De : Olivier Schwab [mailto:olivier.schwab@weforum.org]
Envoyé : jeudi 28 avril 2016 18:38
À : salimismail@wanadoo.fr
Cc : Thomas.Philbeck@weforum.org
Objet : Thank you for your contribution - Mastering Hypergrowth Project

Dear Mr Ismail,

It is with great thanks for your contributions, advice, and guidance that we send this email to give you a first look at the results of the Forum Members' project: Mastering Hypergrowth. After the feedback from Davos this year, we were able to elaborate upon the results in a way that we hope you will find useful and intriguing. Sponsored in collaboration with EY, this project would not have been realized without your help.

http://reports.weforum.org/mastering-hypergrowth/

Have a wonderful day, and thank you again.

With all best wishes,

Olivier Schwab
Head of Business Engagement

Thomas Philbeck
Global Leadership Fellow

Hypergrowth Profiles

Beyond the fog of the global conglomerates and hyper-valued unicorns, there are businesses that range from start-ups to over seventy years old that are finding ways to achieve hypergrowth. Meet 6 companies with different profiles of Hypergrowth experience.

Adapting to Uncertainty

Agility at a Pivotal Stage

Building Trust and Reputation

Business Model Simplicity

Reinventing the Company

Scaling Through Diversification

BEST PRACTICES INNOVATION & LEADERSHIP

Adapting to Uncertainty

This profile showcases a company that has been faced with an extremely volatile business environment. Overcoming challenges has given the leadership key skills to speed a company with a long history to a new high-growth phase and take advantage of the industry transformations.

Groupe Socota

HQ: Phoenix (Mauritius)
Industry: Textiles and clothing; aquaculture and seafood distribution; agriculture; property development
CEO: Salim Ismaïl
Ownership: Private
Revenues (USD, year): 340 million
www.groupesocota.com

Company Introduction

Groupe Socota is a diversified group based in the western Indian Ocean. The company was established in 1930 in Madagascar as a trading house. Operations have since expanded to include vertically integrated textiles and clothing manufacturing units, aquaculture production and seafood distribution, agricultural development and real estate.

Socota's fabric and garment divisions in Madagascar employ over 7,000 workers. Key markets in the mid-end fashion range are Europe, the United States, South Africa, China and Australia. Capacity and employment are expected to grow by 30% in the near term.

Socota’s shrimp farm in Madagascar was the first to be certified under the organic “AB” label. The farm has over 1,000 employees and its main market is Europe. Seafood distribution activities stem from a joint venture with an established high-end French distributor.

Socota’s agriculture division was created recently. Development in Madagascar of value-added crops for food, biomass and essential oils is in the pilot stage, with significant growth prospects.

Socota’s real estate division in Mauritius is developing land and space on a smart city concept. It recently launched the first biotechnology park in the region, with the next phase focusing on the construction of a residential belt.

Case Study: Adapting to Uncertainty

Socota’s distinctiveness stems from the capacity the company has shown over recent decades to reinvent itself in response to successive political and regulatory shocks and respond to the opportunities presented by regional and global markets. In the process, Socota has evolved from a textile manufacturer feeding the domestic market in Madagascar to a diversified enterprise oriented towards exports in Europe, America, Asia and Africa. Socota’s sectoral diversification and participation in global value chains have achieved both economic and social upgrading in one of the world’s poorest nations.

The challenges Socota has had to confront are multifaceted. First, there is the dimension of domestic uncertainty and infrastructural deficiencies generated by Madagascar’s recurrent political crises, underdevelopment and geographic isolation. Adverse consequences have included: nationalization followed by re-privatization; the sudden loss of markets subsequent to disorderly domestic policy reorientation and later the revocation of trade preferences; high fiscal and legal unpredictability; and substandard global connectivity.

Second, there is the dimension of international change. Beyond heightened competition on world markets, this has included a fundamental reorganization of sourcing networks since the turn of the century; a trend reinforced by the global financial crisis. In textiles and clothing, for example, the sourcing decisions of lead firms have shifted from the pre-eminence of cost differentials to more elaborate buyer-supplier relations, with key considerations such as lead times, flexibility and the delivery of services and supply chain logistics.

Socota's resilience, its ability to adapt to uncertainty and change, has been built on long-term vision and the following foundations.

> **Responsible leadership**: Long-standing investment in socially and environmentally responsible production processes has cultivated employee engagement and become a factor of differentiation in positioning the company on international markets. It has delivered a sense of purpose among managers and employees in difficult operating circumstances. In addition, sound industrial relations create a line of communication that facilitates adaptation and organizational change.
>
> **Human resources***:* Sustaining competitiveness implies a continuous and deliberate process of workforce development, not least in a low-income country with limited human capital formation and poor business and infrastructural conditions. This is an ongoing effort and one that will define the agility and future growth potential of the firm – i.e. the recruitment, identification and training of talented individuals.
>
> **Knowledge transfer**: Socota's internationalization and diversification in high-growth markets have been successful due to the absorption (adoption and adaptation) of know-how with regards to technological change, consumer preferences, international standards and management practices. One way in which this has been achieved is by

entering into partnerships. This dissemination of knowledge has enabled Socota to innovate, develop differentiated products (in textiles, seafood, agriculture, real estate) and make strategic adjustments when necessary in response to risks and new market opportunities.

In conclusion, despite its long history and size, a trait Socota has acquired from having to regularly adjust to a moving environment is entrepreneurial drive.

Peer CEO Advice

- Socota has been fortunate to inherit a legacy of values which, in a domestic environment marked by a considerable degree of uncertainty, has enabled the firm to succeed in uniting personnel and management around certain core principles – primarily, a sense of the public good and the importance of customer satisfaction.
- In all of our ventures we seek to develop strategies that are consistent with local expectations in terms of social progress and responsive to the demands of highly competitive, fast-evolving world markets. These principles will remain vital to our resilience and continued agility.

BEST PRACTICES INNOVATION & LEADERSHIP

Agility at a Pivotal Stage

This profile showcases a communications technology firm that has never compromised its purpose and long term commitment. Company has achieved a landmark reputation and is scaling its business at hypergrowth pace.

Wickr Inc.

HQ: Chicago
Industry: Technology, communications
CEO: Mark Fields
Ownership: Private
Revenues (USD, year): Undisclosed
wickr.com

Company Introduction

Wickr is a secure communications company enabling global enterprises and consumers to safeguard proprietary information and sensitive communications in transit. Its robust end-to-end encrypted collaboration system is architected to protect data endpoints across platforms – empowering customers to safely transport critical information and withstand emerging cyber threats.

Launched as a security-first company, Wickr started with a vision of engineering an intuitive, scalable, and agile communications ecosystem, resilient against targeted attacks. With its consumer user base growing by 6.6% monthly, Wickr Messenger has successfully proven the company's multi-layered approach to designing security for high-risk, high-growth markets.

Today, having attracted almost $40 million in investment funds, Wickr is at a pivotal stage in its development – the company is expanding its reach to the enterprise market that is estimated to grow from $75 to $170 billion in the next four years. As the number of data breaches rapidly increases across industries, the mission of the Wickr team of world-renowned cryptographers and information security experts is to protect the highly regulated markets that are most at risk – including financial, legal and government systems – through robust yet intuitive encryption technology and strong data controls.

Scaling Secure Technology with Agility

The Wickr journey took place against the backdrop of two explosive growth trends in the over-the-top (OTT) communications market and information security, inevitably shaping the company's outlook on its business and innovation strategy. The global mobile OTT communications market has grown from single digits in 2011 to $45 billion in 2016, reflecting an urgent need for real-time business collaboration across industries and continents. [1] However, the explosion in the amount of data flowing across corporate and public networks has created a corresponding demand for data protection, accelerating growth in the cyber security market estimated to expand to $175 billion by 2020.

1 Juniper, Frost and Sullivan, Portio Research, Arthur D. Little analysis

The challenge of building a business at the intersection of these two growing markets requires a precise focus on the need the company is solving. From the start, the Wickr team has envisioned engineering the most advanced yet easily accessible security protocol to safeguard valuable data against cyber threats, in compliance with emerging cross-border data regulations. Wickr has foreseen the risks of accelerated data generation by consumer and business applications that rapidly expand the global attack surface. The solution had to offer security resilience that is agile, scalable and verifiable. Wickr Messenger, the first application the company powered with its multilayered end-to-end encryption, has proven itself as the tool most capable of withstanding targeted attacks and protecting data, earning the highest ratings among security and privacy experts.

Since the launch of Wickr Messenger in the consumer market, the need for security has rapidly increased, with data breaches costing the global economy over $400 billion a year. A high level of uncertainty caused by evolving threat scenarios and new national data regulations has challenged businesses to adapt quickly. In response to the enterprise demand for accessible and dynamic security, Wickr has directed its investment to building new business products on its proven security foundation, expanding the company’s reach to institutional customers engaged in the data economy. Building alliances with a diverse customer base and the regulators overseeing cross-border data protection has empowered Wickr to design the most critical use-case scenarios and attack vectors into its products and security architecture.

In addition, a fast-changing security landscape has driven Wickr to build up its capacity expanding both the company’s talent and its technical capabilities. Wickr has employed the “red team” approach at the executive and the engineering levels to critically challenge existing assumptions and strategies. The goal is to ensure that the company is well-positioned to continue its growth trajectory effectively serving industry demands. As a result, Wickr’s products are capable of powering secure communications for global incident response teams, sensitive high-level negotiations, and critical infrastructure support – whenever the stakes are high and the value of coordination is critical.

At the engineering level, Wickr has continuously tested its defence with the regular third party code audits and a Bug Bounty Program, engaging its all-star advisers and the outside “red teams” of independent security experts. This approach has enabled Wickr to continue innovating and expanding the talent pool required to keep abreast of emerging security threats.

Peer CEO Advice

- The key to securing growth capacity is maintaining a strong vision for the company’s mission and understanding its long-term role over five to 10 years within the industry. For Wickr, this has meant committing to providing consumers and companies alike with the strongest security, accessible to anyone, anywhere in the world, on any device.

- Equally, if not more important, is nurturing the “red teams” within a company, including its board, to ensure consideration of the full industry landscape, enabling leeway to timely course-correct to continue on a growth trajectory.

BEST PRACTICES INNOVATION & LEADERSHIP

Building Trust and Reputation

This profile showcases a Private Equity firm that is focused on a high growth market. The company has been built on solid principals and demonstrated how contributing to wider society enables its portfolio companies to achieve hypergrowth.

Fajr Capital

HQ: Dubai International Financial Centre, United Arab Emirates
Industry: Private equity (financial services)
CEO: Iqbal Khan
Ownership: Private
Revenues (USD, year): over 750 million under management
www.fajrcapital.com

Company Introduction

Fajr Capital is a sovereign-backed principal investment firm, with a focus on realizing the growing economic opportunity presented by Organisation of Islamic Cooperation (OIC) markets. Our shareholders include: Abu Dhabi Investment Council, Brunei Investment Agency, Khazanah Nasional, and Mohammed Alsubeaei & Sons Investments Company.

Together with our portfolio companies, Fajr Capital employs over 15,000 people across the OIC region – including the Gulf Cooperation Council (GCC) markets, Algeria, Brunei Darussalam, Egypt, Indonesia, Malaysia and Turkey.

Fajr Capital’s success derives from our founding vision to invest in “what we know, where we know, and with whom we know”. We have a strong and diverse group of portfolio companies, consisting of “regional champions” operating across a range of strategic, demographic-driven sectors, such as Islamic financial services, infrastructure, education, manufacturing and renewable energy, among others.

We believe that key Muslim majority countries are emerging as one of the main growth engines for the global economy. Our target OIC markets represent a distinctive investment opportunity: common values and cross-regional trade flows, coupled with strong growth and high liquidity.

Case Study: Trust and Reputation as a Critical Cornerstone of Hypergrowth

While the economic instability over the past decade has cast a dark shadow on the conventional financial system, the Islamic finance industry has continued to grow at an exponential pace – with total assets expected to have surpassed $2 trillion in 2015 (from less than $600 billion in 2007) and steady expansion beyond core markets in Malaysia and the Middle East. Private equity as an asset class in the Islamic finance industry is relatively new and, on a global scale, still very small. Islamic private equity activity, however, is set to flourish over the coming years, particularly within Fajr Capital’s focus markets.

One of the core hallmarks of successful private equity investors is the ability to structure, nurture and drive value creation. We at Fajr Capital believe that effective investment strategies focus on creating enduring value not only for investors or shareholders but also the communities which the company serves. Our commitment to the principles of ethics, fairness, transparency and social responsibility shapes our investment decisions and also helps to attract and retain the industry’s best talent. Specific initiatives include:

Principles-based approach

The word Fajr means “dawn” in Arabic, representing Fajr Capital’s vision to become a pioneering, role model institution in the global financial services industry. As well as a robust governance framework, Fajr Capital has appointed three independent sharia supervisors (to form the sharia supervisory board) to ensure consistency with Islamic legal and ethical principles. Our strong focus on sharia principles has helped Fajr Capital create a unique sense of ownership across our diverse employee base.

Incentivizing management teams

Investment strategies should focus on investing in partnerships, in values and in a vision for the future. Fajr Capital, therefore, invests substantial time and resources in developing Musharaka- and Mudaraba-based long-term incentive plans that provide management teams of acquired companies with an ownership interest in the company and empower them to build sustainable and lasting value.

Enabling corporate governance

Strong corporate governance provides the mechanism with which the values, vision and mission of companies become institutionalized into strategic decision-making. We believe that long-term success derives not only from abiding by the highest standards of corporate governance but also through the principle of “Shura” (or consultation) and engagement with the board of directors, sharia supervisory boards, board committees and management forums to make informed decisions.

Institutionalizing social responsibility

Most companies, especially in the Muslim world, continue to implement sporadic corporate social responsibility initiatives without concrete goals or objectives. Corporate philanthropy provides an opportunity to redefine a company’s overall strategic purpose, as well as increasing blessings and goodwill at both an individual and institutional level. We at Fajr Capital encourage our portfolio companies to follow our lead by committing a specific portion of profits – over and above Zakat – to their corporate foundations. We also assist our portfolio companies with developing clear CSR policies, which create a renewed focus for employees across the group towards making a positive social impact.

Peer CEO Advice

- Learning from experience involves learning from both past successes and past failures of ourselves and others around us. CEOs operating in today’s dynamic world must remain open-minded, humble and develop a can-do mindset which states “that which is achieved the most still has the whole of its future yet to be achieved”.

- When learning from past mistakes, one should spend only 10% of the time on the problem at hand and instead use 90% of our time and energy on finding the solutions. When focusing on the solution we must surround ourselves with people who are “possibility thinkers” and doers.

- While learning from past successes and failures, the power of intent and knowing that we only control our efforts and attitudes give us a perspective which will lead to greater success.

BEST PRACTICES INNOVATION & LEADERSHIP

Business Model Simplicity

This profile showcases a global company that has achieved hypergrowth by early understanding of a megatrend and successful application of a tested business model.

Home Instead Senior Care

HQ: Omaha, Nebraska, USA
Industry: Home care for older adults
CEO: Jeff Huber, President and CEO
Ownership: Private
Revenues (USD, year): 1.3 billion (2015)
www.homeinstead.com/

Introduction

Since it was founded in 1994, the Home Instead Senior Care franchise network has consistently been recognized as one the world's leading franchise businesses. Today, with more than 1,100 independently owned and operated franchises throughout the United States and 13 additional countries; Home Instead is a global leader in providing care for seniors and resources to family caregivers.

Home Instead Senior Care has developed an amazing record of service to seniors, support for family caregivers and business achievements including:

- Creating more than 5,000 jobs for franchise owners and their office staff
- Establishing more than 65,000 jobs for caregivers
- Serving more than 1,000,000 clients
- Providing 60 million hours of service annually
- Being recognized as the largest senior care franchise business in the world

In 2015, Home Instead Senior Care franchises generated more than $1.3 billion in revenue by providing the following services:

- Companion and home helper – meal preparation, medication reminders, errands and light housekeeping
- Personal care services – bathing, dressing, incontinence care and mobility assistance
- Alzheimer’s or other dementia care – managing difficult behaviours, encouraging social engagement and keeping seniors safe
- Transitional care services – transport/medication pickup, hospital/facility discharge service
- Hospice support – supplemental support and respite care for family caregivers

In the United States and Canada, Home Instead Senior Care uses a direct-franchising model. Home Instead, Inc. serves as the franchisor and awards the rights to franchises and provides training, marketing, technical and operational support directly from its home office in Omaha, Nebraska. For these services, franchisees pay a royalty to Home Instead, Inc.

For expansion into international markets, Home Instead, Inc., employs a master franchising model to grow its business. The global headquarters in Omaha, Nebraska, serves as a master franchisor, which owns the Home Instead Senior Care brand name. We then work to identify master franchisee partners in specific countries to enable our development.

Prior to entering a market, we conduct a market analysis of elder care services offered by the public sector and a country's openness to the concept of franchising. Additionally, we look at a country's population and ageing demographics.

We firmly believe that the master franchise concept enables us to provide the highest-quality care to older adults and their families. We partner with entrepreneurs who possess business and leadership skills which enables the home office to tap into their knowledge and expertise of the local care sector, culture and family structures. The master franchisees can grow their businesses rapidly, more so than if they tried to start a home care business from scratch because they have the ability to learn from the experiences and collective knowledge the Home Instead Senior Care franchise network accumulates by providing more than 60 million hours of care annually.

We work with our international franchise partners, and potential partners, to identify gaps in public sector care services that may provide us with an opportunity for expansion. We educate government agencies, along with older adults and their families, that Home Instead Senior Care services complement government services; we don't look to replace government-provided care.

Our ultimate goal is to offer seniors and their families personalized, relationship-based care that can supplement care services offered by the public sector, which are, typically, task-based.

Peer CEO Advice

- When selecting business partners, in our case franchise owners, look for leaders, not just business owners/operators.
- Don't get distracted; continue to invest in the core of your business.
- Establish open lines of communication in your organization – feedback can inform business operations and many of your best ideas come from the field.

BEST PRACTICES INNOVATION & LEADERSHIP

Reinventing the Company

This profile demonstrates the importance of understanding the market requirements in a changing high-growth business environment. The business model and offerings need to be reinvented as the market changes.

Computer Warehouse Group

HQ: Lagos, Nigeria
Industry: Information and communications technology
Founder & CEO: Austin Okere
Ownership: Public Limited Company
Revenues (USD, year): 97 million (2014)
www.cwg-plc.com

Company Introduction

Computer Warehouse Group Plc (NSE: CWG Plc) is a leading provider of information and communications technology (ICT) solutions across West, Central and Eastern Africa, with over two decades of providing quality solutions and reliable services to companies. CWG Plc supports over 80% of the businesses in the financial industry and over 50% of the telecoms industry in Nigeria. The company also offers affordable cloud services for small and medium enterprises (SME) to improve business processes, reduce operational costs and maximize profit.

Our vision is to be Africa's number one technology platform provider by 2020 by extending the frontiers of services to 27 countries in two years and an anticipated revenue of $400 million. Currently, CWG Plc has a physical presence in Ghana, Uganda, Cameroon, and a virtual presence in 17 other African countries.

CWG Plc has been a recipient of various awards: ICT Solutions Provider Of The Year, Financial Sector Technology Solutions Provider Of The Year, Distinguished SME Partner Award, and many others.

Reinventing the Company for Next Round of Hypergrowth

Given the challenges faced by global ICT players with increasing competition and declining margins on traditional hardware and communication business, CWG is repositioning itself by shifting from its reseller business to the provision of ICT solutions via cloud services on a subscription basis.

This strategy shift, in our opinion, is more sustainable than the traditional business of reselling OEM's products, given the nature of the markets we operate in. For instance, Nigeria currently has over 34 million SMEs which cannot afford their own ICT solutions, but who can afford solutions tailored to meet their peculiar needs on a monthly subscription fee of about $10.

This strategy maximizes social-impact investment within the African market, aligns to the future direction of technology consumption and helps to create jobs by empowering entrepreneurs. This defines the new business model of CWG Plc referred to as CWG 2.0. This essentially comprises cloud-based solutions, available on a subscription basis, to meet the technology requirements of government- to- citizens, or peer-to-peer businesses models across diverse market segments.

The initiative stems from our belief that the African SME market has huge potential and is yet to be fully tapped. If SMEs can be empowered to maximize this potential, they can expand their capacities, create more jobs and grow the economy.

CWG 2.0 products include Openshopen, an e-commerce platform designed to enable SMEs sell their products online by owning a virtual online store on www.openshopen.ng. Another is SMERP, an Enterprise Resource Planning (ERP) solution developed to help SMEs manage their business operations. CWG's FinEdge is a platform designed to power the operational processes of micro-finance institutions and also engender financial inclusion by powering mobile banking solutions. Another product, Vericash, is an innovative mobile wallet aggregation platform that enables a new ecosystem for collaborative mobile financial services and financial inclusion in emerging markets.

We have also designed two other solutions that will significantly impact socio-economic development of the Nigerian market. They are: CWG-IGR Solution, an internal generation revenue platform that will enable state governments assess their actual revenue, improve their revenue base and monitor the collection process; and CWG Electricity Anti-Theft solution, designed to help electricity distribution companies determine leakages, reduce theft and increase profitability.

CWG also has a pan-African strategy aimed at encouraging partnership of ICT companies across Sub-Saharan Africa to provide efficient service delivery to clients, reduce the client's operational cost, thus increasing partners' revenue-generation capabilities thorough economies of scale and more optimal deployment of technical resources.

Given the premium we place on customer satisfaction and quality of service delivery, CWG runs a world-class Customer Experience Centre to address escalations, provide support for customer feedback and emergency calls. We also have the CWG Academy; a full-equipped training facility for IT professionals to meet the skills' gap within the industry.

Crucial to our survival and growth is our resolve to deliver ICT solutions that will add value, meet and exceed our customers' expectations. We have sustained this resolve relying on a motivated workforce and a system of tested processes.

Peer CEO Advice

- The maxim used to be that "big fish will eat small fish"; today the paradigm has shifted to "fast fish will eat slow fish".
- Businesses operating in a highly disruptive sector and dynamic market such as ours are faced with a constant need to reinvent themselves. Only companies which are willing to innovate and evolve will survive.
- Consequently, companies must be able to identify their peak period based on erstwhile business models, after which their growth begins to stagnate. At this point, without innovation, taking advantage of new knowledge and technology advancement, businesses are prone to decline and ultimately cease to exist.
- In the new subscription business model, scale is key, hence the need to resource for hypergrowth.

BEST PRACTICES INNOVATION & LEADERSHIP

Scaling Through Diversification

This profile showcases a company that has continuously scaled with multiple means. Company has demonstrated extreme business agility but has been built on strong leadership principles.

QI Group

HQ: Malaysia/Hong Kong
Industry: Retail
CEO: Vijay Eswaran
Ownership: Private
Revenues (USD, year): 500 million
www.qigroup.com

Company Introduction

The QI Group is a diversified multinational with regional offices in Hong Kong, Singapore, Malaysia, Thailand and the Philippines and a wide range of subsidiary companies in nearly 30 countries. The group has six main business lines diversified into lifestyle and leisure, luxury, training and education, property development and management, logistics and an e-commerce-based retail and direct sales business.

The group ventured into the education sector in 2011 with the establishment of the Quest International University Perak (QIUP), in Ipoh, Malaysia. The constantly evolving group has also invested in the hospitality segment in Sri Lanka, Thailand, South Africa and Turkey through a range of spa resorts and boutique hotels. The QI Group is also a strategic partner of the Malaysian-based Asian Strategy & Leadership Institute (ASLI).

Case Study: Scaling through diversification

The QI Group was founded in 1998 during the dot.com bubble burst, when most companies decided to divest from online ventures. Being the first of its kind in its industry to enter the e-commerce world, the group quickly grew from a handful of staff with a few hundred loyal customers to a global conglomerate with over 5 million customers worldwide.

Today, QI Group is a diverse conglomerate of businesses that organically grew from the need to do backward integration for our core business, direct selling, which is also the group's flagship business. The agility in operational execution is aided by several other subsidiaries that helped support the growth of our direct selling business.

Dealing with hypergrowth was one of the group's main challenges in its early years. Our flagship business broke out of its comfort zone by opening its borders to a new, unknown and unexplored region. And without much forewarning, product demand spiked to a vertiginous level. The explosion was phenomenal and demand skyrocketed within just a few months. Ensuring an exceptional customer experience was a true challenge at that moment: our platform wasn't translated to the local language, our product materials were not multilingual, we were using an international currency; and we didn't have a warehouse to ensure timely delivery. We had to act fast, and act wisely, to address all these issues and service our customers.

We decided to involve our main stakeholders and ensure we had buy-in for specific and rather large decisions that were to be made to cope with this spurt of growth. Effective stakeholder management was the key in ensuring our growth would continue.

Within a couple of weeks, we had a task force of QI staff on the ground that ensured decisions made by headquarters were executed with agility and swiftness. A local partner was found to set up a simple partnership company that functioned as representative in the region. This local partner provided customer support, aftersales support and training to new staff when and where needed.

Within weeks a logistics partner was identified and delivery times shortened dramatically. Local customer service was a main concern and, while initially managed from the headquarters in Hong Kong to ensure customer experience was not disrupted, we soon managed to hire local staff to support all customer needs. After only a few months, the global group had managed to become a relevant player in the local realm of its industry.

Last but not least, as giving back to the community is an important part of our philosophy; we identified a local charity involved with children with special learning needs to form a long-term partnership with our global CSR arm, RYTHM Foundation.

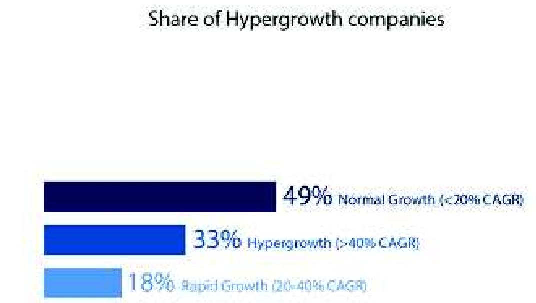
Peer CEO Advice

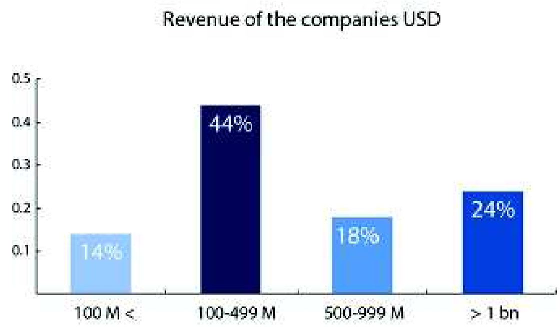
- Hypergrowth is something that every high-impact entrepreneur wishes for, but it is also a major challenge.
- Continued growth may mean diversification. While diversifying, the company needs to maintain clarity of purpose and principles.
- Effective stakeholder management is a key for scaling and continued growth.

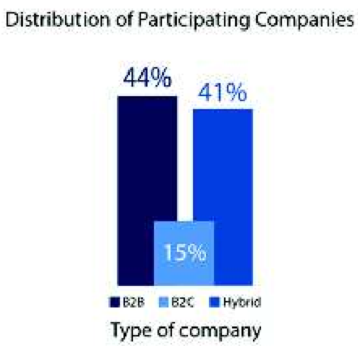
Comprehensive and global sample of growth

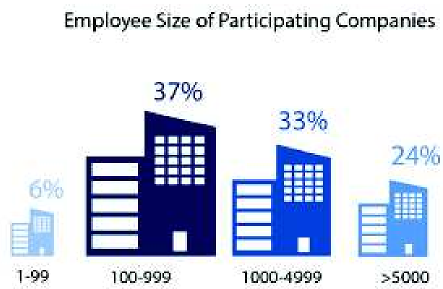
Our study consisted of nearly 200 companies. 18% of participating companies represented rapid growth, defined as between 20% – 40% compound annual growth rate (CAGR), while 33% of participating companies had experience with hypergrowth, defined as > 40 % CAGR. The remaining 49% of companies could be classified as normal growth, <20 % CAGR. This particular sample of global companies represents annual revenues from $100m – >$1bn (US) and includes a wide variety of industries, regions and organization sizes.

Participating Company Data

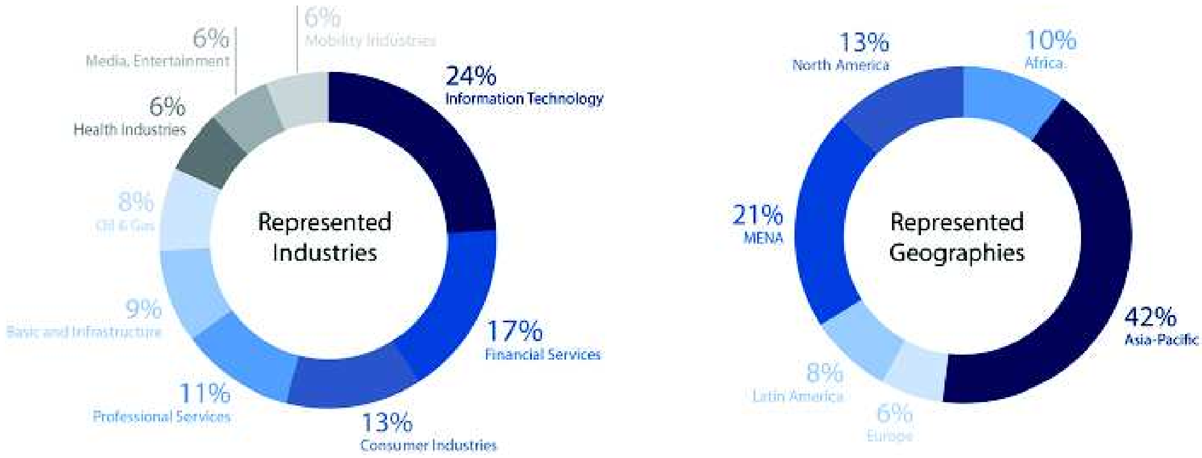








Company Participation Profile



Global growth challenges

Over 55 % of all participating companies have experienced talent challenges. Talent is a global challenge, and is not differentiated by growth vs hypergrowth comparison. Other challenges, however, find different levels of priority based on regional issues. The top 5 growth challenges include regulation, technology, business models, talent, and funding & finance. While the start-up phase tends to attract a lot of attention and focus on entrepreneurship, our findings indicate that key growth challenges tend to take place in later growth phases and over 50 % of challenges are related to scaling requirements/processes and geographical expansion.

Key regional growth challenges*

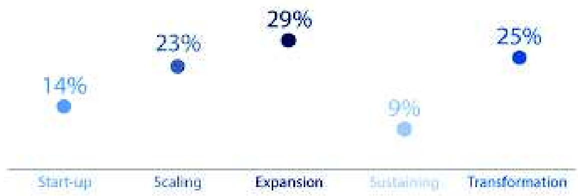
* Talent is a universal growth challenge - Equally weighted across regions and companies

Key growth challenges by region and business life-cycle stage

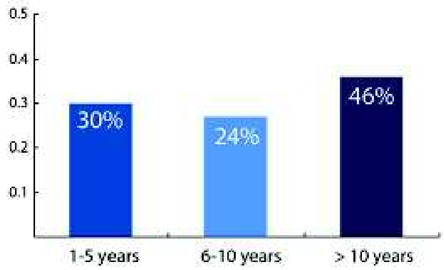
Region associated with challenge

66% of key challenges were regional
34% of key challenges were global

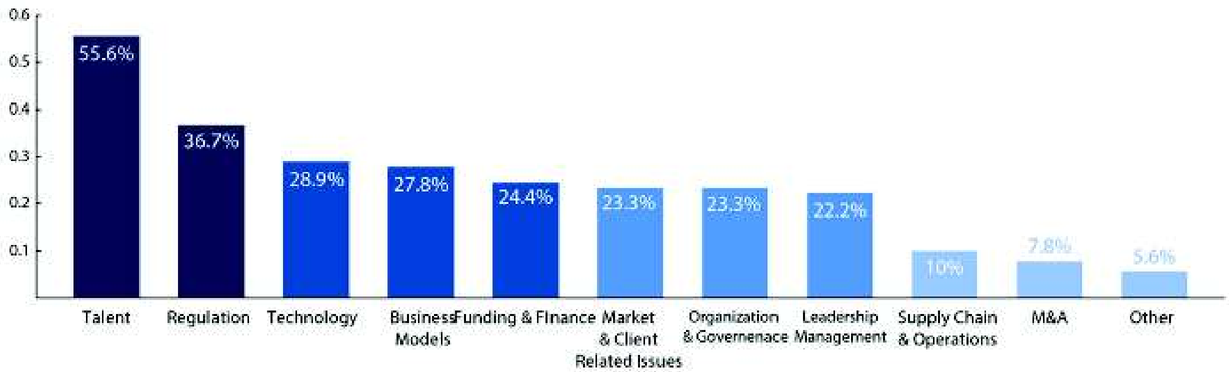
Stage associated with key growth challenge



Age of company at key growth challenge



Percentage of firms reporting key growth challenges in the following areas

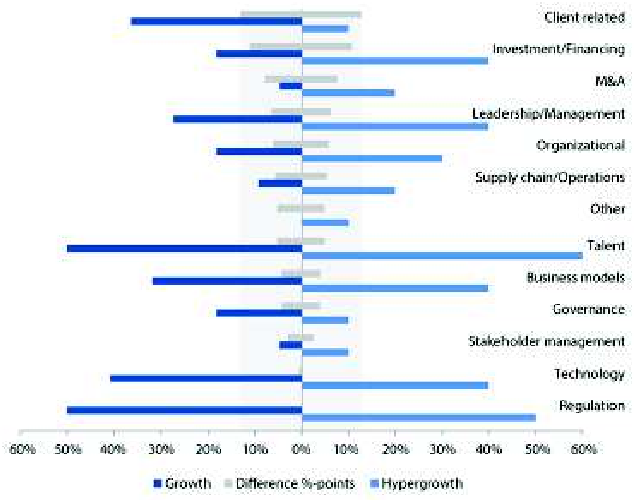


How Hypergrowth companies differ from other growth companies

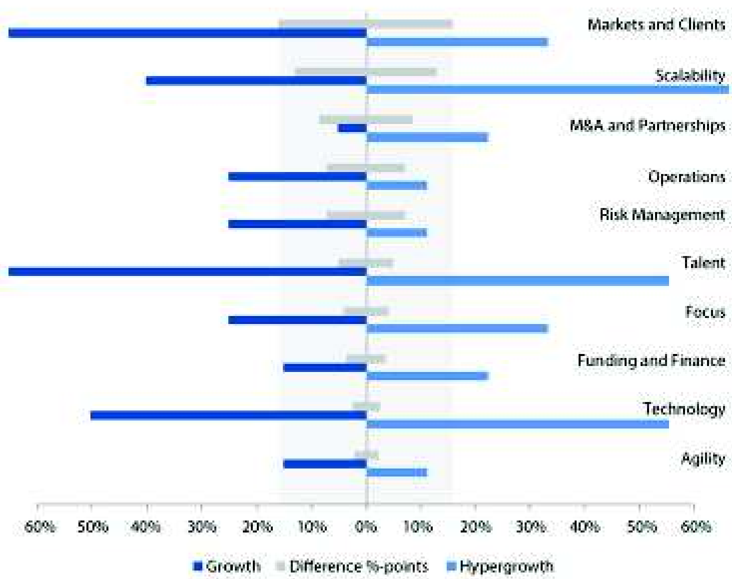
Hypergrowth companies focused on different challenges and priorities. In order to isolate these differences we segmented the companies into growth and hypergrowth subgroups (rapid growth companies were not included). The results indicate the significant differences between the

subgroups in terms of challenges and priorities. For example, in contrast to normal growth firms, scalability is the key priority
for Hypergrowth companies and our findings indicate that agility is often a naturally embedded cultural priority for Hypergrowth companies, and thus receives less direct attention than one might anticipate.

Primary Growth Challenges
How hypergrowth companies differ from growth companies



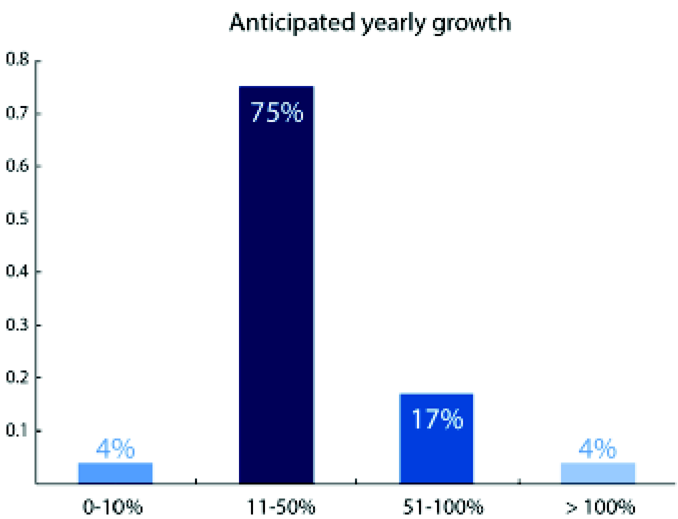
Key priorities
Hypergrowth companies vs. Growth companies



Realistic expectations

Rapid growth and Hypergrowth companies make ambitious but realistic growth plans (11 – 50 % GAGR)

What expectations do rapid growth and hypergrowth companies have?



ABOUT

Related Articles

Increasing Innovation

4 Ways Innovation Is Changing Business

How Leaders Can Make Big Organizations More Innovative

The Importance Of Innovation In A Turbulent Global Economy

Is This What It Takes To Be An Innovative Leader?

High Impact Entrepreneurship

How To Pitch An Idea Like Mark Cuban And Reid Hoffman

Why Are Transformational Entrepreneurs In Decline

Why The Best Entrepreneurs Think Globally

AMNC14 Report: The Bold Ones

Leveraging Digital Opportunities

Digital Transformation Of Industries

Is The World Buying Into E-Commerce?

Radically Digital

A Global Economy Powered By Data

Digital Disruption Has Only Just Begun

Opportunity or Threat: Four Principles of Digital Disruption

Contributors and Acknowledgements

World Economic Forum Project Team

Olivier Schwab, Head of Business Engagement, World Economic Forum, Switzerland
Thomas D. Philbeck, Global Leadership Fellow, World Economic Forum, Switzerland

Project Advisers

Kaj Työppönen, Director (seconded to the World Economic Forum), EY, Strategic Growth Markets, Switzerland
Maria Pinelli, Global Vice Chair, EY, Strategic Growth Markets, United Kingdom
Bruno Chiomento, Country Managing Partner, EY, Switzerland

We also jointly want to express our gratitude to the guidance provided by the Global Growth Companies advisory board and Forum Member Advisers.

Marwan M. Boodai, Chief Executive Officer, BoodaiCorp Company, Kuwait
Tim Brown (Co-Chair), Chief Executive Officer, IDEO, USA
Vijay Eswaran, Executive Chairman, QI Group, Malaysia
Li Guangrong, Chairman, Sinosafe General Insurance Co., People's Republic of China
Yoshito Hori, (Co-Chair), President and CEO GLOBIS, Japan

Hemant Kanoria, Chairman and Managing Director, SREI Infrastructure Finance, India
Alastair Lukies, Chief Executive Officer, Monitise, United Kingdom
Prashant Modi, Managing Director and Chief Executive Officer, Great Eastern Energy Corporation Ltd, India
Maria Pinelli, Global Vice-Chair, Strategic Growth Markets, EY, United Kingdom
Vikas Pota, Chief Executive Officer, GEMS Education, United Arab Emirates
Dov Seidman, Founder and Chief Executive Officer, LRN Corporation, USA
Malek Sukkar, Chief Executive Officer, Averda, Lebanon
Iqbal Survé, Executive Chairman, Sekunjalo Investment Holdings, South Africa
Michael Wolf, President and Chief Executive Officer, ACTIVATE, USA

In the past nine months, nearly 200 companies have offered their words, data, knowledge, experiences, assistance, time and more to contribute to this project. We would like to express our gratitude for their contributions and acknowledge their input, without which this project would not have been possible. Contributing companies issued from all continents and nearly all industries with which the World Economic Forum works. In addition to the many firms from Silicon Valley that provided their time and input, we also sought to understand hypergrowth from a global and cross-industry perspective and received invaluable data from firms around the world.

17zuoye.com, People's Republic of China
1QB Information Technologies, Canada
Acronis, Singapore
ACTIVATE, USA
Adtelligence, Germany
Advanced Holdings, Singapore
Advantage Partners, Japan
Aesop, Australia
Alliance Tire Group, India

Allied bank, Pakistan
Amata Corporation, Thailand
AppNexus, USA
Arendal, Mexico
Autogrid Systems, USA
Avegant Corporation, USA
averda, Lebanon
AVG Technologies, Netherlands
Bayt.com, United Arab Emirates
Beijing Organic and Beyond Corporation, People’s Republic of China
BGI, People’s Republic of China
BlueOak, USA
Borsch Ventures, Ukrane
BT, United Kingdom
Cambrian Innovation, USA
Capricorn Investment Group, USA
Central Pattana Public Company Limited, Thailand
Centum Electronics, India
Channel IT Group, United Arab Emirates
Ciming Medical Examination & Health Management Group
CJSC ER-Telecom Holding
CloudFlare, USA
CoeLux, Italy
Computer Warehouse Group, Nigeria
comScore, USA
Comtrade, USA
Crescent Enterprises, United Arab Emirates
CRV, USA
Dalian Bingshan Group Co., People’s Republic of China
Dalian Pengsheng Group, People’s Republic of China
Data4, Mexico
Dianping, People’s Republic of China
DigitalGlobe, USA
DocuSign, USA
E. J. McKay & Co., People’s Republic of China
East Capital, Sweden
Ecovative Design, USA

Educomp Solutions, India
Electro Power Systems, France
Elminda, Israel
Entrepreneurs' Foundation of Colorado, USA
Equity Bank Group, Kenya
ESG Analytics, Switzerland
Eternal River Industry Co., People's Republic of China
Etihad Airways, United Arab Emirates
Fajr Capital Group, United Arab Emirates
Flex, Singapore
Fohow Group, People's Republic of China
Fontinalis Partners, USA
frog, USA
Frost & Sullivan, USA
Fujia Group Company, People's Republic of China
Garena, Singapore
Geoffrey Moore Consulting, USA
Globalance Bank, Switzerland
GLOBIS, Japan
Good Technology, USA
Google, USA
GoSwiff, Singapore
Great Eastern Energy Corporation, India
Groupe Socota, Mauritius
Grupo Arfeldt, Mexico
Guardant Health, USA
Health Integrated, USA
HealthTap, USA
HiBot Corporation, Japan
Hoa Sen Group, Vietnam
Home Instead, USA
CJSC Housing Finance Bank, Russia
HRC Latinoamerica, Mexico
IDEO, USA
IHS, USA
Interproteccion, Mexico
Ionic Security, USA

IronSource, Israel
ISAGEN, Colombia
iSoftStone Information Technology, People’s Republic of China
J&J Group, South Africa
Jana, USA
JinkoSolar, People’s Republic of China
Vietcombank, Vietnam
Jumbo Electronics, United Arab Emirates
Kaggle, USA
Kemin Industries, USA
KIO Networks, Mexico
Knewton, USA
Koemei, Switzerland
Kreab Group, Sweden
KT Group, Myanmar
Ladrillera Santa Fe, Colombia
LCY Chemical Corp., Chinese Taipei
Link America, USA
Lookout, USA
LRN, USA
Lucta, Spain
Meikles, Zimbabwe
Mineks International, Turkey
Miniwiz, Chinese Taipei
Mithril Capital Management, USA
Monashees Capital, Brazil
Mozilla, USA
Nagra Kudelski Group, USA
National Microfinance Bank, Tanzania
Navigant Consulting, USA
NBBJ, USA
Near Future Laboratory, USA
Oisix, Japan
One Drop Interactive, USA
Option, Belgium
Organovo, USA
Overseas Infrastructure Alliance, India

Parami Energy Group of Companies, Myanmar
Pegasystems, USA
Persistent Systems, India
Planetary Holdings, USA
Plant-e, Netherlands
Press Corporation, Malawi
Prophet Brand Strategy, USA
Proterra, USA
Proteus Digital Health, USA
Protix Biosystems, Netherlands
Qi Group, Malaysia
Reputation.com, USA
Rethink Robotics, USA
RPX Corporation, USA
Sacrum, USA
SAIL Capital Partners, USA
Salesforce, USA
Schandy, Uruguay
Sekunjalo, South Africa
SES Global, People's Republic of China
Fabao, People's Republic of China
Sharjah Investment and Development Authority – Shurooq, United Arab Emirates
shopkick, USA
Silicor Materials, USA
Silverlake Axis, Malaysia
Snapdeal, India
SOMA Group, Cambodia
Sonata Software, India
SREI Infrastructure Finance, India
Stem, USA
SunBridge Corporation, USA
Sunjewels Group, India
Sutherland Global Services, USA
Tasly Holding Group, People's Republic of China
Tech Mahindra, India
THIS, USA

Tianjin Cotton Exchange Market, People’s Republic of China
Tianjin TEDA Group, People’s Republic of China
Timurkan Capital, Turkey
Trade and Development Bank of Mongolia, Mongolia
TradeStation Group, USA
Transport Corporation of India, India
UAE Exchange Centre, United Arab Emirates
United, Japan
U.S. Pharmacopeial Convention, USA
University of California, Davis, USA
UPS, USA
Upwork, USA
Velankani Information Systems, India
Vidlet, USA
Vito Energy and Investment, Turkey
VNTANA, USA
Waltersmith Petroman Oil, Nigeria
The Weal Life, USA
Wickr, USA
WISekey, Switzerland
WorldBridge, Cambodia
yerdle, USA
Yida Group Co., People’s Republic of China