

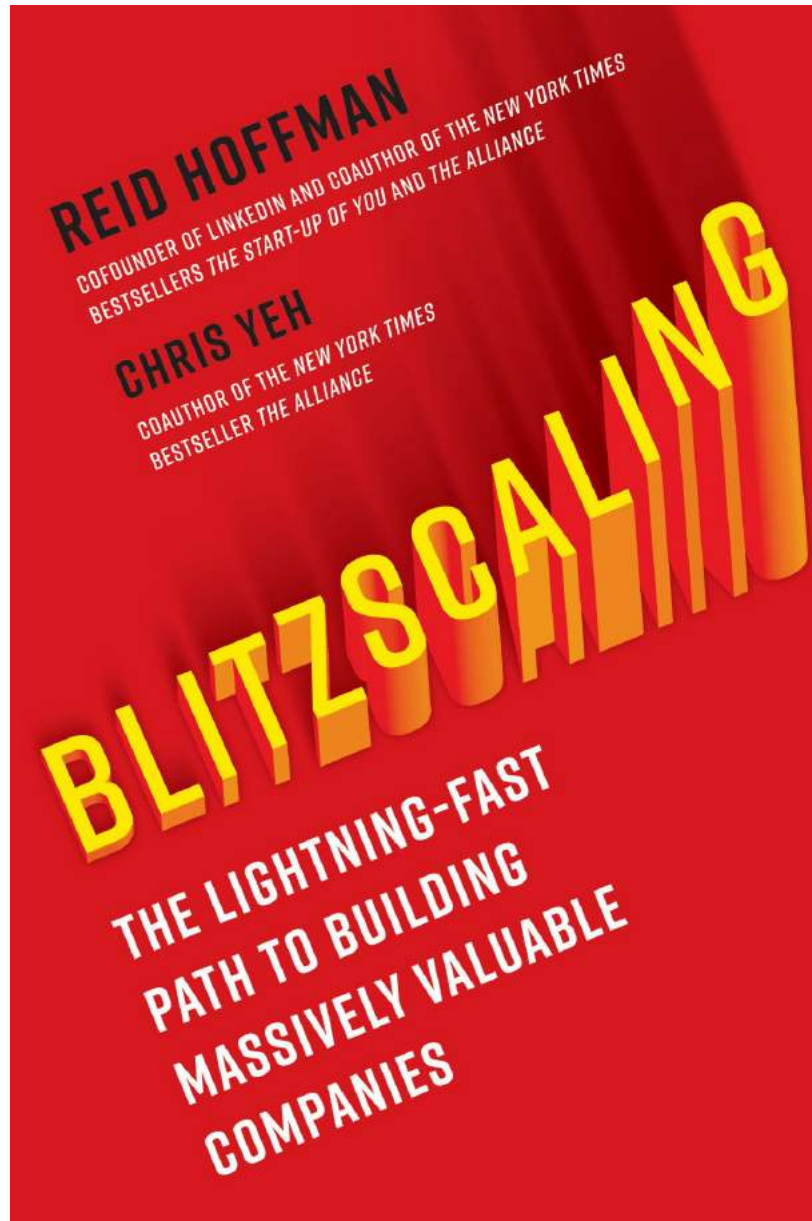
#1 InnoVisionDenmark

Presentation by Chris Yeh, Global Scaling Academy
Workshop 1, 15th Jan 2019 10 am at the IT University

Many thanks to InnoVisionDenmark partners:



15th Jan 2019



Chris Yeh
@chrisyeh



GLOBAL SCALING
ACADEMY



GLOBAL SCALING
ACADEMY

50x
Employees

94x
Customers

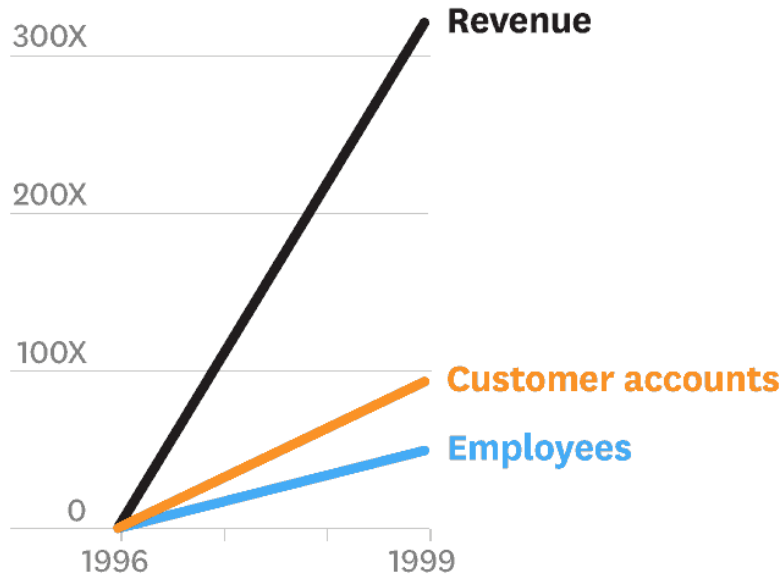
322x
Revenue



By the Numbers: Amazon

CATEGORY	1996	1999
Employees	151	7,600
Revenue (US\$)	\$5.1M	\$1.64B
Customer accounts	180K	16.9M

CHANGE OVER TIME



SOURCE PUBLIC FILINGS
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The Secret of Scaling

China



USA



Europe



The Secret of Silicon Valley

Silicon Valley



ORACLE



NETFLIX



China



Tencent 腾讯

Rest of USA

amazon



IBM

Europe



The Secret of Silicon Valley

Silicon Valley



ORACLE



NETFLIX



China



Tencent 腾讯

- There are many startup hubs
- There are few scaleup hubs
 - Silicon Valley: 4 Million
 - China: 1.2 Billion
 - Danmark: 6 Million

Rest of USA

amazon



IBM

Europe



Blitzscaling:

The pursuit of rapid growth by prioritizing speed over efficiency in the face of uncertainty.

How Blitzscaling Differs:

Uncertainty	Starting up	Blitzscaling
Certainty	Scaling up	Fast scaling
	Efficiency	Speed

Case Study: Google & AOL

- Deal announced May 2002
 - 85% of revenue to AOL, 15% to Google
 - \$150,000,000 guaranteed annual minimum
 - Google had less than \$15,000,000 in the bank
 - Competitors Inktomi & Overture were publicly traded
 - NASDAQ in free fall; would near 1,100 that Autumn (down from 5,000 in March 2000)

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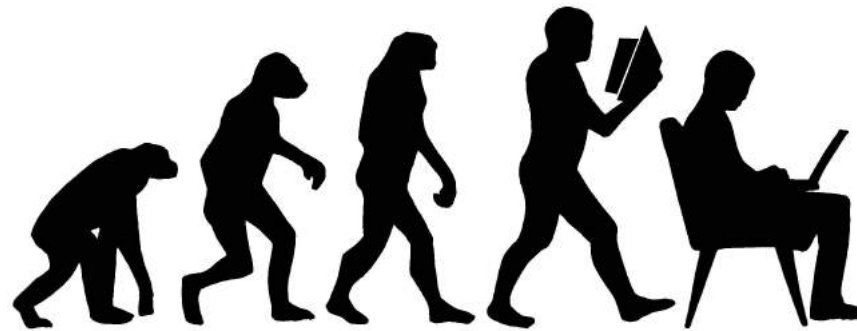
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- Google revenue in 2001: \$19 million
- Google revenue in 2003: \$347 million

When Should I Blitzscale?

- Growth Factors/Limiters:
 - Big Market
 - Massive Distribution
 - High Gross Margins
 - Network Effects
 - Product-Market Fit
 - Operational Scalability
- Can your competitors blitzscale?
- If these conditions aren't met, blitzscaling can rapidly turn into *blitzfailing*.

Stages of Blitzscaling

- Stage 1: Family (1s)
- Stage 2: Tribe (10s)
- Stage 3: Village (100s)
- Stage 4: City (1,000s)
- Stage 5: Nation (10,000s)



The Fuel for Blitzscaling

- Capital
- Talent



The Key Transitions of Blitzscaling

- Small Teams to Large Teams
- Generalists to Specialists
- Contributors to Managers to Executives
- Dialogue to Broadcasting
- Inspiration to Data
- Single Focus to Multi-threading
- Pirate to Navy

Counterintuitive Rules of Blitzscaling

- Embrace Chaos
- Tolerate “Bad” Management
- Launch a Product That Embarrasses You
- Let Fires Burn
- Do Things That Don’t Scale
- Ignore Your Customers
- Raise Too Much Money
- Evolve Your Culture

Is this relevant to my company?



GLOBAL SCALING
ACADEMY

\$10.7B

Revenue

17,000

Employees

\$20B

Market Cap



**GLOBAL SCALING
ACADEMY**









Challenges For Corporate Blitzscalers

- Focus on Predictability
- Career Incentives
- Unstaged Commitment
- Public Market Pressures

Advantages For Corporate Blitzscalers

- Scale
- Iteration
- Longevity
- M&A

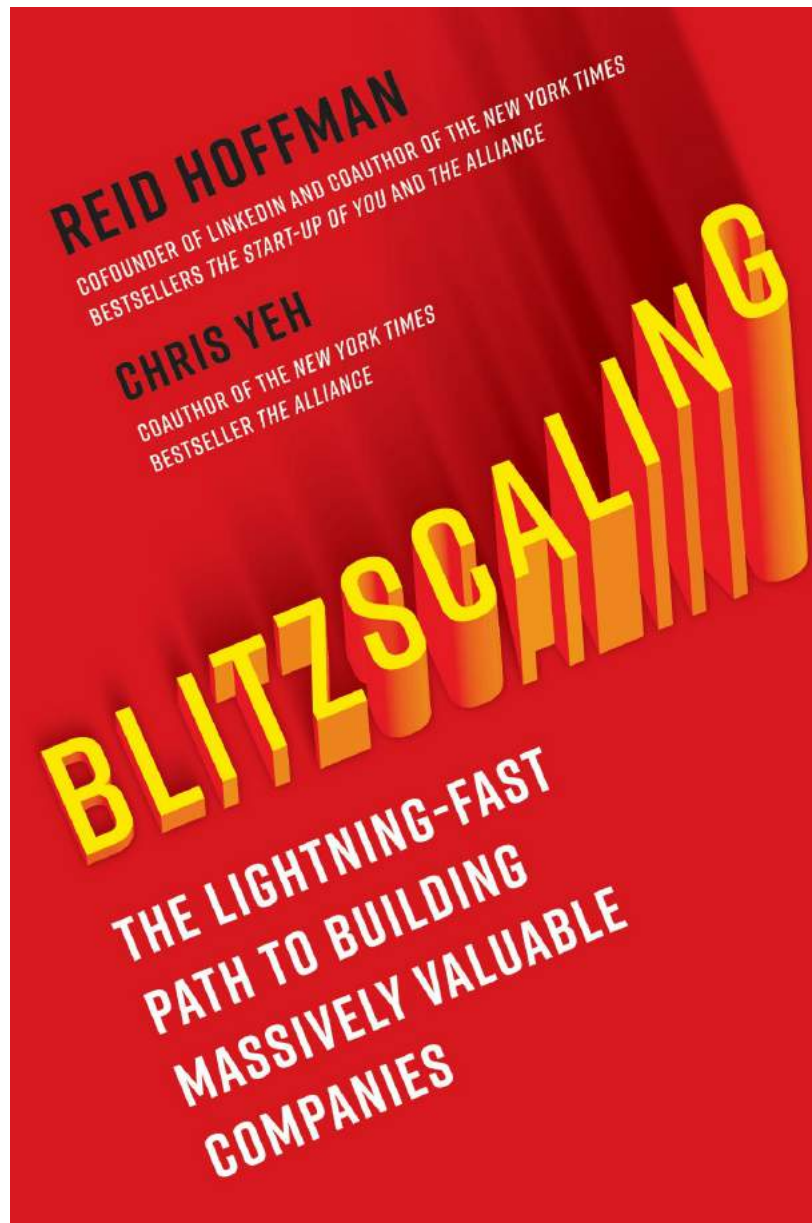
Blitzscaling inside your Corporation

- Separate, dedicated organization (but integrated leadership)
- A leader that can drive every element of the customer experience
- Capital, not operating budget
- An incentive system with “buy-in”
- Leverage venture capital(ists)



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