

What is scaling up?

Sanna Aamuharju-Koivu





Definition

Scalable Growth

- Scalable growth refers to an increase in revenue without a corresponding rise in costs or the need to add workforce
- More efficiency: The company can serve more customers without costs rising at the same rate

Traditional Growth

- Traditional growth requires additional resources
- As a company grows, it hires more people, buys more equipment, and spends more time and money



Vertical Scaling Up

- Expanding up or down the value chain
- Focuses on expanding control over one part of the value or supply chain, either upstream or downstream
- Taking control of production, distribution, or sales stages

Horizontal Scaling Up

- Expanding within the same market and the same level of the value chain
- Adding new products/services related to the core business

Four Key Perspectives

PERSPECTIVE	DESCRIPTION	EXAMPLE
Scalable Product	Product can be sold endlessly without further resources	Online course, digital guide
Scalable Business model	Process can be repeated and licensed	Franchising concept
Scalable Market	Customers can be reached more than locally	Online store, social media
Scalable Capacity	Sales grow without linear growth of resources	Automation, partnerships

Why to Scale up in Rural Areas?

Growth without major investments

Scaling up enables growth without heavy physical expansion or large investment requirements in rural areas.

Expanding markets digitally

Digital services and e-commerce help rural entrepreneurs overcome local boundaries and reach new markets.

Partnerships and networks

Scaling up leverages partnerships and networks that help address skills shortages and limited resources.

Strengthening regional vitality

Scalable growth enhances regional vitality by creating new business opportunities and fostering collaboration.

How to Scale up Rural Business?

1

Identify Growth Opportunities

Growth begins by spotting opportunities through local customer insights and evaluating regional market potential

2

Testing and Validating Model

Piloting business models and gathering feedback from local communities to ensure the concept works before expanding

3

Building Scalable Operations

Developing efficient processes, using digital channels, and managing resources effectively to enable scaling

- Expand your sales channels
- Automate
- Document

4

Evolving Entrepreneur Role

Entrepreneur transition from hands-on operator to strategic leaders who drive growth and innovation



Case example

**Kotipellon
puutarha Oy**

Garden's Background

- Established 1997
- Over ten years the main article was cucumber
- New technologies and different plants was tested over the years
- On 2009 last cucumbers was harvested and in spring 2010 wild rocket planted on peat beds
- Registered trademark Mimis
- Today, main products are cresses, herbs and edible flowers





New products

New era

- Tried new articles and invented to make blends for the stores
- Sales into own hands and directly to restaurant customers
- Scale up in both vertical and horizontal way
 - New products that grow faster, more crops (horizontal)
 - New products by further processed product (horizontal)
 - Taking control on distribution and sales (vertical)
 - New customer segments (vertical)





Company's strategic development

- Always trying to find new technologies and working methods
- Fish farm experiment
- Co-operation with the customers
- Networks
- Also, traditional growth by a new greenhouse



Thank you!



TURKU AMK
TURKU UNIVERSITY OF
APPLIED SCIENCES