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Introduction of the Runway-to-Growth (R2G) method

Business creation is best learned by doing. As there currently are no professorships, scholarly practice or doctoral programs dedicated to business creation as real life action, but only as a theory domain, the construction of methods to enable learning of business creation in practice is “anybody’s game”, and spreads across the academic board. In Finland, an exploratory university experiment in 2007-2011 produced the rewarded “*Kasvun Kiitorata*” or *Runway-to-Growth (R2G)* method. This is to introduce the basics of the R2G method.¹

The philosophical foundation

Business creation is – by default – the action of entrepreneurs (owner-managers). It deals with the creation of an organism capable of producing a valuable offering and a sustainably profitable exchange of resources. We could think of business creation as parenthood: It involves parents bringing up venture babies and grooming them to survive and, at best, shape and master a tough world. What defines a parent, herein, is ownership. The responsibility of owners of the success of any venture is undividable. But ownership can be divided.

Unlike for human babies, the parenthood of venture babies is scalable. Business creation can build on smartly shared parenthood: A dynamically evolving body of committed, competent and responsible co-owners across all imaginable bottlenecks and to maximally realize opportunities. Ever wider and deeper forms of co-creation – for example, supplier, customer and user engagement via crowdsourcing – are required for business creation to be successful. And the playground and the opportunities and challenges are becoming ever more global.

Shared venture parenthood and business co-creation require competences that are ever more difficult to learn (or teach) without first-hand experience, trial and error, and the live sensation of the sweat and tears of “the global enterprise combat”. Student venture labs, problem solving challenges and industry Live Case assignments supported by entrepreneurs-in-residence are already part of the university E&I toolbox. The R2G method pushes the envelope by integrating academic learning and venture creation via co-entrepreneurship.

¹ *An exploratory chair of Growth Venture Creation was established at the University of Jyväskylä for 2007-2011 to which Dr. Marko Seppä was invited as Professor with the mission of improving academia-industry interaction, external funding for business research and student interest in business creation. With colleagues from India and the US, he initiated Global Venture Lab Network and GVL Finland as vehicles to get the mission accomplished. In 2008, GVL Finland received “The Entrepreneurial Act of the Year in Higher Education” award by the chambers of commerce and, in 2010, their R2G method the regional “Productive Idea” award by JCI.*

In the classic entrepreneurship view, there is a clear division of labor between founders and financiers. In result, enabling service providers seek for “financier approved ventures” only. Their role is to merely sell services – with no role and little incentive to ensure that the founders make the best use of the financing they have raised. With the financiers (such as venture capitalists) monitoring the founders in the role of outside investors, business creation has – over the decades gone by – emerged into a lonely job of kin to that of a single parent. In summary, in the classic approach, resource providers analyze ventures for a go/no-go decision as “impartial outsiders”. For the founders, business creation is “a rat-race in the pitching lane”.

The R2G method entertains a game-changing, more community-oriented, co-entrepreneurial approach. Therein, business creation is not approached as the responsibility of the founders only. Rather than an external analysis, R2G builds an internal synthesis, which derives from co-creative joint action, and refining of each business opportunity at hand by “sworn insiders” as (potential) co-entrepreneurs. In the R2G process, dedicated handpicked mentors, potential customers, suppliers, service providers and financiers – together with relevant educators and students (if R2G is integrated in a university E&I offering) – are invited to co-create with the founder team on a co-entrepreneurial basis (instead of a consulting fee or total pro bono basis). The goal is to establish ground for the forms and ways of prospective engagement in actual co-ownership: Expansion of venture ownership also in actual legal/contractual terms.

Runway-to-Growth as process and event

R2G is designed as a method for professional business creation facilitators to bring together selected ventures and a synergistic set of business partner organizations, essentially for one intense working day, on no-cash-payment basis. Ideally, the parties are not just brought together for a one-time event, but as part of a systematic business creation process. R2G is designed as a way to pool and invest knowledge capital – represented by professionals and organizations with relevant capacities – as enabling growth resources in the target ventures.

As a process, R2G culminates in one well-prepared-for working day, referred to as an R2G event, during which a given number of Venture Teams meets an equal number of thematic Workshop Hosts, one after another, on “a Runway to Growth”. The R2G event itself should be viewed as the tip of an iceberg only. A diverse set of preparations should precede the event and intense aftermath actions should follow. Careful selection and thoughtful preparation of both the Venture Teams and the Workshop Hosts is crucial for R2G success.

The facility requirements for an R2G event include an auditorium (or other type large space) and as many meeting rooms/spaces as there are Workshop Hosts. A good minimum is 4 meeting rooms/spaces, and a good maximum is 8. Typically, there are 3-5 individuals in a Venture Team and 1-3 individuals in a Workshop Host team. Technically, there can be several parallel runways, limited only by the size of the auditorium (for joint opening and closing sessions) and the total number of meeting rooms/spaces for the parallel sessions. The R2G events organized so far have served between 4 and 80 Venture Teams. In the latter extreme, there were as many as 20 parallel runways, each for 4 Venture Teams. The total crowd of an R2G event has ranged from 20 to 200 people.

Actors and their roles

Facilitators are in charge of the R2G process. The Facilitators select the Ventures and, in interaction with the Venture Teams, decide on the themes and select the Hosts for each theme. Ideally, there are at least as many individual Facilitators as there are Venture Teams chosen for an R2G event. Ideally, the Facilitators are professional co-entrepreneurs and themselves engaged, fulltime, in the grooming and growing of ambitious ventures. At one extreme, the Facilitators can be impartial organizers. At the other extreme, the Facilitators are themselves co-owners in each venture selected.

Venture Teams are composed around a lead entrepreneur and, ideally, a member of the R2G organizer team (as the Facilitator). The minimum role of the Facilitator is to serve the venture team as coordinator through the entire R2G process, including the event. Ideally, each Venture Team is also joined by a jointly invited co-entrepreneur candidate, often representing a potential customer, supplier or financier. Finally, if R2G is integrated in a university E&I offering, a representative of a student group working on a Live Case assignment for an E&I course (towards study credits) completes an ideal Venture Team. The Venture Team may be topped by an invited observer taking notes for the further development of the R2G concept – all subject to the lead entrepreneur’s consent.

Thematic Workshop Hosts appoint relevant professionals to serve in their R2G teams. After reviewing pre-info on Venture Teams, it is possible to select the most suitable individuals. While some Hosts represent more generic themes and larger organizations, others may represent more unique themes and even just be a “one-man-show”. The most typical themes are: Team Building, Productization, Branding, Funding, Governance, Partnerships, IPR/Legal, and Sales. For an example, PwC has served as a Workshop Host in each R2G event led by the undersigned, both in Finland and the Silicon Valley (for a related PwC perspective, see <https://www.pwc.com/gx/en/aerospace-defence-and-security/publications/assets/the-runway-to-growth-using-market-understanding-to-drive-efficient-innovation.pdf>). A representative of a student group working on a Live Case assignment (for a university E&I course) could also serve in the team of a thematic Workshop Host – all subject to the Workshop Host’s consent.

Educators and Students can have an active or a passive role in R2G. At one extreme, they can run the show. At the other extreme, they attend as observers only. Depending upon the nature and role of the educators and the E&I programs they run, their role can vary from themselves serving as the Facilitators to merely allowing their students to support the R2G process, as external industry assignments for a relevant study course. According to the concluding vision of the GVL Finland experiment, the educators and students of a new domain coined as “Art of Business Creation” facilitate R2G in the role of professional co-entrepreneurs (see <https://www.jyu.fi/en/news/archive/2010/11/tiedote-2010-11-24-11-47-17-542795>).

The R2G method is systematically being used in *Kasvu Open* (e. “Growth Open”), Finland’s number one growth venture competition, initiated by GVL Finland in 2011 and hosted by Central Finland Chamber of Commerce. Seasons I and II culminated in R2G events organized by the undersigned for the competition finalists in Silicon Valley. For a general introduction of Kasvu Open, see <https://www.kasvuopen.fi/en>.