Entrepreneurial Scaleup
Growth through Innovation

Prof. Joseph Haslam
Executive Director, Owners Scaleup Program
Professor, IE Business School & IE University

AIIP Lecture & Masterclass
Belfast, Dublin, Galway, Cork

22nd - 25th January 2019
@Inter_Trade
My Messages Today

- Sustainability NOT Innovation
- Scaleups NOT Startups
Entrepreneurial Scaleup

1. Who Am I?
2. Innovation v Sustainability
3. Startups v Scaleups
4. Examples
5. Further Info
1. Who Am I?
The People´s Republic of Cork
‘Dublin is the world’s scale-up capital,’ says HubSpot CEO Brian Halligan

‘One thing for certain is Dublin is the scale-up centre. All the companies are getting scale and HubSpot is one of them. Fast-expanding companies are crazy if they don’t come to Dublin, in my opinion’

– BRIAN HALLIGAN, HUBSPOT
Sybex acquires on-demand procurement pioneer

Dublin technology firm AMT-Sybex has bought up Marrakech, the European innovator of on-demand spend management solutions, for an undisclosed sum. AMT-Sybex already owned a €4.1 million stake in the dotcom survivor, which was set up in 1998 and has a customer base including well-known retail brands and government agencies.
IE Business School – Madrid, Spain

1. Executive Education - Owners Scaleup Program (2 weeks, Madrid)
2. Top Programs – Global Scaleup Program (2 weeks, Beirut & Madrid)
3. Exponential Learning - Startup to Scaleup HiOP (5 weeks, 100% online)
4. International MBA - Elective (15 sessions, 2 intakes per year)
An Academic “Kangaroo”

**IE Ecosystem**
- Business School
- Global & Public Affairs
- Human Sciences & Tech

**Joseph Haslam S.L.**
- @hot_app
- @Local_Token
- @_brightnetwork
Hot Hotels sells discounted, mobile only rates available up to 7 Days in advance of your stay in 54 Countries & 319 cities in Europe, Africa, Middle East, Asia, the Americas.
1st startup from Spain to accelerated by Techstars USA (Boston 2015)
Helsinki Distilling Company ★

4.7 ★★★★★ 9 Google reviews

Restaurant

Address: Työpajankatu 2a R3, 00580 Helsinki, Finland
ICOs – Crypto Holdings
Startups duo in €19m ICO for crypto exchange

Founders of hotel booking app aim to make it easier to trade cryptocurrencies, writes John Reynolds

John Reynolds
July 8 2018 6:00 PM

Irish serial entrepreneurs Joe Haslam and Conor O'Connor are raising up to €19m in an initial coin offering, ahead of the launch next month of Local Token Exchange (LTE), a decentralised cryptocurrency exchange they have founded that makes it easier for people to trade various types of the digital currencies.

The pair, who are based in Spain, previously founded hotel booking app Hot Hotels in 2012.
Two Week Program in Madrid
Designed for Scaleup CEOs

Owners Scale-Up Program

DATES
1st module:
May 6th - 9th, 2019
Intersession:
interactive videoconferences
2nd Module:
October 14th-18th, 2019

JANNA WETTER CORASPE
Associate Director of Admissions
Top Management Programs

Janna.Wetter@ie.edu
Tel: +34 91 568 97 83
## Week One
**May 6th-10th**

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<td>Design Thinking Workshop&lt;br&gt;Prof. Andrew McCarthy</td>
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<tr>
<td><strong>Coffee break</strong></td>
<td>Disruptive Innovation&lt;br&gt;Prof. Juan Pablo Vazquez</td>
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<tr>
<td><strong>Coffee break</strong></td>
<td>Decision Making For Entrepreneurs&lt;br&gt;Prof Peter Bryant</td>
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<tr>
<td><strong>Social Media &amp; Marketing</strong>&lt;br&gt;Prof. Kevin Siglano</td>
<td><strong>Coffee break</strong></td>
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<td><strong>Scale, Scaling &amp; Scaleups</strong>&lt;br&gt;Prof. Joe Haslam</td>
<td>Design Thinking Workshop&lt;br&gt;Prof. Andrew McCarthy</td>
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<tr>
<td><strong>Lunch</strong></td>
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<td><strong>Nextsensing</strong>&lt;br&gt;Prof Joseph Pistrui</td>
<td>Strategies for SME Growth&lt;br&gt;Prof. Michael Flynn</td>
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<td><strong>Nextsensing</strong>&lt;br&gt;Prof Joseph Pistrui</td>
<td>Super Scale Me!&lt;br&gt;Prof. Daniel Corsten</td>
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<tr>
<td><strong>Got to Market Strategy for Business to Business</strong>&lt;br&gt;Prof. Luigi Mallardo</td>
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<td><strong>Review of Week</strong></td>
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<td><strong>Lunch</strong></td>
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## Week Two
**October 14th-18th**

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<td>Managing Multicultural Teams&lt;br&gt;Prof. Marta Williams</td>
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<tr>
<td><strong>Coffee break</strong></td>
<td>Social Innovation&lt;br&gt;Prof. Rachida Justo</td>
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<td><strong>Coffee break</strong></td>
<td><strong>Segovia</strong></td>
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<tr>
<td><strong>Exponentiality, Abundance &amp; Growth</strong>&lt;br&gt;Joe Haslam</td>
<td>Managing Multicultural Teams&lt;br&gt;Prof. Marta Williams</td>
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<td><strong>Pricing</strong>&lt;br&gt;Prof. Martin Boehm</td>
<td>Creativity &amp; Critical Thinking through Art&lt;br&gt;Prof Nir Hindi</td>
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<tr>
<td><strong>Family Business</strong>&lt;br&gt;Prof. Cristina Cruz</td>
<td>Create a Winning Team&lt;br&gt;Prof. Stephen Adamson</td>
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<tr>
<td><strong>Flipping the Classroom</strong>&lt;br&gt;Prof. Joe Haslam</td>
<td><strong>Closing Session</strong></td>
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GLOBAL SCALEUP PROGRAM

BEIRUT AND MADRID

Ready, Steady, Grow.

FEBRUARY 18 TO APRIL 12, 2019

“Be not afraid of growing ... be afraid only of standing still”. Chinese proverb

PROGRAM DATES

• Face-to-face period 1: Beirut, February 18-22, 2019
• Online sessions: 90 minutes per week, February 27 - April 3, 2019
• Face-to-face period 2: Madrid, April 8-12, 2019

LOCATIONS

Beirut and Madrid
Online

PROGRAM FORMAT

Blended (face-to-face and online sessions)

LANGUAGE

English

PRICE

US$ 14,900
Introductory Course To Scaleups
Available As a 5 Week Online only

WHAT IS A SCALE UP?

LIFESTYLE STARTUPS:
Work to Live Their Passion

SMALL-BUSINESS STARTUPS:
Work to Feed the Family

BUYABLE STARTUPS:
Acquisition Targets

SOCIAL STARTUPS:
Driven to Make a Difference

LARGE-COMPANY STARTUPS:
Innovate or Evaporate

SCALABLE STARTUPS:
Born to Be Big

DATE
17 Oct - 21 Nov 2018 /
29 May - 05 Jul 2019

FORMAT
Online

SCHEDULE
6 hours on average per week

LANGUAGE
English
Live Show - The Wow Room
SCALING UP YOUR STARTUP

AREA: ENTREPRENEURSHIP
SESSIONS: 15

PROFESSOR: JOE HASLAM

B. Comm., University College Cork, Ireland
M.Sc., University College Cork, Ireland
IMBA, IE Business School, Spain

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<th>Session</th>
<th>Topic</th>
<th>Speakers</th>
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<td>INTRODUCTION</td>
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<td>2</td>
<td>SUSTAINABILITY</td>
<td>Pepita Marín, CEO &amp; Co-Founder at We Are Knitters</td>
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<td>3</td>
<td>PRODUCT</td>
<td>Javier Andres Marín, Founder &amp; CEO Ticketea</td>
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<td>4</td>
<td>GROWTH</td>
<td>Joaquín Mencía, VP International Business Development @ Keatz</td>
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<td>5</td>
<td>OPERATIONS</td>
<td>Ivan Retzignac, Founder, MedicAnimal.com</td>
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<td>6</td>
<td>TECH</td>
<td>Jorge Gómez, Startup Manager for Spain and Portugal, Amazon Web Services</td>
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<tr>
<td>7</td>
<td>CULTURE</td>
<td>Sara López-Peteiro, Head of HR, Spotahome</td>
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<td>8</td>
<td>CASH</td>
<td>François Derbaix, Founder &amp; CEO, Toprural</td>
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<td>9</td>
<td>HIGH PERFORMANCE</td>
<td>Jose del Barrio, CEO &amp; Co-founder La Nevera Roja</td>
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<td>10</td>
<td>EXPONENTIALITY</td>
<td>Ander Michelena, Cofounder &amp; CEO Ticketbis</td>
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<td>11</td>
<td>SALES</td>
<td>Ben Askew-Renaut, Co-Founder &amp; CEO at PackLink.com</td>
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<td>12</td>
<td>CORPORATE GOVERNANCE</td>
<td>Diego Cabezudo, CEO and Co-Founder at Gigas</td>
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<td>13</td>
<td>VENTURE CAPITAL</td>
<td>Alex Puregger, CEO at Fon</td>
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<td>14</td>
<td>JOBS &amp; CAREERS</td>
<td>Amber Wigmore, Executive Director of Careers at IE</td>
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<td>15</td>
<td>EXAM</td>
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Just Released QS Rankings

The World's Top 10 MBA Programs 2019

1. Stanford Graduate School of Business
2. Harvard Business School
3. Penn (Wharton)
4. London Business School
5. MIT (Sloan)
6. INSEAD
7. HEC Paris
8. Chicago (Booth)
8. IE Business School
10. Columbia Business School

Global MBA Rankings 2019

GET THE FULL RESULTS: TOPUNIVERSITIES.COM/RANKINGS
#QSWUR
‘Dublin is the world’s scale-up capital,’ says HubSpot CEO Brian Halligan

‘One thing for certain is Dublin is the scale-up centre. All the companies are getting scale and HubSpot is one of them. Fast-expanding companies are crazy if they don’t come to Dublin, in my opinion’

– BRIAN HALLIGAN, HUBSPOT
Europe does not love us as much as we think

Our response to the Apple tax ruling has not gone down well in Spain and elsewhere

Fri, Sep 16, 2016, 00:29

Joe Haslam
2. Innovation v Sustainability
It’s All Peter Drucker’s Fault

“The business enterprise has two — and only two — basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs.”

“Innovation is the specific instrument of entrepreneurship. The act that endows resources with a new capacity to create wealth.”

“An established company which, in an age demanding innovation, is not able to innovate, is doomed to decline and extinction.”
let's kill all the lawyers Innovators

Innovation: The History of a Buzzword

In the 17th century, "innovators" didn't get accolades. They got their ears cut off.

EMMA GREEN  |  JUN 20, 2013  |  BUSINESS

The word innovation might be mantra of business leaders and the inevitable future star of The Atlantic and Aspen Institute's forthcoming Aspen Ideas Festival. But the irony behind the king of buzzwords is that, originally, "innovation" wasn't a compliment. It was an accusation.

In fact, shouts of "Innovator!" used to be akin to charges of heresy. As with any question of intellectual history, the path of innovation through the centuries is complicated. Canadian historian Benoît Godin has done extensive research on the topic; oversimplifying his work quite a bit, a few of the key moments in the strange history of how innovation is framed and discussed seem particularly striking.
Yes, They are Innovative
But are they Sustainable?

<table>
<thead>
<tr>
<th>UBER</th>
<th>FACEBOOK</th>
<th>ALIBABA</th>
<th>AIRBNB</th>
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<tr>
<td>The world’s largest taxi company owns <strong>zero</strong> vehicles</td>
<td>The world’s most popular media owner creates <strong>zero</strong> content</td>
<td>The world’s most valuable retailer has <strong>zero</strong> inventory</td>
<td>The world’s largest accommodation provider owns <strong>zero</strong> real estate</td>
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</table>
Uber passengers were paying only 41% of the actual cost of their trips; Uber was using these massive subsidies to undercut the fares and provide more capacity than the competitors who had to cover 100% of their costs out of passenger fares.

This is critical because it suggests we’re dealing with a charity case in disguise.

INSIDE THE TWO YEARS THAT SHOOK FACEBOOK—AND THE WORLD

How a confused, defensive social media giant steered itself into a disaster, and how Mark Zuckerberg is trying to fix it all.

Alibaba Is Nothing Like Enron

Jun.30.17 | About: Alibaba Group (BABA)

Frank Bajak
@fbajak

Airbnb doesn't hurt the hotel industry. What it does is drive up rents in urban areas. theatlantic.com/amp/article/55 ...

4:31 pm - 18 Feb 2018
GROWTH FOR THE
SAKE OF GROWTH IS
THE IDEOLOGY OF
THE CANCER CELL

EDWARD ABBEY
If you want creativity, take a zero off your budget. If you want sustainability, take off two zeros.

- Jaime Lerner
Sustainability-Oriented Innovation: A Bridge to Breakthroughs

**Big Idea: Sustainability**  ·  **Blog**  ·  November 10, 2015  ·  Reading Time: 6 min

Jason Jay, Sergio Gonzalez and Mathew Swibel

SOI is about dispelling the notion of tradeoffs between what seem to be competing goals — performance versus impact, profit versus purpose, human wellbeing versus environmental protection. Our research suggests that when we no longer see these goals as competing, we create products, services, and business models that are holistic rather than fragmented. The potential for
3. Startups v Scaleups
Startup?

“A startup is an organization formed to search for a repeatable and scalable business model.”

Steve Blank
### Reasons founders cited for their startups' failure

<table>
<thead>
<tr>
<th>Reason</th>
<th>Number of startups</th>
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<tbody>
<tr>
<td>Business model not viable</td>
<td>51</td>
</tr>
<tr>
<td>Ran out of cash</td>
<td>46</td>
</tr>
<tr>
<td>Not enough traction</td>
<td>34</td>
</tr>
<tr>
<td>Lacked financing/investors</td>
<td>25</td>
</tr>
<tr>
<td>Technical/product issues</td>
<td>24</td>
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<tr>
<td>No market need</td>
<td>23</td>
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<tr>
<td>Outcompeted</td>
<td>19</td>
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<tr>
<td>Customer development issues</td>
<td>17</td>
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<tr>
<td>Lack of focus</td>
<td>17</td>
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<tr>
<td>Disharmony on team/investors</td>
<td>14</td>
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<td>Bad timing</td>
<td>12</td>
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<td>Pricing/cost issues</td>
<td>12</td>
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<td>Inexperience/skills gap</td>
<td>11</td>
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<td>Legal challenges</td>
<td>11</td>
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<td>Failure to pivot</td>
<td>9</td>
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<td>Hiring mistakes</td>
<td>9</td>
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<td>Ignore customers</td>
<td>8</td>
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<td>Poor marketing</td>
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<td>Bad location</td>
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<td>Lack of passion</td>
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<td>Veered from original vision</td>
<td>3</td>
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<td>Burn out</td>
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<td>Fraud victims</td>
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<td>Pivot gone wrong</td>
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(Data: Fractal)
Definition of a Scaleup

THE SCALE-UP REPORT ON UK ECONOMIC GROWTH

Sherry Coutu CBE

A ‘scale-up’ is an enterprise with average annual growth in employees or turnover greater than 20 per cent per annum over a three year period, and with more than 10 employees at the beginning of the period

Growing pains

Why British businesses don’t scale up

Britain has a great record with startups, but is less good at producing bigger, more productive companies

Dec 10th 2016 | BATH

Yet this money, spread over the next four years, won’t do much. In Wiltshire, Robert Perks runs the country’s first local outfit dedicated to helping companies scale up. It is funded by businesses and government. He argues that what firms most need are management skills, and so he arranges mentoring for entrepreneurs who want their companies to grow. Management in Britain is distinctly average, and is most obviously improved by exposure to foreign markets and even takeovers. But, since most SMEs do not export, this remains a problem.
Growing vs Scaling: which one are you?

by Daniel Marcos

7 minute read

Most business leaders dream of scaling their company. You’ve probably pictured yourself being an industry leader: established in different locations, serving a global market and having your brand being recognized as the go-to solution for your customers.

However, in reality, less than 1% of the companies that start up, actually make it. The ones that do, they don’t set out to grow - they build their company for scale.

Let me be straightforward: scaling is not luck, scaling is a decision.
Scale-ups are a distinct company type. The scaling phase is more than a transition between two opposing company types; it is its own phase with its own requirements.
Startups vs. Scaleups

By Joe Haslam, Executive Director of the Owners Management Program at IE Business School.
Less Table Football, More Science

TV Startups (Playing)

Real Startups (Experiments)
Module 1: Understanding Scale-up

This module is all about making the separation from what you have done in the pre growth stage versus what you need to do in the scale up stage and the mindset needed for it. It will also make you reflect upon the situation of your company and industry so you can move forward.

Module 2: Product and Market

After validating the fit between your product or service with the market, we will take a look at how the company makes money and where to set your focus as you enter exponential growth.

Module 3: Operations and Execution

Supply and demand can make or break your business. Of course you need demand to have a company, but fulfilling orders, keeping your growth in order and customer service have much to learn from operations so your profits can actually increase.

Module 4: Culture and Team

All companies have cultures. Some are designed by the founders and are constructive. Others are formed in a vacuum and can be destructive. In this module, you will learn what to keep in mind and how to actually make the best use of the culture for your venture.
"it has never been easier to start…

But never been harder to scale!"

Marc Andreessen
@pmarca

“I don’t mean you’re all going to be happy. You’ll be unhappy – but in new, exciting and important ways.” – Edwin Land

📍 Menlo Park, CA
🔗 a16z.com
📅 Joined May 2007
Er, actually, no. That was last decade. We live in a new world now, and it favors the big, not the small. The pendulum has already begun to swing back. Big businesses and executives, rather than startups and entrepreneurs, will own the next decade; today’s graduates are much more likely to work for Mark Zuckerberg than follow in his footsteps.

The web boom of ~1997-2006 brought us Amazon, Facebook, Google, Salesforce, Airbnb, etc., because the internet was the new new thing, and a handful of kids in garages and dorm rooms could build a web site, raise a few million dollars, and scale to serve the whole world. The smartphone boom of ~2007-2016 brought us Uber, Lyft, Snap, WhatsApp, Instagram, Twitter, etc., because the same was true of smartphone apps.

It is widely accepted that the next wave of important technologies consists of AI, drones, AR/VR, cryptocurrencies, self-driving cars, and the “Internet of Things.” These technologies are, collectively, hugely important and consequential — but they are not remotely as accessible to startup disruption as the web and smartphones were.

AI doesn’t just require top-tier talent; that talent is all but useless without mountains of the right kind of data. And who has essentially all of the best data? That’s right: the abovementioned Big Five, plus their Chinese counterparts Tencent, Alibaba, and Baidu.
The Essential Eight technologies and how they can be applied

Blockchain
- Distributed electronic ledger that uses software algorithms to record and confirm transactions with reliability and anonymity. The record of events is shared between many parties and information once entered cannot be altered, as the downstream chain reinforces upstream transactions.

**Example Use Cases**
- Identity management
- Voting
- Peers to peer transactions
- Supply chain management
- Smart contracting
- Provenance / traceability
- Asset registration / ownership
- Trade finance
- Record management

Drones
- Air- or water-based devices and vehicles, for example, Unmanned Aerial Vehicles (UAV), that fly or move without an onboard human pilot. Drones can operate autonomously (via on-board computers) on a predefined flight plan or be controlled remotely.

**Example Use Cases**
- Insurance claim validation
- Precision farming
- Infrastructure inspections
- Railway safety
- Cargo delivery
- Construction site management
- Forestry management
- Facility inspection (wind turbines, oil rig, etc.)

Internet of Things (IoT)
- Network of objects – devices, vehicles, etc. – embedded with sensors, software, network connectivity and compute capability, that can collect and exchange data over the Internet. IoT enables devices to be connected and remotely monitored or controlled. The term IoT has come to represent any device that is now “connected” and accessible via a network connection. The Industrial IoT is a subset of IoT and refers to its use in manufacturing and industrial sectors.

**Example Use Cases**
- Inventory and material tracking
- Real time asset monitoring
- Connected operational intelligence
- Customer self-service
- Usage and performance benchmarking
- Data integration and analytics
- Connected service parts management
- Remote service
- Real time market insights
- Flexible billing and pricing

Robots
- Electro-mechanical machines or virtual agents that automate, augment or assist human activities, autonomously or according to a set of instructions – often a computer program.

**Example Use Cases**
- Manufacturing
- Construction
- Service industry
- Automation of predictable tasks
- Data management

3D Printing
- Additive manufacturing techniques used to create three-dimensional objects based on digital models by layering or “printing” successive layers of materials. 3D printing relies on innovative “inks” including plastic, and more recently, glass and wood.

**Example Use Cases**
- Healthcare and smart medical devices
- Tools and end use parts
- Proxycyber
- Bridge manufacturing
- Supply chain optimization
- Voting
- Customized products
- Remote location production

Virtual reality (VR)
- Computer-generated simulation of a three dimensional image or a complete environment, within a defined and contained space, that viewers can interact with in realistic ways. VR is intended to be an immersive experience and typically requires equipment, most commonly a helmet/headset.

**Example Use Cases**
- Immersive journalism
- Virtual workshops
- Manufacturing/product design
- Architecture & construction
- Education/training
- Big data management
- Entertainment
- Healthcare
- Merchandising

Augmented Reality (AR)
- Addition of information or visuals to the physical world, via a graphics and/ or audio overlay, to improve the user experience for a task or a product. This “augmentation” of the real world is achieved via supplemental devices that render and display said information.

**Example Use Cases**
- Virtual showrooms
- Education
- Travel and tourism
- Gaming
- Printing and advertisers
- Retail environments
- Marketing

Artificial Intelligence (AI)
- Software algorithms that are capable of performing tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making and language translation. AI is an “umbrella” concept that is made up of numerous subfields, such as machine learning, which focuses on the development of programs that can teach themselves to learn, understand, reason, plan, and act (i.e. because more intelligent) when exposed to new data in the right quantities.

**Example Use Cases**
- Managing personal finances
- Trading systems
- Real time fraud and risk management
- Automated virtual assistant
- Underwriting loans and insurance
- Customer support, transactions and helpdesk
- Data analysis and advanced analytics
64MB Pen Drive (Flash Memory) USB 2.0 (BVT)

by Generic

Price: $3.00 + $2.00 shipping

In Stock.
Ships from and sold by OEMPCWorld.

Estimated Delivery Date: Sept. 10 - 15 when you choose Expedited at checkout.

- Standard 64MB USB Flash Drive
- Quality drives, reliable and durable backed with warranty!
- Cap silver steel design - Perfect for logo printing or customization
- Free shipping over $20, save money when you purchase from OEMPCWORLD!
- 30 day money back guarantee and lifetime warranty offered by OEMPCWORLD
Pendrive USB de 64GB - Emtec Magnetics C410 2.0, en color verde
Memoria USB 2.0 con 64 GB de capacidad, hasta 15MB/s de velocidad de lectura y 5MB/s de velocidad de escritura

Capacidad (GB) | 64GB
Tapa | Con tapón
In Years, 64MB became 64GB

<table>
<thead>
<tr>
<th>Year</th>
<th>Linear</th>
<th>Exponential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>2004</td>
<td>128</td>
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<tr>
<td>2005</td>
<td>192</td>
<td>256</td>
</tr>
<tr>
<td>2006</td>
<td>256</td>
<td>512</td>
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<tr>
<td>2007</td>
<td>320</td>
<td>1024</td>
</tr>
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<td>2008</td>
<td>384</td>
<td>2048</td>
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<td>2009</td>
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<td>4096</td>
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<td>2010</td>
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<td>8192</td>
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<td>2011</td>
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<td>16384</td>
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<td>65536</td>
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<td>2014</td>
<td>768</td>
<td>131072</td>
</tr>
<tr>
<td>2015</td>
<td>832</td>
<td>262144</td>
</tr>
</tbody>
</table>

The reality of information technology is it progresses exponentially . . . 30 steps linearly gets you to 30. One, two, three, four, step 30 you’re at 30. With exponential growth, it’s one, two, four, eight. Step 30, you’re at a billion.”
Linear vs. Exponential Growth

Disruption

Growth vs. Time
How to Create an Exponential Organization and Why You Should Want To

Exponential organizations are dominating the competition. Here's how you create one.

By Jacob Morgan  Author and Futurist  @JacobM

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**Enablers**

- Structural change
  - Holistic digital foundation
- Simulation and rapid prototyping
  - Ecosystem services
- Extend the organization
- Descriptive to prescriptive shift
  - Sense and Respond
  - Next Generation Experiences
- Adaptive core
- Systems of Engagement
- Core-edge integration
  - Automation of everything
  - Thinking differently.
The five external characteristics spell our SCALE:

S: staff on demand. Just like Uber doesn't actually employ its own workers, we're moving to a model where companies outsource most of their major work, which gives them more flexibility to adapt to market changes quickly.

C: community and crowd. Exponential organizations use collaborative means to build community and scale their work.

A: algorithms. UPS is a good example of a company using an algorithm to maximize its efficiency—in this case, finding the best routes for its trucks.

L: leased assets. Similar to having staff on demand, exponential companies have assets on demand and don't own much of what they use.

E: engagement. To create connectedness between the organization and the community, exponential organizations use things like digital feedback, incentives, and gamification.
The five internal characteristics show how to navigate an exponential organization's internal structure. They spell our IDEAS.

**I: interfaces.** These organizations have very customized processes for how they interface with customers and other organizations. An example of this is Apple's strict rules on what reaches its app store.

**D: dashboards.** To manage employees with a light weight and high touch, exponential organizations use real-time management systems and dashboards to measure business metrics.

**E: experimentation.** Exponential organizations operate like lean start-ups—they are constantly adapting, tweaking, and tuning their efforts to match external factors.

**A: autonomy.** Many exponential organizations streamline with a decentralized authority structure, which means no reporting structure or job titles.

**S: social.** Using collaborative technologies, these organizations manage real-time communication to keep all employees up to date.
“Does your business have an exponential component that could unblock your barrier to growth?”
# ExO Canvas

## MASSIVE TRANSFORMATIVE PURPOSE (MTP)
- Why does the organization exist?
- What is the purpose of the organization?
- What is the target of the organization?
- Do kids and grandmas understand it?

<table>
<thead>
<tr>
<th>INFORMATION</th>
<th>STAFF ON DEMAND</th>
<th>COMMUNITY</th>
<th>INTERFACES</th>
<th>DASHBOARDS</th>
<th>EXPERIMENTS</th>
<th>LEVERAGED ASSETS</th>
<th>AUTONOMY</th>
<th>ENGAGEMENT</th>
<th>SOCIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>What data do we have?</td>
<td>Can we build a cloud of external &quot;employees&quot;?</td>
<td>Is there an existing community we can leverage?</td>
<td>Can we build an API that connect our systems with the community?</td>
<td>Why do you need to have real-time data?</td>
<td>What do you want to learn and what experiments will you run to do it?</td>
<td>What type of fixed costs can we move off the balance sheet by renting them?</td>
<td>How can we reduce decision-delay or approval-chains?</td>
<td>What contests/promotions can be created to increase customer acquisition?</td>
<td>How will we leverage social technologies to improve communication (within our team/community/clients)?</td>
</tr>
<tr>
<td>What data do we need?</td>
<td>How could we have the best employees for each activity?</td>
<td>How will we turn external community into advocates?</td>
<td>Can we create a marketplace to drive growth?</td>
<td>What real-time data do you need to track/measure?</td>
<td>How will you measure the success of the experiments?</td>
<td>What processes can we outsource?</td>
<td>How can we avoid too much management and allow the staff to grow?</td>
<td>How can we leverage gamification to improve our products and services?</td>
<td>What social network/tools can we use?</td>
</tr>
<tr>
<td>How will we collect data for the algorithms?</td>
<td>How should we find and hire?</td>
<td>How will we create value for my community?</td>
<td>What systems will you use in order to measure that data?</td>
<td>What will you do with this data?</td>
<td>How can we encourage experimentation within the organization?</td>
<td>Is there spare capacity lying around which we could re-purpose?</td>
<td>Is there a framework/tools we could use? (OKR, Holacracy, etc.)</td>
<td>How can you make people use your product every day?</td>
<td>Can we use social tools to do some of the work for us?</td>
</tr>
<tr>
<td>Is the data we need available?</td>
<td>By using an agency? Direct? Local? Remote? Platform?</td>
<td>How can the community create value for my product?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How Does Spotify Know You So Well?

A software engineer explains the science behind personalized music recommendations.
The Secret of Airbnb’s Pricing Algorithm

The sharing economy needs machine intelligence to set prices

How much should you charge someone to live in your house? Or how much would you pay to live in someone else’s house? Would you pay more or less for a planned vacation or for a spur-of-the-moment getaway?

Answering these questions isn’t easy. And the struggle to do so, my colleagues and I discovered, was preventing potential rentals from getting listed on our site—Airbnb, the company that matches available rooms, apartments, and houses with people who want to book them.
AirBnB Nights Booked

Nights Booked

- Launch: 2008
- Introduced professional photos: 2009

2008 2009 2010 2011 2012

- 1 Million
- 2 Million
- 3 Million
- 4 Million
- 5 Million
Ryanair Passenger Numbers
4. Less “Carpe Diem”  
More “Festina Lente”
Scaling up is vastly harder than starting up. What is much more certain is that, as anyone who has tried, as I have, can tell you, starting up a venture is just the first baby step on a long hard trudge to scale up. But without the ability to scale way beyond start, all the blood, sweat and tears (and money) will be flushed right down the drain. *The Economist* does warn us that starting up a venture is back breaking, but that start is such a short leg of the journey: back-breaking during your first months is nothing compared to running the entire marathon with your startup-broken back. It typically takes a decade or longer, not months or a couple years, to build a venture of value, with any semblance of robustness and return. The few that pop through in a few years are by far the aberration. For that matter, Silicon Valley may be the aberration.
It´s OK to be Late

“Most of a tech company’s value will come at least 10 to 15 years in the future.”

– Peter Thiel, Zero to One: Notes on Startups, or How to Build the Future

If you bought one share of Google in 2004 at its initial public offering price of $85, then it would be two shares worth $1,575 today, taking into account Google's stock split.

That's a stunning 1,752.94% change, or about 18.5x.
How to avoid the venture capital trap

But entrepreneurship doesn’t work that way. It is the original get-rich-slow business.

I have met thousands of successful technology entrepreneurs running large and profitable businesses without the aid of the VIC. These founders are succeeding with their own money, customer relationships, and a healthy dose of luck. Many of these entrepreneurs founded a company out of frustration from working in an industry for over a decade, spent years building their company one customer at a time, owned all the equity themselves, and had profit discipline from day one.

Building your company this way gives you the flexibility to make mistakes along the way without the fear of your VCs pulling the plug. Sure, this way doesn’t get much press but it comes with control over how fast you climb, where you place your bets, and who and when you add to your team. As the saying goes, revenue is for vanity and profit is for sanity.
The Age of Startup Founders

The average age of people who founded the highest-growth startups is 45.

Percentage of founders by age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>All startups</th>
<th>Highest-growth startups</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 and younger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30–39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40–49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50–59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 and older</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Older Entrepreneurs Are More Likely to Succeed

The probability of extreme startup success rises with age, at least until the late 50s.

Change in the likelihood of success

Note: Y-axis represents the OLS regression coefficient for age variables, relative to a 20-year-old founder. “Extreme startup success” is defined as the top 0.1% of startups in employment growth over five years. Source: “Age and High-Growth Entrepreneurship,” by Pierre Azoulay et al., NBER, April 2018.
Intel acquires Dublin-based chipmaker Movidius

Acquisition represents ‘massive potential’ for emerging technologies, says Intel

Charlie Taylor, Eoin Burke-Kennedy

Movidius co-founders Seán Mitchell and David Moloney and chief financial officer John Bourke. Photograph: Cyril Byrne
Irish ecommerce firm Clavis Insight acquired by Ascential in €100m deal

The price paid for the company could rise considerably if it achieves strong revenues

Charlie Taylor

Clavis Insight founder and chief executive Garry Moroney
Trustev sold for $44m to TransUnion, company founded by butcher turned techie Pat Phelan

Cork firm focuses on online fraud protection

Trustev's Pat Phelan

Gavin McLoughlin
December 10 2015 2:02 PM
Bmw i8 Roadster driving Gym Bunny
1. Long Time needed for **Experimentation** to identify product market fit

2. **Deep sector knowledge** needed so you can’t be GAFAed

3. **Courage** needed when it starts to work, can you go for it?

4. Management skills needed to **simplify**. (Anyone can complicate)

5. Education needed. Either formal (Swanky Business School) or **informal** (YouTube)
5. Further Info
Joe Haslam on making the transition from startup to scale-up
Masters of Scale is an original podcast hosted by Reid Hoffman, Co-founder of LinkedIn and Investor at Greylock. In each episode, Reid shows how companies grow from zero to a gazillion, testing his theories with legendary leaders. Masters of Scale is the first American media program to commit to a 50-50 gender balance for guests. It won the 2018 People's Voice Webby for Best Business Podcast.

To listen to an audio podcast, mouse over the title and click Play. Open iTunes to download and subscribe to podcasts.

**Description**

How do companies grow from zero to a gazillion? Legendary Silicon Valley investor / entrepreneur Reid Hoffman tests his theories with famous founders. Guests include Facebook’s Mark Zuckerberg & Sheryl Sandberg, Netflix’s Reed Hastings, Google’s Eric Schmidt, Spanx’s Sara Blakely. With original music and hilariously honest stories, the show sounds like nothing you’ve ever heard. Masters of Scale is a WaitWhat original series in association with Stitcher.
Silicon Valley Scaleup

Scaling Silicon Valley Style

High Growth Handbook

Blitz Scaling

Siebelink, Gil, Hoffman
Small/Medium Enterprise Scaleup

Harnish, Belsky, Sutton/Rao
Physicist Geoffrey West has found that simple, mathematical laws govern the properties of cities — that wealth, crime rate, walking speed and many other aspects of a city can be deduced from a single number: the city’s population. In this mind-bending talk from TEDGlobal he shows how it works and how similar laws hold for organisms and corporations.

*This talk was presented at an official TED conference, and was featured by our editors on the home page.*
The Scaleup Checklist, How To Successfully Manage Growth.

Nine out of 10 startups fail but the rate of scaleup failure is even greater. Many founders manage to survive the initial startup phase only to fail much more dramatically once they try to scale up.

We need a different strategy for overcoming these high rates of failure, one that is based on the experience and the knowledge that can help overcome our human failings. This strategy is the checklist, the way to ensure that you do not omit the basics as you reach for the stars.

Coming in early 2019, Professors Daniel Corsten and Joe Haslam from the IE Business School in Madrid will publish The Scaleup Checklist, How To Successfully Manage Growth.
Thank you for listening!
If I can help you further?

I am Joe Haslam
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joehas@gmail.com

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http://twitter.com/joehas
https://angel.co/joe-haslam
http://joehas.tumblr.com