



THE CHARACTERISTICS OF A FAST-GROWING START-UP

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1. Introduction

In recent years the term “start-up” has become increasingly popular in terms of organizations that have caused disruption in the fields they operate in. They disrupt since they are able to rapidly double their growth rate time and time again based on their smart use of mainly Internet based information technologies. Moreover they are relatively new and quickly valued at a huge amount of money within a short period of time. This effective use of growth stimulating technologies, fuelled by the people who are as adaptive and innovative as their start-up, combined with the available resources, is causing trouble for the traditional organization (Ismail, Malone, Van Geest, & Diamandis, 2014). However not all traditional organizations have to cope with high amounts of information within their organization or industry, making it important to stress that not all traditional organizations are affected by these start-ups. The current configurations of the traditional organization are nevertheless not able to keep up with the pace set by the fast-growing start-ups. The way these start-ups are organized and operate is influencing the strategies of the traditional organizations, as they will launch products and services in their industries in a way different from the status quo.

In the Netherlands around 150 fast-growing start-ups managed in 2015 to collect over 400 million euro worth of investments to fund their businesses. These fast-growing start-ups are establishing their positions in the modern economy by being active in industries such as biotech, transportation and artificial intelligence (NRC, 2015). One of these new fast-growing start-ups is the taxi company Uber. With the use of artificial intelligence and smartphone technology, users of Uber can perform all the activities required for a taxi drive simply by using their Uber application on their smartphone. With the Uber app users can check for availability, request a driver, check reviews, perform the payment and even synchronize their personal music with their Spotify Playlists within the car. When Uber was launched in 2014 in Amsterdam, the traditional taxi organization Taxi Centrale Amsterdam (TCA) responded laconically and defensively by stating that Uber is simply a publicity stunt and that the government of Amsterdam would take care of banning Uber from the streets. Two years later however Uber has gained significant brand awareness and

market share and is even embraced rather than exiled by the local and national government (TCA, 2014).

Another example of a familiar fast-growing start-up disrupting a sector is Netflix. Netflix is an online streaming service that delivers on-demand entertainment. Rather than having to rent a movie in a physical entertainment store, Netflix allows its users to choose from a wide collection of movies and series to stream to their television, smartphone or tablet. Netflix gained worldwide popularity by promoting its service with a free trial for a 1-month period, allowing the audience to experience the promised convenience themselves (Pride & Ferrel, 2016). In the Netherlands alone 1.1 million people are currently using the services of Netflix and it can be considered a genuine player in the entertainment sector. The influence of such online-based and information technology led start-ups combined with the trend of illegal downloading disrupted the video-renting industry in the Netherlands. In the years between 2003 and 2013, the amount of video-renting shops from market leader Videoland decreased from 7.5 shops down to 2 shops per 100.000 habitants. Due to this significant decrease in stores and customer demand, Videoland was forced to sell the negatively performing physical stores. Videoland, at the time considered a traditional organization, had to redirect its strategy towards online streaming and in-house production of movies and TV series in order to avoid bankruptcy and stay competitive (Retail Watching, 2015).

The last sector that is discussed is the one of the newspapers. The newspaper organizations, also considered as traditional organizations, have been around for a long time without significant developments in its sector. In the last decade, however, they are fiercely challenged by the up-march of digital information. In the Netherlands the profits from advertisements in newspapers decreased during 2002-2011 by 50%, seriously affecting the profitability of these organizations. Besides the decreased amount of organizations buying-in advertisements in the newspapers, the newspaper companies are also struggling with decreasing subscribers to their newspapers. When comparing the year 2012 with that of 2008, each of the top 3 leading newspapers, based on the amount of subscribers, had seen this declining trend (Akkermans, 2012). In the year 2014 a start-up emerged that could possibly provide

the newspaper organizations with opportunities to gain profits from outside of their standard profit models.

A Dutch start-up, named Blendle, developed an online platform on which users can buy a single article via micro transactions (0,25 – 1,00 euro) that might be of interest to them (Andreotti, 2015, 232). By being able to read only what is of interest for the user, allowing a free trial of € 2,50 to spend freely and having the possibility to get the transaction reimbursed if one thought the article was disappointing, Blendle managed to get the attention of the Dutch reader and of the newspaper organizations worldwide. This fast-growing start-up is currently occupied with settling agreements with newspapers in Germany and the United States so that it can expand its platform to those countries (Somaiya, 2015). In order to prevent all the subscribers of the newspapers to only visit kiosk platforms such as Blendle to view their articles, it will be important for the newspaper organizations to re-think their traditional configuration and start to incorporate elements of the modern, digital society.

1.1 Problem statement

These examples have shown fast-growing start-ups are here to stay. They have proven to be able to affect a sector or industry significantly. This phenomenon of start-ups disrupting industries and sectors is occurring across the world and therefore also in the Netherlands. Even though their ability to disrupt an industry or sector, there has been limited research conducted with regards to these fast-growing start-ups. There has been research conducted; but these were mainly U.S. based. This research will focus on the discrepancy between the old and new way of organizing and operating in the Netherlands, as by doing so insights will be acquired which will contribute to the further development of theory that covers the way fast-growing start-ups are affecting industries and sectors within the Netherlands.

1.2 The goal of the research

The scientific purpose of this research is to gain insights into fast-growing start-ups. The practical goal is to provide traditional organizations with a set of possible recommendations for adaptation to this new form of organizing and operating.

1.3 Research question and sub-questions

The main research question is formulated in the following way:

“What are the characteristics of fast-growing start-ups in comparison with traditional organizations in the Netherlands?”

In order to answer the previously mentioned research question, sub-questions presented below are formulated.

- *Sub question 1. How are traditional organizations organized?*
- *Sub question 2. How do traditional organizations operate?*
- *Sub question 3. How are fast-growing start-ups organized?*
- *Sub question 4. How do fast-growing start-ups operate?*

1.4 Scientific and practical relevance

The relevance of this research is to provide a contribution to the theory development of fast-growing start-ups, based on the fact that up until now there has been a limited amount of empirical research about the effects of these start-ups in the Netherlands.

Furthermore there is limited amount of empirical information available that describes the characteristics of a fast-growing start-up. Apart from several commercial websites promoting their own products that facilitate the beginning of a start-up, it appears that this type of organization is rather underrepresented in the scientific literature and requires more elaboration. In order to fill this gap, additional research with regard to what these start-ups are all about is required. This research will focus on contributing to the theory about start-ups in finding the characteristics that are unique to fast-growing start-ups in the Netherlands. Compared to the scientific relevance of the research, there is also a practical relevance. This focuses on providing possible recommendations for traditional organizations that operate in sectors in which fast-growing start-ups might pose a threat. With these recommendations traditional organizations can anticipate and prepare themselves for the potential effects in their sector caused by these start-ups. The traditional organizations will be better aware of the potential disruption that might take place in their industry or sector. Instead of facing losses or even bankruptcy, such organizations might even be able to go along with the trend and gain additional benefits from doing so. It is all about the question whether traditional organizations can use the characterizing factors of a fast-growing start-up for their own benefit.

1.5 Outline of the research report

After this introduction as presented in the previous section, chapter one, the theory concerning the concept is presented in chapter two. Chapter three elaborates the methodology and operationalization related to this research, followed by chapter four and five that respectively present the results and discussion of the research.

2. Theory

2.1 Growth theory

2.1.1 Growth explained

The growth of a firm plays an important role in any kind of organization. As the world changes continuously so does the competitive landscape. With these changes organizations have to keep trying to meet the objectives they have set for themselves. Organizations grow because of changes in their objectives. These changes in objectives can be influenced from both internal and external pressures. Such external changes might come from requests and demands of prominent stakeholders of the organization or from unexpected opportunities that might present themselves. On the other hand, organizational objectives are also changed from within, based on new knowledge accumulated by organizational experiences and learning. These changes will lead to restating the objectives of the organization. If an organization has difficulty in making such adaptations, it may result in a critical period in their growth process during which its existence might be threatened. However, when an organization is capable to restate its objectives it often translates into growth. The members driving the organization may decide to change the objectives so that the organization pursues more of the same activities, resulting in expansion, or formulate totally new objectives, resulting in diversification. Either way, whether an organization grows by means of expansion or diversification, it needs more staff, material resources, financial capital and a revised infrastructure (Padaki & Vaz, 2005).

This is in line with the definitions that describe what growth actually is. According to Padaki & Vaz (2005) growth can be explained as the increase in scale or range of activities to be able to meet changing objectives. Similarly, Coulter (2001) defines growth as the increase in the level, amount of type of work and outputs in the firm, which involves expanding, enlarging or extending what the firm does. Growth is thus about increasing the activities that an organization is performing and consequently its output. The way this occurs can differ per organization. Bjerke (2007) contributes by making a useful distinction between growth, expansion and ‘gazelles’.

With growth a significant increase in sales or number of employees is meant, this growth occurs after the start-up of the organization. Expansion focuses more on a controlled yearly increase in market share after the initial phase of growth. The last group are called ‘gazelles’; these are a metaphor for organizations that are able to perform an extraordinary large growth of jobs or sales on a yearly basis. Due to their relative rare occurrences and the unique capabilities that allowed them to grow so extreme make them the exception rather than the norm (Bjerke, 2007).

2.1.2 Route to growth

With having defined what growth actually entails, more light is now shed onto how growth is actually achieved. In order to be able to grow and benefit from a presented opportunity an organization is dependent on the resources that are required in order to perform the activities that can take hold of the opportunity. The organization is not only dependent on the resources it already owns but also on its capability of mastering or collecting additional resources that are not yet owned but are deemed required. This requires a strong vision and ambition of the management as it determines the ability of the organization to acquire the resources needed to realise growth. For example, management can set an objective to reach a certain revenue that year, allowing the organization to obtain enough capital so that it can acquire a competitor that in turn might possess the resources required for the organization to grow (Penrose & Pitelis, 2002).

There are cases, however, in which management does not have to search far for additional resources that might allow the organization to grow. Besides taking over another company, resources can also be found within the organization such as, for example, the knowledge that is created by individuals and teams. The knowledge created by organizational members is often neglected (Penrose & Pitelis, 2002). Their knowledge nevertheless is usually rich in information as they think about future activities and areas of improvement for the organization. When their knowledge is neglected, opportunity cost occurs as possibilities for growth based on this new knowledge are being ignored. If an organization masters the capabilities needed to exploit such unused resources such as this kind of internal knowledge, additional growth opportunities can become apparent to the organization.

Next to the internal pressures thrusting growth, there are also those factors outside of the firm that play a role. In the paper of Miozzo & Divito (2016) 18 British and 17 Dutch firms are researched to understand the different paths and speed of early growth. Their focus was mainly on science-based firms, however their study provides relevant insights into how the institutional setting of a country can stimulate new start-ups to grow. Similar to Penrose & Pitelis (2002), Miozzo & Divito (2016) identified different paths that unfold either in rapid growth, gradual growth or even declining growth. Miozzo & Divito (2016) focused mainly on the external environment and concluded a significant role in how institutions, such as intermediaries, help new start-ups to develop their organization. Technology Transfer Offices (TTO) are intermediaries that help start-ups with raising funds from capital investors and assist in developing a functionally diverse management team. According to the paper of Miozzo & Divito (2016) in environments and industries where such offices are available and have a strong presence, they appeared to be a determinant for new start-ups to grow rapid. Even though Miozzo & Divito (2016) may have found evidence of the external environment playing an important role for the growth of a start-up, Chorev & Anderson (2006) found contrasting evidence. Based on their research in which they surveyed 70 high-tech new ventures in Israel they concluded that external factors influencing the firm such as the economy, politics and the general business environment were proven to be of least importance in explaining the growth of a start-up. The most critical factors explaining the growth of start-ups in Israel were internal factors such as the idea of the start-up, their strategy and the founding's team commitment and expertise. In the category between "critical factors" and "least important" they identified factors such as customer relationships and overall management also to be important but not critical.

2.1.3 Pattern of growth

According to Penrose (1995, 9) a firm can be defined *"as an administrative organization and a collection of productive resources with a general purpose to organize the use of its own resources with resources acquired from outside the firm for the production and sales of goods and services at a profit. These resources are considered to be essential in order for the personnel to execute its plans and achieve its objectives while being bound together by a kind of structure"*.

This definition shows the richness of an organization, meaning that it is important to realise that every organization is a unique configuration of the above-mentioned parameters. This means that not every type of organization will go through a same pattern of growth or might not even pursue any growth at all.

To get a better insight into how an organization can grow overtime, the pattern identified by Penrose & Pitelis (2002) is discussed.

1. Prospecting

In this first phase an organization is occupied with identifying potential opportunities and new activities that might be beneficial for the organization.

There are three ways of doing so, namely (1) with a lengthy prospecting phase, (2) an accelerated prospecting phase or (3) with no prospecting phase. In the case of a lengthy prospecting or searching phase organizations often do not manage to turn their ideas into innovations or actual useful products or services for the organization to grow. The organization is unable to identify what resources are needed and lacks know-how to put these resources in place so that it can harvest the opportunity. According to Penrose & Pitelis (2002) such a failing project driven by uncertainty can still be saved if an experienced business manager with an entrepreneurial background is appointed. As with an experienced entrepreneur it might still be able to provide a sense of direction and align the required resources with the opportunity at hand.

In contrast to the lengthy prospecting phase an organization can go through an accelerated preparatory phase. This can be achieved when managers are trained to be entrepreneurs of their own innovations and projects. This means that they are capable of providing direction, sell their idea or innovation throughout the organization and are supported by the top management to do so. The organizational structure should allow them to operate in this way, making it possible to move into the next phase, namely resource mobilisation, with a relatively fast preparatory phase.

In the extreme case an organization might not even need a prospecting phase at all, or at least at a minimum level. This is identified at Internet driven technological organizations. These kinds of organizations soar through the search and select phase

of opportunities for growth, usually because they only need or already have a singular idea that allows them to grow. In their case however, timing places a considerable role to whether or not their idea is accepted or not.

2. Resource mobilisation

Similar to prospecting, organisations differ with respect to how they are capable of mobilising the required resources needed to grow. A number of organizations are not only able to resolve prospecting problems early on but can also mobilise resources very efficiently. For example in the case of a prototype product or a new service the project leader might already during the development start investing time in contacts and use his or her expertise to mobilise resources for the next phase.

A good example is the ground of Silicon Valley, the high-tech campus in San Francisco at which Google, Apple and other tech organizations have installed their headquarters. In this region there are firms active that are specialized in helping organizations to grow and develop potential ideas and opportunities. These firms are also capable of designing and setting up the required production facility to help lower the time to market an idea of innovation. Penrose & Pitelis (2002) mention that this rapid mobilisation of resources is more common in organizations that have acquired experience in developing and putting new products and services into the market over the years.

In contrast to the organizations that have mastered the capability to mobilize resources early on, there are those that are considered to be slow in doing so. Some organizations are unable to become productive in terms of growth until each of the required resources has been secured. Their organizational infrastructure limits and slows down the organization in mobilizing resources that are required for the desired new output (Penrose & Pitelis, 2002). Large bureaucratic organizations for example can suffer from inertia and making them rigid and therefore it takes a longer time before an innovation or opportunity is brought to the market.

3. Managing growth

After the organization has prospected the potential activities it can perform and has mobilized its resources to start the growth, it is important to discuss the third and final

phase, managing the growth. The founders or leading managers of the organization should be aware that coordinating and planning the growing organization requires an intensive effort. Due to growth the organization becomes increasingly complex, making it more difficult for those in charge to assess and gather knowledge, consequently slowing the rate at which decisions are made.

Moreover, an initial growth phase of an organization can affect organizational members in a motivating manner as they experience the arousing feeling that their efforts are rewarded. However as mentioned earlier, with growth comes increased complexity. An organization reacts in an attempt to make the organization less complex by imposing routines and standardizing tasks.

These routines however combined with the decreased arousing feeling caused by the initial growth results in the decline of motivation and commitment among organizational members meaning that they feel restricted in performing their roles (Penrose & Pitelis, 2002).

2.1.4 Limits of growth

Growth influences an organization in several ways. First of all it usually comes with an increased demand for staff such as managers, preferably experienced ones. Moreover it introduces the problem of co-ordination as new activities and operations are presented that require monitoring and evaluations. Last but not least, the organizational structure requires a revision based on changes in activities and responsibilities mentioned earlier, and with it the corresponding hierarchical changes (Penrose & Pitelis, 2002).

Because an organization is influenced by growth in these particular ways, it is assumed that it can only grow to a limited extent at any given time. As mentioned earlier on, coordination requirements and the mobilization of resources are needed to facilitate growth. Moreover, a mismatch has to be identified between the activities that are being performed currently and the potential productive activities that could be performed, creating a window for growth. If the managers of an organization are not able to identify this misfit between the current and potential activities it leads to a self-limiting growth situation. Moreover, if an organization is rigid and not able to get the right resources into place it faces planning delays and coordination problems as

the organization tries to grow. This lack of flexibility means that internally a break is set on the rate at which opportunities can be pursued for the benefit of the organization. In addition, disputes at top management levels with regard to decision-making for the future of the organization can limit a firm's capacity to grow. These disputes might hinder the affective mobilization of resources that are required to keep growing, meaning that the growth of the organization might eventually come to a complete standstill. This is considered to be dangerous for the organization, as according to Penrose & Pitelis (2002) in the case of a stalling growth, important resources and potential opportunities might become unavailable and can even put the organizational growth into reverse.

2.2 Start-ups

In 2015 163.000 new organizations were started and around 100.000 existing organizations declared to stop their operations in the Netherlands (CBS, 2015). According to the newspaper NRC (2012), the chances of surviving the first five years of operations are to be estimated at 56%. These figures show the high amount of organizations starting and ceasing to exist. However, not all of them are unit of analysis for this research. Even though the starting of a new organization can be interpreted as a start-up, a distinction is made in this research between a 'new organization' and a 'start-up'.

Start-ups are organizations that have managed to develop a distinctive pattern of growth. It is therefore important to get a better understanding of what a start-up actually is. The start-up organizations differ significantly with regard to their age, number of employees, profits, revenues, markets etc. This might be the reason why currently there is no clear-cut definition available that defines what a start-up organization actually is beside the imaginative jeans wearing youngsters in a garage working on a game changing innovation, referring to Steve Jobs in his early days.

As stressed before, it is important to mention that this research makes a distinction between the starting of a new organization (traditional start-up) and those of the modern economy (fast-growing start-up). Not every organization that is started today can be considered a start-up in the terminology that will be used in this research.

In the magazine Forbes (Robehmed, 2013) one of their journalists gathered the opinion of CEO's of different start-ups with regard to what a start-up actually is.

One of the definitions given seems to grasp the most complete idea of what a start-up is. The CEO of HomeJoy, a housecleaning start-up, described it as an organization in which new members throw overboard stability and get in return the promise of growth and excitement by immediately impacting the field in which they operate (Robehmed, 2013). In addition to this description, the Dutch Bank ING (2015) described a start-up as an organization that puts the focus on searching or engaging in business plans that can be scaled in such a way that it stretches all over the globe. Finally, Ismail et al. (2014, 18) define a term similar to a start-up, the exponential organization as “*who’s impact or output is disproportionally large-at least 10x larger compared to its peers - because of the use of new organizational techniques that leverage accelerating technologies*”.

For this research the term fast-growing start-ups is used so that the distinction between a new organization and one that grows exponential is clear. When focusing on the characteristics of fast-growing start-ups, in comparison to traditional organizations that grow regularly between 0 and 15% (Flamholtz & Randle, 2016, 106), it has to be clear what is meant with the term fast-growing start-up.

Looking at the different descriptions provided earlier on, elements such as promise of fast growth, globally scalable business plans, growth accelerating technologies (see p.16 for further explanation) and the use of new organizational techniques provide a basis for a comprehensive definition as presented below.

Fast-growing start-ups are defined as “*start-ups designed to scale very quickly (at least 15% growth per year compared to their peers) with their focus on global growth, unhindered by their geographical base and fuelled by new organizational techniques and accelerating technologies*”. A selection of the fast-growing start-ups launched worldwide eventually becomes so-called Unicorn start-ups. These Unicorn start-ups are defined as start-ups that are valued at 1\$ billion or more. These start-ups are considered best practices as they have managed to develop their initial start-up into a large, global organization. An example of a Unicorn start-up is Uber. As explained in the introduction, Uber offers a cheaper form of transportation compared to regular taxi organizations as they make smart use of available technology. Uber is considered to be the worldwide leading Unicorn start-up as it was founded in 2009 in San Francisco, and currently operates in 52 countries and is valued at \$ 62 billion. Besides Uber there are many

other start-ups that have managed to do so, for example AirBnB, Snapchat and Pinterest (Fortune, 2016).

2.3 Organizing principles

In this section more light is shed onto the organizing principles of fast-growing start-ups. It is important to mention that there are more organizing principles recognized in the organizing literature beside those that are presented in following paragraphs. For this research however the principles composition, autonomy and the staffing of an organization are selected. These principles are selected as for both the traditional organization and start-ups they are considered most important to achieve growth.

2.3.1 Composition

The team(s) of a start-up is considered to be of critical importance as it serves as a base for future operations. Their attitudes and abilities are considered to be paramount for the potential success of a start-up (Chorev & Anderson). The way such a team is organized can influence the performance of a start-up and should therefore be closely reviewed. It is important that each of the team members are on board for appropriate reasons, rather than joining up solely for the money or their ego. Furthermore teams should have certain characteristics. According to Ismail et al. (2014) the successful characteristics of the teams behind fast growing start-ups are mutual passion, enthusiasm and the ability and eagerness to learn. Some of these characteristics are also acknowledged by Allen (2014, 176) and Chorev & Anderson (2006), as both state that the lead entrepreneur and the members should share the same vision and that the team members are just as passionate as their leader about the proposed vision and will do their very best making it happen. The statements of Ismail et al. (2014), Allen (2014) and Chorev & Anderson (2006) can be related to a study based on criteria investors maintain to invest in new start-up ventures. Sudek (2006) researched investors that are a member of the Tech Coast Angels network. This network consists out of a group of angels; angels in this case are considered to be wealthy individuals that have experience with building a business and are known for their ability to provide financing for new start-up ventures. Sudek (2006) made use of observations and surveys to gather data from 173 of these so-called Angels. One of the conclusions based on this data was that the passion of the management team of the start-up emerged as the most important criterion. Even when the management team lacked experience in the field they were operating in, investors were still eager to invest as

long as the management team showed passion and enthusiasm. According to Sudek (2006) this might be because start-up success is perceived difficult and when a management team lacks passion and enthusiasm they might be less likely to succeed. Thus to conclude, Sudek (2006) found that these angels link passion and enthusiasm to traits as engagement and commitment, making them more interesting to invest in as in their mind it translates into business success.

In addition to these characteristics of a successful team, the composition of a team is also important. The focus of composing such a team should be on four different roles. These roles are respectively (1) Visionary, (2) User Experience Design, (3) Programming and (4) Sales.

The visionary has the leading role in the story as he or she comes up with the vision for the start-up and ensures that the rest of the team is familiar with it. The importance of this role is confirmed in a study performed by Stuart & Abetti (1987). In their 68-item questionnaire conducted among chief executives from 24 new technical start-ups a significant correlation was found between the initial success of a start-up and the presence of 'intrapreneurs' within a start-up. Even though a different term was used, namely intrapreneur (referring to an entrepreneur but only operating within an existing start-up), it shows significant overlap with that of a visionary role as mentioned earlier on. In alignment, Kakati (2003) also identified the importance of visionary or entrepreneur as a determinant for success in organizations. This was concluded based on a research among 27 venture capitalists in which they were asked to describe the characteristics of their most successful ventures. The visionary is believed to develop resource-based capabilities and will help push through his idea, service or product from the initial phase onto the market.

The second role is all about managing the customer relationship and making sure that the needs of the users of the service or product are known and used in the offering. This can occur for example via a community in which the user plays an important role in the feedback loop. The importance of this role is not only stressed by Ismail et al., but also by Chorev & Anderson (2006) and Kakati (2003) as they also found evidence that customer relation plays an important role in explaining the success of new tech-

oriented ventures. Kakati (2003) for example concluded from his research that it is not necessarily the unique product or service a start-up might deliver to the market but foremost the ability to meet the unique requirements of customers that is considered to be a determinant for success. The third role, programming, is responsible for putting the service or product together in the digital world. With the use of available technologies the programmer translates the ideas of the visionary and the feedback of the customers into the final or updated product. Finally the fourth role, sales, is all about making the organization profitable and setting up supply and sales channels with suppliers and customers (Ismail et al., 2014, 159).

2.3.2 Staffing

A traditional organization is often organized with a core of permanent staff that is supplemented with flexible workers to achieve its operations. This helps organizations to perform in a steady manner, mostly common in sectors such as shipping, mining or construction. These sectors are considered to be equipment- and capital-intensive industries and are therefore less able to harvest to the potential opportunities that arise in for example information-enabled sectors (Ismail et al., 2014, 60). Over the past few years a new category of workers has risen up and have become available for entrepreneurs and organizations active in such sectors. By being connected to the Internet, these so-called Crowdsources, widely available, compete among each other forcing them to offer their services and skills for reduced prices. These Crowdsources have become active in Graphic Design, Banner Ad Creation, Professional Writing and Market Research and it is believed that other work categories will soon follow (Deeb, 2013, 62). By making use of smart staffing concepts such as staff on demand the manoeuvrability and flexibility of the organization is enhanced. These latter mentioned characteristics are of vital importance for an organization operating in a fast-changing environment.

2.3.3 Autonomy

In fast-growing organizations it is important to grant autonomy towards staff members. This is completely opposite to what traditional organizations are trying to achieve, as they tend to use classic hierarchical structures that optimize efficiency rather than adaptability. With granted autonomy is meant that authority is decentralized, shifting the decision power from the vertical hierarchical levels to a more horizontal line. An organization based upon self-organizing multi-disciplinary

teams is believed to be more effective as it increases agility, efficiency, transparency, innovation and accountability within an organization (Ismail et al., 2014, 109). Beside the positive contributions towards the organization, autonomy is also considered to be a motivating factor for the staff. Beside Ismail et al. (2014, 109) stating that autonomy within an organization can enhance morale, Kidder (2012, 147) and Wasserman (2012, 32) add that autonomy motivates staff, as it allows them to make a difference within the organization and contribute to its future direction. Creating these empowered teams might create challenges for accountability, for example with regard to their performance. With the use of a concept called peer accountability, hierarchies are still in place; the focus however is less on the attributed authority of one's function. With peer accountability the authority is more based on what somebody knows and what competencies he or she might possess than solely their position within the organization.

2.4 Operations

Besides maintaining several organizing principles as a foundation for a fast-growing start-up, the way it operates is also an important factor. According to Klososky (2011, 2), an organization can gain great benefits when it masters itself to leverage and operate new information-based technologies. In the following paragraphs several technologies and modes of operating common for start-ups are discussed.

2.4.1 Accelerating technologies

The groundwork for being able to use information technology in personal and professional lives has been laid down in the previous decade when Moore's law was introduced. In the year 1971 Moore's law stated that the price – performance of computation would double down every eighteen months (Ismail et al., 2014, 118). Kurzweil (2005) also acknowledges this doubling down of costs for digital performance and mentions that with it the costs of sending and receiving information simultaneously and exponentially decreased. He also states however, that even though today this exponential development of technology still holds, it is expected that Moore's law reaches its limits around the year 2024. There are several reasons why this law is living up to its expectation, one of them being that changes in industries and domains lead them to be more and more information enabled. Another reason that can explain why Moore's law is so accurate in predicting the development of technology is that the newer technologies are used to research and enable the future

technologies, introducing a doubling pattern. The developments that occurred based on Moore's law can be considered responsible for achieving the state of the art technologies that are observed nowadays. These technologies, such as artificial intelligence, BigData, 3D printing and nanotechnology, can help new and existing organizations overcome challenges or help them enhance daily operations (Ismail et al, 2014, 119).

2.4.2 Social technologies

The workplace is becoming more and more digitalized. In the 90's there was an increased implementation and utilization of e-mail, allowing employees to communicate with each other digitally. When using e-mail however, there is a lag involved because you send information but do not necessarily receive something in return right away. After the introduction of e-mail platforms such as the intranet became available for organizations. Intranets provided information sharing allowing both the employer and the employee to communicate via that platform. Such social technologies can be explained as instruments to communicate with each other based on technological advancements, as it is nowadays possible to communicate both digital and real-time, opening up new opportunities for organizations to enhance communication practices. According to Ismail et al. (2014) the ultimate objective for an organization is to achieve lower information latency. Latency means the time before information is accessible and implies that the time between a proposed idea, the acceptance and review of that idea and the eventual implementation. Ideally the latency should be low, so that information is directly accessible and decisions can be made quickly. Social technologies that can be used in an organization are (1) activity streams, (2) task management, (3) file sharing and (4) videoconferences. An activity stream is a list of recent activities performed by an individual, in this case an employee. Facebook for example was built upon activity streams, showing activities of individuals to be read and liked by other users. This can also be used in organizations, showing the activities executed by the organizational members. The second technology mentioned is task management. Task management helps employees with managing their tasks, for example with the use of to-do lists. Software can help digitalize these to-do lists and allows management to enhance productivity by linking realistic and challenging goals to the digitally available to-do lists. File sharing and videoconferences respectively are about sharing files live

among each other with the use of software such as Dropbox or OneDrive and using software to contact each other with a live video feed such as Skype. These four tools are all information technology based and allow for an organization to create transparency, connectedness and decreases the lag time of an organization when exchanging information. Beside these four tools proposed by Ismail et al. (2014), Bradley & McDonald (2011) identified another important tool, namely Social Media. Efficient use of Social Media can also be an important tool for enhancing daily operations. They argue that organizations can use social media to go beyond communicating solely with its employees and that it can be used to interact with suppliers, customers and stakeholders, creating a so-called 'social organization'.

2.4.3 Assets

Fast-growing start-ups are using assets in a different way, by rather than owning them they rent, share or leverage assets. Renting assets however is not considered an innovative idea as it has been occurring for decades. Organizations that are involved in leasing assets however usually tend to do so for so-called non-mission-critical functions or for heavy expensive machinery. Due to affordability and accessibility of information technology, start-ups are able to access and rent assets all over the globe while not losing their coordination and monitoring abilities over these assets. An important reason for start-ups to not own many assets themselves is that by doing so they can maintain their flexibility and re-allocate resources on scaling quickly (Ismail et al., 2014, 75). Kerrman (2015, 12) contradicts Ismail et al. (2014, 76) by stating that a start-up business should have no assets at all. He describes assets as heavy, capital intensive machinery or patents and computer codes that are mainly used in the old-economy to get business going. Within this current information-enabled environment however all activities should be, if possible, outsourced. Ismail et al. (2014, 77) stress, however, that certain assets should not be outsourced, for example when an asset is rare or extremely scarce. In such a case ownership is recommended. An example to back that argument is Tesla that does not outsource its production but owns its own factories, as it is a unique process compared to Apple that outsources its Smartphone production process that in a way is similar to that of Samsung.

2.4.4 Monitoring

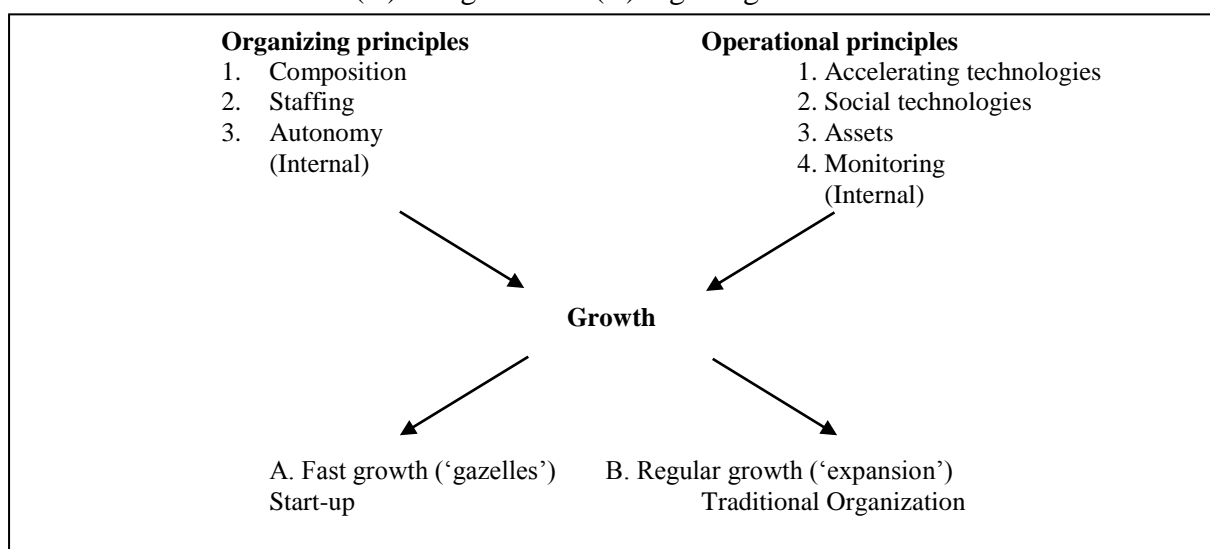
For an organization to track its performance, it is important to monitor the progress that is being made. The progress can be monitored in a so-called performance dashboard. According to Eckerson (2006), the use of a dashboard allows an organization to put its vision and strategy into objectives, metrics and initiatives tailored to each individual and group in the organization. Being able to measure the development of an organization is of special importance of a start-up. With the use of a dashboard the organization allows to track (1) critical growth drivers in real time and (2) create a control framework to manage fast growth (Ismail et al., 2014, 90). A dashboard is based on KPI's (Key Performance Indicators). These KPI's give an insight into aspects of organizational performance that are critical for the current and future success of an organization (Parmenter, 2007).

The use of KPIs however is no longer considered as the standard measure performance. The main critique on the use KPIs is that they are determined top-down rather than bottom-up. In a start-up organization autonomy and self-regulations are considered to be important aspects and therefore a more bottom-up approach is favoured. Bloom (2015, 98) offers an alternative to KPIs, based on a concept that was used at Intel and later at Google. He argues that OKRs (Objectives and Key Results) should be used rather than KPIs. OKRs are determined and entail both qualitative and quantitative metrics. By collecting the OKRs from each of the employees into an internal network a quarterly overview is produced revealing the performance of the employees and the organization. Ismail et al. (2014) acknowledges the option of OKRs over KPIs due to its bottom-up character and the fact that it allows organizations to manage fast growth. This fast growth can be managed due to a tight control framework in which real-time dashboards and OKRs are integrated.

2.5 Conceptual Model

The internal activities in this research have been captured into organizing principles (1), describing how the organization is organized and operations (2), describing how the organization operates. The external environment such as shareholders, institutions and governmental pressures are, despite of their potential influences, out of the scope of this research and are therefore maintained constant and are not included in the conceptual model. The theory about growth has shown that an organization should be capable of adapting to the changing objectives caused by both internal and external pressures. It is the restating of the objectives that eventually leads to the growth of an organization, the route however to that particular growth is different per organization. As it is clear now that every organization is a unique set of configured parameters with regard to its size, composition, members, technologies, structure etc., it is for this reason that organizations logically also pursue or go through different patterns of growth. In the conceptual model presented below, the above-described expectation is illustrated.

1. Considering the fact that an organization has configured its organizational principles (composition of the team (1), the way it is staffed (2) and the level of autonomy (3)) will lead to growth and based on the exact configuration this will lead to either (A) fast growth or (B) regular growth.
2. Considering the fact that an organization has configured its operations (the use of accelerating (1) or social technologies (2), assets (3) and monitoring techniques (4)) will lead to growth and based on the exact configuration this will lead to either (A) fast growth or (B) regular growth.



3. Methodology

3.1 Introduction

This research has been conducted in a qualitative method and is a descriptive research. The reason for the choice of qualitative research was that it is particularly useful in understanding a certain phenomenon in a more holistic way because the underlying mechanisms become evident (Symon & Cassel, 2012). In order to find out what fast-growing start-ups are all about, their characteristics were researched. This has been done by contrasting different cases from different sectors. This means that two fast-growing start-ups and two traditional organizations were selected to describe and compare the differences between both types of organizations.

3.2 Research strategy

There are multiple research strategies such as case studies, surveys and experiments. For this research the strategy of a case study has been used. A case study is an empirical investigation that explores a present phenomenon in detail and within its real-life context (Creswell, 1998). The use of a case study can be especially useful when the boundaries between the phenomenon and the context are not clearly evident (Symon & Cassel, 2012). The reason that this is considered to be an optimal strategy to research the phenomena of the characteristics of fast-growing start-ups is that it allowed the exploration of fast-growing start-ups in its real-life context. Their characteristics have been examined carefully within its context of the real world and by doing so it has generated a rich image of what actually is going on in these kinds of organizations.

Now that the choice for a case study strategy has been explained it is important to look at what constitutes a case in empirical research. According to Symon & Cassel (2012) a case should represent the phenomenon that is researched. This means that whenever a case is selected, it should reflect or contain elements of what is to be researched. Moreover it is suggested to either choose what can be learned from the typical, the commonplace or to put the focus on choosing extreme situations such as outliers and critical cases at which the experience of the phenomena is occurring and visible (Symon & Cassel, 2012).

When choosing a case, theoretical sampling is also considered to be important. This means that awareness is created with regard to what the focus should be in order to develop an understanding of what is happening. These provided guidelines from the literature are designed to guide the direction of the research and are not considered to be mandatory. Nevertheless they have played an important role in the selection of cases for this research.

Indeed, the selection of cases. Within the case study strategy there is a distinction between a single-case and a multiple-case study that allows focusing on either one or multiple entities during research. For this research a multiple case study has been performed, as by doing so it was possible to come to a more general conclusion as it covers different fast-growing start-ups that are contrasted to traditional organizations. Moreover, this means that instead of researching only one type of organizations, two types were researched so that their differences can be researched to a full extent. The use of a multiple case study strategy can be considered to have a double function. First by looking for differences and similarities across the different cases, a more rich and general understanding of the phenomenon has been created. Secondly it contributed to the theory about fast-growing organizations.

3.3 Data collection

In order to collect the necessary data two data collecting techniques have been used in this research. These data collecting techniques are respectively (1) interviews and (2) the analysis of documents that are relevant for the research of the corresponding organizations.

3.3.1 Interviews

In order to generate valuable data that will allow for an answer to each of the sub-questions and subsequently the main research question, 10 interviews have been conducted. These 10 interviews have been divided over four chosen organizations (cases) at which these research has been performed. Within these organizations at least two employees were chosen who are able to provide information with regard to the focus of this research, namely how their organization is organized and operates. For a traditional organization the focus was on approaching experienced managers, whereas in a start-up the aim was the CEO or founder. For these interviews so-called semi-structured interviews have been used.

This is done with the aim of gaining relevant information for the research. The more structured an interview is, the more the tendency is that the person interviewing directs the interview (Boeije, 2014). Structuring an interview completely means that the questions, order of questioning and the answer possibilities are pre-determined which may lead to situations in which valuable information is lost. When choosing for open interviews, there is the danger that certain subjects are not touched upon. This is why semi-structured has provided a clear strategy for conducting the interviews. With having a pre-set list of interview questions and subjects (see appendix C) that have been discussed during the interviews there was still the possibility to diverge and open up new subjects and areas without any restrictions (Boeije, 2014).

3.3.2 Document analysis

Document analysis is all about the procedures involved in analysing and interpreting data generated after examining documents and records relevant to the study. There are different types of documents that are considered to be of value for such an analysis, documents for example newspapers, public records, media, private papers, minutes of meetings, organizational strategies and policies. One of the advantages of the analysis of documents is that it is possible to trace changes in the organization over a period of time, for instance when comparing the promises and decisions made during meetings based on the minutes (Symon & Cassel, 2012). For the cases that have been chosen for this research relevant documents were collected and analysed with the aim of contributing to the answering of each of the sub-questions and accordingly the main research question.

3.4 Data analysis technique

Template analysis is a style of thematic analysis that balances a relatively high degree of structure in the process of analysing textual data with the flexibility to adapt it to the needs of a particular study. The approach is very flexible regarding the style and format of the template that is produced. The template analysis begins deductively and the analytical frameworks are predetermined making it useful for analysing and coding the collected data. (Symon & Cassel, 2012).

3.5 Validity and reliability

3.5.1 Internal validity

The internal validity of the research is concerned with the fact that the research collects the data for what is actually being researched. Boeije (2014, 170) refers to it as “*whether researchers describe and / or explain what they had set out to describe and explain*”. For this qualitative research interviews has been an instrument to collect data. The questions that have been formulated were pre-tested by two candidates. Candidate 1 works as a consultant for a mid-sized marketing bureau and candidate 2 works as a senior service manager at a large insurance company. Their feedback helped to ensure that the concepts are clear and do not contain contradictory meanings. This was considered important so that these concepts were clear to the respondents and thereby enhancing the chances that relevant information was collected.

3.5.2 Content validity

Besides internal validity, it is important to see whether the chosen measurement instrument gives a good reflection of the concept to be studied. It can be judged by the fact whether or not a particular measure is measuring what it should (Vennix, 2006). When collecting documents for the document analysis it is important to judge whether these documents contain information that can contribute to answering the sub-questions and correspondingly the main research question. This is not only important for the documents; it is also the case for the transcripts. The transcripts of the interviews that have been conducted were analysed so that it is an extra check to see whether the respondent is providing relevant information.

3.5.3 External validity

External validity can be understood as the extent to which the findings of the research based on the research sample apply for the population from which the sample was drawn (Boeije, 2014). For this research four cases (organizations) will be researched even though the population is much larger. Based on the fact that the sample drawn is not representative for all organizations in the Netherlands, (two fast-growing start-ups and two traditional organizations were selected) it is not possible to generalize the findings of this research. With regard to external validity, it is thus not possible to generalize to a larger population, however it is possible to generalize theoretically. This means that based on the findings of this research, existing theories can be

extended or even modified (Vennix, 2006). The organizations used for this research were selected based on convenience sampling. This has been done due to the fact that it was too difficult to draw a random sample. Convenience sampling allows cases to be selected based on their accessibility. For this research two traditional organizations and two start-ups have been chosen based on connections of the researcher and the willingness and availability of the organizations to cooperate with the research.

3.5.4 Reliability

One important aspect of the reliability of a research is the concept of repetition. With repetition is meant that another researcher should be able to repeat this research and achieve similar outcomes. In order to be able to reproduce this research, the steps performed in this research have been precisely formulated and explained. Another way of enhancing the reliability of this research is the use of triangulation. Triangulation is explained as a way of combining at least two different, independent, data sources with each other so that the findings are based on more than only one data source (Cohen & Manion, 2000). Moreover it is important that the data gathered will be constantly compared with each other making it an iterative process (Symon & Cassel, 2012). For this research the following multiple independent data sources have been consulted; organizational documents, interview transcripts, newspapers and previous research.

3.6 Ethics

According to Symon & Cassel (2012, 103) ethical research practice “*involves both an apprenticeship in and a commitment to establishing the methodological norms associated with investing phenomena and the theories established around them*”. These methodological norms are considered to be partly institutional bound and Symon & Cassel (2012) argue that there is no available universal set of guidelines that allow a researcher to judge their research practices as either ethical or not. They do however provide their own set of guidelines that steers a researcher in the direction of ethical research. The relevant ones that have been used for this research are presented in the following paragraphs.

3.6.1 Deliberative conversation

With this the importance of clarity is addressed. This came to play when the research was explained to each of the participants. This occurred in an open and clear fashion, showing the transparency of the researcher with regard to the ideas and objectives of the research. Moreover during the interviews the respondents were given the time and room to react on the questions and comments of the researcher for example by allowing silences during the conversation. Finally, the location where the interviews were conducted were selected so that the participant was at ease and the possibilities of overhearing or interruption were limited.

3.6.2 Sensitivity in handling the participant, relationships and data

The respondent is a source of information and has been treated with care. The interest of the participant might have been in tension with the researcher and the organization under study. Therefore the participants have been informed about the purpose of the research, the level of expected involvement and the duration of their involvement at the start of each interview. The participants were then also explained that they have the freedom to withdraw from the research at any time without implications. It should be rightly emphasized that no coercion was used in order to ensure that any participant cooperated in the research. Finally, in the case that a participant was willing to cooperate, he or she should was also informed about the potential effects of their involvement.

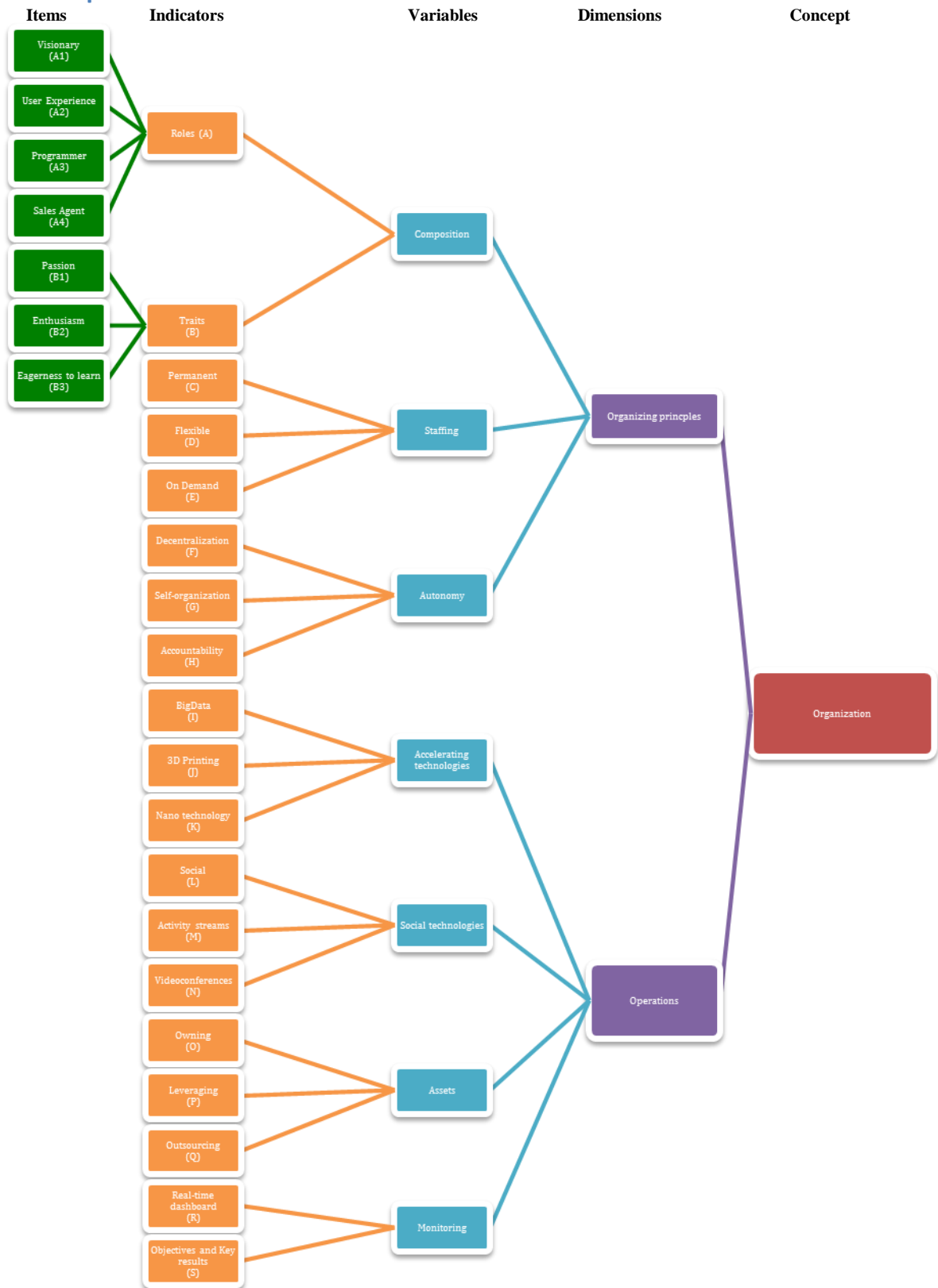
3.6.3 Confidentiality and anonymity

In order to stimulate the participant feeling comfortable during the conversation the researcher invested in creating confidence towards the participant, resulting in an atmosphere that allowed for the participant to talk freely throughout the interview. At the start of each of the interviews, the participants have been informed about the confidentiality and anonymity of during interview and the transcript. Everything that has been said during the interview was treated in confidence. Symon & Cassel (2012) stress however that a notation should be made towards the participants, informing them that their conversation is in confidence although when any illegal activity or action that could be a hazard to health and safety is addressed it could lead to a breach in the confidentiality. Both the confidentiality and anonymity of the participants is guaranteed by means of a written document stating that their information is treated confidential and that their names have been replaced with fictional ones.

3.6.4 Interview and research results

The participants of the interviews have been given the opportunity to read the transcript that was produced based on the interview that was conducted with them. This allowed the participant to acknowledge and reflect on the transcripts content and accurateness. Moreover participants can give feedback on whether or not certain statements were interpreted in the same manner as was intended by the participant during the interview. The final research report have been e-mailed in a digital format to both the participants and their corresponding organization.

3.7 Operationalization



Model explanation: Green: Items / Orange: Indicators / Cyan: Variables / Purple: Dimension / Red: Main concept

*Lines indicate how organizations might be organized and operate

4. Results

In this chapter the results of the analysis of the interviews and relevant documents are presented. The results will be described, compared and linked to the theory one theoretical concept after the other. The findings that are related to the organizing and operational principles with regard to traditional organizations (Unique and Bovemij) are described first. After these findings are described, those with regard to the organizing and operational principles for start-ups (Snappcar and Trigg) are presented.

4.1.1 The organizing principles of traditional organizations

The way an organization is organized becomes clear in a simple illustration such as for example an organogram. In these info-graphics, as can be seen in Appendix D, both organizations under study illustrate the different functions present in their organization and use lines to indicate levels of hierarchy. There is however more to it than only this flat perspective of how an organization is organized. In the theoretical review the organizing principles of an organization are split into three important principles. These three principles are organizational composition, the staffing policy and the level of autonomy. Together these principles influence the configuration and consequently the growth ability of the organization. Besides influencing these abilities, the principles also influence each other. The organizational composition for example, the amount and kind of different roles together with the wanted types of employees, forms the basis for the employee capacity. The way the organization chooses to fill in the required capacity is then determined in the staffing policy. Going one step further in the process leads to the description of the level of autonomy granted to the different functions, giving insights into how an organization is not only organized in general, but also on employee level, on a day to day basis.

Composition

Roles

The four roles identified in the theory are considered to be of significant importance for an organization to grow in a rapid pace. Each of the roles plays an important part in the organization in order to steer the organization in the right direction of increased growth. The analysis of the data revealed that at these traditional organizations only two of the four roles were identified. The roles that were identified were the familiar ones, namely the ones of ‘visionary’ and ‘sales’. The other, relatively new roles, such as ‘user experience’ and ‘programmer’ were not recognized (Table 1). The fact that neither of the organizations is familiar with, for example, user experience is interesting. The theory has shown that it is critical for an organization’s success to meet the unique requirements of its customers and to stay in constant contact with them in order to do so. The traditional organizations have been around for a long time and it seems that they might have become too attached and comfortable with their fixed and familiar roles. Being too comfortable with the current situation can make it challenging for an organization to change by introducing, for example, new roles. In order to illustrate how challenging that actually is, a quote will now follow from a manager at Bovemij, in which it becomes clear that in order to change or add roles to their organization is going to take a while:

“No we do not have anyone employee responsible for our ‘customer journey’. We are slowly becoming more aware of its importance though, so maybe we will do something with it in the future”
Operational Manager Bovemij (2016, E-p95)

Table 1 – Overview different roles within the researched traditional organizations

<i>Roles / Organization</i>	<i>Unique # employees (500)</i>	<i>Unique %</i>	<i>Bovemij # employees (300)</i>	<i>Bovemij %</i>
<i>Visionary</i>	<i>14</i>	<i>1,5%</i>	<i>12</i>	<i>4%</i>
<i>Sales Agent</i>	<i>400</i>	<i>80%</i>	<i>90</i>	<i>18,5%</i>
<i>User Experience</i>	<i>0</i>	<i>?</i>	<i>0</i>	<i>?</i>
<i>Programmer</i>	<i>0</i>	<i>?</i>	<i>0</i>	<i>?</i>

Traits

The coin of composition has two sides, one being the different roles and the other being the characteristics of the employees working in the organization. When looking at important characteristics for an employee to have, in order for an organization to outperform itself, it is clear that passion, enthusiasm and the eagerness to learn are deemed important. Being passionate about their work will automatically mean that those employees will perform their work related activities with enthusiasm and full dedication. When going to work while being passionate and performing activities with enthusiasm, employees are intrinsically motivated to develop themselves for the good of the organization, hence their increased eagerness to learn.

The analysis of the documents indicated that the traditional organizations under study were off to a good start in this area. This good start is illustrated in the following quote in which Unique presents itself towards the outside world in their annual report. According to Unique their employees are all about passion towards their work and organization:

“Passion is the energy that drives our employees”
Annual report Unique (2015, E-p108)

Further analysis of the interviews, however, showed that passion is not mentioned once in the data as an important characteristic of an employee. It seems that even though the organization tries to promote itself as one that is full of employees that are passionate about their work, the reality different is. The reality actually shows that they think other characteristics are far more important. In order to illustrate these other characteristics, one quote is being used from a manager at Unique in which he mentions what characteristics are important to him:

“I am always on the lookout for new employees with a flexible mind-set, that primarily work hard and do not complain. Just go and work”
Manager 1 Unique (2016, E-p100)

From this quote and further analysis of the data from Unique and Bovemij it becomes clear that these traditional organizations value different characteristics than the ones mentioned in the opening of this paragraph. These characteristics such as working hard and not complaining creates an image where the employees lack an emotional connection with the organization and where the employees are mainly present to perform their duties in return for extrinsic motivators such as their salary.

For a complete overview of the mentioned characteristics valued by traditional organizations, see table 2 below.

Table 2 – Overview of desired characteristics at the researched traditional organizations

Respondent / document	Company	Function	Characteristics of a team member	Transcript page #
6	Unique	Location Manager 1	<ul style="list-style-type: none"> - Work hard and do not complain - Work independent - Be result oriented - Be and think critical 	Page 77
7	Unique	Location Manager 2	<ul style="list-style-type: none"> - Work independent - Be secure and dare to oppose - Be curious - Think along - Have fun 	Page 87
8	Bovemij	Operation manager	<ul style="list-style-type: none"> - Work independent - Show initiative - Be flexible - Be enthusiastic - Be secure 	Page 95
9	Bovemij	Team manager	<ul style="list-style-type: none"> - Work hard and do not complain - Work independent - Be flexible 	Page 100
Annual report	Unique		<ul style="list-style-type: none"> - Passion - Pro activity - Responsibility - Vigor 	Page 108

Staffing

The way an organization is staffed is considered important for organizations to grow as it translates into the flexibility of the organization. If the performance of the organization outpaces its capacity to deal with the increased performance, then the growth might come to a standstill or even go in reverse (Penrose & Pitelis, 2002). It is for this reason that traditional organizations, that are aware of these fluctuations due to previous experiences, combine a core of fulltime employees with flexible employees based around them. Another important reason to have a solid core of full-time employees supported by flexible part-timers is the fact that it creates a sense of continuity as the knowledge remains in the firm. Theory suggest a third staffing option besides full-timers and part-timers, namely that of staff on demand or so-called ‘crowdsources’. A more familiar name for these terms is that of a freelancer, an independent worker that can be hired very easy of digital marketplaces based on his or her specific set of skills or qualities

Part-time to full-time

Firstly, the part-time to full-time balance is elaborated. This balance as mentioned in the previous paragraph, was identified at Unique, however not at Bovemij. For Bovemij the choice was made not to maintain this balance but hire only full-time employees. This choice led to several negative outcomes that appeared over the past few years. In the following quote from the team manager of Bovemij the decision and its consequences of that decision are illustrated:

“The traditional firm was designed in such a way that the processes were short, simple and fast, resulting in benefits such as short training and efficiency but also had a lot of negative effects as employees starting to get sick and demotivated, purely motivated by their monthly salary”
Team Manager Bovemij (2016, E-p113)

So, based on this insight the importance of the correct balance becomes evident once more. Surely the richness and broadness of the functions play an important role on the employee satisfaction, but the fact that all of the employees were full-timers and were doing no more than repetitive work all day long made it a challenging environment to work in.

Staff on Demand

Besides using part-time or full-time workers to fill the staffing capacity, a third form is introduced, namely staff on demand. With the possibilities that came along with the Internet, theory suggests that freelancers would be increasingly used due to their availability, flexibility, unique skillset and sharp prices. The fact that nowadays everybody with appropriate skills or capabilities can have themselves hired as a freelancer creates a highly competitive environment in which the freelancers offer themselves for a sharp price. Making use of this kind of staffing can make an organization flexible and enhance its manoeuvrability.

Traditional organizations commonly operate from their headquarters and assist their employees with supporting departments for them to operate. These supporting departments create a network of information and know-how that are available to each of the employees. Due to this large network of information, these organizations make a minimal use of the freelancer possibilities. For certain situations freelancers are used however, but on a minimal scale, as the following quote from a manager at Unique illustrates:

“As an organization as a whole we sporadically use freelancers to solve specific challenges that we encounter”
Manager 2 Unique (2016, E-p101)

The researched traditional organizations are yet to become familiar with the large opportunities that staff on demand can bring. As they are organized according to a common corporate structure in which there are many supporting departments, the need for freelancers is relatively low. These traditional organizations could invest more time into the possibilities of freelancers as these types of employees can help the organization to save costs and be more flexible due to the high availability and broad scope of capabilities of these freelancers.

Autonomy

Now that it is clear what the results are with regard to the composition and staffing, more light is now shed on the next layer, namely that of the level of autonomy of the employees. Increased employee autonomy creates a work environment in which the organizational structure is decentralized, teams are self-organized and employees are accounted for via peer-to-peer feedback. According to Kidder (2012) and Wasserman (2012) enhancing autonomy leads to multiple advantages for both the organization and the employees. The employees who are familiar with increased autonomy are known to have enhanced motivation, a feeling of fulfillment and a sense of contribution towards the organization that together result in an organization that is organized more effective and efficient.

Decentralization

The structure of the traditional organizations under study show classic centralized hierarchical structures that have been organized to stimulate optimal efficiency. From appendix D it becomes clear that both organizations are organized with the leadership based on the top, a certain amount of top and line-managers in the middle who altogether lead the overall workforce found at the bottom. For these traditional organizations, it seems important to stick to a certain chosen path that is often copied from another large organization, in which a structure is maintained with a clear chain of command and multiple hierarchical layers. Besides such a clear chain of command, functions are well defined in job descriptions and expectations are written down in targets and budgets, leaving little room for leeway or personal interpretation.

Self-organization

Self-organized teams are given the trust to be responsible for their own in- and output without any direct supervision. The fact that this trust is given to certain teams comes with a different level of responsibility to achieve the desired organizational results without a manager continuously delegating and overseeing the progress. In the researched traditional organizations, it is not common to work with self-organized teams due to the fact that the level of knowledge and responsibility that comes with that kind of autonomy are not in place. Even though the organizations have the desire

to working according to that principle, there are still challenges to overcome as is illustrated by one of the location managers at Unique:

“We as an organization are really trying to move to more self-organized teams at the employee/shop-level, we encountered however that the knowledge-level with regard to this subject is too low among the employees to do so as the moment”
Manager 2 (2016, E-p83)

These traditional organizations are aware of the possible advantages, however as it showed in the quote, enhancing autonomy is not something that can be implemented without the corresponding knowledge level. These organizations need to further investigate the requirements of their employees and set-up corresponding training and education based on those requirements before even thinking of implementing self-organized teams as it otherwise could backfire at the organization.

Accountability

Peer-to-peer reviews is mentioned in the theory to be an important solution for decentralized organizations to solve the problem of accountability. In the case of peer-to-peer reviews it is not only based on somebody's hierarchical power and position but also on the knowledge-level and competencies as experienced by the peers. The researched traditional organizations are, as mentioned before, organized according the classical hierarchical structures and do not hold their employees responsible for their performance based on peer-to-peer reviews, but on a top-down basis. The headquarters and the managers make up multiple budgets and targets based on the previous years that are used as hard figures to account for somebody's performance within the organization. The fact that managers rely heavily on these budgets and targets rather than their own employees correcting and improving each other on a peer-to-peer base may be because of an insufficient knowledge level of the employees or purely the standard as it has been the standard for so long. The following quote from manager 2 illustrates the lack awareness about correcting each other and the rare occasions of peer-to-peer reviews:

“No they do not correct each other. They do help each other in order to get certain processes done quicker, but correcting or providing feedback to each other rarely occurs. That really is next level”
Manager 2 Unique (2016, E-92)

4.1.2 The operational principles of traditional organizations

Besides looking into the organizing principles, the operational principles are also examined. The way an organization operates can be described in multiple ways and for this research four principles that can facilitate growth are used based upon findings discovered in the theory. These four principles are accelerating technologies, social technologies, assets and monitoring. The first two mainly concern technological innovations whereas the third one is oriented towards the assets of an organization. The last principle looks into how the progress and the development of the organization and its employees is followed and monitored. Together these four draw an image of the traditional organizations showing how these organizations operate on a day-to-day basis.

Accelerating technologies

In fast-growing organizations state of the art technologies are used in order to outperform competition, stimulate growth and assist in the daily functioning of the organization. These technologies have become available due to the continuous developments made over the last decades making computing power cheaper and more accessible. These different types of accelerating technologies can help organizations, for example, in processing high amounts of data or incorporate sensors on a scale not possible before. Several of the most promising technologies identified in the theory are BigData, 3D printing and Nano technology.

At the researched traditional organizations, BigData was the only one of the three mentioned technologies that is actively being used. Based on the fact that these organizations are mainly service providers, it makes sense to analyze the large amount of data gathered from its users, so-called BigData. That these data in combination with smart algorithms can create opportunities for these organizations is something that is illustrated in this quote from a manager at Unique:

“A Manager has a feeling for where he can find new and interesting prospects but this feeling can also create blind spots, leaving several high value clients out of reach. These blind spots are filled by the analysis that are performed with the client-data we have collected over the years in the BigData system”

Manager 2 Unique (2016, E-p89)

Based on this quote, it becomes clear that the traditional organizations under study are aware of the potential and are increasingly investing in such accelerating technologies. There is a difference between the efforts being put into these technologies among the researched organizations, however. In contrast to the relatively developed situation at Unique, the following quote from the operational manager illustrates a different situation at Bovemij:

“We have so much data but only 1 employee working with the data and he is currently flooded with requests from different departments. Our board of directors however is increasingly becoming aware of the potential value of our data meaning that he will get more resources and employees to handle all the data in the future”
Operational Manager Bovemij (2016, E-p96)

This difference might be explained by the difference in vision by the top management of both organizations given the following quote from the annual reporting of Unique stressing the importance of using modern technologies for their organization:

“In the service sector, innovation and technological applications are playing an increasingly important role in order for us to differentiate and enhance our competitive position”
Annual Report Unique (2015, E-p108)

Social technologies

Another important technology in offices is social technology; these technologies are facilitating communication among employees within the organization. Similar to the previous mentioned accelerating technologies; social technologies have also developed rapidly throughout the past decades. This development has changed the communication landscape from the use of telephone and e-mail towards more modern technologies such as videoconferences and chatting services. According to the theory, organizations that use social technologies can decrease the lag time between sending and receiving information, allowing organizations to obtain information quicker and decrease the time required for decision-making.

The researched traditional organizations show the trend in which they are keen to hold on to the traditional communication technologies with only minor innovations. For example, e-mail is still the main method of communication and telephone infrastructures have received only usability updates, but apart from that not many new technologies have been introduced. At least, this situation is certainly the case for Unique and partly for Bovemij even though they recently installed a new piece of

social technology and are thus venturing beyond telephone and e-mail. A chatting program installed on each of the computers allows the employees to stay in constant contact with each other when being in the office, resulting in the advantages mentioned at the start of this paragraph. The following two quotes from two managers illustrate the impact this relatively new piece of software is having on the operations at Bovemij:

“With Jabber you get an instant reaction most of the time as with e-mail people often choose to handle them at a specific point of day. Furthermore, I believe that e-mail is relatively formal and has a high lag between question and answer, chatting creates a live, lag free conversation”

Operational Manager Bovemij (2016, E-p96)

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“It works really nice. Jabber is a chat program so now I am chatting while on the phone with a customer, allowing me to collect some additional information that might be needed to help the customer”

Team Manager Bovemij (2016, E-p100)

So, it becomes clear that traditional organizations are struggling to break free from traditional communication technologies but are at the same time only slowly moving towards more trials and implementations of new technologies that can help them to operate. The difference in interests in innovative social technologies might be explained by the differences in the type of offered services by both organizations as where Bovemij significantly relies more on internal communication being a financial institute with no shops compared to a completely different situation at Unique that mainly has independently operating shops that receive customers all over the country.

Assets

For organizations it is not always an option to hire, lease or buy a certain asset even though they would like to. There are different sectors in the economy that come with different types of possibilities, as for example, a factory requires different, more capital intensive assets than a service provider. The strategy chosen by an organization with regard to asset management or the pre-defined possibilities by the sector, an organization operates from can have an impact on the growth ability of an organization. Ismail et al. (2014) suggest to try and minimize the amount of assets owned in order to stimulate flexibility and simultaneously allow an organization to quickly re-allocate resources where required so that it can achieve further growth.

Renting vs. Owning

The traditional organizations under study are both service providers and therefore do not require capital-intensive assets such as a factory with heavy machinery. They do, however, need office space and vehicles to operate and offer their services. At these traditional organizations, different situations have been identified with regard to their asset management. The previously mentioned suggestion of trying to minimize assets is clearly present in the minds of the leadership at Unique. With the ambition of having staff offering their services in locations throughout the country, much office space is required to do so. Their deliberate strategy is to leverage their revenues, meaning that they only rent office space and rent only based on a 1-year contract. One of the advantages of this strategy is flexibility, a characteristic that is a valuable thing to have in the changing employment sector as becomes clear in the quote from one of the managers working at Unique:

“Our sector is slowly changing from being a shop that must be located in shopping districts towards more office-like locations that only have to be easily accessible”

Manager 2 Unique (2016, E-p91)

At Bovemij there is a different situation occurring; this organization privately owns all of their primary assets such as office buildings and vehicles. This large financial institution is known to hold on to doing things simply because it has been doing so in that way for many years before. This way of thinking is clearly illustrated in the following quote, showing that with regard to asset management this organization is holding onto a way of working based on habituation:

“This Sunday we are in business for 53 years. Back in the day it was very normal to do that in that particular way, owning [assets] a lot yourself. But nowadays it is not that normal anymore”

Operational Manager Bovemij (2016, E-97)

In addition to this probable explanation, another reason for this contrast between both researched traditional organizations might be the fact that they operate in different sectors. From a financial point of view, it might make sense for a financial organization to reinvest in privately owned assets as a way of gaining additional returns, this however might be different for an organization operating in the employment sector.

Monitoring

The use of indicators to track the performance of an organization is considered an important tool to see the progress over a period of time and is considered valuable for operations. Such a tool can help the organization become more efficient or effective as the organization finds areas for improvement. There are different ways of tracking performance within an organization; this can be done, for example, in a quantitative way by looking at the hard figures, a softer qualitative approach or a combination of both. From the theory it becomes clear that in order for an organization to gain advantages from monitoring dashboards should be drawn up reflecting key indicators. Such a dashboard ideally illustrates a combination of both qualitative and quantitative figures and the progress of employees and that of the organization, which are then shared throughout the organization. This not only enhances transparency within the organization but also simultaneously creates a mix of bottom-up and top-down instead of only the classical top-down direction.

The researched traditional organizations work with a software infrastructure that allows them to collect input and output data from their locations, employees and overseeing managers. Based on these figures reports can directly be exported and overviews can be generated that reflect the progress based on a specific period of time. Even though traditional organizations may have an image of being mainly result and revenue oriented, the researched organizations included not only hard data such as revenues, sales visits and telephone calls but are also aware that focusing on softer data as well can come with significant advantages. The fact that the focus is on both

soft and hard KPI's is clearly illustrated in the following quote where a manager of Bovemij shares her vision towards this matter:

“We have some hard KPI's such as customer satisfaction should be higher than 8, amount of ROI, minimum amount of sales. We have many more like that. But simultaneously it is very important that your employees feel well within their teams and departments, that's a softer KPI. That you are able to perform your work, be on time, not necessarily something that needs to be measured but is reflected in attitudes”

Operational Manager Bovemij (2016, E-97)

It becomes clear now that with regard to monitoring, these traditional organizations showed that they are keeping up with the latest insights. Besides using multiple performance indicators that not only include hard ones but also several softer ones, the organizations work with live dashboards that can immediately export reports and can be shared or accessed by all relevant users.

4.1.3 Recap

From the results that were presented in the above sub-paragraphs several things have become clear, which are summarized below. First a short recap of the most important findings of the organizational principles is presented. Afterwards those of the operational principles are mentioned.

Both traditional organizations yield similar results at many of the researched principles and some are spot on with the suggestions found in the theory while others are not. For example, in the conclusion that none of the two organizations are familiar with organizational roles such as ‘user experience managers’ or ‘programmers’. Furthermore, these organizations did not recognize important characteristics as mentioned in the theory, such as passion or enthusiasm, but preferred a workforce that focused on ‘working hard’ without too much hassle. Other resemblances were found that contradict with the theory, such as low levels of autonomy and one-way accountability, showed that both organizations are top-down oriented, hierarchically centralized and heavily rely on their headquarters for information and know-how. Besides these resemblances, a difference was identified with regard to the full-timer to part-timer balance. One of the organizations had a good balance of full-timers being supported by a group of part-timers. The other, however, only employed full-timers who had to perform short cycle, repetitive tasks which led to an unhealthy

work environment as employee turnover increased and morale decreased over a period of time.

From an operational perspective, these service-providing organizations are investing in multiple modern technologies. These technologies include software solutions that have become available to help an organization strengthen its competitive position by uncovering overlooked revenue streams. These software solutions include the ones that process high amounts of data based on artificial intelligence and consequently generate additional insights into potential new revenue streams. Other technologies might be more communication oriented, such as the one observed at Bovemij, enhancing the agility of their organization by introducing internal chatting software on all computers. By being connected to this chat system, the employees can quickly react and exchange information resulting in a decrease of lag-time between sending and requesting information. Besides these technologies, there are other important principles that draw up the picture of how an organization operates, for example, how it deals with its assets. The researched organizations both have a strategy of their own with regard to asset management, one owning a lot versus the other owning almost nothing. The most logical explanation seems to be that of the different sectors they are operating in, as the financial sector is known to reinvest into real estate, and that the employment sector is continuously changing. The last resemblance was found with regard to the way organizations monitor performance. Interesting is that even though these organizations are painting the picture of being mainly result oriented, they gather not only quantitative hard data such as sales figures but also the softer qualitative data from their employees like satisfaction. This combination of both soft and hard data for monitoring purposes shows resemblances with what is found in the theory.

All together these results show that the researched traditional organizations live up to certain expectations based on their size and age such as being hierarchical and result-oriented but also reveal some interesting insights that show that these organizations are putting in effort to keep-up with their competition and are not that far behind with some of the recent findings in the theories.

4.2.1 The organizing principles of start-ups

Similar to traditional organizations, the way a start-up is organized can also be seen from an organogram in which functions and hierarchical differences are represented. Because these organizations are newly started, many of these functions and hierarchical positions are not yet defined or are not even deemed necessary. In the starting phase of an organization, the focus is mainly on developing the new product or service and not on incorporating certain hierarchical structures. To get a good insight into how start-ups actually behave in terms of organizing and operations, the same principles as mentioned at the researched traditional organizations are used for studying the start-ups. These are three organizing principles; the composition, staffing capacity and autonomy.

Composition

Roles

When starting a new organization, the founders of that organization will have to decide the types and amount of roles that will need to be filled within the organization to operate. This gives the founders a head-start towards their competition as their roles have been already distributed and decided, making it more challenging to implement the most recent, effective proven roles. It is, of course, possible to add or change roles at developed organization, however this has proven to be more challenging as the whole workforce needs to be convinced of its importance and it takes time and effort to eventually convert them into these new roles. The roles found in the theory that are deemed important for organizational growth are as Ismail et al. (2014) mentioned before those of ‘visionary’, ‘sales agent’, ‘user experience manager’ and ‘programmer’. At the researched start-ups three of the four roles were recognized, surprisingly leaving out the one of sales agent. The founders were identified as the visionaries for the organization, based on the fact that they think out the roadmap for both short-term and long-term operations. Moreover, in both start-ups a function is present for improving the user experience and managing the community.

These ‘user experience managers’ are responsible for building a community around the provided service on social channels to try and get the service to sell itself, as is clearly illustrated in the following quote from one of the employees working at Snappcar:

“Our community architect is responsible within our organization to make our community enthusiastic about our services and is responsible for stimulating the community to grow even further”

Founder’s assistant (2016, E-p36)

This can explain why in neither of the researched start-ups a sales force is present, the start-ups have chosen for a strategy that is mainly based on word of mouth and community building to get more and more users. Besides the advantage of saving on a sales and marketing force, being in direct connection with the community is a valuable way to directly collect user feedback based on their experiences of that particular service. The existence of these two start-ups would not have been possible without the last role. This role is that of the programmer and is shown to be of significant importance for both start-ups under study. This importance is explained by their ability to translate an idea from the minds of the founders into usable software applications that can be distributed and used worldwide. In table 3, an overview is presented with the different roles and their corresponding numbers.

Table 3 – Overview different roles within the researched start-ups

<i>Roles / Organization</i>	<i>Snappcar # employees (35)</i>	<i>Snappcar %</i>	<i>Triggi # employees (13)</i>	<i>Triggi %</i>
<i>Visionary</i>	<i>4</i>	<i>12%</i>	<i>2</i>	<i>15%</i>
<i>Sales Agent</i>	<i>0</i>	<i>0%</i>	<i>0</i>	<i>0%</i>
<i>User Experience</i>	<i>4</i>	<i>12%</i>	<i>1</i>	<i>8%</i>
<i>Programmer</i>	<i>12</i>	<i>30%</i>	<i>8</i>	<i>60%</i>

Traits

The composition of teams has shown to be of great influence on the growth ability of an organization. Now that it is clear that at the researched start-ups multiple roles are present, a more in-depth look is now given with regard to the characteristics these employees should have according to theory. The preferred characteristics are passion, enthusiasm and eagerness to learn.

The founders of the start-ups under study make their decisions based on a vision they have developed for themselves and for their startup (Kakati, 2003). That vision serves as a roadmap for the future and is used as a base for developing and translating ideas into actual services and can be seen as a justification for certain choices that will need to be made along the way. At these start-ups, in order to work for any of these two, their vision needs to be shared and lived by the employees. These start-ups only want employees that truly believe in their higher goal, the overall picture and the added value of their proposed service for the community. These insights are best illustrated in the following quotes, reflecting the thoughts of different employees from these two start-ups:

“Everybody here knows, this is awesome, I want to be a part of this, I’m on this train”

Developer Snappcar (2016, E-p17)

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“Do not just come work here because he needs a job, but because of the feeling for the mission”

Founder 2 Triggs (2016, E-p56)

Being passionate and enthusiastic is not only a preferred characteristic for an employee to have but it seems that it is more a prerequisite to have for being hired at these start-ups. So, rather than wanting an employee that ‘works hard’ or ‘works independent’, the emotional connection based on somebody’s enthusiasm and passion for the start-up and its corresponding vision sets the basis, and traits like ‘work experience’ and ‘skills’ follow. In table 4 the desired characteristics for employees to have according to the participants are summarized.

Table 4 – Overview of desired characteristics at the researched start-ups

Respondent / document	Company	Function	Desired characteristics of a team member	Transcript page #
1	Snappcar	Founder's assistant	- Commitment - Entrepreneurship - Flexible	Page 7
2	Snappcar	Developer	- Passion - Self-organizing - Independent - Honesty	Page 19
3	Triggi	Founder	- Passion - Commitment - Ambition	Page 37
4	Triggi	Founder	- Commitment - Flexibility - Skilled	Page 49

Staffing

Based on the composition, the type of roles and characteristics that are desired within the researched start-ups are given. The next step is to look at the way these start-ups handle their staffing capacity. For a new organization it can be difficult to anticipate the amount of staff needed to handle daily operations, mainly because there is no real forecast based on previous data as there is none and secondly because there are limited funds available in this phase of development. Based on these challenges, start-ups search for out of the box solutions to counter such drawbacks so that it can keep the focus on development.

Full-timers to part-timer's balance

The theory mentioned that traditional organizations are known to make the choice to have their core of permanent employees be supported by a group of part-timers. This, however, is not only the case for traditional organizations in particular as it makes sense for an organization that is in development and has started only recently to do the same given that it has to coop with fluctuating demands. At the start-ups researched this partly became evident, as there is a difference in the full-time to part-time balance for Snappcar and Triggi. Triggi actually has no part-timers at all, whilst Snappcar does use part-timers to assist the 'normal' full-time workforce to cope with periodical increased demand. The part-timers are valued in such a way that the start-up really

tries to incorporate them and treat them as any other employee as illustrated in the following quote:

There is almost no difference between a work student (part-timer) or a full-timer with regard to their authority and autonomy, this means that there are no large power differences and we all treat each other as equals”

Developer Snappcar (2016, E-p17)

This equality creates a buzz among the students that see Snappcar as a desired employer. Besides helping with fluctuating demands or operating the office during the weekend, these part-timers are also used for special projects for example during a testing phase of a newly developed application or a customer satisfaction research among their users. This difference with regard to the use of part-timers might be explained by the fact that Snappcar is operating for four years and Triggi only one. In the actual starting phase with relatively few users it makes sense that the demand is relatively low (or zero) and that the main focus is on programming and developing the proposed service. Snappcar is thus a step further in that process and has to process high volumes on a monthly basis, possibly explaining their choice for part-time support.

Staff on demand

In addition to working with part-timers, the upcoming of ‘staff on demand’ is also an interesting way for a start-up to cope with certain challenges. These challenges might be the lack of certain knowledge or capabilities for which the organization does not want to hire a specific organization. This challenge can be solved with the use of so-called staff on demand, skilled, independent workers who offer their services on the Internet. At the researched start-ups it showed that organizational age makes a difference once again, however, this time it is with regard to the choices being made to work with staff on demand. In this case, Snappcar does not make any use of staff on demand but Triggi does. Triggi works with ‘staff on demand’ for certain projects for a pre-described period of time that help the start-up with challenges or difficulties it faces, for example, with designing an interface or solving marketing issues. Interesting to see is that besides providing the start-up with an extra set of hands, there is another reason to work with ‘staff on demand’ as shown in the following quote from one of the founders at Triggi:

“Yes we have transformed almost every freelancer we hired into a permanent employee. If they want to stick around, they can. That’s the cool thing about a start-up, people want to be here, and people want to work for us”
Founder 2 Triggs (2016, E-p34)

So, not only can ‘staff on demand’ help an organization in specific challenges but it also serves as a kind of talent pool that can be used to get a taste of collaboration before taking on any long-term commitment with their ‘new’ employees.

Autonomy

Similar to deciding on the types of roles an organization wants; the level of autonomy is also something that can be defined more easily at the start of an organization. The founders of a start-up will have a certain desired work culture in their mind from which they want to build out their organization, meaning that they also have to think about the principle of autonomy. The previous sub-chapter that revealed the preferred characteristics desired in an employee while working at a start-up can partially be related to the level of autonomy. Whenever a start-up consists only of employees who are passionate and enthusiastic to work and get their service to the market, it is logical that there is less need for a manager or supervisor to oversee their progress as all employees give their very best anyhow. A more in-depth view is now given into the autonomy based on the principles of decentralization, self-organization and accountability.

Decentralization

In order to achieve fast growth, it is important that an organization stays agile, meaning that, for example, it can quickly take decisions without multiple people having to go over something to approve it. This can be achieved by shifting from a classical vertical hierarchical structure towards a more decentralized horizontal structure in which the amount of power is distributed not only among the leaders but also among the employees. The organograms presented in Appendix D, show the vertical structures, but the start-ups are decentralized, meaning that there are little to none hierarchical layers in between and certainly no managers who need to oversee the process. One reason this being the case might be that the focus is fully on launching a service or enhancing an already introduced service, leaving less time to worry about the organizational structure. Another reason could be that due to the relatively small size of the organizations, it is easier to manage. This reason seems

less likely though, as both start-ups indicated, that if they grow out to a larger organization, they never are planning to become a centralized ‘corporate’ structured organization.

Self-organizing

Working based on self-organizing teams means that within the organization employees are granted the trust and authority to be responsible for their own work while collaborating with their peers to get things done. Some of the advantages of working with this method are, according to Ismail et al. (2014), that it makes an organization more agile, efficient and transparent. At the researched start-ups both organizations are working according to this method meaning that there are no managers present dictating what one should do, but that everybody works independently in teams that operate by themselves. So, based on agreement a temporary lead is chosen that orchestrates a so-called sprint. A sprint consists out of a number of to-dos that the team thinks is possible to be processed within the sprint’s term, usually two weeks. By working according this method, these start-ups work very efficient without compensating for employee motivation or quality. The following quote of a founder at Triggi illustrates the ease of working with these sprints:

“I put in the sprint and I hope that everything is finished at the end of that sprint. They can give commitment and do their best but if it is not finished, then we have to evaluate and see how that is possible, too much to-do’s put into the sprint perhaps?”
Founder 2 (2016, E-p41)

Altogether, the start-ups have managed to achieve a work environment in which their employees can work independently while cooperating with their peers. Such an environment is possible due to the shared vision of the founders, the high educational and knowledge level and the characteristics such as passion and enthusiasm that intrinsically drive the employees to give their best effort.

Accountability

With the traditional way of working, autonomy is low to moderate and employees are dependent on their managers to provide them with instructions and activities to carry out. Based on their performance of these activities, the employees commonly have a performance session twice a year in which the organization and the manager can share their perspective on the performance of that particular employee. Such a performance session often counts as a base for a bonus, potential raise or in a worse case it could mean that the employee is dismissed. As mentioned in the previous paragraph, however, the start-ups under study do not work based on a top-down structure but are self-organized. This however does not mean that anybody can do whatever he or she likes without anyone checking his or her performance. At these startups, accountability is organized around peer-to-peer-review, occurring not only twice a year but the whole year round as is illustrated in the quote from one of the developers at Snappcar:

“The whole year on is one big feedback session, meaning that you are no longer faced with unnecessary procedural meetings and unpleasant surprises with regard to your performance and behavior”
Developer Snappcar (2016, E-p24)

So, instead of receiving feedback based on performance session twice a year, the employees at these start-ups can get their feedback throughout the year. This results not only in an organization working more efficient because all potential improvement and feedback points can be directly implemented throughout the year but it also motivates employees more as they have a clear insight into their own performance the whole year round.

4.2.2 The operational principles of start-ups

Each of the organizational principles has now been discussed and it is time to move on to the operational side of the researched start-ups. Once again, similar principles to the researched traditional organizations are used to see how these start-ups actually operate. In the following sections the different technologies used at these start-ups will be discussed. Interesting as these start-ups are relatively young, they should reap the advantages of the most modern technologies available. Furthermore, insights are given with regard to their asset management, revealing how these young organizations cope with challenges such as whether it is wise to buy or lease assets. This chapter closes with a reflection on the way organizational and employee performance is monitored.

Accelerating technologies

Since the costs of sending and receiving information has rapidly been reduced due to the developments occurring in different technology sectors these past decades, organizations have more and more options available to select from in order to help them operate. At the researched start-ups it became evident that smartphone technology is one important foundation for their existence. Surprisingly, in the theory the ‘smartphone technology’ was not mentioned as being one of the accelerating technologies, whereas BigData, 3D printing and Nano-technology were mentioned. Still, both of these start-ups have applications available on popular smartphone platforms such as Android and IOS and mainly depend on those markets to gather users from. The introduction of Internet connected smartphones has changed the digital landscape as users are now connected 24/7 throughout the world, and can access information basically anywhere. Because these start-ups do not provide a physical product but deliver a service instead, they can quickly offer their service on a worldwide scale to users who worldwide have iPhones or android-based smartphones.

Smartphone technology is not the only interesting mentioned accelerating technology; these start-ups have also shown to be familiar with BigData. Because they are also service providers it once again makes sense to invest in BigData allowing the system to process the accumulated user data. In order to illustrate what these start-ups actually can do with the gathered data that has been analysed by artificial intelligence, the following quote from one of the founders of Triggi is presented:

“BigData for sure, because we are working with that, mainly on the track of artificial intelligence. What we want to do is to get people in a position where based on the data, new suggestions can be done to the users provided by the learning system, ' if this then that ' is the future ”
Founder 2 Triggi (2016, E-p50)

So, besides smartphone technology, these start-ups have also incorporated BigData technology in their organization from the start-on, giving them a head start as it allows them to incorporate it into all of their services and activities planned for the future.

Next to smartphone technology and BigData no other interesting accelerating technologies were identified. Even though the theory also mentioned 3D printing and Nano-technologies as promising accelerating technologies these were not identified at the start-ups. This might be explained by the fact that these start-ups are service providers instead of actual manufacturers of a physical product. It makes more sense to have possibilities to implement 3D printing or Nano-technologies within an organization that actually produces goods instead of a service provider such as the four researched organizations.

Social technologies

Besides technologies that help an organization to accelerate its growth directly, there are also those that do that more indirectly by making an organization more agile based on improved internal communication. As mentioned before by Ismail et al. (2014), organizations can benefit significant when lowering their information latency. Information latency is explained by the time in-between sending and receiving information, ideally making information immediately accessible for any relevant user.

The start-ups under study have shown that they have found at least one way to achieve such a lower latency, namely with Slack. This free and open-source chatting program is available on all platforms (Desktop, IOS, Android, Windows Phone) and gives the possibility to employees to be connected to the organization at all times. It allows people to react, give feedback, shares files or provide answers within a matter of seconds. Its relevance for the start-ups is clearly captured in the following quote by

one of the developers working at Snappcar when discussing the different technologies that really made a difference in their organization:

“Yes that’s true, we will soon have an IOS application for our service. But to provide you with an answer to your question, with regard to technology, Slack really is our greatest help within the organization”

Developer Snappcar (2016, E-p24)

For these technological developed start-ups, mentioning a chatting program as a social technology besides other technologies such as videoconferences that significantly helps in their operations shows the importance of low latency communication tools as mentioned by Ismail et al. (2014).

Assets

For a starting organization asset management is probably not the first thing that comes to mind, however it is important to give thought towards the different possibilities. An organization can buy the office from which it wants to operate, exchanging flexibility for more continuity or the organization can choose to rent, enhancing its agility and flexibility. According to Kerrman (2015) and Ismail et al. (2014) an organization should try and strive towards owning close to none assets as by doing so the organization increases its flexibility as it can quickly reallocate resources at the areas needed.

For the researched start-ups gathering operational funds is a repeating challenge throughout the year. At different meetings during the year the founders meet with potential investors and try to convince them of their vision and proposed services with the hope that they will invest money in their ideas. Besides collecting investors, the founders also invested many of their own capital in their ventures because they are convinced and ‘hooked’ on their own vision and the future of their start-ups. Because of these limited funds, the newly started organizations need to be extremely picky with the money they have. These funds will have to cover the expenditures until their offered service starts generating enough income of its own, making it a logical explanation why these start-ups are renting their offices instead of owning expensive real estate. So, one reason for renting could be that they are simply not –yet– generating enough money to buy their own real estate and another reason could be that they are aware of the benefits that come along with not owning assets but instead renting and leveraging their services.

The simplicity of these start-ups with regard to asset management is best illustrated in this quote from a developer at Snappcar:

“The only asset we own is a bike, and we did not even buy it but won it one at the local coffee shop”
Developer Snappcar (2016, E-p29)

This comment of one of the developers at Snappcar has a joking hint, but still is spot on. Overall it reflects that these start-ups are confirming to the theories of Kerrman (2015) and Ismail et al. (2014) as to trying to own as little as possible so that they can keep operating in the way they are doing. It is important to clarify though that even these start-ups do not own any physical assets, they are not completely ‘empty’ with regards to assets. They primarily own a different type of assets, namely that of human capital and intellectual property as, for example, their ideas and written codes.

Monitoring

According to Eckerson (2006) it is wise for an organization to track its performance with the use of a so-called dashboard. These dashboards should include objectives, metrics and initiatives for different layers within the organization. In addition to Eckerson (2006), Ismail et al. (2014), adds that these figures should (1) not only be quantitative but also qualitative and (2) be real-time available to everyone in the organization. The ideas of Eckerson and Ismail et al. combined create a real-time dashboard that provides the organization live insights into the organizational performance, allowing to react where needed so that it can stimulate and manage its own growth.

It is interesting to see that at the start-ups under study, the perspectives mentioned in the paragraph above are not completely recognized. At none of the two start-ups such a real-time dashboard that measures key performance indicators is being used. These start-ups rely far more on their trust relationship they have with their employees and rather switch that effort towards launching and improving the services they are offering. These start-ups share this perspective but the extent to which level differs among them. Snappcar shows to be increasing its monitoring activities by slowly starting to collect more and more qualitative and quantitative data of the organization and the employees, giving better insights into the organizational performance. Triggi

however, as is illustrated in the following quote from founder 2, hangs on to the idea that products and services are key priority at the moment rather than having to worry about possibilities for monitoring purposes:

“We do not measure productivity. I am not a supporter for measuring productivity as it mainly gives overhead because you have to administrate it. Instead we focus on the sprints, sometimes we gain some, sometimes we lose some, sometimes we are optimistic and sometimes we totally missed out”
Founder 2 Triggi (2016, E-p54)

So, there is a difference between both start-ups in the way they look at monitoring, one that is slowly investigating and professionalizing its monitoring possibilities and one that sees it only as overhead. This difference can be possibly explained by the organizational age and with it their size. It makes sense for a starting organization to put all efforts in launching the desired service and for a more developed start-up to also start focusing more onto getting insights into its performance so that it can keep growing.

4.2.3 Recap

The start-ups under study have given several interesting insights, some being in accordance with what is suggested by the theory and some that have shown to go beyond those perspectives. A recap of the most interesting findings now follows.

The researched start-ups for the most part confirm what is found in the theory with regard to organizational principles for fast-growing organizations. There are, for example, roles identified that are unfamiliar for traditional organizations, such as the ‘user experience’ and ‘programmer’. Moreover, both start-ups select their employees not based solely on experience or motivation for a particular function but with emotional connection with the start-up and its corresponding vision, reflected in someone’s passion or enthusiasm. Differences become visible when looking at the way these start-ups handle their staffing capacity, as one has hardly any part-timers and the other has well balanced workforce of full-timers and part-timers. Another difference is identified with regard to staff on demand, whereas one does not have the need to use freelancers, the other make use of them when appropriate and even offer them a job within the start-up. These two differences in perspectives are possibly due to the difference in age both start-ups, one being 4 years in operations and the other

only 1 year, making it logical to see different choices at certain principles. These organizations find each other once again in making similar choices though, when looking at the way autonomy is handled. Both start-ups give their employees relatively high autonomy making them self-organized in a decentralized organization while carrying the responsibility in terms of accountability primarily based on peer-to-peer reviews.

Not only are these two start-ups confirming the theories of organizational principles but this also seems the case for most of the operational principles. Based on the insights of these principles, the start-ups showed to have different types of accelerating and social technologies that make their organization grow faster while remaining agile. With the use of BigData, artificial intelligence automatically analyses user data while social technology Slack helps them to communicate lag-free, making the start-ups very manoeuvrable and flexible. One principle that could potentially harm this characteristic of flexibility is asset management. Privately owned assets are known to make an organization less manoeuvrable and logically these start-ups are aware of the fact that, even though also potentially limited by their capital, they try to own as little as possible. The last principle comes with surprising insights regarding monitoring. Although it is presented in the theory that organizations can benefit for multiple reasons from monitoring activities translated into a dashboard, neither of the two start-ups are making significant efforts to measure organizational or employee performance, instead they redirect these efforts into the development of their products and services.

5. Conclusion and discussion

In this research more light is shed on how fast-growing start-ups are actually growing by analyzing how they are organized and how they operate in comparison to traditional organizations. To gain this insight, a total of ten interviews have been conducted with the founders, managers and developers from the participating start-ups and traditional organizations. In the first part of this chapter the results were summarized and the main research question provided with an answer. The second part presents a set of practical recommendations based on the results that can be used by the participating organizations or similar cases. This chapter is closed with the discussion about this research, elaborating on the interpretation of the results, limitations of the research and recommendations for future research.

5.1 Conclusion

In the last decade fast-growing start-ups have increasingly been appearing in the media due to their ability to disrupt a whole sector with new perspectives and technologies. Some of these fast-growing start-ups are classical success stories from which their services have been incorporated into many of our day-to-day lives such as Uber providing transportation services, Airbnb servicing accommodation across borders and Blendle allowing to read and pay per journalistic article. These young organizations started as fast-growing start-ups and managed to quickly scale to a global player, offering their services worldwide. Besides these success stories there are many other disruptors that are gaining ground in different sectors within the Netherlands. In 2015, 150 Dutch start-ups collected 400 million worth of investments to start building their organizations and enhance their services (NRC, 2015).

The fact that these start-ups can have such an impact on certain sectors and have the ability to disrupt them makes it important to get better insights into the configuration of these types of organizations. Not only can these potential insights contribute to the theory, traditional organizations can also be better prepared or at least aware of potential disruptors in their sector. Moreover, it can be of value for ‘normal’ new organizations, as with 56% of the newly started organizations in the Netherlands not surviving the first 5 years of its operations, findings from these fast-growing start-ups might be of help. All together this led to the main research question of this research:

“What are the characteristics of fast-growing start-ups?”

To provide an answer to this question, two dimensions have been analyzed that capture the internal configuration of a start-up, namely organizational principles and operational principles. Each of these two dimensions includes multiple variables and indicators that together draw-up the configuration distinctive of a fast-growing start-up. Based on the interviews, it became evident that the people working at the start-ups fulfill certain organizational functions unique to start-ups, as is the case, for example, for the ‘user experience managers’, that fulltime optimizes the overall service. Besides the fact that some of these roles are unique to start-ups compared to traditional organizations, the traits deemed important for employees have also showed significant differences. From the analysis it became clear that at the start-ups employees are hired based on their passion and enthusiasm for working at the organization and its corresponding mission and vision, creating new possibilities compared to traditional organizations. Having employees working who such an emotional connection positively influences a certain desired work culture within a start-up. Based on such commitment it is possible to create a work culture that is built upon trust, autonomy, decentralization and self-organization. All of these characteristics portray a configuration that gives the start-ups the agility it needs to live up to its own growth potential.

Besides agility, their ability is also an important part of the question to what characteristics are unique to fast-growing start-ups. Without having access to certain technologies, these fast-growing start-ups would not be able to facilitate the growth they are experiencing at this moment. Start-ups have shown to rely heavily on internet-based technologies such as Smartphone Technology to not only offer their services but also to communicate within the organization. This characteristic has resulted in the possibility to be connected 24/7 to their organization with the use of social technologies such as Slack and with it positively influence the operational capabilities of the organization for at least the short term. For the long-term it will have to prove itself to be a wise possibility to have as these start-ups do not have a HR department to monitor employee well-being it could in the future lead to stress or even worse, a burnout. In addition to these technologies, other operational characteristics to these fast-growing start-ups are their asset management that translates into a strategy where as little assets as possible, are owned. This allows the

start-ups to remain maneuverable while leveraging non-physical assets such as intellectual property without investing heavily in any expensive fixed assets like real estate.

Altogether, the results produced by this research have shown that fast-growing start-ups have several organizing and operational characteristics that are unique to this type of organization. These unique characteristics have allowed them to configure their organization in such a way that it stimulates substantial growth in a relatively short amount of time while naturally adjusting to these changing conditions. Based on the latest media coverages mentioning large funds for investing in new start-ups nowadays and their presence and use in everyday life shows these fast-growing start-ups have proven that they are here to stay. In fact, it can only be a matter of time before, potentially a Dutch, new fast-growing start-up will follow into the footsteps of Uber, Airbnb or Netflix to shake the next sector on its foundations.

5.2 Discussion

5.2.1 Interpretations of the results

In anticipation of this research it was expected to find large differences on all variables found in the theory (see appendix F) with regard to the organizations and operations between traditional organizations and fast-growing start-ups, in favor of the start-ups. Moreover, it was thought that corporate organizations consisted of many management layers, complex organizational structures and used outdated technologies. Partly this expectation is confirmed but it also showed that traditional organizations are not that far behind. Surely, the fast-growing start-ups have certain unique characteristics which allows them to grow exponentially, but the researched traditional organizations also showed to have several similarities. Not only do the traditional organizations invest in upcoming technologies, they are also exploring the modern methods of human resources practices that, for example, shifts more autonomy towards every layer within the organization or combines qualitative and quantitative performance indicators into live dashboards. Overall the fast-growing start-ups have shown, based on their committed employees, to be a self-fueled organization that make use of internet based technologies, allowing them to grow exponentially. The theories used in this research have shown to not always be accurate or applicable for any organization. It is important to stress that many of the

suggestions done in the theory are often very sector specific or leave out important insights. From this research one of those overlooked areas is that of smartphone technology that is underrepresented in the theories even though in practice shown to be a significant factor in facilitating the growth numbers of the fast-growing start-ups. In appendix F an overview is available with a coloured scheme, illustrating whether or not the traditional organizations and fast-growing start-ups confirm or contrast with the latest findings and insights found in the theory based on an organizational and operational perspective.

5.2.2 Limitations of the research

In this research, fast-growing start-ups and traditional organizations from different sectors were compared with the goal of contrasting them and eventually finding characteristics unique to fast-growing start-ups. The conducted interviews and analyzed documents from these four cases generated valuable data. These comparisons however might have yielded different or even richer results if the fast-growing start-ups and traditional organizations were all selected from the same sector each of them were operating in. Instead, due limited time, resources and access to these organizations, the choice was made to make no distinction between the sectors. Furthermore, including more cases from the other or same sectors could potentially have given the overall research and its conclusion a more complete insight into the characteristics unique to the fast-growing start-ups.

In addition, when researching the literature about fast-growing organizations, it is important to maintain a critical and objective perspective. The leading literature used for this research has the tendency to be merely positive about fast-growing start-ups. In the book *Exponential Organizations* by Ismail et al. (2014) this type of organization is considered to be the Holy Grail, stating that by following their precise steps will lead to a successful fast-growing start-up. If it were the fact that by following these steps and incorporating certain factors it would lead to a multi-million organization, the world would already look very different. Besides the need to remain critical and objective, other authors and their corresponding theories and insights have been collected to support, extend or give nuance to the arguments presented by Ismail et al. (2014).

5.2.3 Recommendations for future research

In order to get a more holistic view of what all the characteristics of a fast-growing start-up are, one should explore not only the internal factors as is done in this research but also include the external factors. The internal factors play an important role in the organization and structure of fast-growing start-ups, however, the external factors play just as an important role. One suggestion for future research, therefore, is to identify the external factors that are of influence on the growth of a start-up. In many of the modern economies and specifically in the western developed countries, money is invested by both government and corporates in order to create an attractive environment for start-ups and their innovative ideas. Based on conditions such as tax support, subsidiaries and accelerators in a certain region or country, external characteristics for fast-growing start-ups can be identified.

Another recommendation for future research based on this research is linked to one of the limitations from the previous sub-chapter. Besides researching and comparing traditional organizations with start-ups from different sectors from which they operate, it is wise to also research organizations that operate within the same sector. When comparing organizations from the same sector, the organizations involved deal with the same market and customer conditions and therefore it has increased possibilities that such a research will allow for a richer comparison and ultimately a better overall determination of the unique characteristics thriving fast-growing start-ups.

5.3 Practical recommendations

As mentioned in the opening of this research, one of the goals of this research was to not only provide a contribution towards a better understanding of fast-growing start-ups but also provide recommendations based on findings of this research to new and existing organizations. These recommendations might not all be applicable or transferable to every organization in every sector, but it can certainly do no harm to take them into account and broaden one's perspective.

The most important characteristic identified within this research is thought to be the traits employees have who come to work in an organization. Ensuring that only employees are brought on board who that identify themselves with the organizational

mission and show their enthusiasm and passion towards it, can produce significant value for any organization. An organization can stimulate to hire employees based on these traits but it is also important that the organization itself is clear in the direction it is heading together with its developed mission and vision for the future. Only if those are known and propagated can employees commit themselves to the organization.

Besides the value of having a committed, passionate and enthusiastic workforce, social technologies have also shown to be able to make a real difference. Besides commonly used technologies such as videoconferences, organizations should venture beyond these relatively 'standard' innovative technologies and seek new solutions. One excellent example is the use of Slack in an organization or department. Slack is a free software program that gives employees the possibility to connect themselves to the organization while being at the office, at home or on route. The great accessibility of Slack on platforms as smartphones, tablets and desktops give employees the chance to take the flexibility of their department or organization to a whole new level. Not only will the responsiveness increase due to the instant availability of information, employees can also multitask and reach out to colleagues in a less formal manner, lowering barriers that might have been present with e-mail or telephone.

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Appendix

Appendix A. Planning

Step #	Activity	Desired deadline
1	Acquire “go” for subject	February 2016
2	Write proposal	March 2016
3	Hand-in draft proposal	April 2016
4	Hand-in proposal	May 2016
5	Conduct research	June 2016
6	Write thesis	July 2016
7	Hand-in draft thesis	November 2016
8	Hand-in master thesis	November 2016
9	Defense	November 2016

Appendix B. Participants overview

Respondent #	Company (employees)	Function	Years in function	Years in organization
1. Start up	Snappcar (30)	Assistant	1 year	1 year
2. Start-up	Snappcar (30)	Developer	2 years	2 years
3. Start-up	Triggi (13)	Founder	2 years	2 years
4. Start-up	Triggi (13)	Founder	2 years	2 years
5. Start-up	Triggi (13)	Developer	2 years	2 years
6. Trad. Org.	Unique (500)	Location manager	2 years	23 years
7. Trad. Org.	Unique (500)	Location manager	6 years	6 years
8. Trad. Org.	Bovemij (300)	Team manager	6 years	19 years
9. Trad. Org.	Bovemij (300)	Operational manager	1 year	4 years
10. Accelerator	Start-up Nijmegen	Founder	3 years	3 years

Appendix C. Interview guideline

Semi-structured interview:

Introduction

1. What is your function in this organization?
2. For how many years have you been in this function?
3. For how many years have you been in this organization?

Staffing

4. Organizations drive on human capital. In the modern economy flexible workers have become increasingly popular. Can you recognize this trend of using flex workers in your own organization? - (p28, C, D)
 - *Follow up question: benefits and disadvantages (based on interviewee answer, thus that of having flex workers or permanent staff)*
5. A new phenomenon is the increased use of 'staff on demand', using for example freelancers to solve or help manage the business. Is your organization familiar with the use of such 'extreme' form of flex workers? - (p28, C, E)
 - *Follow up question: benefits and disadvantages (based on interviewee answer)*

Autonomy

6. Organizations are increasingly depending on self-organizing teams. What kind of managerial activities do you as a manager yourself and which of those do you delegate to your subordinates? - (p28, F, G, H)
 - *If interviewee is unfamiliar with the concept 'self-organizing team': explain.*
 - *Focus on the following organizational / managerial activities: accountability, autonomy*

Team composition

7. Teamwork is an important pillar in every organization. When thinking in terms to describe important determinants for successful team, what characteristics would such a team member have according to you? - (p28, B, B1-3)
 - *Probe with characteristics such as passion, and enthusiasm and eagerness to learn*
8. In every organization, different roles are identifiable. Based on the following roles: *Visionary, User Experience, Programmer and Sales Agent*; how many of each are present in your organization? - (p28, A, A1-4)
 - *Visionary: could be leader of the organization, department, User Experience: focuses completely on optimization of how the end-consumer experiences the service, Sales agent: sales rep., programmer codes*

Accelerating technologies

9. Information technology has developed exponential, meaning that it has doubled each year. Does the organization make use of state of the art technological developments to help operate the organization? - (p28, I, J, K)

➤ *Probe with innovative technologies: 3D Printing, Nano-technology (sensors), autonomous robotics, artificial intelligence (coping with 'Bigdata').*

Social technologies

10. The workplace is becoming more and more digitalized. At first e-mail changed the landscape entirely, but information technology has developed since then. What kind of technologies do your subordinates use to communicate with each other and manage their activities? - (p28, L, M, N)

➤ *Probe with tools: social communications ('Facebook' timeline), to-do lists, file-sharing, video conferences (skype).*

Assets

11. Assets can be seen as heavy, capital-intensive machinery, patents, computer codes but also buildings. Does your organization own a lot of assets or do they prefer to rent or lease? - (p28, O, P)

➤ *Follow up question: Why so? Benefits and disadvantages (based on interviewee answer)*

12. In the modern economies organizations tend to outsource particular services or non-core activities towards other companies or countries. Does your organization outsource activities? - (p28, Q)

➤ *Follow up question: Why so? Benefits and disadvantages (based on interviewee answer, thus that of outsourcing or not outsourcing).*

Monitoring

13. Monitoring the progress of activities that are being performed by employees and managers are important for productivity. In what way do you monitor the progress and productivity of your employees? - (p28, R, S)

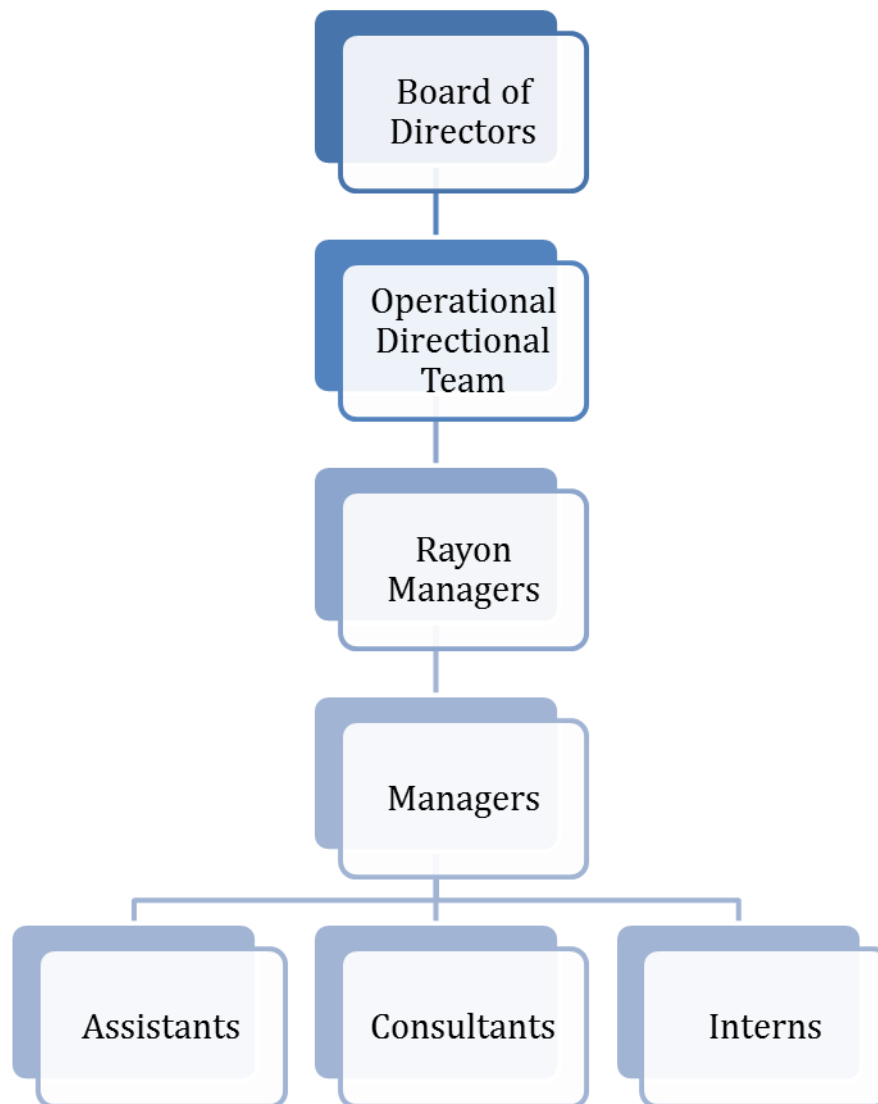
➤ *Probe with tools: software, KPI, OKR, dashboard.*

The end of the interview

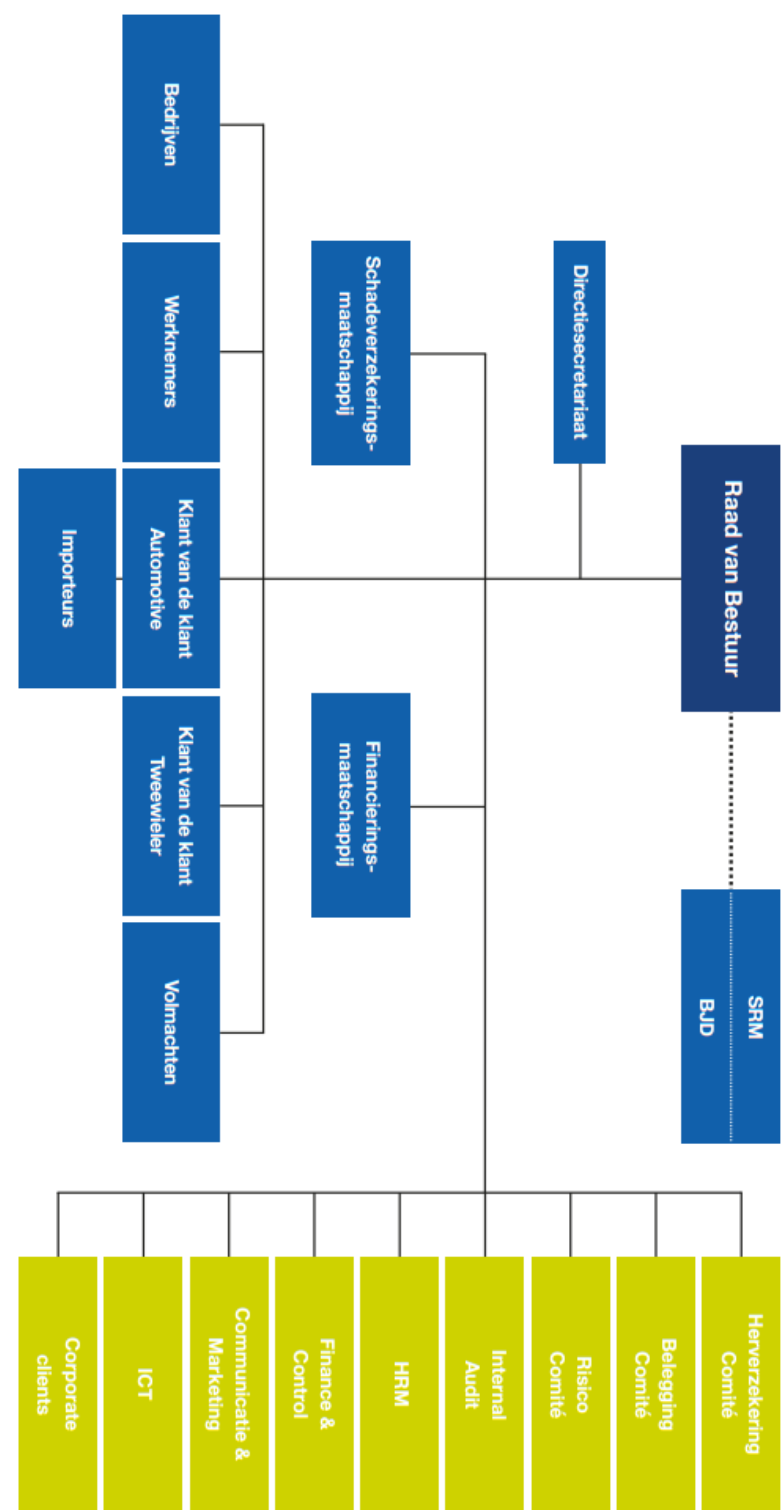
Note: please keep in mind that the above interview guideline has been pre-tested to see whether the questions were clear or had to be reformulated/extended.

Appendix D. Organizational structures

1. Structure overview: Unique (Corporate Communication & Investor Relations, 2016)



2. Structure overview: Bovemij (De Bovemij Verzekeringsgroep, 2015)



Appendix E. Transcripts

Please see the enclosed document for the transcripts

Appendix F. Results overview

Theory-based principles	Traditional Organizations	Start-ups
Roles – Visionary		
Roles – User Experience		
Roles – Programmer		
Roles – Sales agent		
Traits – Passion		
Traits – Enthusiasm		
Traits – Eagerness to learn		
Staffing – Permanent		
Staffing – Flexible		
Staffing – On demand		
Autonomy – Decentralization		
Autonomy – Self organization		
Autonomy - Accountability		
Ac. Tech. – BigData		
Ac. Tech. – 3D Printing		
Ac. Tech. – Nano technology		
Social tech. – Social		
Social tech. – Activity streams		
Social tech. – Videoconferences		
Assets – Owning		
Assets – Leveraging		
Assets – Outsourcing		
Monitoring – Real-time dashboard		
Monitoring – Obj. and Key results		

**Red indicates no confirmation with theory, green indicates confirmation, orange indicates partly confirmation.*