

Scale-up transition: Literature review and Brazilian health tech case study

TREO Talk Paper

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Abstract

Studies regarding technology entrepreneurship usually consider the challenges and pitfalls involved in the startup business phase. Considering a relevant portion of these businesses fail and do not grow to the next steps of development, current literature focuses on this phase. In this sense, this dissertation proposal aims to study strategies and business best practices for companies in the scaleup step, discussing which strategies and models better fit this kind of businesses. For this purpose, a theoretical research is being developed systematizing and evaluating the literature about the transition from startup to scaleup in tech companies. Then it shares a case study about the process of changing company stage, from trying to find product-market-fit, to scaling revenue and the organization. After the bibliographic study, it proceeds to tech.fit specific case study, identifying how it performs comparing to best practices and other case studies. Then based on the literature review, a research framework will be proposed and assessed through a case study.

The study may be classified as an exploratory qualitative-quantitative research, since it analyzes and problematizes the startup to scaleup transition of a healthtech Brazilian company, tech.fit, using primary data gathered from interviews and observation, and secondary data from internal and public documents, which include quantitative data. This company plans to double its revenue and heavily increase its headcount by the next two years and this paper focus in its case study. The success or failure of this venture, could lead us to hypothesis if the literature pre-conditions to scale are significant or not, and about which aspects are more important to the challenge of scaling a company, with a proved business model.

Literature suggests there are eight actions involved in the transition from startup to scaleup: establishing and keeping focus on the strategic positioning; developing new channels in order to grow operation; develop internal politics which allow maintaining appropriate customer service; developing a management team; develop internal processes and infrastructure; developing a sustainable financial management; developing adequate culture; creating a risk management strategy (Picken, 2017).

This study aims to answer: is tech.fit scale up strategy effective? Answering this question, we would be able to answer how the literature best practices place what is being implemented in tech.fit, systematize the literature about the transition from startup to scaleup, and compare this particular case with other case studies finding specific variables that may affect the startup to scaleup challenge.

Keywords: startup to scaleup, rapid growth, entrepreneurship in SMB, entrepreneur tech culture, business model, strategic planning.

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