test and that's part of the evaluation when we finally decide who to hire.“ (Poweray, 13:47)

4.2.6 Sub-conclusion

In this section, we have seen that firm attributes were perceived by the founders we interviewed as having a positive relationship with high-growth. More specifically, the following five attributes were mentioned as having the most importance in setting up their firm for high-growth: (1) planning to bridge the present with the future goals; (2) agile strategy to be flexible in the face of uncertainty; (3) partnerships to create opportunities and access to resources; (4) provide UV to their customers in order to differentiate themselves from the competition; and (5) their respective hiring process.

5. Discussion

In this section, we will discuss the findings of our analysis. We have developed six findings which each consist of several arguments that are based on the analysis of Chapter 4. Each finding will be introduced with a brief overview of what we have found, followed by the arguments which will be elaborated upon in the sub-chapters.

5.1 Growth Driver I: High-Growth Founders' Characteristics

Both in our analysis and in the literature, we have seen that some founder characteristics enhance the likeliness to build a HGF. In this section, we develop three main arguments relating to high-growth founder characteristics: (1) entrepreneurial experience seems to be an important driver of growth, especially nowadays; (2) industry experience is one of the most valuable founder characteristic in building a HGF; and (3) level of education is associated positively with firm performance.

5.1.1 Entrepreneurial Experience

Entrepreneurial Experience seems to be a more important driver of high-growth today than it used to be

In the literature on entrepreneurial experience, the studies that have been conducted in the '80s and '90s have typically shown no link - or even a negative link - between prior entrepreneurial experience and high performance (Jo & Lee, 1996; Sandberg & Hofer, 1987). However, more recent studies concluded there was a positive relationship between firm performance and entrepreneurial experience (Brüderl & Preisendörfer, 2000; Colombo & Grilli, 2010; Duchesneau & Gartner, 1990; Florin et al., 2003). In fact, having previously launched a firm allows founders to have more specialized and critical knowledge than other individuals and makes it easier to avoid mistakes (Barringer et al.'s, 2005; Colombo & Grilli, 2010). Furthermore, it allows these founders to transpose and adapt the knowledge they have gathered while launching previous firms into their current firm, making them more likely to successfully manage their firm and reach high-growth (Duchesneau and Gartner, 1990; Florin et al., 2003). Lastly, having previously built a firm makes a founder more likely to seize and exploit opportunities that arise, thus participating in the performance of their firm *(*Brüderl & Preisendörfer, 2000).

Out of our sample of seven HGF founders, five founders had previously built at least one firm (MicroSecond, Marketic, Spector, Snackable & MyFish) while the remaining two had not (Poweray & AdviceLab). This slightly challenges the most modern findings linking positively HGFs and entrepreneurial experience since two of seven high-growth founders did not possess prior entrepreneurial experience.

5.1.2 Industry Experience

Industry experience is extremely valuable in building a high-growth firm.

The literature is unequivocal when it comes to the role of previous relevant industry experience in relation to high-growth. Industry experience is in fact the founder's highest-impact characteristic on firm performance (Barringer et al., 2005; Jo & Lee, 1996; Lee & Tsang, 2001; Siegel et al., 1993). Feeser and Willard (1990) even concluded that it was a determinant of firm performance. Indeed, industry experience means having specialized and crucial knowledge about how the industry functions and allows to better seize and exploit opportunities that arise, it is thus positively associated with launching a HGF (Brüderl & Preisendörfer, 2000; Colombo & Grilli, 2010; Macpherson and Holt, 2007 Sapienza & Grimm, 1997). Other scholars also point out the importance of industry experience in HGFs (Van de Ven et al., 1984; Deeds et al., 2000).

The data we gathered aligns mostly with the above-mentioned literature: out of our sample of seven HGF founders, six founders had relevant industry experience prior to building their current firm (MicroSecond, Poweray, Marketic, Spector, Snackable & AdviceLab). Some founders had lengthy industry experience - around 20 years for

MicroSecond's founder and Snackable’s founder -, some medium-levels - between 7 and 12 years for Poweray's founder, Spector’s founder and AdviceLab’s founder - and one a very low level - 1 year for Marketic's founder. The remaining founder from MyFish had not any relevant industry experience. However, MyFish's founder seemed to have compensated for his lack of industry experience by being resourceful and leveraging his prior skills to grow his current firm into a HGF (MyFish, 19:18). Ultimately, AdviceLab's founder’s diverse background helped him compensate for his lack of previous relevant experience.

To sump up, industry experience has been identified as one of the most important founder characteristics in terms of launching a successful HGF, aligning with what is laid out in the literature and even appears that it can be substituted for resourcefulness.

5.1.3 Level of Education

Level of education seems to be associated with firm performance.

The research on level of education remains inconclusive (Lee & Tsang, 2001) and seems to be moderated by a number of factors such as firm size (Lee & Tsang, 2001) or type of education (Barringer et al., 2005; Colombo & Grilli, 2010). Some scholars associate level of education negatively with firm performance and go as far as stating that founders with less education perform better (Stuart and Abetti, 1990). However, a number of other scholars conclude that level of education is positively linked with firm performance (Barringer et al., 2005; Brüderl & Preisendörfer, 2000; Colombo & Grilli, 2010; Duchesneau & Gartner, 2003; Sapienza & Grimm, 1997; Senderovitz et al., 2016Storey, 1994; Van de Ven et al., 1984; Watson et al., 2003). Interestingly enough, Jo & Lee (1996) found that level of education was not associated with firm growth but rather with profitability.

The data we gathered challenges the literature that finds no link or a negative relationship between level of education and firm performance (Lee & Tsang, 2001;

Stuart and Abetti, 1990) and confirms the literature that finds a positive relationship between the two. Out of our sample of seven HGF founders, six founders had at least a bachelor's degree (MicroSecond, Poweray, Marketic, Spector, AdviceLab & MyFish), four of which had master's degrees. For the remaining founder (Snackable), we could not verify his level of education. Thus we can conclude the level of education appears to have a positive link with firm performance. However, further research would be needed to assess in more depth the relationship between the two factors.

5.2 Growth Driver II: Networks, Partnerships & Business ties

Before partnerships and networks were more based around the firm, now they are more built around the business ties of the founder.

Both in our analysis and in the literature, we have seen that external business ties play a role in successfully building a HGF. In this section, we develop one main argument relating: partnerships and networks used to be built around the firm, nowadays they are rather built around the founder's ties.

While the focus used to be on participation in inter-organizational partnerships as a driver of growth (Brüderl & Preisendörfer, 2000), nowadays the literature is rather oriented towards the founder's business ties (Anderson et al., 2005; Anderson et al., 2010; Barringer et al., 2005; Jing Zhang et al., 2010). This means that, while the firm used to be at the center of the attention in terms of relationships and partnerships, the founder has now taken that position. In fact, the founder's business ties help overcome the liability of smallness and palliate for their lack of resources in the initial stages since these relationships allow for access to knowledge, financial and even emotional support (Anderson et al., 2005; Anderson et al., 2010; Barringer et al., 2005; Jing Zhang et al., 2010). In terms of forming lasting partnerships, scholars conclude that to enable high-growth, the partnership should either allow to fulfill more customers' needs (Brush et al., 2009; Julien, 2002 in Kay et al., 2014; Reid & Xu, 2012) or allow for access to new clients as well as lower the operational distribution risk (Achtenhagen et al., 2010;

Brenner & Schimke, 2015; Coad & Tamvada, 2012; Davidsson et al., 2010; Wakkee et al., 2015).

Going through the data we collected, six out the seven HGFs have engaged in inter-organizational partnerships which enabled exponential growth and played a decisive role in reaching high-growth (MicroSecond, Poweray, Spector, Snackable, AdviceLab & MyFish), thus aligning with the literature stating that inter-organizational partnership is a driver of high-growth. These partnerships took different forms: some firms formed long-lasting firm relationships with external actors to grow their firm; some rather focused on networking with the right individuals to kickstart their growth. Poweray's founder formed a relationship with a business angel (Poweray, 19:58), Spector formed a partnership with what used to be a small startup that partnered, later on with Google (Spector, 11:42) and also made a partnership with an IoT firm to penetrate a new market (D 22:10); Snackable's founder partnered with Huawei which gave them access to a huge number of customers and reduced their customer-acquisition cost drastically (Snackable, 4:54); MyFish's founder partnered up with a number of important fishing clubs (including Florida’s largest fishing club) and networked with relevant people (including Florida senator) in the industry to kickstart the growth of his firm in a new market (MyFish, 16:01). All these partnerships and relationships allow to create opportunities that can be exploited for growth and enhance the firms’ respective overall fulfillment capabilities and access to customers thus compensating for their liability of smallness.

5.3 Growth Driver III: Human Resource Management

Both in our analysis and in the literature, we have seen that surrounding oneself by a skilled team of people is crucial to successfully manage high-growth. To do so, the founder or founding team needs to be able to attract and recruit talented people, which is specifically important for the first hires. In this study, we find two main arguments relating to hiring: (1) Attracting and hiring the best employees is a priority for managing growth and requires a skilled person on this matter (in-house or outsourced), and (2) First hires are critical for managing high-growth.

5.3.1 Attracting, Selecting and Retaining Employees

Attracting and hiring the best employees is a priority for managing growth and requires a skilled person on this matter (in-house or outsourced).

In the literature, we have seen that attracting and retaining employees can be done thanks to a distinctive employee value proposition (Rich, 1999) that is directed to attracting and retaining profiles of employees the firm is specifically looking for. Furthermore, in terms of HGFs, the literature is unequivocal: HGFs allocate much more time attracting and selecting employees (Fischer et al., 1997; Hambrick & Crozier, 1985). This can be explained by the following: HGF founders understand the importance of building the right team as well as being able to attract and recruit the right talents to manage growth (Demir et al., 2017). In addition, they know this process is costly and can divert the founder's attention, which is why some HGF founders rather delegate this process to a qualified person rather than doing it themselves mediocrely (Hambrick & Crozier, 1985). Ultimately, founders of HGFs see the hiring process as an investment on which they should realize a return and, ultimately, if done correctly, increase the likeliness of high-growth (Rich, 1999).

In our interviews, we have seen that our findings align with what is laid out in the literature in terms of attracting and selecting the right employees as well as delegating the hiring process. The founder of Spector states that attracting and hiring the best employees is the most impactful factor that caused their firm's success. Thus, one of Spector's founder's highest priorities was to become a firm that potential employees want to work for (Spector, 5:12). Furthermore, for Marketic's founder, attracting talents was made easy thanks to their geographic localization. Since they were outside the industry's hub, it was easier for them to attract talented people and retain them (Marketic, 8:36). In addition, their firm culture is rather relaxed and Marketic's founder is flexible in terms of letting his employees choose how they want to work, for example, the founder let his employees choose the language they want to code in, and this flexibility for programmers is attractive (Marketic, 5:05). However, attracting and retaining talented employees can be a challenge due to the exact same factor that facilitated hiring for Marketic's founder: geographical location (MicroSecond, 9:24) which is why some firms choose to outsource the recruiting process to a qualified HR person (Poweray, 13:47) or to a key team member (Poweray, 11:03). In fact, not only Poweray's founder benefitted from the help of an HR consultant to build his team but he also delegated the hiring of a whole team to the employee responsible for that same team (Poweray, 11:03).

5.3.2 First Hires

First hires are critical for managing high-growth.

In the literature, we have seen that the selection for first-hires in HGFs is rather based on their capability to manage pressure rather than on their professional experience (Fischer et al., 1997). Furthermore, founders of HGFs tend to hire employees that share the vision and values of the firm - specifically for first hires - and that have experience in larger firms in prevision of high-growth (Hambrick & Crozier, 1985).

The data analysis from our interviews align with what is described in the literature with regard to selecting first hires. Nearly all founders chose to hire for key roles that would be complementary to theirs and enhance the skill-set of the founding team (Poweray, 11:03; Spector, 11:42, 02:29; AdviceLab, 09:24; MyFish, 19:18). These first hires were typically generalists who could take over crucial activities of the firm, such as helping Poweray's founder with going over a 7-million-euro contract (Poweray, 11:03). The same founder also chose to hire experienced employees that seemed to have experience in larger firms and could manage the pressure of a HGF in the making (Poweray, 11:03). However, in terms of hiring only when it became absolutely necessary, the literature we reviewed did not touch upon this topic while we have seen a pattern in terms of the timing relating to first hires. AdviceLab's founder illustrates perfectly the above-mentioned statement, he was very reluctant to hire at the beginning because it meant delegating responsibilities, but when it became absolutely unavoidable, he embraced the idea (AdviceLab, 09:24).

5.4 Growth Driver IV: Growth Strategy

This thesis sets out to understand how modern high-growth in firms is achieved. The reviewed literature of the past four years presents a tendency towards an agile driven strategy approach while the data gives us a deeper understanding of the underlying mechanisms, which are laid out in the following section. Uncertainty and changing market needs require HGFs to switch from rigorous business planning towards an agile setting of objectives that leave room for quick adjustments to the business strategy. Thus, this appears to require a reimagination of how growth is achieved, which is presented to us in a customer-centric manner. HGFs rely on business strategies that allow them to quickly identify and test new growth opportunities in the market. We will continue to dive deeper into the individual arguments that concluded this finding in regard to the growth strategies of HGF.

5.4.1 Planning

Uncertainty and changing market needs require HGFs to switch from rigorous business planning towards an agile setting of objectives that leave room for quick adjustments of the business strategy.

We identify a shift in the way firm planning is done amongst HGFs, from strict forecasting of the path ahead to a continuous reassessment of today's opportunities. For most scholars in our literature review, the formal setting of a business plan comprises the most relevant aspects that set a firm’s strategy for growth (Bracker & Pearson, 1986; Shuman et al., 1985; Fischer et al., 1997; Reid & Smith, 2000). These scholars show us it is less about the existence of a tangible business plan and more about the careful planning of its main dimensions. If we take this a step further, we understand that it is the level of sophistication of their planning process that is linked to the financial performance of HGFs (Bracker & Pearson, 1986; Reid & Smith, 2000). This finding helps to understand how planning is done in firms that are acting in uncertain environments with fast-changing structures. A carefully created planning process does not necessarily require a strict format, if the process itself ensures a correct prioritization of the firm goals, even though the execution on these happens in a rather flexible manner.

Our investigation enhanced this understanding, as the investigated firms approached planning as clear goal-setting activities that continuously reassessed the current state of their market position, followed by quick actions of experimentation and adjustments. In other words, the founders have followed a strategy that allowed their organization to be agile towards today's changing customer needs while staying focused on the higher mission set by the founding team. In most HGFs we interviewed, the common practice to develop and execute their strategy was the setting of clear objectives for the future, and their continuous reassessment along the way (AdviceLab, 06:31; MicroSecond, 6:37; MyFish, 20:57; Poweray, 2:01; Snackable, 15:24; Spector, 11:42).

An objective is a term that carries the role of a Northstar metric in the firm. Similar to the firm's mission is the objective of a clearly defined goal that can be executed in many different ways, and employees can come up with individual and innovative ways to fulfill that objective. The communication of these goals becomes just as important as the setting of these goals in the first place since it requires clarity about these objectives for the employees to productively produce progressive ways to fulfill them.

We have found that most of our interviewees contradict what we have gathered in our literature review when it comes to the agility of their developed strategies. We have established in our analysis (Chapter 4.2.2, *Agile Strategy*) that most founders lead their firm by continuously reassessing the firm's short and long term goals. In order to ensure the validity of their reassessments, they run experiments to understand which new opportunities yield the highest growth potential for the firm. This reassessment can also lead to a shift in understanding how growth is measured, as it occurred to Snackable and their engagement with a new distribution partner. Their reassessment led to an evolution of their business model, as they have identified the opportunity to change their distribution model from a direct-to-consumer towards a business-to-business-to-consumer (B2B2C) model. While this changed the complete business model and the objectives for their employees, the mission of the firm remained the same (Snackable, 7:46, 18:15).

5.4.2 Measuring Growth

HGFs rethink how growth is achieved. Achieving rapid business growth becomes a customer-centric question that is answered by solving the right customer problems and needs.

As can be seen in Table 13, we have found that growth for all of our interviewees was approached in a different way, for some it was a diversifying strategy, for others a partnership-driven strategy, but one thing that most have in common is the constant involvement around the customer needs, followed by a subsequent phase of rapid experimentation to identify the biggest growth potential. Scholars agree that there is no one best way to grow a firm (Galbraith, 2012; Van de Ven et al., 2013; Woodward, 1958). When it comes to evaluating a growth strategy, most scholars align with Senderovitz et al. (2015) that a growth strategy is most beneficial when they harmonize and collaborate directly with the remaining internal strategies of that firm, which differs from the findings from our data analysis.

Four out of seven founders (Table 5) showed the clear ambition to grow, however, the way this growth was framed seems to differentiate from what is described in the literature. In significant business decisions connected to growth, founders representing the literature view may focus on the question of *what grows the business more*, whereas the founders we have interviewed asked *how to serve more customers with the need for our product*. The firm growth process became a more customer-centric process. The effect showed a different approach in following business strategies, where the founder does not assume that they know how the future market and demand looks like and rather focuses on running smaller experiments based on changing consumer needs. The findings of strategic entrepreneurship, as coined by Monteiro (2019), capture this understanding of growth of our sample. For this thesis, we would classify our interviewees as strategic entrepreneurs. We find that strategic entrepreneurs differ from traditional founders in two basic assumptions in regards to their understanding of growth: First, rapid growth is a closed period that needs to be prepared and activated consciously (Coad et al., 2014; Hölzl, 2014; Monteiro, 2019) and this preparation requires a perfect fit between a relevant customer problem and the offered solution. This brings us to the second assumption, the firm needs to act quickly, and collectively, in identifying and utilizing potential market opportunities.

5.4.3 Agile Strategy

HGFs rely on business strategies that allow them to quickly identify and test new growth opportunities in the market.

Regarding strategy, Brüderl and Preisendörfer (2000) claim in their empirical studies that carefully planned growth strategies appear to be more fruitful than more innovative strategies to growth. Planning participates in organizing a firm for growth (Barringer et al., 2005: 899) and as a firm grows, it needs to introduce more formal processes, especially in relation to planning and control (Hambrick & Crozier, 1985) to communicate their mission and vision effectively to all stakeholders (Roure & Keeley, 1990).

We illustrate in Table 13 that growth for all of our interviewees was approached differently. For some, it was a diversifying strategy, a customer-centric strategy, or a partnership-driven strategy, but all of them had in common that they aimed for a clear moment of product-market fit, before they engaged in a period of high-growth (AdviceLab, 6:31; MicroSecond, 13:10; Snackable, 04:54). The moment of product-market fit was described as a clear moment where the customer demand increased dramatically, as everything from product, communication, and distribution aligned with what the customer was looking for.

Keeping all the above-listed arguments in mind, it becomes clear that growth as understood in the literature and Barringer et al. (2005) differentiates significantly from the approach of our interviewees and how more recent research understands it (Monteiro, 2019). Brüderl and Preisendörfer (2000) clearly state that HGF’s most profitable approach should be to follow sales processes rather than innovation activities - all firms we have interviewed aligned their strategies towards identifying new opportunities that unlock exponential growth drivers. In order to execute on this logic of growth, the firm requires certain attributes that partly align with scholars, as in the setting of firm objectives that are mission-driven (Barringer et al., 2005), clearly communicated goals towards the organization (Hambrick & Crozier, 1985; Roure & Keeley, 1990), and the organizational commitment to rapidly experiment to identify new opportunities to grow exponentially.

5.5 Growth Driver V: Customer-centric business development

The meaning of creating value for the end-consumer increases significantly and appears to set the foundation the HGF requires to achieve high-growth. In this section, will we further elaborate on how the literature helps us understand and challenge what we have observed during our empirical study. We see that providing a unique value gains significance, although it looks different in practice to what Barringer et al., (2005) described under UV. Instead of aiming to create a differentiating attribute, HGFs intend to identify and fulfill the unmet customer needs, thus creating a unique value in the process to reach Product-Market fit. Reaching Product-Market fit is not a one-stop process, and is rather followed by different levels of fit that can be achieved through different growth strategies.

HGFs implemented business processes that incorporate the creation of service and product innovation by design. We will continue to bring out the main arguments that make up layers behind this finding.

5.5.1 Unique Value

Providing a unique value regains significance, although it looks different in practice to what Barringer et al. (2005) has described. Instead of aiming to create a differentiating attribute, HGF intend to identify and fulfill the unmet customer needs, thus creating a unique value in the process.

Barringer et al. (2005) found that providing a UV or service serves as a major differentiator between HGFs and LGFs. Although that link was commonly present in the research leading up to it (Kim & Mauborgne, 2004; Lewis, 1981; Porter, 1991), it became scarce over time and was rarely repeated in empirical studies building upon it. Additionally, it is an understanding of HGF research after 2005 to focus on operational scalability and increased efficiency to enable high-growth. In our research, however, we find an opposing development, in which Barringer et al.'s (2005) attribute of customer knowledge plays a major role for business decisions. Barringer et al. (2005) identified customer knowledge - knowledge about the customers specific needs, pains and gains - as a significant differentiator between HGF and LGF. In our analysis, we see the introduction of a new meaning of providing UV in the understanding of product-market fit.

Providing UV for customers is usually understood as a product innovation that competitors cannot provide (Barbero et al., 2011; Barringer et al., 2005; Goedhuys & Sleuwaegen, 2010). Ryzhkova (2015) highlights the relevance of the way a product is received, which aligns with the understanding of product-market fit as described by our interviewees (AdviceLab, 4:12; MicroSecond, 15; MyFish, 11:29; Snackable, 12:59; Spector, 2:29; 13:15, 22:10). Assuming that product-market fit describes the perfect match between the customer's unfulfilled problem and the firms' new offering, achieving the *fit* fills a gap that no other product provider has. Therefore, reaching product-market fit is directly linked with providing UV, if the UV is enabled by providing a tailored product experience through the product itself and its distribution.

5.5.2 Product-Market Fit

Reaching Product-Market Fit is not a one-stop process, and is rather followed by different levels of fit that can be achieved through different growth strategies.

High firm growth is traditionally viewed as an increase in sales and marketing activities. However, the findings from our data anlysis indicate that high growth was perceived by the founders as a product and firm development issue, as the firm not only aims for product-market fit, but also for product-distribution channel fit and market-business-model fit. Achieving “fit” is presented by interviewees as a multidimensional process (AdviceLab, 6:31; MicroSecond, 14:51, 16:46; Snackable, 4:54; 12:59). We have found that there are several levels of fit, which build up on top of each other and can be pursued simultaneously.

The HGFs pursuing a rather customer-centric strategy were getting closer to achieving product-market fit by searching for the right problem to solve. Barringer et al. (2005) emphasized a newer finding during their research which has not received much attention in more recent research, which addresses the relevance of customer knowledge. The general approach for HGF with a customer-centric strategy was to build up customer knowledge about relevant problems they are trying to solve today, as well as the different dimensions this problem entails.

We found that HGF follow diversification strategies to achieve, what we call, a business model fit. The business model assumes that the problem has already been correctly identified and supports the search for a solution to this very problem. Some of our interviewees have highlighted that they have had competitors with essentially the same solution, however, in response the HGF experimented with different business models (subscription, quality-based, performance-based) to identify the angle that enables the best growth-margin for the firm. Tatikonda & Montoya-Weiss (2001) and Zhou et al. (2008) highlight the significant role of customer knowledge in product and business model development to create a competitive advantage in the market. The effects of the diversification strategy are supported by the above-mentioned authors’ findings and are enhanced by Barringer et al.'s (2005), as these mechanisms not only allow the firm to differentiate itself from the competition, but also enhance customer satisfaction, sales performance and the likelihood of repeated purchases.

The last strategy we have identified focuses on the distribution channels and enables what we call product-channel fit. Ryzhkova (2015) argues for the relevance of how a product or service is received, as the utilized distribution channels play a significant role for gross margins and, therefore, the explosive growth of the firm. However, it is the nature of nascent firms to experience resource scarcity (Machado, 2016). Interestingly, almost all HGFs (Table 13) from our research have used a partnership strategy to overcome these challenges of smallness that they experienced in distributing their product and/or services. The partnerships that yielded the highest output for the HGFs we have interviewed were the ones that gave the firm direct access to a new target audience, through a mutually beneficial collaboration. In conclusion, both sides of the partnership had a value-driven need for what the other side had to offer, which was not purely monetary driven.

5.5.3 Business Processes

HGFs implemented business processes that incorporate the creation of service and product innovation by design.

Innovation in HGFs is mostly understood as a separate process that requires a tradeoff with the firms' other operations, such as sales or marketing (Brüderl & Preisendörfer, 2000). In addition to that, as we have laid under 5.5.1 in this discussion, providing a UV becomes integral to a firm strategy in terms of identifying different ways of "fit" for the firm that unlock the next level of high-growth for the firm. Recent literature underwent a shift between 2005 and 2019 and describes a transition that is replicated by the findings from our data analysis , which is that UV as an attribute for high-growth is rather understood as service innovation and the creation of unique consumer experience (Ryzhkova, 2015). Furthermore, the approach we see within our interviewees' firms is the continuous redesigning of the product, business model, and channel strategy to align them with the customer needs. Hence, the general business processes are designed in a way that continuous innovation is a natural part of the business execution to identify new opportunities and is no longer treated as a tradeoff, which contradicts Brüderl and Preisendörfer's (2000) finding that innovation does not carry an importance for HGFs during the growth process. The way most of our interviewees brought this sentiment of *innovation by design* into reality was through rapid experimentation as a decision-making tool (AdviceLab, 4:12; MicroSecond, 15; MyFish, 11:29; Snackable, 12:59; Spector, 2:29; 11:42; 13:15, 22:10), which allowed their whole organization to participate and create in the development of new experiments. However, it should be acknowledged, it has been the high-tech firms that embraced rapid experimentation more than the low-tech firm, which aligns with most theories on innovation within HGFs (Goedhuys & Sleuwaegen, 2009; Hölzl, 2009; Stam & Wennberg, 2009).

5.6 Growth Driver VI: Exponential growth from a leadership position

The past findings have revolved around the requirement to enable high-growth. This finding aims to understand how the actual growth was enabled by the firms, what we will further disclose in the following. Niche markets proved to be a fruitful starting point to achieve product-market fit quicker. Next to the positioning, we find that speed to market leadership creates significant competitive advantages in niche markets. Lastly, we identify customer-driven growth as the main growth driver for the investigated HGF. We will continue to further discuss these findings.

5.6.1 Market Positioning

Broad strategy VS. niche market. Niche markets proved to be a fruitful starting point to achieve product-market fit quicker.

Research shows that most HGFs decide to compete in niche markets, although they recommend a broader market strategy as it promises a steeper growth in revenue for the firms (Amburgey et al., 1993; Greve, 1999; Parker et al., 2010; Senderovitz et al., 2015). More recent research identifies a subset of HGF, the scaleups, which appear to have an exceptional role in this mechanism due to their strategic approach to identify new opportunities (Monteiro, 2019). Strategic entrepreneurship – as it is described above – is defined as a mission-driven approach to growth that is based on experimentation of different business models in order to identify the ones with the highest growth potential in the market (Monteiro, 2019; Nickerson et al., 2001; Zott & Amit, 2008). These scale-ups benefit from the benefits of competing in a niche market to set on their growth model, which in return enables their rapid growth across multiple industries further on. Most of our interviewees align with Senderovitz et al. (2015) argument by positioning their firm in a niche market. We acknowledge that this finding by itself is not enough to build an argument that either confirms or challenges the assumption of which strategy promises a higher growth rate. However, if we consider all of their respective business strategies in the context of how this affected their growth process in the long run, we find that most of the firms we have investigated align with Monteiro's (2019) description of scaleups. It appears that the positioning in a niche market not just enabled their different levels of *fit* through experimentation, but also, due to how this positioning in the market set their firm up for the high-growth that came afterward.

5.6.2 High-Buyer Concentration

First-scaler advantage and speed to market leadership create significant competitive advantages in niche markets.

We have concluded that our investigated firms have positioned themselves into a niche market, similar to the average of HGFs before them (Amburgey et al., 1993; Greve, 1999; Parker et al., 2010; Senderovitz et al., 2015). The differentiation that our analysis draws is in how the investigated firms have utilized the positioning for their continuous expansion. A niche market is characterized by a high-buyer concentration and a low level of competition (Roure & Keeley, 1990**;** Roure & Maidique, 1986). One common denominator between our interviewees has been their speed to market leadership, by covering more areas of the user journey towards becoming a full-service solution.

Utilizing at least two of the three strategies to create a product, channel or business model fit, and due to the focused target group, they have been able to quickly identify the opportunities with the biggest growth potential, taking in most of the market share from the few amounts of competitors they had. In MicroSecond's, MyFish, and Snackable's case, the niche market enabled the firm to enter the leadership position instantly.

5.6.3 Virality

Customer-driven growth is the main growth driver for the investigated HGF. Virality guides HGFs expansion into different industries.

This argument of our findings is more of an outlier in comparison to the prior mentioned, as it does not stand in direct contrast to the literature we have utilized in our literature since it is not covered by the traditional research on HGF. This finding rather evolved out of the prior stages the investigated firms went through, therefore opening up a new topic that would need to be further researched on, in order to understand the observed phenomenon in-depth. Nevertheless, we have identified the argument of virality to be significant to understanding the growth process of the investigated HGFs, which is why we try to contribute to a better understanding of this factor with the present literature and the findings from our data analysis.

Hoffman and Yeh (2018) describe virality as a specific kind of growth as it has happened for big tech companies such as Google, Yahoo, and other tech incumbents. Their understanding of virality, combined with our existing literature provides an understanding of virality, as an entanglement between product-market fit with operational scalability of that business model, to allow customers to drive the demand individually by inviting their peers to use the product/service effortlessly. Our research found that this customer-driven growth appears to be the significant factor that is essential for the high-growth for most of the firms we have investigated and the mechanics on the customer side resemble a pyramid-scheme effect, where one customer advocates acquire two or more new customers, based on amplifying their own user experience. We have identified two underlying attributes that drive this customer behavior. The first attribute is the brand or service image the customer can and want to identify themselves with. The second attribute is a direct link between the number of customers and the value the product/service brings. It usually arises with digital platforms and serves as a multiplier of the user experience, which grows with the number of users that engage with the platform, as we have seen it with Snackable, or MyFish.

6. Limitations

In this section, we provide the reader with our findings' main limitations and shortcomings. Firstly, we barely scratched the surface of the actual mechanics behind high-growth drivers mainly because of our small sample size. Then, a comparison with LGFs would have been beneficial in order to have more accurate and balanced findings. Additionally, our findings would have been more conclusive if we had focused on a specific industry or field and would have helped draw more generalized conclusions. Lastly, due to the sample size, rather than taking our findings as proven models and frameworks, understanding our results on a conceptual level would have been great to inspire further research.

7. Conclusion

This thesis sets out to understand what drives and enables high growth in modern HGFs. The research question that has structured this thesis is: "How do high-growth firms set themselves up for exponential growth?". We conducted a qualitative analysis of sampled HGFs in Europe and enhanced our understanding through a review of the major academic frameworks on the strategic management of HGFs. We have approached the research from two perspectives before bringing the results together in the discussion of this paper. Firstly, we set out to understand how the growth-drivers defined by the reviewed literature explain the high growth of the sampled HGFs. Secondly, we wanted to identify potential additional growth-drivers that our inductive analysis of the sampled HGFs highlighted. Throughout our research, we have found that some of the growth-drivers help us understand how high-growth was enabled in our sampled HGFs. Furthermore, we have not just been able to contribute new perspectives to these growth-drivers and how they are executed in HGFs, but also have been able to introduce new attributes to the academic conversation that have yet not been discussed in this field of research.

The review process of research on strategic management of HGFs was met with challenges caused by the highly fragmented nature of this field. This fragmentation is mostly due to the number of different definitions of HGFs that exist, as well as the fast-changing nature of a HGF as an organization throughout their life-span, making it difficult to create comparable sample sizes and findings across the academic landscape. We have been able to streamline the review process by selecting the strategic framework developed by Barringer et al. (2005) as our starting point, to continue to review further research that builds upon their findings. Based on this review process, we identified eleven drivers of growth that encompass the academic position on what enables high-growth in HGFs across the industries, which are structured in four high-level topics: (1) Founder Characteristics; (2) Employee Recruitment and Selection; (3) Firm Attributes; and (4) Business Practices.

The empirical part of our study encompassed qualitative online interviews with seven European founders or founding members of HGFs. The interview guideline covered the dimensions founding team, before the high-growth, during the high-growth and future outlook, however, our qualitative analysis uncovered that most drivers of growth are situated in the founding team and the moment before the high-growth was enabled.

The discussion of the analyzed data resulted in six specific growth-drivers, which each consists of several findings of Chapter 4: Analysis. The six drivers that enable high-growth in firms identified in this paper are:

1. Entrepreneurial and industry experience, as well as level of education, seem to be important drivers of growth;
2. Partnerships and networks used to be built around the firm, nowadays they are rather built around the founder’s ties;

3. Attracting and hiring the best employees, especially for the first hires, is a priority for managing growth and requires a skilled person on this matter;
4. An agile business strategy that is focused on identifying and continuously testing new growth opportunities for the company;
5. An iterative approach to product, service and business model development to enable product-market, product-channel and business model fit;
6. A niche-market strategy with the potential to grow through viral-effects.

This study sheds light on two trends in recent research and firms that aim to enable high-growth, which requires additional research to further the understanding of these two following trends: (1) the impact of entrepreneurial experiences in the founding team on the creation of new growth opportunities for the firm, and (2) the relevance of a customer-centric approach across all stages of the firm's life-cycle. We believe that these trends are caused by the increased level of uncertainty in the markets that firms appear to operate in, which requires a more flexible and customer-centric approach to make business.

We have seen many examples of founders that caused significant growth for their firms by demonstrating resourcefulness, opportunistic behavior, or their personal relationships. It would be interesting to further understand how entrepreneurial characteristics within the founding team, but also within the firm’s employee can create new opportunities for growth and possibly have a lasting impact on the firm's growth. On an organizational level and especially strategic business decisions, we encountered a never-ending need to reassess what are the customer needs and the firm’s current market position. We have seen that the most impactful moments of growth grew out of the firms’ experimentations with their business models, rather than through optimization activities. It would be interesting to further understand which impact it has on firm growth if rapid experimentation becomes a common business practice not just for smaller companies, but also for more mature firms.

As a final thought, we want to highlight the importance of this research on a conceptual level. The small sample size of this research does not allow the creation of a new framework that should be applied as a template on how to enable high growth. However, we did encounter a clear attitude from business leaders towards managing their own firms: they all shared the approach to constantly reassess the customers' needs and continued their assessment, even after their firm had experienced a level of product-market fit, to unlock the next stage of fit. Business growth does not equate business growth, and a key to unlock high-growth appears to be the confidence to never stop testing.

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Appendix

Appendix 1 - Interview Guideline

1. Can you describe to us the state of your company, just before you have started scaling exponentially, in regards to, stage of the product, business model, vision and strategy, competitive landscape?

2. Moment of Product-Market Fit
    - ❖ Firm Attributes
    - ❖ Business Practices
    - ❖ Founder Characteristics
    - ❖ Business Model Innovation (Growth Limiters)
    - ❖ Strategy Innovation (Existing factors)

3. During the scaling process, how did you manage it in terms of business practices, human resources, distribution, and overall strategy?

4. Scaling Process till today:
    - ❖ Business Model Innovation (Growth Factors)
    - ❖ Strategy Innovation (Founder Role, Market State)
    - ❖ Management Innovation & Human Resource Practices

5. Focus on the scaling process nowadays. How did you proceed in terms of:
    - ❖ Firm Attributes
    - ❖ Strategy Innovation
    - ❖ Business Model Innovation
    - ❖ Business Practices
    - ❖ Focus on which kind of scale

Appendix 2 - Interview Transcripts

Interview 1

Interview with Poweray’s founder

Interviewee 1 [0:11]
Hi! Sorry for the audio problem and thank you for accepting this interview.

Poweray's founder [0:26]
Yes, no problem.

Interviewee 1 [0:31]
Just to give you a short introduction of our research. I am Emma and this is Levi, we are both researching writing our thesis about gazelles and, more specifically, on the factors that led them to grow so fast. So you were a really interesting case for us to examine. We have a couple of questions we would like to touch upon. Of course, we will anonymize the name of your company and your name. We will only use the findings in our research and then we can share them with you.

Interviewee 2 [1:10]
And if you are interested, since we are working very closely with a new concept of Blitzscaling, afterwards we can provide you with the findings that might help you identify potential growing factors and opportunities within your company. Or even the knowledge in which situation not to grow.

Poweray's founder [1:35]
Okay, sure.

Interviewee 2 [1:40]
We directly dive in without saying too much. But, first of all, are there any questions?

Poweray's founder [1:50]
I have to go at 4:30 sharp. Is that OK with you?

Interviewee 2 [2:01]
That's perfect. We would like to start talking about the moment where your company achieved product-market-fit and, specifically, the moment just before your company started growing exponentially, scaling. What we would like to ask you is to describe the state of the state of your company just before the scaling started in regards to the stage of the product, the business model, the vision, the strategy and the competitive landscape. And you can speak as opened as possible. In that it will need some adjustments we will ask further.

Poweray's founder Well, I'll try to explain. So, when you talk about exponential growth, we talk about the accounting numbers, the turnover of the company and that's we got the gazelle award and that's also how we are part of Financial Times. I don't know if you know this, they do this Top of European Company growth and we will be number 70 for our growth. That will be published early March. And that is again from an accounting point of view and the reason actually for the company, for me, it is not that. I have been a one-man company for several years, doing design of these plants which cost about 10 million euros. So based on our design, I have been building these plants for a few years. The we had the help form the Undie fond [3:59 not sure] in Denmark and took over clients that could build the plants and those who were building the plants it was on their balance sheet, the most of the money, on my balance sheet was the design and engineering, a few hundred thousand euros and then, consultancy. After doing 3 of these plants by design, it was difficult to sell technology this way because you own the design but you don't have the responsibility of building it. So, the responsibility was somewhere in between and that's why we got the Undie grant [4:46 not sure]. Sooner or later I had to find a turnkey, this is difficult for clients to sell this way and now I have so much experience with this technology, we could take the contracts ourselves. So instead of just designing, we took a turnkey contract with a client and now the turnover was 10 times bigger for the same type of project. And also more responsibilities, of course, and more work because we had to all details. Before, I did not do all the details, I did the design and I had some other companies to do all the details. So that is back in 2016, I signed the first turnkey contract where we became contractors with our own design. So that was a big change internally. But before 2016, I had been building 3 plants already with this technology, so this is how the main explanation why the growth has been so exponential. Because, we go from designing the plants to becoming a contractor. Do you understand?

Interviewee 1 [6:27]
Yes, that is really interesting. Can you touch upon the competitive landscape?

Poweray's founder [6:37]
Yes, we have competitors in Denmark who are fairly the same to ours. It's a great technologies, and every country has its own technology provider, they know the language and they know the law. In Denmark, they have a few companies, in Germany you have some other companies, and so on. It's been like that for many years. The last 5 to 10 years is becoming a little more international, where some bigger companies spread out more. In general, every country has a few contractors who service mainly the local market and maybe a little extra. But during all these years, everybody has been looking into exporting and growing so that's why it is a bit different nowadays. My view has been, all the time, than to become a global player, there is our design and starting in Denmark and going on from there.

Interviewee 2 [7:53]
If you look back in time, when the scaling happened, what was your unfair advantage compared to your competitors?

Poweray's founder [8:07]
Well, within the design, there are some technical advantages, we [can't hear 8:10] flexible so the client can buy cheap fuel which can be moist or dry or dirty so we are robust for the fuel and fuel is more than half the yearly cost of a plant. Basically the client can buy cheap fuel by having our design. Secondly, we have so little in the dust in the fuel that we don't need any filters so the clients is saving both investment in these filters and also operation costs. Thirdly, we have a [8:48] to go down to very low load. So, in one unit, we can serve an energy need for the summer and then the winter. Typically a plant has a small summer boiler and a big winter boiler. So I think that is the main reason. So when people calculate the economies in 20 years, our technology gives the lowest energy bill. When you compare both "tepic and opics" [8:23].

Poweray's founder [9:38]
We are still a small company, we haven't been building hundred power plants but just a few. So we are still a bit more expensive compared to those who have built hundreds of plants and have the whole supply chain mature. So we are still, at the moment, a bit higher in price but, overtime we will be lower in price. At this point, we are taking time to understand total costs of ownership instead of just what does it cost, I want this cheapest plant, there is this much money on the budget. Those we try to avoid but we try to find the clients who understand "OK what is the lifetime cost of the plant" because then you can a cheap energy price and then you pay us a little more.

Interviewee 1 [10:35]
And then you mentioned you were a one-man business for a long time. How would you say you managed all the changes that happened during the scaling process in terms of business practices, HR, distribution and overall strategy?

Interviewee 2 [10:55]
Before you say how you managed it, could you walk us through the scaling process?

Poweray's founder [11:03]
The scaling process was, more or less, I had someone to help me to do the contracts. My background is a researcher and a consultant so I am not experienced to do contracts. So, first of all, I had an experienced contract guy to help me do the contracts with my clients. I kind of had him as a consultant because he left when I had to sign my first contract and it was a contract of 7 million euros. [laugh] That's kind of scary. Then, the first thing to do was to hire an experienced project guy and his job was to hire the project team. So I hired a very experienced project manager who was experienced in doing these type of contracts, also experienced in hiring the people we needed to do the project. So he was hired and within 3 months we had hired an assistant to him and one who do drawings and we also hired an accounting assistant. Then, we were a team of 5

people with 4 months. Going from one to five and starting with the top guy, the project manager guy. And then we did this big job as a 5 men team actually. But also we hired in some consultants to do this things we did not have expertise ourselves. For instance, describing the electrical system and buying the electrical system. We had some consultants to help us with that.

Interviewee 2 [13:18]
Now you touched upon how you hired them, it was on one side the project manager and on the other side, the external consultants so it was a very focus driven hiring process. But could you say something about how you managed them and how you kept them motivated.

Poweray's founder [13:47]
So part of my story, I had too much office space. I started this company in 2008 and from the beginning I had more office rooms that I needed. Then I rented out one of the rooms to a friend of mine who also HR. She runs a HR company as a one-man person. So she became more and more my internal HR on a consulting contract but she has the office next to me and she is part of the company day to day but practically she has her own company doing HR. So she was helping in this hiring process, she was helping the meetings when they were issues and so on so she has been a great help, she's still having her own company but being part of our team also. I think that's a big help over this arrangement which goes many years back.

Interviewee 2 [15:10]
That's actually something I hear from a lot of start-ups when they grow, that when they hire an HR expert that this is one of the key reasons they were able to build a great team.

Poweray's founder [15:37]
I think she's been very good for us, when we hire people she does a test and that's part of the evaluation when we finally decide who to hire. And also during the daily activities, we have monthly meetings discussing how is people doing and what can we do to improve their behaviours and stuff like that. And she's been helping with personal notebooks so we have rules and stuff like that.

Interviewee 2 [16:15]
Do you incentivize your employees?

Poweray's founder [16:18]
Incentivize?

Interviewee 1 [16:22]

It can be payment wise or stock options.

Poweray's founder [16:39]
No I haven't been doing that, it's been difficult. My leaders have asked for it - the top guys - and for me I have consulted. In principle I wouldn't mind but then I consulted someone who did it and he said that it is so difficult tax-wise and legal-wise to do it. So they told me you need to spend a lot of money on lawyers and accountants and then you have to spend a lot of time when you do it and you have to plan many years ahead how this should look many years ahead. And I don't know how the company will look many years ahead. So it cost a lot of money and a lot of my time and to decide who should be in it and who should not be in it and where to draw the line has been very difficult to me to get a clear picture. So I have decided not to do it basically.

Interviewee 2 [17:36]
That is a very precise answer, thank you.

Poweray's founder [17:39]
And actually, because of that, this first guy he left. He was very keen on getting because he was very important and he knew it but he also really wanted this option and, in principal, I was in favour for it but then I was advised not to do it and I was open about the explanations. So he left the company, anyways.

Interviewee 1 [18:10]
I see that we have a few minutes left and I am going to try to skim through the last questions that we have. In terms of having built this company here in Denmark, do you see any advantages or disadvantages regarding the network access and all the stakeholders that helped you along the way?

Poweray's founder [18:37]
I think we've had a great help from the Danish IMB [18:38 not sure] funding from the state. Without this money, I don't think it would have been possible because, for the 3 first projects we got some money from the state to build a demonstration plant so this is from the Danish Energy that sponsor new technologies within the energy sector. They co-sponsor, it's not full sponsoring but they co-finance if you have a good project and a good business plan.

Interviewee 1 [19:32]
The Energy Fund provided you with funding but did they provide you with distribution advantages?

Poweray's founder [19:40]
No it was pure funding.

Interviewee 2 [19:50]
Which other stakeholders were very important for the scaling process of your company?

Poweray's founder [19:58]
What I was meaning was the initial verification of the scaling process. Regarding stakeholders and the scaling process, I am not sure there was so many in that sense. I've had some good business angels who has helped with advice along the way.

Interviewee 2 [20:35]
How did your company scale? How did that happened? Did it happen through more projects and you mention there are different countries involved.

Poweray's founder [20:50]
By having on big contract which was, turnover-wise, ten times the other projects we used to do. Because, we now have the full contract and then, we have to managed to win 2 more of those afterwards. So we are now in this getting us to run those types of big projects and I've had more people than before. More or less, we do the same projects as before but before we only did the design now we do the full contract. Instead of having half a million in turnover, we have 10 million euros per project and we do all the work, all the details.

Interviewee 2 [21:35]
Is there a virality effect in your company? Is one big project, the cause for more big projects to come in?

Poweray's founder [22:06]
For sure, the clients are very cautious and they don't like risks. They don't like taking risks, there are a few clients that like to take risk when they pay 10 million euros for something. They want it to work and they see energy as a big risk. For every time we do a project with success, we get more and accepted as a real company and a reliable company. So that is now spreading the word and it's a bit difference than in the last years that we are respected as a real company. We were truly a stratup a few years ago so that's a big difference. I don't know if that is going viral like that but we've had a lot of positive publicity. We had a very huge client in France, the big energy company in France have bought a plant from us that has been a very big thing for us and has given us a lot of respect for our job that this big big big professional utility would put a contract with us.

Interviewee 1 [23:13]
That sounds really great. Hearing about the number of contracts you managed to close.

Poweray's founder [23:23]
 I have to go right now, my appointment is calling me. Is that fine for now?

Interviewee 2 [23:45]
That's perfect, thank you.

Poweray's founde [24:00]
Reach out in case there are any further questions. You can just write me and I'll write back.
Interviewee 1 [24:06]
Thank you so much. Have a nice Friday evening and weekend.

Interview 2

Interview with Spector's founder

Interviewee 1 [0:00]
And before we start anything like can we record this chat? And we will of course, like delete it 30 days after we have recorded it and everything will be anonymized. Yeah, so that's just to start with and do you have any questions before we start we're going to do a little introduction about what we're going to talk about and then just jump in basically, if you have anything

Spector's founder [0:36]
Are you sure maybe you want to have a bit of a context because I'm so that you're involved into a you know, an academy project and also there is a business behind so I just want you to understand the context of all this.

Interviewee 1 [0:51]
Of course.

Interviewee 2 [0:53]
So, I can take over that parts, what we are doing and the informations that are safe to give to You are that we are talking to different business owners of high growth companies to understand their scaling process and the context their business has been in during the scanning process, because we want to understand and we are working with a specific framework in that sense that helps us understand what caused and what, what really happens during the scanning process of a company. And out of this, there are the possibilities from us to do some further analysis depending on the research and the interview findings that could and will be provided to every interview partners. So, the

best thing that you could do is just to so we have open but still specific questions. And the best thing that you could do is to just go on and talk how you feel it fits and if we we have a checklist of areas that needs to be covered. If we feel that there are some holes that we still need to fill, then we'll go to the side and direct you towards it. But it should be more kind of a shadow situation.

Spector's founder [2:15]
Right, let's go.

Interviewee 1 [2:17]
Cool. So we'd like to start by asking you just to introduce yourself briefly your background, and of course, your company. Tremend

Spector's founder [2:29]
CTO of the company and I'm one of the co founders company has been founded a few months before I joined. And it's been a nice long story. I've been very high growth, but we've been in this situation for something like 15 years. It's we're doing software, it's easier to grow in software. We're a services company. So in basically we want to get to I know People who work either in high tech companies for instance, people are doing good chips or they're doing the car software, automotive software. Or, on the other hand, they are have a business software unit, which is quite big and looking for things like from banks to small commerce shops. There is a huge range of gap that we fill in between all this. And basically, we started, it's a bit freeform here. We started rather small. We started as a small team of developers, everyone each one of us were working on for multinational corporates. And then we said okay, we just we can do the same job for ourselves. We started with a project with in an area called IoT Internet of Things, which is quite interesting because you need to have a lot of competencies because you've got software on small devices, software and mobile apps. One more server software web software. And that meant we had to bring in the company very different talents. And the people that we brought in basically were the seeds of various competency areas where we grew. So that's our story in the nutshell. We started again, with started three people, and we are 300 right now. So it's been a journey and a bit painful sometimes, but it's fine. Well, we can go into specifics. Of course, if you have one area that we

Interviewee 2 [4:34]
cover a little bit back in time to the point before your company's high growth and scaling has started, um, specifically to the point where you felt that this product that you scaled with was very close to to that version, so some might call it product market fit. Could you describe to us what was the state of your company, the state of your competitor and market landscape. What makes you unique in that specific situation back then? And what was your strategy?

Spector's founder [5:12]
Well, first of all, we're a services company. So basically, we scaled with the size of the competencies of our team. And what happens is that, okay, if our product is basically. you know, it's it's consultancy is actually bringing custom solutions to customers. And that means is in order to deliver the product, the sources are basically people. Yeah, and that means we need to be able to attract good people and to attract to people that are experts in their domain. So they could be able to go to the customers and get the solutions and then the customer refers us in turn. So we had, we could have some kind of an acceleration factor if we go that way. So in order before doing that we mainly now let's say low growth mode for about half of about seven years in high growth mode for eight years. Okay, now, in the first seven years, the company was pretty stable where, you know, a bunch of a bunch of programmers doing small solutions. And but what we did in that time, we're starting to set up various processes. So we were able to say okay, we learn how to hire we learn how to sell, and we gather, gotten gathered enough capital, because it was all bootstrapped. In order to be able to hire specialists, people so could hire recruiters, we could hire sales, good salespeople. And that was one of the moments where we could go on and win We're not stuck in referrals from one customer to another. Another point was political. We are based in Bucharest, Romania. And Romania joined the EU about two years after we started the company. Then we were and that was a bit of a boost because we had access to the much larger market. We started with customers in the United States. But pretty quickly, we found out that it was easier to work with the European companies. Then we got some years during the crisis in 2008 2009, where we weren't effective. They were basically we lost customers, we gained customers so overly The result was slow growth. It wasn't explosive growth. And then afterwards, we were just in the right time in the right place where there was a lot of demand on the market. And we were at the point where we were able to put in place You know, get the get things as basic as having a pretty nice office outside the Business Center, which was you know, not not, it was pretty congested. So we could offer people have to come to us. It's a it's a very small thing, but it's, it's a set of some things that mattered. A number of another part was technology. It was the part where it was the age of methodology that was getting into place. And we were one of the first people first companies in Bucharest that was that knew how to put data on squats. The other thing was technology because a few places where we got in were companies that wanted to replace and wanting to add latest languages and latest technologies. Again, we worried we're getting even for a small group we gain expertise in that technology then we got referrals because there weren't that many people a lot of people were having a large outsourcing company because we're doing the rent the programmer by the day. Or what we had were were teams that were able to complete solutions on all the new technology and we rented the team by the day like let's say it's but we got the expertise. And then so we got you know, a number of having something like each customer referring us, each person instead of customer referring us to two other three to three other

customers, and that give exponential growth, basically, through a chain of referrals. So the point is, we want to get this referral chain so everybody who is working with us, or in the next years, they will get two referrals from us, and that enabled us to double every two years or so.

Interviewee 2 [10:05]
Can you describe the referral mechanism a little more.

Spector's founder [10:10]
It's usually you have two people who move jobs, they move from one company to another. And they are asked if they can refer a company that they were before they give they had a good experience with us, they will refer to the next in the next job. This is the most common part of it. And of course, there are a lot of a lot about personal networks. And at some point, you get a lot of case studies and you show up on various you know, various lists who's who in the industry. And in this case, and that this is the case where in some parts of the market people will start coming to you, rather than you going to chase them directly. And then you want to be in this place in as many markets as possible because we are We can't say we are not. We are not IBM. We are not a branding. So but people in let's say banking company, we banking systems in southeastern Europe, well people know about us. If you're not in that area, you don't know about that. So you're trying to get the brand new, as many more as possible.

Interviewee 1 [11:23]
Right? And could you maybe then focus on the part where you started like scaling exponentially? And when you got all these referrals and what did it change into in terms of strategy, maybe business model, the team you work with?

Spector's founder [11:42]
Yeah. One of the thing was that we were very opportunistic at some point. So we couldn't set in stone a strategy and say, you're going to grow exponentially if you stick to the original strategy. That's one thing if you have to do that, the one of the things is was that we were not turning, we're doing a lot of effort not to turn down offer. Any offer, even because and that was critical because at some point you are in handling. We had entrepreneurs that started small. And then they were bought out, one of the small companies we work with was bought by Google at some point. And then the guys got that lucky got a lot of money from Google, and they started other businesses and took us into this. It's one example. We are hungry enough not to read refuse them when they were small. That's one of the things so one of the parts was we were able to, to try to change their strategy if we felt that there is growth in another place. And then if we felt that it's still within our competencies, okay, if it's not core competencies, but if we can extend our competency over there, let's try it. One of the parts for instance, it's the semiconductor industry. We are software guys, we know how to make chips. But oh, and

then one of our, one of our business partners told us that they would like to extend to make chips. They worked with us on software, but they weren't engineers who know how to make silicon chips. And at some points in with the original, the first instinct was to say, Okay, let's partner with a company whose core competencies that we went out in the market and we found out there is such a huge demand for chip design services, that actually no other company would like to partner with us because they would look like to just go straight to their customers, so they wouldn't dedicate a lot of attention. And then we said, okay, what was the process we've had to get into a new technology? Can we replicate? Can we have a number of key people involved? We hired three key But not much more. Now we have something like 8% of our revenue coming up from designing chip-services in two years. So it was this kind of apart. We didn't have a chip strategy in the moment, but we started the market. We saw that we just wanted to refer to another company so that nobody's doing we said, okay, no, there is demand. We met the quick business plan itself, okay, that's an area we want to entreat. And then we assign resources. I was personally responsible for this. This is what I'm talking so much about that for about half year it took most of my time, and then I was able to delegate and then move on to another line of business, that

Interviewee 2 [14:42]
if you you already touched upon deeply to this hydro scaling process of your company, if you look internally about into the team that you had, and the end the whole company, as, as the people that you let what do we biggest changes, and the biggest management practices that you needed to implement or adapt to, in order to manage a high growth,

Spector's founder [15:09]
there is a turning point when your company is about 70 people probably where you couldn't cannot do direct management. And you have to add a layer of middle management on that. So until that, then you found what culture is. You know, it's it's, it's a set of habits is a set of values. It is a mix of all this when the company is more small. It all starts with the actually the personalities of the founders who are driving it. Yeah. And then they're trying to get to alike people and then you find out that you're putting them in the management layer, and as a founder, you don't know what everybody's doing. And after a while after we feel a few hundred people, you don't know who or your company anymore. But on the other hand, you have to trust that Basically, you keep the same habits and values, but you don't control them anymore in that point, okay, this is one of the is one of the challenge because it takes basically a life of its own and then you have to have all the processes in place and you have to let them grow and just correct them because otherwise you cannot, you will end up doing micromanagement. And this is something that happened to us. We grew out of it. You ended up doing micromanagement and trying to control every things and every processing you cannot do anymore. So, you have to let all these areas grow and then try to direct so everybody

is aligning goes into each direction. And there are things like, Okay, how do you assign tasks? How do you assign a new project if your project is finished? How do you do split bonuses displayed bonuses, a few large bonuses to keep people or a small bonus to everybody in the company who performs How did

Interviewee 2 [17:02]
you end up paying it? If I may ask

Spector's founder [17:08]
it was basically a mix. We wanted to have a small price for everybody but the big price for the for the key players, but it's it's hard to get the policy over there. On that do you have? How do you get innovation? That's a good point. Somebody in the cut your company has an idea and you're able to fund it. What have we tried things like doing the spin off of the company? What is your core competency? Will you put resources in tweets would you give shares to the guys who have heavy ideas and follow it? So you got that's one of the one of the parts of manage managing innovation is one thing. Another part is getting. Getting let's say a KPI or not objective oriented part because if you are Have a bunch of founders talking directly to everyone. You can say everybody, we can get their ideas and you can say to everybody what to do. Otherwise, you need to have a system of having objectives, which and then you you make sure that everybody's doing their job and they know who the objectives are. Because what they found out is that actually people want to do their job. That's another thing. You don't have to stay behind everybody and say, people, your job, your job boards want to do that, but they won't do them in their way a little bit. You know, it's not so you just have to see that their way is in the direction in the general direction where your company has to go.

Interviewee 1 [18:48]
So we just take a company culture and the values were really important parts and doing during the scaling process to get all your team behind the company.

Spector's founder [19:01]
It's important, it's important because we had a high growth strategy. It's okay, for the beginning really happened, but there was something behind. One of them is, for instance, what do you treasure more? Do you want to do try to invest more into an existing opportunity or you want to get into a new one. And then for instance, a project manager would be able to say, Okay, I'm going to put more resources into onboarding a new customer or doing a demo, that's it might be risky, rather than and this one is nothing comes for free. You might have to delay a project for an existing customer that you otherwise wouldn't get it earlier, you increase the business with an existing customer. So you have to at some point, you have to have trade offs. And the trade off was in growth and acquiring new people, new part and letting them know that that's also Related you have to be able to let people to try to bring in business to you and to

expand. So you have to empower them to have to thing or entrepreneur ish it's quite difficult because you have a we have a matrix organization. So you have on one hand you have various areas or technical expertise and other areas which are business expertise and each one has to have the self thing in mind on their area.

Interviewee 2 [20:34]
Could you were you John's are incredible you are already touching upon almost everything by yourself, which makes our job very helpful if you more specific questions. One is regarding the financing. You mentioned a key. You mentioned that outside financing played a role. The high growth

Spector's founder [21:01]
process, not for us, we found we bootstrapped the whole thing. But that would mean that we would not take the money as you know, the shareholders will basically the company, it's owned by a number of employees, which will only invested in growth. So not having an external shareholder where you have to pay the you know, have to pay dividends and get back stock and so on. It did help because everybody was aligned that, okay, all the money that you put in university growth. And it says it's working capital. I mean, if you're doubling every two years, that means you first you pay, you pay the team, and second, you have to get monthly to get money from your customers. So in all these years, we financed and if you get more customers, we get increases and that increases.

Interviewee 1 [21:53]
And you mentioned that client referral were were was one of the main part that led you to grow exponential But is there any kind of like other stakeholder or some specific partnership that you created that participated in this growth

Spector's founder [22:10]
we focused on rather than companies coordinating with companies. We do now we're big enough to partner with the where Microsoft partner freezes or Salesforce, so they have a mechanism to support their partners and they're already working, the partners are doing good. So they increase their own business, but it's very, very focused on their product, of course, because they have to be us us to sell was another sales channel. And we want to have to be the experts that suggested the best technology regardless of the vendor. So it's a bit of a conflict here. So we grew up but not as much with a vendor. But on the other hand, we aligned with people or their companies. So I'm, for instance, we have a partner where we tried the joint venture in the IoT arena. It didn't work out. So I mean, we had a few customers. Mercy was breakeven, we've thought this was the idea that this was something that will make us 10 times bigger it didn't. It, it was just breakeven it was okay. But just okay. But on the other hand, the, the guy that we partnered with, then moved on and then opened up a lot of opportunities within because Can we do something together. And we entered another a lot of companies in the past

like wireless or networking zone where we didn't have before. Or on the other hand, for instance, we brought in starting to have a number of banks as customers. We didn't have a strategy in what we're doing various big, smorgasbord, a lot of different projects, but we brought in a bank CIO is one of our VPS it and his mission was to coordinate recent political strategy I said look you as a bank CIO, former bank CEO, he knew that what he was in the buying parts now he was on the seller side. And he actually knew the needs of the customer. So he said, Look, you have to orient into solutions x y z. One example revolute is, enables you to create a bank account without going into the back. We need, we need to have a solution like this. We built it. We went to one to have one customer two and then Corona came and then all the banks want to open up accounts without going to the bank. So that thing over there caused growth at some points, but we did that by having a number of disparate efforts and putting them together under one umbrella and give them a strategy. And at some point, we tried a few things. One of them went really big because of the virus. Nobody could have predicted. It okay. It's Not growth because everybody's the crisis but it's stable. Yeah.

Interviewee 2 [25:05]
How did your core product and core service changed from the beginning of the scaling high growth process to today?

Spector's founder [25:15]
We started from just having small jobs and you know, having a renting a programmer by the day to actually being able to get a partner and, you know, take ownership of big parts of our clients' infrastructure. And that was a thing because we were initially talking with the engineering departments who said, okay, we need to have a job but we don't have enough engineers can you do part of the job who are doing. Now we are talking with the business side of the company who said we need an internet banking solution, our bank does not have implemented it or we are talking with the e commerce. No, you need to set up an e commerce site and you don't have any commerce strategy. And then we implement that. So we are trying to get up somehow upper on the in the value chain.

Interviewee 1 [26:25]
And apart from you actually including new to Is there any of the founders of tremendous that has entrepreneurial experience before building the company.

Spector's founder [26:39]
Every each one of us was a little entrepreneurial in a way, but it was more into it more of a freelancers or consultants want to three people and then we went together. We went together to start this but it was so We were working, we had the jobs, but I think everyone was most of us have been entrepreneurial in nature driven is the actually the

big first really successful company. It's my third, I guess. And we doing that for 15 years. So I didn't have time to build another one.

Interviewee 1 [27:19]
Make sense? And I think we covered most of the points and levity. Do you have anything else? Maybe we can ask you like, Is there anything maybe that we missed? Regarding the gross the scaling process of trim and yeah, anything that we overlooked?

Spector's founder [27:41]
Probably it's no try try to summarize it quite well. I don't know if you have other really specifics, but it's basically you have to be conscious about the need the growth doesn't happen by itself. The risks the traders Have to make and then change a blend and change it often.

Interviewee 1 [28:09]
Great. And I think I think we covered most of the points if you don't have any questions for us, and I think we're good for now. And

Spector's founder [28:18]
it's, I would love to get the results.

Interviewee 1 [28:21]
Yeah, we will share that with all of our interview partners. And yeah, so there's no word on the end.

Interviewee 2 [28:31]
One question from another question from our side on a personal note, we, the more companies we get to interview, the better the interview results will be and the more in depth of the research we can go into. In case you happen to know any other business owners of high growth companies who might be open to have a quick interview with us like we just did. It would be about Very helpful if you could refer us, it's hard to make a promise because it's quite a difficult time. I mean, it's the end so many very busy weeks at some point, since we have to move the whole company in, you know, distributed work mode

Spector's founder [29:19]
in one a very own in today's Yeah, and then handle the fall. So it's, it's been a bit crazy. And I know that everybody's doing the same so I can't promise but I will let you know I like what you guys are doing. So spread the word around and basically I know I haven't been I was complex.

Interviewee 1 [29:38]

But thank you so much, and have a hope it's the weekend now for you. This nice weekend, and we'll keep in touch.

Spector's founder [29:48]
Soon to best of luck. Thank you. Bye. Bye.

Interview 3

Interview with Marketic’s founder

Interviewee 1 [0:18]
Hi.

Marketic's founder [0:30]
Hello.

Interviewee 1 [0:43]
Thank you so much for agreeing to this interview, I am very grateful you have given us the time to ask you some questions.I will just make a small introduction about what I want to talk about and what is the purpose of our research and then I’ll just jump in with the questions if that’s fine.

Marketic's founder [1:06]
That’s fine.

Interviewee 1 [1:08]
Do you have anything on our end you wish to tell me before we start?

Marketic's founder [1:14]
Yes, I have to leave at 5 sharp.

Interviewee 1 [1:20]
That’s fine. So basically, me and my thesis partner – who is not present today – want to research the high growth factors that led high growth firms to grow that fast. Specifically, we are looking at Gazelles within Denmark but we have also interviewed founders from other countries and we are just trying to see each founder’s perspective on why the company has been growing so fast. To start with, could you tell me a bit about when you started to reach product market fit just before you started to grow exponentially.

Marketic's founder [2:06]

Well, Traffic Lab is 5 and half years old now and when we start growing exponentially, I would say we distinguish ourselves because we have had [can't hear, 2:24] up and also we have made profits in all years. If you look at other companies, they usually never make a profit like the so-called unicorns that are actually not making money. It looks good but if you haven't proven your business case in 3 to 5 years then I don't see the point. But for us, we started 5 years ago and I had a company before that for one year so that's the story. It was me and my business partner who started separate companies and then we made Traffic Lab.

Interviewee 1 [3:19]
Did you both had industry experience?

Marketic's founder [3:23]
Yes.

Interviewee 1 [3:24]
And you had previous entrepreneurial experience but did you partner too?

Marketic's founder [3:30]
Yes, definitely. I was 19 years old when I started and he was 16 years old. We didn't have any school [not sure 3:37] school but we had, so to say, street knowledge.

Interviewee 1 [3:45]
It's very impressive. Then, I'd like to talk a bit about product-market-fit and the vision you had at the beginning and if it changed along the way.

Marketic's founder [4:15]
The vision in the start was to make money. That was pretty much it and very boring really. But now, it's actually to build up teams. Many companies thrive to make the best furniture, the best software. I think our vision is to build the best workplace. It doesn't matter what we do but actually to have the most knowledgeable kind of people – that's what motivates us - and now we are in the iGaming market, the gambling business. Do you know Momondo? We are the Momondo in iGaming so basically where you can find all the bets, sports bidding you can get [not sure 5:05], the matches- whatever their wage requirements are - just like you can find every plane tickets on Momondo in many countries. We want to make some nice products, that's a mission but far most important is to have fun and incredible people.

Interviewee 1 [5:39]
You talked about your team. How did it change when you started to grow, how do you select your employees, what incentives do you give the employees you wanted to hire?

Marketic's founder [5:53]
It was us two in the start and then we started, basically, with finding people that were straight out of school that just wanted to work a lot but, nowadays, it's trying to find people that had quite a lot of experience and we motivate people by having fun at the same time we work, having social circles relaxed which means we don't work so much overtime. We work hard when we are here but, in terms of programmers and developers, we give them the freedom to code in any language they want (Python, PHP, whatever) as long as it connects with our current system. So there is a lot of flexibility I think. And then, the salaries have gone up but people can work in a bank and get better paid than us but they cannot work with as much fun stuff than we can.

Interviewee 1 [6:59]
I completely get it. Then, how would you say you are different from the competition? If there is any direct competition.

Marketic's founder [7:12]
Yes, there are. Many of them are stock-listed companies but we are one of the biggest players in the market. We distinguish ourselves because we don't have any investors, it's only me. We don't have the pressure from hedge funds to take the shot, turn, move and that's [can't hear 7:36]. Now there are companies that are in big debts and growing too fast. We have grown steadily all the time and, I think, that is the advantage, taking our time to actually make scalable products.

Interviewee 1 [7:58]
That's really interesting because most of the time companies grow as fast as you did, people are requesting outside funding and you managed to grow organically which is really cool. This is a really interesting business case in that sense.

Marketic's founder [8:21]
We don't have any funding.

Interviewee 1 [8:23]
And would you say, when starting the company in Denmark, you had specific advantages?

Marketic's founder [8:36]
No [laugh]. One advantage is that our competitors are principally based in Malta. That's like the iGaming hub. And you could say the advantage is that we are actually far away. Like in Silicon Valley, people always try to take each other's people, Apple they want the Google people, Google they want the Microsoft people, you know. So, when you actually go out from that, then, it's even harder for people to move.

Interviewee 1 [9:07]
It makes a lot of sense. In terms of network, would you say your network – which can be any kind of stakeholders or partners or business people that you know – would you say they participated in the growth of the company?

Marketic's founder [9:51]
No, I know quite my people but I don't go to networking events.

Interviewee 1 [10:00]
How do you see yourself growing this company? Do you have plans to grow it even more next year?

Marketic's founder [10:15]
Yes we have 3 new people starting next week and we see the revenue is growing, it's been steady if you look at the results. It's been a steady growth all the time and last year we even better so we keep the curve!

Interviewee 1 [10:35]
Yes, I have seen that, you really have made a lot more revenue last year. It's a really steep curve. Last question, if you had to say one thing that participated in your growth, what would it be?

Marketic's founder [11:04]
I think it's the will and work-hard. If I wake up and I am at the office at 6'o'clock and I leave at 7 o'clock. Then I have maybe 4 more hours of work done than my competitors. That's four hours more to get ahead. It's just like a running competition, if you run more you usually get better at running or better at something. So that's the most important I think. And you don't stop, you don't relax, if I stop and relax then I will get behind. It's like someone going to the gym, they will get stronger, if you go to dance lessons, then you will get better at dancing. Maybe some have natural talents as well that they can use but it's just working hard.

Interviewee 1 [12:02]
And do you plan on diversifying the services you offer?

Marketic's founder [12:1]
Yes, we build products but we also do a lot of SEO and marketing displays and so on. So we always get new stuff coming in.

Interviewee 1 [12:30]
Bye and thank you very much

Marketic's founder [12:58]
I don't think I have any more, I am a man of few words

Interview 4

Interview with Snackable's founder

Interviewee 1 [0:00]
We are doing a research for our master thesis together with a global skating Academy. And we are researching high growth companies and startups. Yeah. Which was why we reached out to use our yes show. Before we start two things, the first question would be, is it okay if we record the session that recording is only so we can transcribe and anonymize all our findings?

Snackable's founder [0:25]
Yes, that's fine.

Interviewee 1 [0:27]
The recording will be destroyed after 30 days after you're finished.

Snackable's founder [0:31]
Okay. Can I just say what what's that? When you say anonymize it, so what's gonna happen with anything we say? For us?

Interviewee 1 [0:42]
Yeah, there is the possibility to. So in general, we offer all of our findings to all our research partners, so that would be you as well, and we offer the individual companies that we interview such like yours To give her analyzes that goes beyond the research that we're doing already, and helps you identify specific metrics on your company that would help you to scale further. Because Emma and I, we are developing a framework out of out of this research on how to enable high growth for startups and nowadays,

Snackable's founder [1:25]
okay.

Interviewee 1 [1:27]
So, if you want to we can to the original, the official part of this interview is 20 minutes where we ask you both about your company and about the upbringing of it. And if you're interested in that further analyzes of today until the future, we would add 10 more

minutes with questions solely for the purpose of giving you that analyzes the status quo analyze of your company today.

Snackable's founder [1:55]
Okay, yeah, and how long will it take today?

Interviewee 1 [2:00]
If we only focus on you guys helping us, that would be nothing more than 20 minutes.

Snackable's founder [2:05]
Okay, yeah, I might, I might need to go after about 10. But let me see how much I can help you.

Interviewee 1 [2:11]
Perfect. Could you both? Before we start,

Snackable's founder [2:16]
Katie's had to take another call, so she's gone. Okay.

Interviewee 1 [2:22]
Could you start by introducing very briefly your company, the product and what you are doing?

Snackable's founder [2:30]
Yes. So, we are called Snackable and we are a platform for short-from quality content in a global market.

Interviewee 1 [2:43]
That's perfect.

Interviewee 2 [2:53]
Could you tell us a bit about your background?

Snackable's founder [2:59]
My background is primarily media, I founded my first company back in 2000, on London Stock Exchange, which was a major information business where we analyzed advertising - eventually we analyzed advertising in real-time globally using technology such as audience/audio matching [not sure 3:29] so we went through all the newspapers, television, radio, internet, etc. creating a finger-print of every single ad that appeared, taking all the content out, putting it into huge databases, and selling it to brands all over the world. By the time that I exited the company, we were monitoring 90% of advertising worldwide, about a thousand staff in 52 countries. After I had done

that, I started another business which is a children's newspaper which is called "First News" which is the largest newspaper anywhere in the world. We have got 2 million readers that are still going and I still run that. And it does amazing things such as campaigning against child soldiers globally. And we are just about to take that in the digital years. And, then, 3 years ago with a partner, I started Snackable.

Interviewee 1 [4:36]
Now, we would like to go a little bit back in time. Could you describe the state of your company, Snackable, just before you have started scaling exponentially (in regards to the stage of the product, the business model, the strategy, the vision as well as the competitive landscape)?

Snackable's founder [4:54]
I mean, we have only been going 3 years. We started off with film festivals since we decided there was not a market for short films - even though a lot of them are fantastic. So, we started a film festival in London and we've just had our 8 short-film submissions. During that period, we started to have submissions from all over the world, by the time we got our 8th one we got 60 000 submissions of the best films from over a hundred and fifty countries. That enabled us to realise there was a real market for having a place where you could see all of thes so that was ticking that box. Then, what we did is we started our own internet site in a very cheap way and, within no time, we were getting 3 millions views on the site. We then invested in building our own AT&T platform, which was 5 months ago and we launched that with very small spend. Then, we have seen exponential growth in that, we have got 200 000 subscribers from 200 countries. And, then, recently, signed a deal with Huawei to be preloaded onto 100 million handsets globally. So we are kind of entering the huge market of streaming, up against - really the only other dedicated short form entertainment provider is Quiby who have come up from the States and is set up by Jeffrey Katzenberg who ran Disney and Meg Whitman who is Ebay. And they have raised almost 2 billion dollars and they launched 2 days ago - on the 6th April. So, we are very much in their space, they have an exclusive with T mobile who have 84 million handsets but we have already made a deal with Huawei with 100 million and we have got many other conversations with telecommunication companies happening now.

Interviewee 2 [7:12]
Besides your partner, do you have any other employees on the team?

Snackable's founder [7:19]
Yes, obviously my partner and then there are 25 of us full-time and some other part-times.

Interviewee 1 [7:32]

You already mention one of the starting points was this film festival - how did you strategy your scaling process?

Snackable's founder [7:46]
Basically, it was building the ATT platform and being able to get it out there with very minimal spend. Once we put it out there we started noticing people were signing up from almost every country in the world. And, therefore, because also our content is short form, it doesn't take a great leap to realise that telecommunication companies are significant opportunities because content plays out really well, of course on mobile phone, it's snackable content, it's on the go. Telecommunications companies are looking for an edge against their competitors and wanting to engage their customers further and use bandwidth and everything. So they are a very natural partner for very high quality content. In fact, Huawei, had done a test of short-form content in 2 markets, in Italy and in France, and it has been one of the most used parts of the video service. They then did a search for the best content and found us. But, you know, meanwhile we have been talking with a lot of telecommunication companies and we were already on almost all airlines. So we are on British Airways, American Airlines, etc. So you can see our content there, but in terms of significant numbers worldwide, then working with telecommunications companies is a perfect distribution model because we don't have to pay everytime we get a customer, they are providing the customers to us so then we have a shared revenue model with our distribution partners.

Interviewee 1 [10:10]
If we focus on the scaling process now and go one step further, you already mentioned the business model adapted and your distribution strategy switched from getting every new customer individually to a partnership model. How did this scaling process affect the way you do business and the way you managed your team?

Snackable's founder [10:44]
I mean the main thing is that it changes entirely the cost of getting our customers and obviously the team that is required in that. So, imagine you put more into looking at partnerships and PR and making customers understand we are here and this is how we work, rather than a team that is around buying Google ad space. But, also, in terms of the metrics of our business,we are in a very unique space. Actually, we are taking incredible content that filmmakers are making and giving them what they are keen for but without having the big costs - like Quiby has - of creating our own content. So, we have had Hollywood movie stars in our content that we are pretty much getting it free on our platform. I mean, we pay a small royalty back to the filmmakers. And, therefore, the business model is really kind of like a SaaSnackable's founder model straight down to the bottom line because where we do a partnership by just sharing revenue, it's every parameter of getting a customer onboard and serving content to them is a cost of sale

level. So we can look at a really profitable business model going forward because we don't have any unknown costs.

Interviewee 1 [12:21]
Perfect so you are in a very unique position from our other interview partners since you are right now in this exponential growth situation that we catch you in. Even I saw the news, Quiby got that 2 billion dollar round finished. So, what is your strategy to make sure the distance and the competitive advantage that you have to Quiby expands? How do you focus on leveraging it?

Snackable's founder [12:59]
That's a good question. I mean, the interesting thing for us is that Quiby is pretty much based in the USnackable's founder and Canada and we are global so there is the first difference. The second is that we spoke to Quiby in the early days. Our content is quite different because their content is more series-based where they are supposedly leaving you on a cliff edge - there is a bit a question mark over it whether it is really a cliff edge or just an ad popping up every 2 minute - whereas ours, every time you are watching it's a film, there is a beginning a middle and an end. We chose them for production values, for the sheer quality of the entertainment and the story and then the acting and everything else. So they go through a very big process to get on our platform. So we would say that our content is different, I mean we would Quiby to succeed, because, at the end of the day there is a huge market for, you know the same way Netflix exists alongside Amazon Pride, Disney and Hulu. You know, there is a vast market for the entertainment sector and, if you believe in short-form content, which obviously YouTube is a great example of that but that's not quality content and the majority of that is UGC. And it is very hard to find things. So you know Quiby and I, we sit in this space of providing very high quality curated content to an audience but on a short-from basis. The other difference between us and Quiby is that they have made a decision to be mobile-centric and, when I say mobile-centric, they are only available on mobiles, you can't watch them on an iPad, whereas we are agnostic to where you, as a customer, chose to watch. So yes it is short-film quality entertainment but if you want to watch it your phone, you can do that, if you want to watch on an iPad, if you want to watch it on your TV, or on an airline, then it's up to the customer to make that choice - and that's my belief anyway - not for the company to dictate where you have to watch it.

Interviewee 2 [15:16]
Makes sense. Could you talk a bit of the evolution of your role as the founder of Snackable?

Snackable's founder [15:24]
Yeah, I mean, like any, any entrepreneur, and obviously I've started a few businesses, but like any entrepreneur, you know, you get very involved initially, and very strategically

involved involved in the business model. In the early days, you know, things can maneuver and change in terms of focus. And now we're getting really in the groove and can see our path over the next two or three years quite, you know, with with quite a lot of clarity whereas if you asked me that two years ago, you knew that there was a huge opportunity For short form quality films, but you know quite how it would manifest itself wasn't so obvious. But, you know, over and during that time, there's become a real focus on short form, you know, competitor, like kwibi has come up. And all of the big studios are also creating short form content, although they're not known for that. So, you know, if you've gone to Netflix, there's some short form content on there now. So my job really is about steering the ship, making sure that our strategy is clear, making sure that the Teamer behind what we're doing, and that we're all on the same path. And, and that we're focusing on, you know, all of our time and energy on the things that will make a real difference and really drive us forward. And that means that you have to be quite focused, especially when you get a lot of calls, notwithstanding when I'm on, but you know, where you're just reacting whereas actually, you need to You need to be focused on where you're going. So, yeah, I mean, having run a public company, you know, always aware that you're running, you know, investors, on the one hand where you need the numbers to go, but you've got a really, really keen eye. And the most important thing is on your product and your customers, and making sure that you're providing, you know what they need, in the format that they need it. And if you're doing that, then your numbers can look after themselves,

Interviewee 1 [17:25]
and deduce or shift and the tasks before and after the exponential Rose has started.

Snackable's founder [17:33]
And I think that's just kind of something that moves and changes all the time. And so I didn't see it as like a big moment where anything changes. It's just an ongoing process.

Interviewee 1 [17:49]
That is perfect so far. Thank you very much. I'm looking on the checklist. Do we have open spots

Interviewee 2 [17:58]
and not really like you already. did touch upon a lot about stakeholders and how they participated in your in the growth of your company and all the partnerships you created? Is there any other kind of stakeholder that you didn't mention yet that allowed you to scale? And? Yeah,

Snackable's founder [18:15]
oh, no, but there, there's there are now conversations going on with content providers. And so and some really, really significant ones. So that will have a significant impact in

our business, I believe as we go forward as well. So having incredible unique content where the stakeholders can also, you know, create audience for us, and that, you know, you'll get amazing unique content by coming to Snackable that you won't get anywhere else. So that that will be a growing part of our model as we as we go forward.

Interviewee 2 [18:54]
Great, thank you

Interviewee 1 [18:57]
and what we we already touched upon Your strategy on how it is going forward. We only would require one more question. And then we can even give you after that, after we have finished our research, we can give you that personal analyzes, the question would be back to the strategy, but what kind of focus would you put on for the next five years would in terms of scaling is your focus? I don't want to be too much,

Snackable's founder [19:30]
I'll say, is really driving customers on a global basis. And it's, you know, we have like, really, the other unique thing about us is that we can operate in a freemium model. So, you know, for for markets where it's relevant, like in India, where, you know, generally, you're earning a 10th of what you're earning in the USnackable's founder subscription models don't work well there. But also anywhere in the world where Millennials are used to not paying for content when they're watching YouTube, you know, we can offer an advert, an ad enabled model. So it's ad based, but then also providing an Snackable's founder VOD model. And because of the way in which we get our content, we're pretty unique in that. So. So that creates a significant opportunity for us. So by driving, you know, our focus over the next five years is really to get to significant numbers of users globally, who are on this freemium path. And very in a very small number of spots, and over that entire population drives an incredibly profitable business.

Interviewee 1 [20:49]
Thank you so much. You have no idea how much valuable answers you gave us.
Any last questions or do Is there anything that you think we should have asked if we haven't asked yet?

Snackable's founder [21:14]
I don’t think there is anything. No, I mean, I I don't know exactly what your, your kind of brief is, but, you know, I do I do think, sort of focused strategy and what, what, when I'm looking at any kind of investment or any business I'd be looking at, you know, the one thing is, you know, have management done it before, is a really key thing, because there's so much learning that goes into, you know, where you get to, and I mean, I've created Well, actually three businesses before, so there's a lot of learning and, you know, and, and focus and belief, you know, so all of those things really count for a lot

and getting your team around you believing in where you're going. And then having fun on the journey, but not seeping in the right in the right. And, you know, it's always great which we are here. But you know, to be building a business at the right time where there's a real appetite and a drive and you know, you're on a path, which is a growth path anyway. So you can your you can allow yourself more mistakes. Not that I want to, by the way, but, you know, it's possible to make more in in a kind of booming market. So, yeah, that's definitely worth as a as a sort of background note to any company you're talking to. I have the wind behind me, but

Interviewee 2 [22:35]
Thank you so much for your answers. Um, okay. Yep. All right.

Snackable's founder [22:40]
Well, good luck with everything and I look forward to receiving whatever information you can share.

Interview 5

Interview with MicroSecond’s founder

Interviewee 1 [0:51]

Nice to meet you and thank you for agreeing to that call, we will just jump in.

Interviewee 2 [0:59]

And, first of all, sorry for being late, we just had an interview before this and we just couldn't finish that first interview in time before we started with you.

MicroSecond's founder [1:28]

OK. Maybe you should introduce what kind of information you need so I can be specific and the process can go faster.

Interviewee 2 [1:40]

Exactly. So, what we aim to do with our research is to understand the situation of how your business grew to the point where it is right now. There are quite specific but open questions regarding that. Our intent is for you to openly answer these questions and we will direct your answers towards the topics that we are interested in the most. Do you have any questions before we start?

MicroSecond's founder [2:42]

Yes, I have to leave in 20 minutes so we should go quite fast.

Interviewee 2 [2:54]

What we would like to start with the concept of product-market fit. We would like to know when was the situation where Comcores found product-market fit and the scaling process started.

MicroSecond's founder [3:16]

From which year or from the foundation?

Interviewee 2 [3:21]

We would be interested in the year and the stage that the company and the product was in, in terms of revenue, employee or the strategy. So, if you could paint us a global picture of the moment where product-market fit was achieved and scale happened, that would be perfect.

MicroSecond's founder [3:42]

So, basically, we have had the product-market fit from day 1 because we have only been developing products that were requested in the market and it was in a field where they were very few competitors so, it meant that, to start with we could maybe come in as a second provider competing on costs and, then, we could transfer to a role of being dominant in the few years after having competed on costs.

Interviewee 2 [4:23]

In terms of distribution, what was the advantage that you had that your competitors did not have?

MicroSecond's founder [4:32]

There are no distribution advantages in this field because all distribution can take place through e-mail delivery, basically. So, the differentiation is somehow to create a perception of quality in the marketplace of the solutions you are providing. And there are many routes to this.

Interviewee 2 [5:11]

Could you elaborate on these routes?

MicroSecond's founder [5:15]

So, for example, it could be quality in responsiveness, in communication, in materials, in leveraging other large companies' endorsement of your product, partnerships, companies qualify this by testing your product and being able to, somehow, announce this.

Interviewee 2 [5:58]

Clearly, the reason why you could compete on price was something that you brought to the market that your competitors haven't done yet. So, there was some level of innovation that Comcores introduced. Could you elaborate on the innovation you specifically had?

MicroSecond's founder [6:18]

I don't think we have been doing any particular innovation, we are just into a field with very few players and very few competitors and we are stepping into an area where cost sensitivity is maybe not huge.

Interviewee 2 [6:47]

Good to know. Now, we would like to focus from the moment where you achieved product-market-fit to the process from product-market-fit to today. Did you receive any outside financing in that period?

MicroSecond's founder [7:04]

No, I financed it myself.

Interviewee 2 [7:07]

And which stakeholders were the most important to grow in that period? You don't need to name them by name, it is more a function question. What were their roles?

MicroSecond's founder [7:26]

You wouldn't know anyway [laugh]. I think it's difficult to say who are our stakeholders, because we have basically 3 different product lines and there are small differences in terms of partners which is dependent on what kind of segment we are targeting. In wireless, for example, it's some set of circumstances, in interfaces/IPs it would be a different set of circumstances. As you know, they relate very much to a global position with key stakeholders in the different verticals. And, if you can, for example, have Intel endorsing your products, then it's a good qualifier for many other big companies. And that's how we have worked, in general, to have other company's suppliers - big suppliers - endorsing us.

Interviewee 1 [9:09]

That's really good to know. Then, we want to touch upon the subject of HR. When you decided to scale, how did you decide who to hire and what resources you needed?

MicroSecond's founder [9:24]

So, we have kept a very lean organisation. We have just been hiring engineers, engineers, engineers, engineers, engineers. In our field, it is a very scarce resource. It is very difficult to get people in the field I am in. Even though you would be able to already pay anything, it is still very difficult to get senior people in this field, in Denmark.

Interviewee 1 [9:54]

And what were the incentives you got to attract these talents or to motivate them along the way.

MicroSecond's founder [10:04]

We have a close collaboration with universities and we have an appealing vision. So, in our respective area we are absolute leaders in this technology with the circumstances that are given. So, in the 3 different areas, we have our own technical specialties which are appealing for engineers to be able to set their footprint on technologies such as 5G, self-driving cars and space components and similar.

Interviewee 2 [10:58]

What was the role of the location in which your company is placed in the way you grew your business? Did it have any effect on your business?

MicroSecond's founder [11:12]

For sure. It helped that we are close to DTU, and we have moved even closer to this. There are always people that you can easily know in certain areas than others. So, of course, it is about bringing down transportation time for our employees.

Interviewee 1 [11:51]

I saw that you started in 2014, how do you plan to continue and scale?

MicroSecond's founder [12:03]

We are doubling our revenue every year and that is just because there is more and more traction in the market and we are getting bigger and bigger engagement with customers that have a lot of traffic, if you can say so.

Interviewee 2 [12:37]

So, every business has drivers that drive growth and then, there are exponential drivers, which are the most important to focus for the future. If you think about the next 2 to 4 years, which driver for Comcores is the most important one that will or could have an exponential effect if you have the resources that you need to utilise it?

MicroSecond's founder [13:10]

Let's just mention that we have products that are very niche but, in these niches, we are the worldwide leaders in these components and, in some cases, the only component supplier for large scale businesses. If you take wireless, it is a segment that has huge revenues and we have key components for 5G.

Interviewee 2 [14:00]

I would like to turn the next question a little bit around, if something would happen tomorrow that could completely destroy Comcores' business - it is a very difficult question maybe - but, what would it be that would need to happen tomorrow - maybe it is a competitor expanding or entering your business, maybe it is a trend that shifts - but what would be critical for Comcores' future development?

MicroSecond's founder [14:51]

I don't think it can be boiled down to one point, I maybe think the question is a little bit [14:56 can't hear]. Of course, all kinds of global financial crisis will cool down projects on a global scale, in one way or another it could affect our business and the risk adversement of companies getting into new projects. But, on this, we are also trying to diversify our sales across different segments but I don't have a clear answer to this. I am not sure where you are heading with this question.

Interviewee 2 [15:51]

We are trying to understand the limitations of Comcores, especially when it comes to scaling globally, there are certain movements and trends that needs to be considered. That can be societal or political trend, or maybe it is a big competitor or a possible/potential company that is not a competitor yet, but if they diversify they might become a competitor that could be lethal for the company. So, understanding what those limitations are and understand how you would react to them, helps us to assess the current stage of your company. So you mention you are diversifying in order to prepare for those kinds of possibilities.

MicroSecond's founder [16:46]

I am not so concerned about - We are trying to diversify in many dimensions to decrease vulnerability to, for example, entrance of competitors, financial crisis, speed of certain verticals compared to others, for example, there are a lot of uncertainties on when new technologies are actually going to turn into real products. If you take self-driving cars, everybody has been talking about this for the last 5 years but it would probably take another 5 years before there will actually be some serious developments on this. And, in this way, spread your risk by spanning several generations that have each different verticals. For example, space [18:00 can't hear] is maybe not businesses that are as critical to financial crises as other segments because it is long-term government programs. So, there are ways to diversify yourself and what we are accounting for and we have leading technologies in 3 different fields that are targeting a lot of different verticals so, I think, we are very diversified and it's for sure the most important factor on this. So you don't have a singular item that is able to shuttle down.

Interviewee 2 [18:52]

Do you aim to scale globally, for the next big steps in Comcores, do you aim for a global scale or is it a market leadership in your current industry that you aim for?

MicroSecond's founder [19:17]

We don't have any local business at all, all our business is global.

Interviewee 2 [19:23]

Is there anything that you want to mention that we haven't asked yet?

MicroSecond's founder [19:31]

No, I think you cover most of the points.

Interviewee 1 [19:54]

I would just like to ask one last question regarding you as a founder. How do you think your personal and professional experience participated in the success of Comcores?

MicroSecond's founder [20:03]

How much have I participated?

Interviewee 2 [20:06]

Yes, how much your background has participated in the specific success and growth of Comcores.

MicroSecond's founder [20:22]

I guess that is an inevitable question for all startups, it's dependent on the background and the drive of the person establishing the company. So the company becomes what is able to move it to. We have reached a level where we are going to start a second part of our commercialization. So, we are a little bit moving out of the basic years of establishment and doing a consolidation and professionalization of our organization. And that's one of the difficult moves for most organizations with a single founder. But I think we are going to manage this very well.

Interviewee 1 [21:18]

Okay, good. Then we just want to mention that of course, this will be anonymized, like all the like the your name and company, but that we will use the findings to build our research on and that we will share their findings with you.

Interview 6

Interview with MyFish's founder

Interviewee 1 [0:03]
Right, so could you just start by like, in your own words describing natural cycles and, and your background regarding it?

MyFish's founder [0:12]
Right. So I so now I'm the CEO of a company called Mendi. Ah, so natural cycles, I'm just a passive investor. So I'm, this is a thing. So I'm involved in a lot of projects, for example, war on cancer, natural cycles, which is the first FDA approved birth control app, which is the one you're asking me about. I'm not operational there. My whole journey started actually in scaling a business called fish brain, which is the world's largest social network for anglers. So it's for people that fish which is the biggest sport in the world. I don't know if you knew that, but and I hate fishing, but I'm very much a mercenary. I just, you know, it was a job and it was my first you know, fairly Important in tech job, which is odd because I took that job in my mid to late 30s. So I started very, very, very late. And basically, I helped scale that, take it into the us a lot of on the ground hacks, just very, very simple common sense things. I'm from Costa Rica. And I think I just brought a little bit of that, of that common sense that our people have into the tech industry where everything was a little there wasn't enough of that human common sense into the the numbers crunching and that just led to me scaling another business, another business and now I'm involved in a lot of projects, natural cycles is one of them. The eSports is another one. And there's there's a few others and a lot of different verticals, a lot of them in med tech. But my my job right now this is actually very relevant because I am actually the CEO of A company called mendy. And we're actually launching in five

days. So that is so that this is like very, very relevant because we're literally at that point where we're at pre launch, we're launching on the 15th. We're launching in the middle of the corona crisis. And, and it's gonna be a very, very interesting journey. So I just went through the whole I was the first investor, then I, I did a quick round I eventually except to the sea to roll three months ago and now I'm, I'm going to scale this. So if you wanna, yeah, if you want to follow that journey, it should be should be pretty exciting. And

Interviewee 2 [2:43]
sounds definitely exciting as well. For our research right now we would like to focus on one cotton That is why we reached out to you because of natural cycles, and we want to focus on the company where you been part of that high growth process.

MyFish's founder [3:02]
It wouldn't be natural cycles then which one would it be? It definitely wouldn't be natural. I mean, it could be, for example, fish brain, which is a, you know, you can find a ton of information on fish brain and I can send you a lot of information. I mean, with fish brain it was I mean, if you want to start just digging into that one, I can give you a few other examples, but the ones that I actually was, was in charge of that high growth of that scaling. But the problem with fish brain when I joined it, was that they had this they didn't know which everybody talks about which is the persona that you're trying to get to right. But the issue with them was basically what the demographic was, when I when I stumbled upon fish brain. And I started hearing about how big the fishing community is and how passionate they are and how much money they spend. I mean, that's that's a huge niche. That's a huge business and they're variable. very passionate. So it's got a lot of ingredients. So why wasn't it taking off if the company was around for like four or five years? And the answer was very simple as that they had this whole notion of with a limited capital, they want it to be the biggest fishing app in the world, the world's biggest fishing app. And that was their whole thing. It was the number one fishing app in the world, which was true, by the way, but nobody connects to that. Like you don't connect to the world. What you connect to is, is Germany and probably not even Germany, you connect to like your football team in Germany or your town in Germany or your you know, so it needs to be a lot more. So it was basically to scale it it was narrowing it down with fish brain, because yeah, there's hundreds of millions of people that fish but that's completely irrelevant, because they don't really care about that guy. Like the guy that's fishing in, you know, in a lake in, in Brazil doesn't really care about the guy that's fishing in Iceland. Like it's it's different species, different things. So what I did was I basically went in there and I said, Look, guys, you need to cut this hole number one fishing app in the world bullshit. And just remember the world is one place and one place only. And then I drew the United States and then it's like, but the United States is too big, unless you've got like, it's just not gonna happen. It needs to be a lot more streamlined than that. And then it was just basically erased most of the United States and just keep Florida. Why Florida because there's 20 million people and two and a half million of

them fish. You know, everybody fishes that is a huge percentage of people. The Florida is still very, very big. That would require a huge marketing spend a huge effort. It's a tiny little team. I was employee number six or seven. And basically, what I decided to do was find the most fishing dense part of Florida and just get a ton of troops on the ground basically, get those people that fish And this was old Tampa Bay, by the way, which is a, you know, it's a little place where everybody fishes literally like you, you're you're the weirdo if you don't fish, like everybody fishes, that's what they talk about is a fishing town. So basically, we set up, we set up shop there and we basically went around and we found all these people that are already fishing and we're like, Hey, this is the number one fishing app in Florida. You know, get all your friends you know, we started it was literally it gave us the leverage so that we could go to all the fishing shows where all the anglers would go there you know, there's all these competitions every week and stuff and we would like basically for you know, we would put a hat we would get people like hey, here's a hat You're like an official you know member of Team fish brain which is the top fishing so there was an ego thing obviously, they would go there and just get people to download it and like there was like all these tears and it was like this whole ego thing and, and it's because we found out that obviously fishing was is all about the ego. It's all About the size of the fish, it's all about proving it. So you take the picture and it's like, Hey, man, look, this is how big my, whatever I caught was my bass or whatever. And it's, you know, it's mostly men. So we did things that I live in Sweden, which is a very progressive place. But it was a lot of you know, girls in bikinis like getting, you know, old dudes to take pictures with them and downloading the apps and stuff. It was, it was whatever it took, it was very Florida. You know, so it's very different to all the other projects that I've done, this would be the opposite that of a natural cycles type story, right. And I am involved in natural cycles and I've got some stories on that as well. But this is one where I directly led that that growth and and it just took off because it was so few people. You know, it's kind of like the Coronavirus. I mean, if I can get into a classroom and start touching people, it's gonna spread. That's what happened. You get that viral effect one of one one out of every five people has heard about you or has downloaded the app. It's done all of a sudden everybody in Florida has it. And that's how we went from 300,000 users to 3 million really, really quickly. And that's but they were all like spreading in the same place. It was like that one place that didn't social distance, you know that it happened to be old Tampa Bay, so and that spilled over and now there's it To be honest, since I left because I left a little bit after that there hasn't been a huge growth spurt. Which to me is hilarious, because to me, these things are just common sense. They're easy, right? But it was basically just tapping into people's ego and letting them do work for you. Because everybody wants to be officially sponsored. You know, in skateboarding and surfing and fishing, especially everybody wants to be sponsored. You're the coolest. You're the cool kid if you you know if you have a T shirt that says that, if you're getting the free gear, you know, and it was such a low cost thing for us to do. And that's how it took off. There's a lot of anecdotes, a lot of stories, by the way, this thing? Yeah. Yeah.

Interviewee 2 [9:09]
Because you touch upon the fact that you were one of the first employees to say like, what was the team at the beginning when you joined? Were you there like from the very start? Yeah.

MyFish's founder [9:20]
To be honest, nobody was there from the very start. It was just, it was one guy who was a guy from Gothenburg who I love By the way, he wrote me I should meet up for them for coffee, or invite him over to my new place. Um, his name is yen's person. So the founder and he happened to be this guy on the outskirts of Gothenburg, like in some rural like countryside, like living in a shack like hunting and fishing. And he happened to be a developer. So he built this thing for himself, and I think was user number two or user number three of this platform that he built in 2010 or 2011. eventually ended up being his co founder and he It just happened to be another guy like, you know, 10 kilometers down the road that was also fishing and was also like a nerd. And that's how it happened, then it didn't really become like a real company until like 2013, when the CEO joined, he had an exit in the United States. He came, he took it over, they raised a little bit of money. And then they started building the team. And I was part of that first initial team, but they haven't really done any, any real scaling things until, you know, they hadn't really penetrated the US until up until I went in. But I was if I'm not mistaken, I was employee, six or seven. It was a small team. There's probably 90 of them now. So I mean, the company is not that small. It's got a valuation of 150 $200 million. It's not tiny. It's not huge, but it's not.

Interviewee 1 [10:49]
If you you already described what made the biggest difference when you before you started scaling, so you focus on narrowing it down. And Florida started in Florida and then you change that to the value proposition. Could you touch upon what happened as soon as you started in Florida and as you adjusted in Florida? What happened in regards to the unique value proposition to fish brain? What happened to the strategy? And what unlocked this scale this opportunity in regards to the countries that started following?

MyFish's founder [11:29]
Well, the whole the whole focus, and I think the focus is still very much on the United States. It's just that everybody just follows by default, but I don't think that there's these huge these huge efforts being put in different places because if you can win the United States, you can win it. I mean, there's 60 million people that fish in the US right, and they spend huge amounts of money like people that play soccer don't really spend money like you understand that that's the thing. It's like, you can't look at a sport just by the size of the people that do because they don't spend money but like eSports that's something

where people buy a lot and they spend a lot. Fishing is the same thing. The gear is very expensive. And I mean different things as far as value proposition it was, obviously became a Florida thing. There was this adaptation period because most anglers are not very tech savvy, sort of because a lot of them that have the boats have the radars and all these things, but you have to understand that the average person we were going after was like this 40 year old man, 50 year old man like it wasn't like these tech savvy kids that are like, you know, the, you know, the 413 year old girl that's on tik tok and snapchat that knows all this stuff. And like, it was a completely different demographic because it's older. So the app in its essence had to be very simple. It was very much like an Instagram where you could only brag about your fishing and prove it basically. So you put it out there and no shit. That's an amazing picture. And that's you get that ego boost and it's like, oh, how did you catch it and and Basically it was finding those, you know, telling people about the fishing spots and, and different things. But eventually it also led to like getting deals with people where, you know, once you cross the border into Alabama, there's a notification that goes off saying, well, you need to buy a fishing license here, buy through the app, little things like that, that that eventually, like opportunities started happening once you started getting that that reach, which is but I mean, every strategy is so different for every company. I mean, I'm involved in a few dozen companies. And, you know, for Monday, we're launching on Kickstarter, not because we don't have money, we have plenty of money, but basically because we're trying to tap into that, that very hardcore bio hacker. You know, that community, we need that feedback, we need that connection. And another reason is because we're because there's a hardware component, we're separating pre orders from so we're Or, you know, orders and sales. So it's Yeah, so pre orders, many non production. That would be mendy. Yeah, that would be Mandy.

MyFish's founder [14:16]
sorry if it's confusing, I'm a bit all over the place because I literally So, so my job is I, I am the guy that's behind the scenes scaling these things. So for example, natural cycles, they can call me and be like, Hey, man, can you get us and just insert ridiculous ass? And my job is to say, Sure, I can do that. You know? Can you get us like when my eSports seems it was like, Hey, man, can you call the guys from Tinder and get us a deal with them? Because there's an overlap there. You know, you we've got these 18 year old boys 18 to 24 and there's like, let's make something there happen. And they're looking for the premium and they know that those boys will pay for it because they're trying to get the girls and yada yada but it's it's so different with every different company. So it's, uh, yeah, I get that we would need more time. So maybe we stay on fish brand because otherwise it's gonna be very confusing. Or we do it however you want.

Interviewee 1 [15:09]

It's really interesting to hear about all these companies. But it's true that we need some kind of focus points so we can grow and timeline and no, no review about one of them. And fish brain seems like really fine to do that.

MyFish’s founder [15:24]
Sure. Yeah, so so that's what happened. I mean, with fish Bran, I was only there for about eight, nine months, but there was a huge spurt of growth there. That was actually my first exit. Um,

Interviewee 2 [15:39]
how did you manage the growth? So the product market fit happened? Do you manage to pull it off? And then what which changes in terms of distribution or new customer acquisition, signing up process, maybe even competitors? What are the biggest drivers in order to scale fish brands?

MyFish’s founder [16:01]
Yeah So to be honest, it was just getting the the right fishing clubs it was getting those stamps of approval from the boating and recreation agency like all the government ation all the conservation agencies all these. A lot of it was the thing with fish brain it was it was a lot more and I guess, I guess a lot of what I do is very low tech, a lot of it was just going and having drinks with the right people, you know, or just going in, and just literally just, it was based on handshakes and coffees. You know, it wasn't really this amazing software development that I mean, there was a competitor doing pretty much the same thing that was an American competitor. And we went in there as the foreigner as the Swedish company and just crushed them. And it was basically just based on the fact that we were not afraid or I wasn't afraid to just do you know, even as a Costa Rican guy to just go up to people and just be like, you So I was out on a boat, my first trip there with the senator have this, you know, one of the senators will say fishing and like, showing him this app, and it's just like, so it's, I think it was a lot of like, just being delusional, and just being like, shameless. And that's, I think that that probably translates to all the projects. And I think, you know, I'm having to scale that back a little bit now as CEO of a company, especially when we have really, really big names on board and really big investors. And you know, but but it's basically that it's the non techie things that you do that open up all those doors. Yeah, I could give you like a list of, of hacks that became a part of the part of the everyday that just became part of the modus operandi of the company that are still around and some of the people on the team are still there and I still have contact with them. But I don't know if I am answered that if I went on a tangent, but But yeah, I think most of the things that really helped us scale were things that were not development related. It was just more sitting down and selling a vision related it was sitting down with old salts, for example, which is efficient club with 1.1 million anglers. So in Florida, you've got one fishing club with 1.1 million anglers. 1.1 million women and men that fish and that is huge. And I mean, for me to be able to get

that done. I mean, I was going on boats. I'm a terrible fisherman. I would be going on boats with Laura caddy, who was the president of that club. And she was just like, I mean, obviously, he thought it was I was pathetic, but like I was trying and it was, you know, there was like, This charm, it was like this human connection. And then once they opened that door, you know, you're done. Like you have that stamp of approval, like, everybody is going to follow you. So it's just basically just knocking it you know, go Going for the right doors getting the right, the right logos on the laptop so to speak.

Interviewee 1 [19:10]
And you believe that's because you focused on the low tech part. That's why you took over the competitor.

MyFish's founder [19:18]
Alright, so my story is that when I say I focus on the low tech part, partly it's because of me because I am super low tech. I'm a former athlete, I'm in my 40s I am not a tech guy, when I got involved in this, so I'm very close friends with the CEO of Spotify. Ah, we're, we're, we're best friends. And you know, when I started, like, looking into this, which was in my mid 30s, I was like, Daniel, how do I do this? Like, like, I've got this, like, you know, I've got my skill set. Like I'm more like, I'm, I'm great at some shit. But it's like, how do I get involved in this stuff and he was just like, read these books. And you know, like, I think you can figure it out, like, you'll never do what I do, but you'll do some you'll find your, the shit that you're good at. And that was basically how it is it was basically like adapting how to bring those skills that were completely alien to, to these tech companies in an ecosystem like Sweden and just be like, Alright, this is what I can bring to the table. You guys are great at building amazing stuff. You guys are great engineers, good luck scaling just with that. You need somebody to sit down and put this to dumb it the fuck down and sit down and sell that vision. And that's what's gonna make your work have a huge spotlight on it. And, and it worked. And it's worked over and over and over. And that's how I, you know, I got involved in all these companies and, and now I'm trying to put that into my own company and it's, it's very exciting.

Interviewee 1 [20:53]
Could you talk a bit more about your background?

MyFish's founder [20:57]
yeah, so my background is varied. Non techie. So I mean, I've, I've had all sorts of a bit involved in all sorts of businesses. Everything from from like manufacturer to fast food to, you know, to being a teacher. So I, this whole world is completely, you know was completely new to me. It's funny because I actually had Daniel download a few apps on my on my phone. When I came here. I was in Libya during the war, and I was there for a few for a few years and I had I built some schools and I had like, long story. I'm an advisor to the UN on women's rights and some other very random stuff that we don't

have time for. But I remember he grabbed my phone, and he downloaded Uber because I had to meet Travis and he downloaded Tinder because I had to meet the people from Tinder and he downloaded Snapchat like you understand like, my learning. Like my My education was basically through the people running these companies who are now some of my closest friends. But I never learned their skill sets. I never, I never gave a shit about learning their skill sets. I don't care what they you know. But what I did do is I gained their trust. And that has opened up a ton of doors. So that's why I go back to the non techie things, if you can go in and you can grab people, and you can trust them, and you can bring them into your house or you can go into theirs. That's why I usually don't meet people in offices. I tell them to come to my place. Like literally, I would invite you guys to come over here and we'd be sitting down and we'd be, you know, we'd be having a coffee here and that that skill of building the trust is so valuable to one of these companies. It's one of those you know, they call it the soft skill. It's probably the hardest fucking skill to develop because not too many people have it. And it's, you know, I've made a career these last five, six years from just being myself. I've basically Learn to monetize my personality and that has brought a lot of value for the companies. Yeah, and even in my approach with Mandy, I mean, I'm very clear in speaking to all these people, because I'm talking to neuroscientists, all the time I'm having calls with Dan Ariely, who is the biggest behavioral psychologist in the world is advising the Government of Israel now, and I've got all these books. And I'm like, Look, guy, I'm a guy from Costa Rica, slow it down, this is like, and that that transparency is something that makes people want to go the extra mile and help you, it makes people pull for you. Whereas when you come in, and you're just braggadocious, and I'm the best and I do this, everybody is going to be trying to fight with you, everybody's gonna be trying to compete with you. So it's, it's just being just being transparent with your, with your limitations, is the path of least resistance to scaling. Ah, and that's kind of the approach that I've always had with Whether it's with fish brain, or with natural cycles or with astrology, or Mehndi, or I could name two more dozen projects, and it would be the same.

Interviewee 2 [24:11]
Could you? You already mentioned that you haven't been part of the scaling process of may have the initial company that we started talking about. And but do you have the insight to describe what happened? How the business looked like when they have product market fit before they started scaling? And how the scaling process looked like or is that something that

MyFish's founder [24:34]
Yeah, so look, there's always an event. There's always something I could tell you each company, there's always I'll tell you what it is with with mendy in a few months. But like, you know, with Spotify, it was, you know, this guy named Shaq, Shaquille Khan, who was standing outside the BBC harassing one of the journalists being like, Hey, man, if

you don't listen to this app, and Love it. If it's not your favorite app, I will wash your car every day. And that thing just fucking blew up and the guy took him up on it. And it just became huge. with natural cycles. It was actually an influencer that was here, who was like one of the like, the biggest, the first big like, influencer, like she had a blog, it was a blogger. And, and this product worked, and it was great. And it was what we know of it now. And it's, you know, natural cycles. I mean, it's great. The fail rate is, is less than a condom, when properly used. It's a really, really good company, the algorithm is, is legit. Ah, but how do you get people to use it? Right? Their hack was that this one influencer, started using it. And she started writing about it and it blew up. And then they piggybacked on that and that became the strategy and that there's a strategy around that, which is being modified now and obviously, there was some, some controversies and some like, there was like some, a lot of negative Press and all that that obviously, you know, the company took a hit, which has been resolved now then Corona happens, but, and I've actually got a couple of things on my plate that I, you know, that I can fairly easily do. They're very things that are normally hard to do. They're very valuable to a company. But for me, they're fairly easy to do. That would represent the next stage for them. I don't know when I'll be doing it because of Corona because I'm focusing on Monday, but But yeah, that would be the one turning point that they would tell you. It was just like, Spotify will tell you it was that BBC thing? And what was it 2009 when Shaq would be out there just harassing this guy, this big journalist? I forget his name. No, yeah, whatever. And then it took off in London. And once it took off in London, that Spotify was a real thing. It wasn't a huge thing. It wasn't big until it took off in London, right? People think it's it was the US but it was actually London in the validation is obviously the US once you get the US you're, you're good. Yeah, and yeah, I don't know if I answered that I'm running a little bit short on time, but maybe maybe I just gave you more questions than answers. Sorry about that.

Interviewee 1 [27:18]
But it's really interesting insights since we are used to talking to CEOs of like one company and you've been part of the scaling process in a lot of them. So it's really interesting to have your perspective on this. We may have some follow up questions definitely. And I hope that's fine. Because it straight raises a lot of question depending on what company you're talking about.

Interviewee 2 [27:44]
Sounds like everything from from my side. I checked all the boxes. I'ma How does it look from your side?

Interviewee 1 [27:51]
Yeah, it's like it's been. We covered a lot like definitely.

Interview 7

Interview with AdviceLab's founder

AdviceLab's founder [0:00]
Just understand is when you are sharing the result afterwards, right?

Interviewee 1 [0:04]
Yeah, definitely. Okay, good. And then the last part of the interview, in case you want a personal analyzes from our framework that we are developing for your company. You just we then will add a question that allows you to tell us about the future strategy that you have in mind. Okay, and that is necessary for us to make an evaluation of in which direction you could take this, but that's only like your choice. It's like it's not really part of the thesis is to go further and it's with the, with the reward. Yeah.

AdviceLab's founder [0:43]
And how do you work on this but

Interviewee 1 [0:47]
that is something that we can definitely tell you after. But otherwise, but we are just, we just to give you that piece of information, we are not doing this by yourself. We are Collaborating with the global scaling Academy. Okay. So they

AdviceLab's founder [1:07]
come again and again, tell us how you're planning to,

Interviewee 1 [1:10]
to get ideally we try to have 25 to 30 interviews. Okay. But that depends on time and how many CEOs or see executives we can take, we can find. Sure.

Interviewee 2 [1:22]
Yeah. Good. Do you have any questions before we start?

AdviceLab's founder [1:26]
No, it's pretty clear.

Interviewee 1 [1:29]
Okay. Okay. Do you want to start off?

Interviewee 2 [1:33]

Yeah, sure. Um, so first, even though we know your company and we have checked it out, we would like to just describe in a few words, what you do, and also your background.

AdviceLab's founder [1:46]
Okay. So what we do actually, we do two kind of things. The first one is just like, let's say traditional consulting. So advisory, so basically work on some either study All projects that I've been, you know, we've been kind of assignment from our clients. So we mainly working with tourism and transportation industries. So for example, it can be either yesterday on the market or things like this. So on the spot we, you know, we work on, let's say, to talk just a little bit about the business model we work on. I never know how to do that in English, but basically work with fees, so we've got to find fees. And for those fees, we will try to, you know, solve the problematic solve the issues occur as a client isn't controlling. We have to define the means on all the nodes the tool will use, and what is important in that cases and as a result, so this is Yeah, it's a tradition consulting and we also work on another way Which is more like, we try to find the best talent for our clients or some of our clients are, for example, telling us Okay, I need to find a product owner or Scrum Master project manager or either it can be sometimes in a management, so CIO or this kind of position for just a minute temporary contracts, and they'd like us to find the best match for them and knowing the way they work as the size as a budget and this kind of thing. So we do both. We do much more the second one. So let's outsourcing compared to the competition consulting, but we do both. Yeah.

Interviewee 1 [3:48]
Perfect. Could we would like to start a little bit back in the past of your company at the moment where before you have decided to start the scaling process of your company. Could you describe how the market and your business looked like at that moment? And what made you decide to scale?

AdviceLab's founder [4:12]
Yeah, sure. So actually what happened? So just to give you a bit of background or so, I started my company in 2013. And actually, I created the company first to be freelance. And then after two years, you know, working for the different clients. I found something was missing because obviously I was doing some assignments for different clients. So it was really interesting but I wasn't building something in the end and you know, as well young that of course, we all want to build something in different way not it can be something as an accompany, but that is to be something we know from a mental picture interview. So I was missing something and I actually was wondering either If I go back to a company like Embry Iser to do an executive MBA, because I had a 10 years experience and so I worked abroad for a short time. And actually I decided to turn to age transforms as a company in the consulting comm company. So this was back in 2016, I think and we started like and 2017. So basically we change the name, we change all the

marketing, we redesign those websites. So we change the way we were talking to clients, from me to us. And we, yeah, that that way comes from and why it was not only in terms of let's market perspective, but also from, you know, a personal wish to design something else and to evolve But in the end, we also had a lot of requests from clients, you know saying hey, we work with you, but do you have a friend of yours that is doing this kind of stuff or do you know like, who yourself doing this kind of thing and you know, in the end, so, there was a there was a need, there was definitely a need. So, these are so no need to say Okay, is there is a need and if I want to do it, we should do it. I should do it. And then we so that there was a history of the way

Interviewee 2 [6:31]
and How are you different from your competitor then? If you are,

AdviceLab's founder [6:36]
we are Yeah, we are from? Well, like I said, we are two different activities. So on the first one we we really have a strong strong expertise in tourism and have industries mainly around booking systems, which is something very specific and there is not a lot of expenses in the market. So in this one you know there's expertise is because we know these kind of systems and products As well, and not many, so it comes from the expertise. And on the other on the other side, one more, one more like on the surface, because our competitors are many for some platforms. And what we do is only we know, really tailored need approach, are we really doing? Super sorry, there was a bit of a pickle, we're doing very well very focused on the quality or hazard on the quantity. So, on the market of the outsourcing most of the actors already are, you know, on the on the podium, and we were looking at the quality So, we are really finding some very specific profiles which are really hard to approach and which we know.

Interviewee 1 [7:48]
So what can What can you tell us about your strategy to scale that you took on

AdviceLab's founder [7:55]
you? How can this not moving forward but at the time And then yeah, so to be fully honest with you, it was a bit opportunistic at the beginning to, like I said, it was more like, let's try it, and we'll see if we, if it's gonna work. And it worked pretty well very, very soon. And so that's why it was a bit of a challenge as well to manage it because it was not, I wasn't expecting that it could be as fast as it was by the time. So there was not a lot of strategy by then. It was mostly like trying new stuff or being a giant trying to really discuss with customers and understand their needs. And there's no I was a must by myself. So it was really, really easy to to know to get some insight because we're not like a big company asking for some stuff, to understand something and to try to sell some something in the end. It was more like a discussion with people who are working with

and trying to understand Nozomi And the market overall and to answer the needs, so it was I think it was more a matter of trust rather than strategy.

Interviewee 2 [9:13]
Okay and and how did the team then evolve? How did you did you add people and what were the incentives or where did yeah.

AdviceLab's founder [9:24]
So basically on the on the outsourcing strategy we're working with freelancers, freelancers, or with other companies, so subcontractors, let's say, partners, and on the on the advisory or consulting part well more working with employees. But like I said, I'm gonna try I've told us that before, but it's like 85% on the outsourcing and like 15% in consulting, so 15% of the consulting is, it's me, I'm ready. Few employees like one or two and we will probably get scanty spot, but moving forward. And on the outsourcing bit, I was only one for a long while, actually because I hired my first employee on the spot back in October. So she's an office manager and she's looking after all the litter back office. So doing all the contractual legal stuff, dealing and so on. And so for a long, long period of time I did everything myself, which was a bit tricky. I think it was a bit reluctant, you know, coming from a company I built on being alone. It's always a bit tricky to start hiring new people because of course, it comes with new responsibilities. And you don't want to know to what it was more like a again a matter of trust rather than economical because economics were really good but I will need to be ready to hire new people and know to actually get them in the in the project and to be ready to win if there is a fail if there is issues to get them in the project and I felt like a bit responsible of them. And so it took a bit of time on now I'm ready at to, before Corona. I'm ready to start hiring and get an hiring plan and then to scale much more than before.

Interviewee 1 [11:28]
What happened that you were able to give that trust to your to delegate your project.

AdviceLab's founder [11:33]
I think there was a combination of multiple things. I was not able to do everything by myself anymore. I was I think, starting destroying value instead of creating value. So of course, this is a really frustrating for someone building a company and so I really wanted to change that I started to see the quality was lowering literally because I wasn't able to do everything by myself. So this was the first thing. The second one is, I need to rebalance my professional and passionate work life balance, let's say, because it was starting to be to be a bit hard not to have a better life. You see, so it works for two years, but you need to sit together quite late. And then also, I am part of CCD. So I don't know how to translate that to English, but basically, it's a it's a group of CEO of young co CEOs, and we're doing kind of commission or like to sit to meeting regular meetings. And on the first year, you join this association. You need to explain why is your main

issue and that you've got like five or six people, you know, thinking about I'm trying to advise you. And he was really of use that I needed to hire some people. So it helped me a lot or so to understand that, yes. How did I cope with that much work by myself? So, yeah, I think the combination of all three at the same time really maybe, you know, I had no choice basically, basically.

Interviewee 2 [13:19]
Okay. And then because you touched upon stakeholders, Could you expand on maybe other stakeholders that help you grow or scale

Interviewee 1 [13:30]
and with a focus on who was the most impactful to enable your growth?

AdviceLab's founder [13:37]
Okay, um, so I'm not working with a lot of, well, I'm working more on with on the, let's say, on the CEO posture, so not like on how could I do the strategy moving forward to you know, become bigger or to get more savvy because I know my market and I Pretty much what I would like to achieve. So obviously, I work a lot and I discuss with my peers, with my peers. So I have some insight. But it's, it's more like on the lessons of passion. But I worked a lot with many other CEOs having the same issue being alone. So sharing with other CEOs that have the same issues that you have, all these kind of things are really helpful, I think, to get more confidence to not to feel too much alone, to understand that you issues as issues of everyone basically, and it helps a lot to get some more confidence and to be able, you know, to to finally you know, design a strategy because you're, you're confident with what you are actually designing instead of just you know, drawing something but in that doing exactly why or knowing why you want to go there, but without really understanding the background of it? No, I think it's really, really important for us to do to discuss with peers that are some that have the same issues basically.

Interviewee 1 [15:17]
So, and one of the last points that we want to focus on is how did you get new customers during the scaling process? Yeah.

AdviceLab's founder [15:28]
And just just to finalize a previous point, just to let you know, I had a mentor so he sent me a letter so on the on the business activity question I add, etc. So, um, to build confidence. And to answer your question. I think the harder is to get the services first customers because then you get preference. And when you get preference to the easier to know we work with major companies such as Disney or the French railway, which is a bigger company. And when you go in another country for example, we work so with the veterinary thing, okay, I work with the French railway and we bet that we've done that

together and we have done us we supported them that issue or it takes a lot it accident because then the trust is really easier to get with your, your future customer. And it's the first one. I worked on many with my network basically. And so we passed at the employers or people I knew from before and and then the confidence is building and and communication is key as well packaging. Not doing it over and over not doing over marketing, but at the same time. Know letting people know what you're doing is really important. And know, before I was really shy on it, and I know now I understood that you need to that people know what you're doing. At least it's really easy to understand and so on.

Interviewee 2 [17:03]
Good. Thank you. I think we covered most of the points. I'm just gonna go through like the checklist.

Interviewee 1 [17:10]
Yeah. I think from my side, I checked everything, but I'm sure

Interviewee 2 [17:14]
you see anything. Not really like I would just ask you like, Is there anything that we missed that really participated in the growth of your company and that we didn't touch upon?

AdviceLab's founder [17:27]
Well, support from families were important. So again, this is something more personal than professional. But support. support from others basically, is really key is really key because you're, by yourself. Sometimes be scary.

Interviewee 2 [17:42]
Yeah, I think we can understand that with levy since we're also founders and we're on our own. So I can definitely at least relate to that. And yeah, I think we covered most of the points. It was really great interview and we'll share with youThen the teasers when it's done. And we can talk about maybe the global scaling Academy, if you're interested in that, as live, you mentioned at the beginning.

Appendix 3 - Messages to Reach out to Companies

1. **Getting in Touch with LinkedIn Connect Message**

<u>Option 1:</u>
Hi [name]! We are 2 founders and master students researching the key attributes of Gazelles. We already talked with international founders – including Eric La Bonnardière,

Multi innovation award winner, and Daniel Rodic, 30 under 30 – and we would also to also connect with you. Best.

Option 3:
Hi [Name],
These times bear a challenge for some, and a great opportunity for other businesses. Supported by the Global Scaling Academy, we analyze, in our master thesis, companies in regards to their scaling potential. Could we include yours to our research? It only requires a 20min call.
Best.

Option 4:
Hi (name), these times bear a challenge for some, and a great opportunity for other businesses. Together with the Global Scaling Academy, we are 2 master students analyzing businesses in regards to their scaling potential and we would be grateful to include yours in our research. Best.

Option 5:
Hi (name), these times bear a challenge for some, and an exponential opportunity for other businesses. Together with the Global Scaling Academy, we are 2 master students analyzing businesses in regards to their scaling potential. Could we include yours to our research, it just requires a 20min zoom-call.
Best.

Option 6:
Hi [name]! Supported by the Global Scaling Academy, we analyze, in our master thesis, companies in regards to their scaling potential. I found your company through the FT 1000 2020 ranking and would love to include you in our research. It only requires a 20min call. Best.

2. **2nd message once they have accepted our request to connect**

Option 1:
Hi [Name]!

Do you have time for a quick chat?

We are 2 foundAs mentioned before, me and my research partner (Levi Yosef) are in the process of identifying the key factors that facilitates rapid company growth, as we did with Evaneos.

We want to ask you for max. 30 minutes of your time via a quick (video) call, where we can get your insights, which we will compare with our data-set of other Gazelle CEO's.

Naturally, we are happy to share the results of our investigation with you.
Here is a quick recap of our investigation. We are talking to 50 Gazelle-Founders to analyse the factors, leading to Gazelles' success.

Drawing from our own startups experience and backed by the Copenhagen Business School, we aim to create actionable metrics that can be used by scale-ups and Gazelles to be more aware of their possible blindspots. This conversation will not be about confidential information but rather about the insights and conditions behind your companies growth.

To make things easier, you can either reply to this message directly, or book it through this link so you can select the time that suits you best here:
https://calendly.com/hifg/30mn

Best regards,

[Signature]

Option 2:

Hi [Name],

Thanks again for connecting with me!

As mentioned before, me and my research partner are in the process of identifying the key factors that facilitates rapid company growth, as we did with Evaneos.

We want to ask you for max. 30 minutes of your time via a quick (video) call, where we can get your insights, which we will compare with our data-set of other Gazelle CEO's.

Naturally, we are happy to share the results of our investigation with you.

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This conversation will not be about confidential information but rather about the insights and conditions behind your companies growth.

To make things easier, you can either reply to this message directly, or book it through this link so you can select the time that suits you best

Select your time-slot here: https://calendly.com/hifg/30mn

Best regards,

[Signature]

Option 3:

Hi [Name],

I appreciate you accepting the request and would like to invite you to a quick 20min call, where my thesis partner and I could get your insight on the way you have scaled your business.

In order to keep your responses as unbiased as possible, I cannot give you too much information before our interview is done, but I would like to give you a brief overview of what our research is about. My research partner and I are in the process of analyzing international high-growth companies with specific capabilities, in regards to their potential to become market-leader. The current economical crisis, as bad as it is, plays a larger role in the findings that we will produce and would like to provide you with, as soon as our research is completed in June.

Would you be available for such a call with us? We can completely adapt to your time schedule and you can just provide us with 1 or 2 time-slots of your choice. To make things easier, you can either reply to this message directly so we can schedule a call, or book a time slot through this link and select the time that suits you best (https://calendly.com/hifg/30mn).

I look forward to your response!

Best regards,

[Signature]

Option 4:
Hi,

Thanks for connecting with me!

As mentioned before, me and my research partner - Levi Yosef - are in the process of identifying the key factors that facilitate rapid company growth. Drawing from our own Startups experience and backed by the Copenhagen Business School and Global Scaling Academy, we aim to analyze the key attributes that participate in the growth of high growth firms.

To collect more data, we would like to schedule a quick call with you (20-30mn). To make things easier, you can either reply to this message directly so we can schedule a call, or book a time slot through this link and select the time that suits you best (https://calendly.com/hifg/30mn). And if that’s not something you want to participate in, let me know.

The questions will not touch upon confidential information but rather about the insights and conditions behind your company's growth. Naturally, all information will be anonymized in our research and we are happy to share the results of our investigation with you.

Thank you for your time, it is very appreciated - especially during these times.

Best,

[Signature]

3. E-mail Follow-Up

Option 1:

Hi [Name],

I hope you are well and have found a decent way to make home-office workable. I am Levi Yosef a master student at the Copenhagen Business School and student founder, currently writing my master thesis in collaboration with Global Scaling Academy. We research what enables high-growth in startups & scale-ups and analyze companies like [Company Name] regarding its potential to grow exponentially. Our goal is to develop an actionable framework that helps business leaders to establish the ideal conditions for their company to achieve exponential growth.

I connected with you on Linkedin and am writing to you with the hope to get a brief interview with you (not more than 20-minutes) via a video-call of your choice. I can completely adapt to your time schedule in this regard. It would be extremely helpful for my research, especially with the current situation, where it gets harder for any business leader to create a 20-minute window. I have listed all contact-persons below that are involved in this research for reference purposes and I stay available for you if you have any questions about the research.

Please feel free to just reply to this mail directly, or to skip on iteration and book a suitable time-slot for you, in case you are open for an interview.

I appreciate your time to go over this mail and hope to hear from you soon,
Have a lovely week,

[Signature]

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Option 2:

Hi [Name],

Thank you again for coming back to me. As mentioned, would I like to schedule a brief call with you to
As mentioned before, me and my research partner are in the process of identifying the key factors that facilitate rapid company growth. Drawing from our own Startups

experience and backed by the Copenhagen Business School and Global Scaling Academy, we aim to analyze the key attributes that participate in the growth of high growth firms.

To collect data, we would like to schedule a quick call with you (20-30mn). To make things easier, you can either reply to this message directly so we can schedule a call, or book a time slot through this link and select the time that suits you best.

I appreciate your time and hope to hear from you soon,
Have a lovely week,

[Signature]

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Attachments

Attachment 1 - List of High-Growth Firms we Contacted

Here

Attachment 2 - Qualitative Data Analysis

Here