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A STARTUP GUIDE TO INTERNATIONALIZATION

Smart|Break

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ABSTRACT

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This thesis offers a comprehensive guide for startups, using the case study of Smart Break to illustrate a systematic approach in five stages: defining a product, developing a product/strategy, launching a strategy and product, scaling the idea, and the maturing stage. Smart Break serves as a practical guideline for internationalization.

The narrative traced the inception of Smart Break in 2015, highlighting its evolution from identifying workplace health issues to the development and launch of a web app. A significant shift occurred in 2018 when a new manager took on the challenge of managing Smart Break internationally, marking the startup's entry into the global arena. The thesis promises to unveil the challenges faced at each stage, providing valuable insights and practical advice for startups.

The story of Smart Break took an unexpected turn in 2022 when Raisoft, its parent company, was acquired, leading to a shift in Smart Break's trajectory. Despite facing challenges and market dynamics, Smart Break's journey reflects the stages outlined in the guide. The narrative serves as a reminder that even well-structured startups may encounter unforeseen obstacles, emphasizing the importance of adaptability and viability within the market.

The thesis concluded by acknowledging the dynamic nature of internationalization and its potential for both growth and setbacks. Readers can expect to gain a profound understanding of the startup world through Smart Break's compelling case study, offering inspiration and practical insights for their entrepreneurial endeavours.

Key words

Entrepreneurship, Funding, Internal Startup, Internationalization, Lean Method, Maturing Stage, Scaling, Smart Break, Startup.

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1 INTRODUCTION

Smart Break started in 2015 when young and agile twenty-year-olds came to the parent company Raisoft as part of their workplace training. These were people who, up until then, had not experienced any problems with sitting too much. The conversations around the coffee table revolved around the neck and shoulder problems – typical problems of employees who sit at work for long periods. After three months of testing the movement register manually in connection with the break-time coffee, we got an exemplary result: a decrease in neck and shoulder tension. The community has also become more active - there is now an opportunity to lighten each other's moods during a break while moving together to some upbeat music!

Since the experiences at Raisoft were mature, encouragement from staff to start a project to develop a web app was spurred. From the beginning, the need to include incentives was added to get continuity of use. With the help of now Meihilainen Urheilu's very own Maria Pennainen, a program was developed, a series of three movements ranging from upper body, lower body, and cardio lasting one minute each to combat sedentary issues. A reward system was added in the form of a lottery and a raffle took place with monthly rewards that were agreed upon among the staff. Every Smart Break started was a ticket to the lottery, and those who are the most active have the best chance of winning. The goal of the web app was to make it highly uncomplicated. The app would randomly come up with varied, safe, and easy-to-implement movements in an office environment so that completing the movements in office attire was simple. Since the app's usage and target audience would deviate significantly from Raisoft's main product, it was decided to use the latest web app technology. By outsourcing the coding to a subcontractor, and in practice, it became a few months' work for a developer. The product started to be called Smart Break and launched in 2016. For the launch and brand identity, a marketing agency was hired, which helped in finding the value add and jump start the journey to be a startup.

PICTURE 1. Smart Break Launch in Helsinki

You may be wondering what I have to do with this small venture. In January of 2018, a fresh new artisan entered the Smart Break world. I use artisan because of how I can turn stories that were once deemed dull into emotional and uplifting folklore. After finishing my studies, I was hired by Raisoft Oy to manage Smart Break internationally. With my personality, large contact network and social qualities, this time Raisoft were convinced to go further than they had done previously. I started investing a lot of focus in our brand, social media and presence at trade fairs and associations globally.

PICTURE 2. Lawrence Smith

This was my introduction to the Startup world with all the stages I would navigate for the first time without any previous knowledge. This paper will cover 5 steps learned along the way through experience and advice: defining a product, developing product life, launching product, scaling the product, and lastly maturity. Methods and learnings will be covered in each stage and the reader could discern for themselves if the methods used would be beneficial for their journey. Hopefully by the end of this paper, I will successfully map an insightful look into the startup world for early stages and entrepreneurs.

2 WHAT IS A STARTUP?

Startups are becoming a crucial component of the global economy. A startup is a newly formed business enterprise with innovative and unique ideas (Ries 2010). It's an organization in its early stages, designed to test the viability of a business model and market demand. Startups are created to introduce innovative products, services, or processes that solve a problem or satisfy a need that has not been previously addressed. In this paper, we will explore the definition, characteristics, and importance of startups, and how they differ from established businesses.

The definition of a startup varies depending on the context, industry, and individual perception (TRUIC 2023). In general, a startup is a company that is in the initial stages of operation and aims to grow rapidly through innovation, technology, and market disruption. According to Steve Blank, a startup is an "organization formed to search for a repeatable and scalable business model” (Blank 2010). The primary objective of a startup is to develop a sustainable business model and secure long-term growth.

What are the characteristics of a Startup? Startups have unique characteristics that differentiate them from established businesses. Some of the key features of a startup include innovative ideas: Startups are founded on innovative and unique ideas that solve a problem or meet a need. High Risk: Startups operate in a high-risk environment, with uncertain outcomes and limited resources. Scalability: Startups are designed to grow rapidly through innovation and technology. Agility: Startups are flexible and adaptable, able to pivot quickly in response to changing market conditions. Limited Resources: Startups often operate with limited financial resources and must be resourceful in finding creative solutions.

What is the importance of Startups? Startups are essential to the growth and development of the global economy. They create new jobs, introduce innovative products and services, and drive economic growth. According to a report by the Kauffman Foundation, startups account for nearly all net new job creation in the United States (Poole 2016). Startups also contribute to the overall economy by promoting competition and driving innovation. They challenge established businesses, pushing them to improve their products and services to remain competitive. Finally, startups contribute to the development of new technologies, which have the potential to revolutionize entire industries.

The world of entrepreneurship is exciting and rewarding, but it is also challenging and uncertain. Startups face a variety of obstacles, including competition, financial constraints, and market fluctuations. However, with a systematic approach and careful planning, startups can overcome these challenges and achieve success. In this thesis, we will provide a comprehensive guide for startups in five stages, including defining a product, developing a product/strategy, launching a strategy and product, scaling the idea, and the maturing stage of a startup. By following this guide, startups can improve their chances of success and achieve their goals. When looking into a startup there are two main groups, internal startup, and regular startup.

In recent years, many organizations have started to embrace the concept of internal startups as a way to drive innovation and remain competitive in the market. Internal startups are different from regular startups in that they are part of an existing company and have access to the company's resources, such as funding, talent, and infrastructure. While regular startups are independent entities that must secure their own funding and resources, internal startups can leverage the existing resources of the parent company to develop and launch new products or services.

2.1 The Regular Startup

A "regular startup" is a term often used to refer to a typical or common startup company. It typically describes a newly established business enterprise with innovative ideas or products that have the potential for growth and scaling (Baldridge 2022). Startups are characterized by their focus on rapid growth and often operate in sectors such as technology, e-commerce, biotech, or other innovative industries.

There are many key characteristics of a regular startup.

Being an innovative product or service: Startups often bring innovative or disruptive products or services to the market, addressing a specific need or problem.

Scalability: These businesses aim to grow rapidly and have the potential to expand their operations, customer base, and revenue significantly.

Limited Operating History: Startups are typically in the early stages of development and may have limited or no operating history.

Entrepreneurial Spirit: They are often founded and led by entrepreneurs or small teams with a vision and a willingness to take risks.

Seeking Investment: Many startups seek external funding from venture capitalists, angel investors, or crowdfunding platforms to fuel their growth.

Uncertain Path to Profitability: Startups often prioritize growth over immediate profitability and may operate at a loss for an extended period while they scale.

Agility: Startups are typically more agile and flexible than established businesses, allowing them to pivot and adapt quickly to changing market conditions. (Nichols 2023)

According to Ries, a startup is a human institution designed to create new products and services under conditions of extreme uncertainty (Ries 2010). A regular startup can be interpreted as a company or project built by an entrepreneur to develop and confirm a scalable business plan. Is this a good description of Smart Break? Or did Raisoft create an internal startup without knowing the potential? But what is an internal start-up?

2.2 The Internal Startup

In recent years, many organizations have started to embrace the concept of internal startups as a way to drive innovation and remain competitive in the market. Internal startups are different from regular startups in that they are part of an existing company and have access to the company's resources, such as funding, talent, and infrastructure. While regular startups are independent entities that must secure their own funding and resources, internal startups can leverage the existing resources of the parent company to develop and launch new products or services.

One of the advantages of internal startups is that they can benefit from the company's existing customer base and brand recognition. This can help to reduce the time and cost associated with customer acquisition and marketing. In addition, internal startups can benefit from the expertise and experience of the parent company's employees, which can help to accelerate product development and improve the quality of the product.

However, internal startups also face some unique challenges compared to regular startups. One of the challenges is the need to navigate the company's internal bureaucracy and decision-making processes (Landy 2023). This can slow down the development process and limit the startup's ability to experiment and iterate quickly. In addition, internal startups may struggle to maintain a separate identity from the parent company, which most often can cause confusion when establishing a brand identity or commercial impact.

Despite these challenges, many companies have found success with internal startups. For example, Google has launched several successful internal startups, including Google Maps and Google News. These startups have leveraged the company's resources and expertise to create innovative products that have had a significant impact on the market.

Internal startups have unique characteristics that differentiate them from regular startups. Some of the key features of internal startups include leveraging existing resources. Internal startups leverage existing resources, expertise, and brand reputation of the parent company to launch new products or services. Reduced Risk: Internal startups operate with reduced risk compared to external startups, as they can rely on the parent company's financial and organizational resources. Autonomy: Internal startups operate with a high degree of autonomy, enabling them to act quickly and pivot in response to market feedback. Access to Established Markets: Internal startups have access to established markets and customers, ideally making it easier to establish a customer base.

Internal startups offer several benefits to established organizations. Internal startups drive innovation within the parent company, enabling it to develop new products, services, or processes that complement or extend the core business (Babych 2021). Internal startups enable established organizations to diversify their product and service offerings, reducing the risk of overreliance on a single product or market. Internal startups provide employees with opportunities for personal and professional growth, driving employee engagement and retention. And lastly, internal startups can bring new products or services to market more quickly than traditional business units, as they are designed to operate with a high degree of autonomy (Babych 2021).

This is where Smart Break establishes their startup identity. Created within an existing corporate environment, an idea was created out of pure necessity to change work culture in favour of the parent company. By using in house resources and knowledge of creating a sustainable solution, Smart Break has found its place in the ever changing and ruthless business world.

Smart Break, as an internal startup, reaped many benefits. Driving innovation within the parent company, they were able to develop new products and ideas that complement or extend the core business in international markets. Helping the parent company diversify its product and service offerings, reducing the risk of overreliance on a single product or market. Creating an opportunity to attract new innovative ideas in an offset of the markets they have been occupying for decades. Smart Break provided Raisoft employees opportunities for personal and professional growth, driving employee engagement and retention. Giving more complex issues and exciting new tasks was just what Raisoft needed to rejuvenate its staff. Finally, being part of an international company already, Smart Break had the chance to bring a 3-minute exercise idea to market more quickly than traditional business units and ideas, as they are designed to operate with a high degree of autonomy.

PICTURE 3. Smart Break exercise time

One of the primary differences between internal startups and regular startups is their funding. Furthermore, for Smart Break, this was a road we frequently encountered. Do we take funding and become a

Regular Startup? Or do we stick with the parent company and do everything internally? Regular startups typically begin with little to no funding. They must seek outside investors, such as angel investors or venture capitalists, to raise the necessary capital to launch their business. In contrast, internal startups are funded by the parent company and have access to the resources and capital of the larger organization. In this case, Smart Break stuck with our parent company and focused on creating and marketing a product fully born through the Raisoft culture.

2.3 Startup Structure

Internal startups and regular startups also differ in their organizational structure. Regular startups are often lean and agile, with a small team of founders and employees working together to build the business. In contrast, internal startups operate within the larger organizational structure of the parent company and may have access to a larger pool of resources, including employees, technology, and expertise. While this may be true for Smart Break, we still had a lean approach, seeing as the need to start from scratch was apparent. Starting from scratch meant that when we thought we were ready to go internationally, we were far from it. So, adapting different methods was clear, and the lean method was a quick and basic implementation of clearly defined goals.

The Lean Method is a business methodology that aims to help entrepreneurs and businesses create products and services that meet customer needs while minimizing waste and maximizing efficiency (Ries 2011). Developed by Eric Ries, the Lean Method is based on the principles of Lean Manufacturing and focuses on continuous experimentation, iteration, and customer feedback. Through the use of current customers and internal users, we would use the basic principles to jump-start our research into becoming an emerging wellness platform.

The first principle was validated learning. Through experimentation and iteration, the goal was to create a wellness platform that meets the customers' needs. With the build-measure-learn feedback, we were able to quickly improve on the shortcomings of the product in order to meet the desired needs. Because we used a minimum viable product, a simple 3-minute exercise, we were able to correct and develop new ways to engage with our users that encouraged feedback. Lastly, because of using the Lean method, we were able to continuously improve and test our product in order to meet the demand of the customers.

In conclusion, the Lean Method is a robust business methodology that can help entrepreneurs and businesses. It helped Smart Break create products and services that meet customer needs while minimizing waste and maximizing efficiency. The Lean Method is based on several core principles, including validated learning, the Build-Measure-Learn feedback loop, and continuous improvement, and offers several benefits to entrepreneurs and businesses, including increased efficiency, reduced risk, and a customer-centric approach (Ries 2011).

2.4 Startup Stages

Now that we have established what a Startup is and the different kinds there are, we will turn our attention to the five stages of a startup. We will cover defining a product, developing a product, launching a product, scaling a product, and finally, maturity. Each stage is just as important as the next. Because startups are created to introduce innovative products, services, or processes that solve a problem or satisfy a need that has yet to be addressed, each stage must be thoroughly covered and prepared. In the case of Smart Break, we covered each stage, but not in the most conventional way. In the following stages, I will explain the areas we mainly focused on and where we came across bumps in the road.

Smart Break embarked on its entrepreneurial journey through the dynamic five-stage lifecycle. I will, in detail, explain stage one and the founders' vision of their concept. Honing in on a unique solution and crafting a proof of concept was something that was a company-wide project from Raisoft. Through this concept, Smart Break officially assembles its initial team and develops a product aimed at solving a problem. The next stage is funding, where investors fuel early operations and development. Being an internal startup, the approach was slightly different. While the core concept of Smart Break was already formed, development was quick, and the Launch stage became rapid. As Smart Break gains traction in the growth stage, its customer base expands, and revenue grows. The Launch Stage sees Smart Break scaling up operations, entering new markets, and optimizing internal processes.

Further funding rounds may support these endeavours. Finally, in the maturity stage, Smart Break aimed to solidify its market leadership, diversify its offerings in pursuit of profitability. The startup journey was long and arduous and will be explained in the five stages. Each stage bringing new challenges in the long journey of a product lifecycle.

We will start at conception. Where did Smart Break come from and how was it defined as a product?

3 DEFINING A PRODUCT

Smart Break started in 2015 as a concept. As Raisoft, a software company located in Kokkola, began bringing in young new employees, they started to notice a trend in workers' health. Week by week, young and old employees were starting to develop ailments from sedentary work. The SSA defines sedentary jobs as work that involves sitting down for most of the day. Any standing or walking is limited to two hours or less per day. These jobs require lifting no more than ten pounds on rare occasions. Most lifting will be light items like papers (Gravis Law 2023).

Because of this sedentary lifestyle, the employees worked daily; a change was needed. Raisoft tried every option, from hiring gym trainers to buying weights for the office to having weekly Physiotherapists. Each method was not sustainable over time and seemed to treat the issues and not solve them. The ideal situation was to create a preventative action. After many months, an Occupational Physiotherapist was hired to solve this significant problem. It was decided to create a program for employees to participate in during the working day. So, time and usability or 'easability' were significant factors to consider. So, the employees were given a program consisting of 3 movements to do in 3 minutes twice or three times a day. This was administered to the staff on paper and was meant to be done before the coffee breaks during the workday. Seeing as Raisoft was a software company with fantastic software developers, paper was going to fail to work. So, a software was built around these three movements that the staff could enjoy. Due to the software build, Smart Break was starting to be defined as a product instead of just a concept.

Defining a product involves identifying a unique feature, benefit, and target market. It is essential to clearly understand what the product is, how it solves a problem or meets a need, and who the intended audience is. In this instance, we have the product Smart Break. The problem it is solving is sedentary issues, and the audience is anyone sitting for long periods. Defining a product is a critical step in product development, as it helps entrepreneurs and businesses create products that meet customer needs and stand out in the marketplace.

One common approach to defining a product is to use the Value Proposition Canvas. The Value Proposition Canvas is a framework that can help ensure that a product or service is positioned around the customer's values and needs (B2B 2023).

This canvas method consists of two sections: the Customer Segment and the Value Proposition. The Customer Profile section identifies the customer's jobs to be done, pains, and gains. This helps entrepreneurs and businesses understand their customers' needs, motivations, and pain points. The Value Proposition section outlines a product's features, benefits, and unique selling points. The customer's gains highlight and describe what would delight the customer and make them want to purchase or adopt a concept being proposed. Customer's pains are the social and emotional problems they are trying to solve.

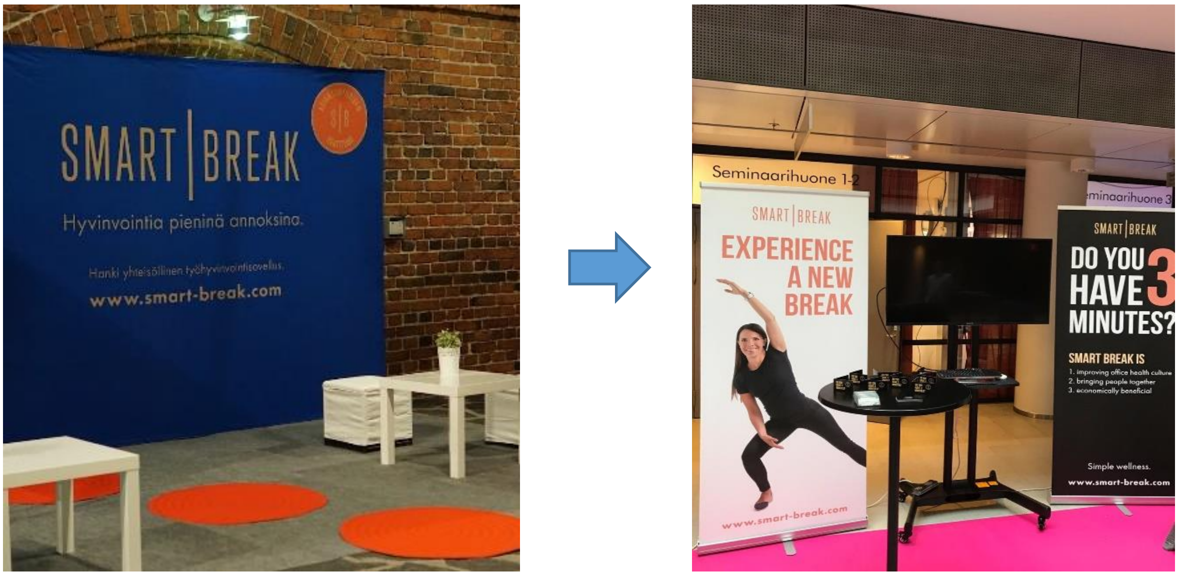
The value proposition maps out how the product or service creates these customer gains and relieves the customer's pains. Often used in the startup community is the value add. Startups need to find their value add or proposition in order to gain interest from customers or investors. They would often need a catchy pitch or a 7-word identifier. The 7-word identifier is a 7-word line that can easily express gains and pains for the customer. This exercise is challenging and usually takes many months, even with help from advisors. Sometimes, it calls for market testing to justify those seven words.

Another approach to defining a product is to bend the product on the market. Bending the product is simply meaning to test its resolve (Bina 2023). Doing this can gather research and insights into customer needs, preferences, and behaviours. This can be done through surveys, interviews, and other methods of gathering feedback from potential customers. This information can then be used to refine the product's features, benefits, and target market.

In conclusion, defining a product involves identifying its unique features, benefits, and target market. The Value Proposition Canvas and market research are two common approaches to defining a product, and both can be used to create a product that meets customer needs and stands out in the marketplace. Through the approaches above, an entrepreneur or startup can determine what needs to be developed or built or if any additional development work is needed.

4 DEVELOPING A PRODUCT

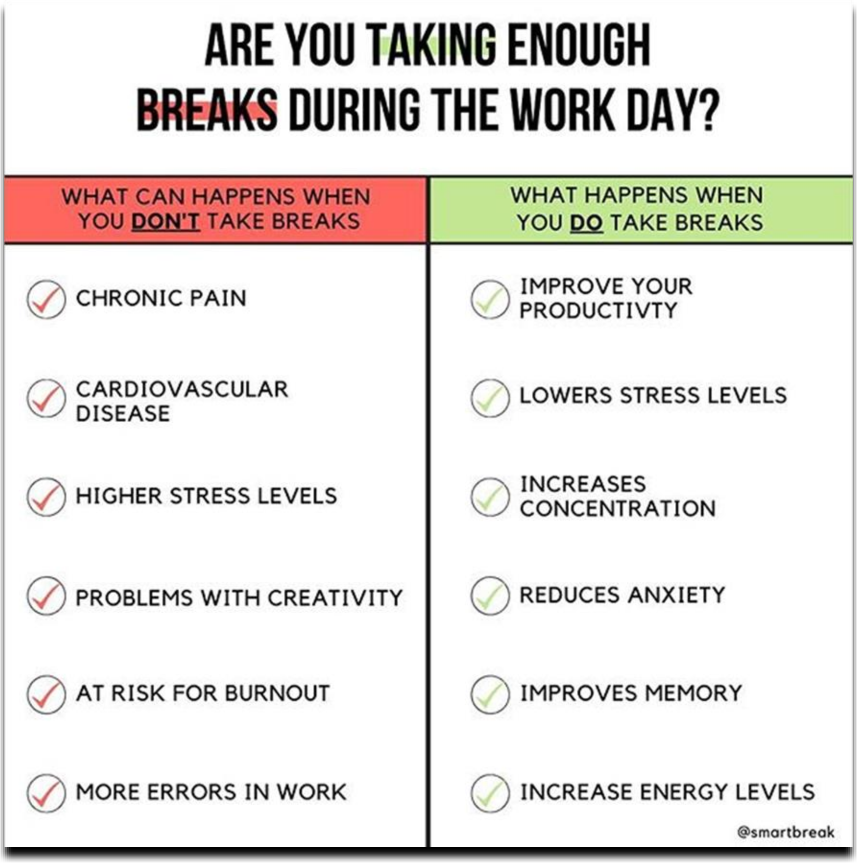
Developing a product to thrive in international markets is a multifaceted challenge that necessitates a comprehensive understanding of the market you are aiming for. After a shaky first start in the product lifecycle for a brief period, Smart Break ventured out into becoming an official company and product. Entering the startup ecosystem, adaptation and change were needed. In this development stage, the term localization was at the center of the decisions. For Smart Break to become a reliable and attractive company, the overall shift from being a Finnish-looking company to an international one was imminent. For startups embarking on this journey, twelve pivotal avenues can pave the way for the successful development of their products for diverse global audiences.



PICTURE 4. New and Improved Smart Break

Localization: In the realm of localization, startups must meticulously tailor their approach to resonate with the unique cultural fabric of each target market.

Customizing User Interface and Content: A paramount consideration is adapting the product's user interface, language, and content to align seamlessly with the cultural preferences of the intended audience. This goes beyond mere translation, extending to a nuanced understanding of cultural intricacies, symbols, and imagery that can profoundly impact user perceptions. Smart Break had to step back from being a Finnish voice in sedentary lifestyle prevention to being a voice for all sedentary workers around the globe. The focus was to create a common language across various markets worldwide.



PICTURE 5. Smart Break Benefits

Luckily, sedentary issues are the same in every country. The overall goal for the audience was to create something timely and simple to do in the office setting. Simplicity was the keyword at the core of everything in the approach of Smart Break.

Adapting Features and Functionality: Recognition of cultural differences in technology interaction is imperative. Startups should adapt features to suit varied cultural norms. For instance, payment methods, user interface design, and communication styles may necessitate customization to align with diverse cultural practices. The visuals used in Smart Break would change from a more traditional look to something edgy and modern. This was to relay a message of something exciting and clean. Using minimalist communication helped separate us from the corporate wellness market because we were a beacon of simple movements.

Accounting for Localization in Marketing: Sensitivity in marketing materials is crucial. Cultural relevance in advertisements and messaging is paramount, as what resonates in one country may not necessarily do so in another. A misstep in this realm can significantly impact the overall perception of the product. Research was the focal point when it came to development for international markets. Market research and peer-reviewed articles on corporate wellness and sedentary prevention helped shape the voice and overall visuals of what Smart Break was trying to accomplish.

Compliance: Navigating the regulatory landscape is fundamental to internationalization, requiring an in-depth understanding and adherence to diverse legal frameworks.

Understanding Local Regulations: Thorough research into the regulatory environment of each target market is essential. Different countries have distinct legal and compliance requirements. When it comes to Healthcare and Data Privacy, compliance is taken seriously. Even though Smart Break was an internationally adaptable product, it had to align with local laws and standards to ensure compliance.

Data Privacy and Security: Addressing data privacy concerns is paramount, necessitating alignment with international standards such as Europe's General Data Protection Regulation (GDPR). Strong security measures should be implemented and communicated to users to instil trust in the product. For Smart Break, the overall simplicity of the product helped in complying with these regulations. Company emails were needed for an organization to implement the program, and only a first name and last name initial. No private information is required to sign up and create a profile in the application. By keeping the program simple, adaptability to various markets was possible.

Adapting Payment and Pricing Structures: Recognizing local payment preferences and adhering to regulations is pivotal. Offering payment methods commonly used in the target market and adjusting pricing structures based on local economic conditions contribute to the product's accessibility and appeal.

Market Research and Localization Strategy: A solid foundation of market research and a well-crafted localization strategy are indispensable for navigating the diverse landscapes of international markets.

Thorough Market Research: Understanding users' unique needs, preferences, and behaviours in each international market is foundational. This involves a comprehensive study of local competitors, consumer habits, and market trends, enabling startups to identify opportunities and challenges specific to each region.

Localized Marketing Strategy: Tailoring the marketing strategy to each market is essential. Beyond language translations, adapting marketing messages, channels, and campaigns to resonate with local audiences is critical. Consideration of partnerships with local influencers or businesses further enhances market presence.

Establishing Local Support and Presence: Customer support in local languages and time zones is imperative. Whether through partnerships, offices, or localized customer support, a local presence significantly enhances customer satisfaction and trust. Through the use of resellers or partners in the markets we were entering, we established a footprint. Unfortunately, the resellers and partners only partially focused on Smart Break as they had other employment that took precedence. However, the overall idea worked in attracting partners that found Smart Break to be a viable solution for their market.

In conclusion, successfully adapting a product for international markets demands a strategic and nuanced approach. Startups must delve deep into the cultural, regulatory, and economic factors that shape user behaviour and market dynamics in each target region. Regular updates to strategies, informed by feedback and evolving market conditions, are vital for sustained success in international markets.

5 LAUNCH

Launching a product involves careful planning, execution, and ongoing evaluation. In the early stages of Smart Break, the initial thought was that it would sell itself since it was a simple but effective product from Finland. Often, Startups will go through a period early on when the overall assumption is that the product or service created is a game changer in the market. This type of thinking is how one becomes a successful entrepreneur in the first place. It takes work. The fact of the matter is that the failure rate of startups is high at more than 90%. About 9 out of 10 startups fail, and about 20% fail in the first year of operations (Zhou 2023). Of those failing startups, 35% of those businesses fail due to needing to do the proper research into the market, or there is no market need.

At Smart Break, there was a shift in sedentary work, and the information about organizations adopting wellness plans was trending. So, the market need was there, and the truth is that Smart Break needed to create a simplistic view of those needs. Smart Break focused on partnerships and direct selling at the launch stage in 3-4 markets. Each market had an overall commonality regarding buying corporate wellness products. The problems due to sedentary jobs were and are a worldwide pandemic, and work is still being done to prevent those issues, so this helped in our market launch. Our launch was quick and constantly adapting to market needs and wants. Here are some steps to consider when launching a product that have been learned through the past 5 years of the startup world:

Conduct Market Research: Before launching a product, it is essential to conduct market research to understand customer needs, preferences, and behaviours. This can involve surveys, focus groups, and other methods of gathering feedback from potential customers. By participating in government and nongovernmental projects, we were able to leverage advisors and affordable events using the Finnish product label internationally.

Develop a Marketing Strategy: A successful product launch requires a comprehensive marketing strategy that includes product positioning, messaging, and promotional tactics. This can involve a mix of online and offline marketing channels, such as social media, email marketing, public relations, and events. Social media was a crux in our launch. Creating a buzz in the wellness space was time-consuming and took many resources. Being able to keep up with trending topics and portraying Smart Break as a voice of wellness exercise was slow but soon started to take off. Smart Break utilized platforms like Instagram, LinkedIn, and blog sites to create a buzz around our 3-minute solution. When talking about localization, we wanted to focus on being present and attending many different wellness and startup events and shows to provide more information about our solution. Throughout the years of expansion, Smart Break attended Pitch events in 4 countries around the world. Shows like Web summit, Collision, and Arctic15, using these shows and opportunities given by partner organizations like the Chamber of Commerce in New York and Business Finland, Smart Break was given a platform in front of huge audiences. By showing our product line, credibility and visibility started to grow.

Build Anticipation: Creating buzz and anticipation around a product launch can help build excitement and drive sales. This can involve teaser campaigns, pre-orders, and exclusive promotions for early adopters. One example of creating a buzz, was a hosted party in New York City. Working with Finnish Chamber of Commerce, Smart Break was able to host a meet and greet night for startups and large organizations to get together and network. During this event Smart Break was shown on all the TVs around the restaurant. Being able to give a speech and demoing the product gave Smart Break a good platform for potential partners and prospects.

Leverage Influencers: Partnering with influencers or brand ambassadors can help expand reach and generate buzz around a product launch. This can involve contacting relevant bloggers, social media influencers, and industry experts to promote the product. One of the first decisions made was that using partners was evident. Smart Break was from a small city in Finland and had only two employees at its international launch. So being present in 3-4 markets at the same time was not possible. Meeting similar-minded resellers and partners became more frequent, and the Smart Break team grew.

Monitor and Evaluate: After launching a product, monitoring performance and gathering feedback from customers and prospects became a great exercise to gauge Smart Break's role in facilitating a need. This can involve tracking sales data, monitoring customer reviews, and conducting surveys to gather insights into how the product is viewed in the market.

Successful product launches require strategic planning, execution, and ongoing evaluation. By conducting market research, developing a comprehensive marketing strategy, building anticipation, leveraging influencers, and monitoring performance, businesses should be able to launch a product successfully through a sales process that is scalable.

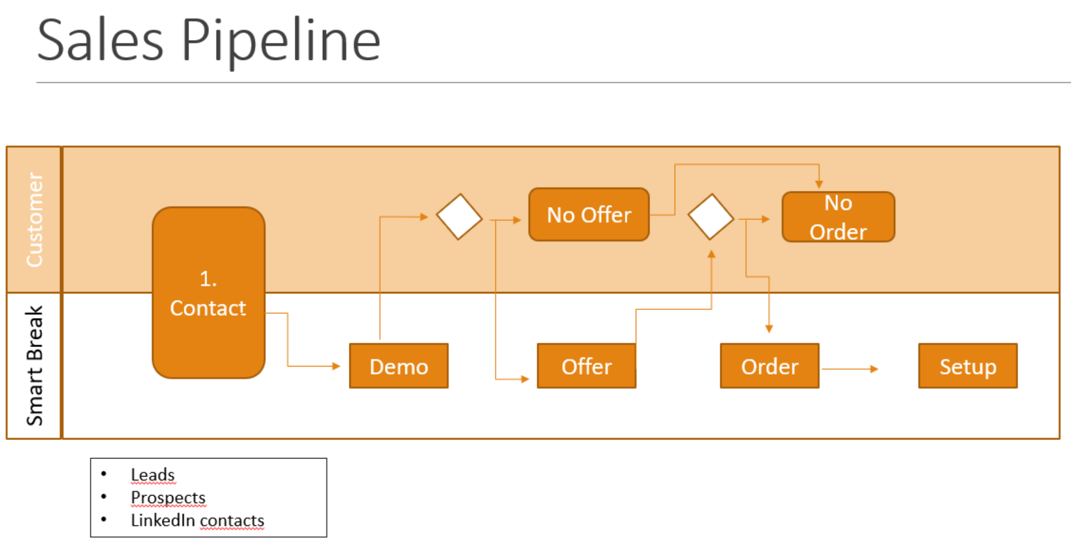


FIGURE 1. Smart Break Sales Process

6 SCALE

After the launching stage, Smart Break focused on scaling in international markets. We will break down four markets and the scaling map for Smart Break and potential startups. The first and closest market to Smart Break was Sweden.

PICTURE 6. Smart Break Pitch at Nasdaq Sweden

The efforts in Sweden were focused on using third-party organizations like Viexpo or Business Finland. Viexpo is a private company specializing in entry strategies for companies going international. Business Finland is a government organization that helps companies in Finland grow to international markets. Through organized events, Smart Break initiated introductions with customers and partners. These market entry specialists focused on our product's functionality and the Fika corporate culture. Fika breaks is a term used to describe making time for friends or colleagues during the working day. These breaks are usually centered around coffee or tea, the exact concept of the Smart Break product. Partners essentially did scale, and soon after entering the Swedish market, sales were happening.

PICTURE 7. Smart Break in Manchester CityWorks

The second market was the UK. As this was the next closest market to Finland, decisions around this being the next logical market were evident. Scaling consisted of attending events and panel discussions around corporate wellness and office exercise. By being present, partnerships with organizations and resellers started to grow. The overall impact of a three-minute exercise meant to be done during the working day was prime for the UK market. The working culture is very long days and little time spent before and after the working day for exercise and extracurricular activities, so scaling there solely depended on adopting a 3-minute office exercise. By joining panels, Smart Break could voice concerns about sedentary working issues and preventative ways of dealing with those symptoms and problems.

PICTURE 8. Smart Break - Times Square, NYC

The next market was North America. The USA is the mecca for startups, and Smart Break needed to take the chance to be involved in events and shows. Utilizing business Finland and some growth specialists, Smart Break was able to attend some outstanding events centered on startups from the Nordics. This was an excellent opportunity to promote the Nordic way of business culture and a healthy lifestyle. Participating in pitching events and trade shows offered a stark reminder of the complex startup scene. Learning and adapting became the two most learned skills for the team from Smart Break. The area of North America was huge, so the target was the East Coast to save on money and time schedules. This is something to consider for startups and how to consider small things like scheduling and logical expenses properly.

The last market Smart Break ventured in was Australia. When looking into attractive financial markets, Australia had a large footprint in the wellness space. The idea was to build relationships with organizations and resellers to help promote and sell Smart Break. Traveling to Australia was not feasible for budget purposes. Contacting with like-minded individuals was rapid, and soon, some demos and meetings were filling the calendars. The issue was the time difference. The meeting and demo times could have been better for Finnish working times. So, the scaling in Australia was left in the hands of the resellers.

When scaling and a startup is thinking in the early stages of venturing down the reseller and partner route, ensure the reseller and partner are qualified to pitch and demonstrate the company and services.

One way to validate the reseller or partner is to hold a miniature course as a webinar or have a rated demo with them. When relying on resellers and partners, all the hard work being done to build and refine the company is suddenly at risk. Certifying the collaborators of the service or product they will be selling is an excellent way to help ease some pain points.

Scaling a product can be a complex process, but there are several strategies that businesses can use to grow their products or business (THECODEST 2023). Here are some ways to scale effectively:

Focus on Customer Retention: Retaining existing customers is often more cost-effective than acquiring new ones. Businesses can improve customer retention and boost revenue by offering excellent customer service, implementing loyalty programs, and collecting customer feedback.

Expand into New Markets: Diversifying into new markets can help businesses reach new customers while strengthening the brand. This can involve entering new geographic markets, targeting new customer segments, or offering new product features.

Leverage Technology: Technology can help businesses automate processes, streamline operations, and scale more efficiently. This can involve using software to manage inventory, implementing customer relationship management (CRM) systems, or investing in artificial intelligence (AI) technologies. Automating marketing and social media operations using AI tools has increased dramatically in the last few years.

Partner with Other Businesses: Collaborating with other businesses can help businesses reach new audiences and expand their reach. This can involve partnering with complementary products or services, joining industry associations or networks, or participating in joint marketing campaigns. Early on, Smart Break utilized this partnership option by joining associations on the government level, for example, chambers of commerce and private market specialists who hold specialty events.

Raise Capital: Raising capital can help businesses fund growth initiatives, such as expanding into new markets, investing in technology, or hiring additional staff. This can involve seeking investment from venture capitalists, angel investors, or crowdfunding platforms. Unfortunately, Smart Break did not raise any capital due to it being an internal startup of Raisoft. Fortunately, though, the money allotted for Smart Break from Raisoft was more than enough to test the market strategies that were set in place.

In conclusion, there are several strategies that businesses can use to scale their products effectively. By focusing on customer retention, expanding into new markets, leveraging technology, partnering with other businesses, and raising capital, businesses can increase their chances of growing their product successfully.

7 MATURE

The maturity stage of a startup marks a significant juncture in its lifecycle, symbolizing a transition from the turbulence of early development to a more stable and established position in the market. Has the startup become sustainable enough to continue business and meet financial goals? Did Smart Break meet the objectives that were set? The main goal and vision for Smart Break were to expand and establish a market fit in English-speaking countries and Sweden. The maturity phase is characterized by several key features that collectively define the evolution and maturation of the company.

One of the hallmark characteristics of the maturity stage is the attainment of market acceptance and stability. The startup, having weathered the uncertainties of the initial phases, now experiences a consistent and stable demand for its products or services. Having become familiar with the brand, customers contribute to a level of trust that underpins the company's sustained success. Smart Break multiplied at conception due to word of mouth around the city where Raisoft is located. The focus was to turn this growing concept into a brand and eventually promote and adapt that brand for international markets. In Finland, the market acceptance started early on and became a household name, but for the global market, using these stages throughout this paper was important. The overall goal was to reach financial stabilization. Becoming a trusted platform for wellness initiatives and providing information on trends in the market through our social media and website is the ultimate vision for Smart Break and Raisoft. However, revenue growth can change any startup's plan and vision.

Steady and predictable revenue growth replaces the earlier stages' rapid, exponential ascent, marking another defining aspect of the maturity stage. The startup's focus may shift from aggressive customer acquisition to maximizing the value derived from existing clientele, fostering a more sustainable revenue model. The importance of customer service is vast; being able to satisfy the customers and meet the needs of the user's problems helps grow the organization's brand identity and reliability. Meaning recurring revenue and brand-loyal customers. When I talk about Brand loyalty, it is essential to understand that this is the overall goal for startups. Time, patience, and ingenuity are needed to reach a level like Nike or Apple. Adapting to customer needs takes work, and it comes when the startup becomes more independent in its operations. Customer retention and relationship management become paramount during the maturity stage. Rather than a singular emphasis on customer acquisition, startups must build long-term relationships, recognizing the importance of customer satisfaction and loyalty in sustaining success.

In the journey toward maturity, startups inevitably forge an established brand and reputation. A recognizable brand identity and a positive industry reputation become assets that contribute to the company's competitiveness. This shift is a testament to the startup's consistently delivering quality and meeting customer expectations. Smart Break aims to listen and act to customers' needs. The issue comes when the demands outweigh what can change and manipulate the software. This change is where Smart Break slowly started to hit roadblocks. This software was made simple, and sometimes, the need is for a more extensive product that you, as an organization, or in the case of Smart Break, cannot meet. Competitive advantages start to become lesser, and the realization in the market becomes more apparent. Sometimes, simple is not always easy and desirable.

Operational efficiency is another hallmark of the maturity stage. Having overcome the teething troubles of its early days, the startup streamlines its processes and establishes efficient operating procedures. This newfound operational maturity allows the company to handle day-to-day activities with a heightened effectiveness.

As startups mature, they often explore opportunities for diversification in their product or service offerings. This expansion serves dual purposes: catering to a broader customer base and minimizing risks associated with relying on a singular product or service. Diversification becomes a strategic move to sustain growth and capitalize on related market opportunities. After a long research-based life cycle in the market, a company can change the product to meet customer needs. Smart Break began to reach audiences only partially intended for the 3-minute sedentary office exercise. This caused an internal struggle for what should be done. Creating new movements based on the market sector being pitched to come from customer requests. Adapting the same platform to different markets was vital, and the operational resource needed for that change was moderate. The problems come from what movements and how the overall exercise wants to be displayed. These decisions affected the overall focus of what Smart Break was designed for. That is when Smart Break started to lose its competitive edge to other vendors.

Nevertheless, the maturity stage has challenges. Increased competition is a natural consequence as the startup contends with new entrants and established players in the market. To maintain a competitive edge, startups must differentiate themselves through innovative offerings, superior customer service, or unique value propositions. In this phase, startups must balance stability and adaptability. Continued innovation and a keen responsiveness to changes in the market are essential to remaining competitive.

Whether through product/service updates, technological adoption, or alignment with shifting customer preferences, startups in the maturity stage must stay agile to secure their position.

Strategic partnerships and alliances often emerge as a strategic imperative for mature startups. Collaborations with complementary businesses, joint ventures, or distribution agreements strengthen the startup's market position and contribute to its continued growth. Investor relations also transform the maturity stage. While a relentless pursuit of capital may have marked early stages, the focus now shifts to demonstrating consistent returns and delivering shareholder value. With profitability taking center stage, startups in the maturity phase seek to maximize returns by optimizing operational efficiency and controlling costs. The focus on profitability aligns with the company's and its shareholders' evolving priorities.

If and when all things align in the roadmap to success, the startup begins to grow from a seedling company to an established organization. The management and leadership structure of the startup improves the ability to meet the company's changing needs. Roles become more defined, and leadership focuses on strategic decision-making and long-term planning, reflecting the maturation of the organizational structure. From the beginning, Smart Break was an internal concept of Raisoft, and the vision to become a stand-alone company from its parent company is the focus.

In conclusion, the maturity stage of a startup is a complex and dynamic phase that demands a delicate equilibrium between stability and growth. It is a testament to the company's ability to weather challenges, adapt to market dynamics, and establish a lasting presence. With a strategic approach and a commitment to innovation, startups can leverage the maturity stage as a platform for sustained success in the ever-evolving business landscape.

8 CONCLUSIONS AND DISCUSSION

The story of Smart Break began in 2015 when a group of young and dynamic individuals joined the parent company, Raisoft. Their discussions around the coffee table highlighted the common issue of neck and shoulder problems arising from prolonged periods of sitting – a prevalent challenge many employees face. Informal conversations evolved into a purpose-driven initiative to address workplace health issues.

After three months of manual testing involving a movement register during coffee breaks, the team observed a noteworthy decrease in neck and shoulder tension. This positive outcome spurred the staff to embark on a more ambitious project – developing a web app. Recognizing the need for incentives to ensure continued usage, a series of movements aimed at combating sedentary issues was designed. With the assistance of Maria Pennainen from Meihilainen Urheilu, a reward system was integrated, comprising a lottery with monthly prizes for active participants.

The web app, named Smart Break, was conceived with simplicity in mind. It randomly generated safe and easy-to-implement movements suitable for an office environment. To ensure a seamless user experience, the latest web app technology was employed, and the coding was outsourced to a subcontractor. The result was a product that reflected the maturity of experiences gained at Raisoft. Smart Break was officially launched at a Work Goes Happy fair in Helsinki on March 15, 2016, with the support of a hired marketing agency that played a pivotal role in shaping its brand identity.

The narrative took an intriguing turn in January 2018 when a new entrant, an "artisan," entered the Smart Break world. This individual, having finished their studies, was hired by Raisoft Oy to manage Smart Break internationally. The personal touch added to the story by the new manager brings a unique perspective to the tale. The focus shifted to global expansion, brand management, and active participation in trade fairs and associations worldwide.

This transition marked the entry into the startup world, with the manager navigating various stages for the first time. The essay promises to unravel the startup journey, covering five key stages: defining a product, developing product life, launching a product, scaling the product, and reaching maturity. Drawing on personal experience and gathered advice, the author aims to provide valuable insights and practical lessons for early-stage entrepreneurs. Throughout the paper, the outlined stages served as a reminder and guide for entrepreneurs and dreamers wanting to enter the startup ecosystem. Looking back, Smart Break followed rather closely these stages, and everything looked like it would be a success. In 2022, Raisoft was acquired, and with that came the slowing down of Smart Break. The decision was sensible as Smart Break needed more revenue to continue with added resources. Even though Smart Break followed the stages and acted in good faith in its perusal of stand-alone success, reality hit, and it needed to be more viable for the parent company. Would things change if Smart Break was given a redo button and things could be revisited? The market need was not what was expected and, in turn, the downfall. Still, to this day, Smart Break is up and running but has yet to participate in the usual market tactics. Hopefully, the realization for simplistic way to stay moving in the sedentary world will rear its ugly face. Then Smart Break could have a chance. Unfortunately, Smart Break was part of the 90%.

Internationalization can be a daunting task for startups, but it can also offer significant opportunities for growth and profitability. By following the best practices outlined in this guide, startups can successfully expand into new markets and capitalize on the global marketplace.

Readers can anticipate a narrative rich in experiences, challenges, and successes as they delve into the intricacies of Smart Break's evolution. The hope is that the shared lessons offer guidance and inspire and empower those venturing into the dynamic landscape of startups. By the essay's conclusion, readers will have gained a deeper understanding of the startup world and valuable insights to inform their entrepreneurial endeavours. Smart Break's journey is a compelling case study, demonstrating the transformative power of an innovative idea nurtured into a thriving venture.

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APPENDIX 1

Smart Break Thesis PDF/PPT consisting of 38 pages