

BLITZSCALING

The Lightning-Fast Path to Building Massively Valuable Companies

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MAIN IDEA

How did companies like Airbnb, Alibaba, WeChat, Groupon, Stripe and Dropbox become multi-billion-dollar enterprises so fast?

The key was they adopted an aggressive, all-out growth program called "blitzscaling". In practical terms, blitzscaling means you prioritize speed over efficiency, even though there are lots of uncertainties. You invest in growing faster than your competitors to become a "scale-up" – where you work out the design details, build factories, hire people and start selling to very large marketplaces.



Traditionally, businesses used to try and seize the first-mover advantage. The key to success in the network era is to harness the first-scaler advantage instead. Grow faster than your competitors for longer and they end up becoming irrelevant.

The great thing about blitzscaling is this strategy doesn't just work for high tech companies. It has already been used in markets the length and breadth of the economy. It can be even more effective in developing nations. Blitzscaling will generate millions of new jobs worldwide as it becomes more widely known and applied.

"Blitzscaling is what separates the start-ups that get disrupted and disappear as the world changes from the ones that scale up to become market leaders and shape the future. That's the mission. We want to share the secret weapon that has allowed Silicon Valley to punch so much (more than a hundred times) above its population index so that those lessons can be applied far beyond the sixty-mile stretch between the Golden Gate Bridge and San Jose. It is sorely needed."

– Reid Hoffman and Chris Yeh

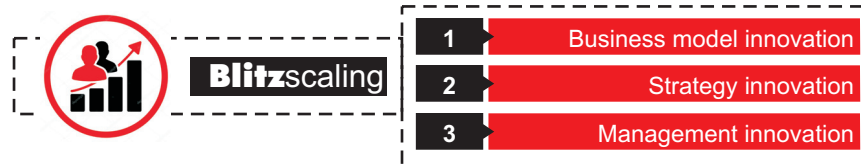


1. What exactly is blitzscaling? Page 2

Pure and simple blitzscaling is where you chase massive growth before it becomes clear that growth will be profitable. You accept significant operating inefficiencies in exchange for the ability to move faster than your competition. You learn quickly what drives your success or failure and either grow fast or go out of business.

2. The three key techniques of blitzscaling. Pages 3 - 5

The three key techniques applied by entrepreneurs who are looking to blitzscale are:



3. Blitzscaling beyond high tech. Page 6

Although the high profile blitzscalers thus far have mostly been high tech companies, blitzscaling most certainly can and does work in other industries as well. The opportunities to blitzscale are more widespread than you might first imagine.

4. Responsible blitzscaling guidelines Page 7

Successful blitzscalers quickly reach a point at which how they operate can impact on the fabric of society at large. With that in mind, blitzscaling should be undertaken responsibly. Blitzscaling can and should be used as a catalyst for ideas which will benefit society. Blitzscaling has the potential to transform every region of the world for the better.

5. The future of blitzscaling Page 8

Blitzscaling is quite the main pattern by which major new technologies, business ecosystems and companies first establish themselves and then ultimately replace their predecessors. The blitzscaling era is still just getting started. The challenge is to learn how to use blitzscaling to change the world for the better. It can be done and it must be done.

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