Like clockwork: what gears push growth-stage companies to the next level

Scaling the company is a temptation that growth-stage companies seem unable to resist. However, this road is not devoid of obstacles. Many other companies have already failed.

This information, which seems negative, is good news. The experience that has been accumulated can be capitalized on. The presence of a technology partner who has already gone through similar processes makes it possible to avoid making common mistakes and move ahead despite barriers along the way.

The company will need financing to reach new markets, exponentially increase the number of clients and the infrastructure, and assemble a huge team to support all these activities. There is no scaling without investment. The importance of having the right technology partner is evident in these cases. The partner can liaise with venture capital firms that are familiar with the partner's experience and have been involved in other transformation processes.

Focus and alignment

The next step will be keeping the team aligned with the primary objective. That will require good communication and a clear focus (otherwise, there would be no need to communicate!). All members of the organization must understand the company's future initiatives, what is expected of them, what results are expected, and what metrics will be used to determine the initiative's success and the corrective actions required. This does not mean that everything must be solved in-house: searching for the right partnership is also key to consolidating these points.

Products in the scaling stage can no longer be only innovative. They must also be highly agile to respond to any changes imposed by demand. They need to be tested thoroughly to guarantee they will support several concurrent users well above the usual. Essential considerations at this point are not only a roadmap that contemplates profitable growth, a comprehensive view and the resilience necessary to adapt to market reactions. The company's capacity to do all this in time and due form is also essential.

Infrastructure, processes, and culture

If the technology infrastructure were not conceived from the very start as a tool for scaling, it would have to be adapted to it. Even if this is an issue that is often taken into consideration, another one goes unnoticed until it creates a bottleneck: internal processes. Many companies are not prepared to support the new activity levels. A technology partner will bring order or even create those processes. These are a couple of examples: the technology partner will make traditional services available through digital platforms or develop applications to perform daily tasks effectively.

An even more complex barrier must be torn down: cultural change. A very close and passionate bond emerges naturally between the founders and the first collaborators of startups or companies. There is a shared feeling of "witnessing the project's birth." Scaling, instead, brings along a remarkable growth in the team and the incorporation of many "outside" people who will need to understand the energy, the motivation, and the values that keep the flame of the organization alive. This situation is highlighted by the consolidation of hybrid work models, where new members may be working even from a different continent. Again, the role of the technology partner may be essential to align the cultures and the purpose.

Each piece in its place

Each new talent that joins the team must understand the organization's vision and be aligned with its core values. Otherwise, there will be a cascade effect in recruitment, with new employees wholly detached from the company's original spirit. In that sense, solid leadership is required, capable of making a cultural infusion to every team member. As a virtuous circle, reinforcing the dissemination of values will attract better talent.

Another common problem with human resources occurs when the company hastens to hire new talent to cover new roles. Later on, when the stabilization stage begins, the staff is oversized.

The pieces we have mentioned in this text work like gears. They are all necessary to activate the others, and the scaling project will finally succeed. Again, a technology partner with the right experience will ensure that all the pieces fit together with a watchmaker's precision.
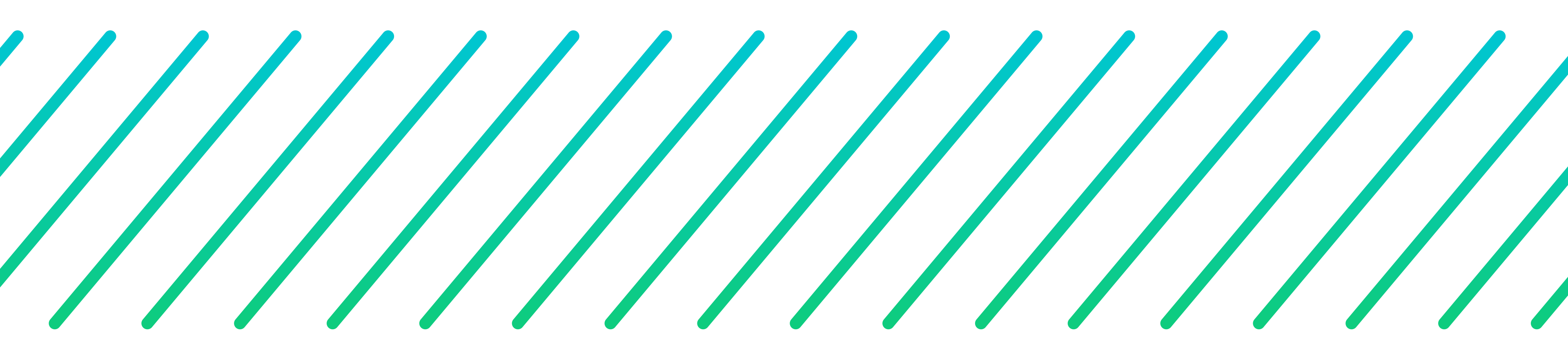
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