

# Unleashing Your Superpower: Exploring the Impact of Scale-Ups on Career Development and Economic Growth

This case discusses insights into scale-ups' role in career development and economic growth, emphasising their job creation potential and the importance of aligning university education with market needs.

By Sherry Coutu & Savvas Papagiannidis (Newcastle University, Business School)

**How to cite:** Coutu, S. & Papagiannidis, S. (2024) *Unleashing Your Superpower: Exploring the Impact of Scale-Ups on Career Development and Economic Growth*. In S. Papagiannidis (Ed), [Teaching Case Book](#). Available at <https://learning.ncl.ac.uk> / ISBN: 978-1-7396044-1-7

## Teaching Case Factsheet

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**Discipline:** Management and business studies

### Introduction

Sherry Coutu is a seasoned entrepreneur with a background in FinTech. She started her journey by pursuing a degree in econometrics, which led her to become a computer programmer. After working in consulting, she pursued an MBA, a pivotal moment when she discovered her entrepreneurial spirit. This revelation was a stark contrast to her upbringing, with parents in traditional roles, and her newfound interest in the innovation economy. Post-MBA, her entrepreneurial journey began by working on two startups. Following the success of her second venture, Sherry delved into policy work and angel investing. Her involvement in investing in and supporting over 65 projects significantly influenced her perspective on the most effective ways to generate value and positively impact an economy. She came to believe that the key to unlocking an economy's potential lay in investing in scale-ups, companies that have been established for some time and are expanding at a rapid pace.

For scale-ups to achieve the expansion crucial to their success, they require a critical factor: skilled personnel. Scale-ups are responsible for a disproportionately large share of job creation, which results in a disproportionate impact on them when they cannot recruit as necessary. This necessity places universities at the forefront, highlighting their role in fostering such growth. Higher education institutions are uniquely positioned to equip students with the skills and knowledge necessary for thriving in these fast-paced business environments, aligning their educational offerings with the evolving demands of the job market. However, in addition to fostering skills and knowledge,

universities also need to take on an essential role in steering students towards appropriate career choices, moving beyond the simple binary choice of joining a start-up or a large corporation.

This case study aims to consider the significant opportunities for professional development and learning that scale-ups offer compared to startups or even large organisations, highlighting how scale-ups can contribute to both individual career trajectories and the broader economic landscape.

## **Scale-ups**

In her role as an angel investor, Sherry observed that the key challenges for entrepreneurs often revolved around hiring and developing talent. This insight led her to focus on how universities could better prepare students to fit into innovative companies, thereby easing the hiring process for startups and especially scale-ups. A startup is a young company founded by one or more entrepreneurs to develop a new product or service and bring it to market. These companies typically start with a high degree of uncertainty and limited resources, but aim to achieve rapid growth. Still, the vast majority of them fail in the first three years of their establishment. On the other hand, scale-ups are companies with at least 10 employees that have experienced sustained growth, defined as 20% or more in revenue or headcount over three years. With such an achieved growth and trajectory, scale-up businesses are distinct from startups and even small and medium enterprises (SMEs) more broadly, as they are instrumental in job creation and economic development.

In contrast to startups, which may have great ideas but lack a proven track record, scale-ups demonstrate a successful translation of ideas into tangible value. Working in a scale-up offers fundamentally different and more relevant lessons for economic growth and sustainable business models. This is because scale-ups focus on delivering value to customers, which is evidenced by their increasing size and revenue. In such an environment students and graduates can enjoy a more dynamic and varied experience, as these companies often require employees to take on multiple roles and adapt quickly to changing needs. This may also be the case in a startup, but there the focus is often on hypothetical value delivery, often to an imagined customer. Put differently, startups put forward a promise that they are going to create a valuable proposition and sustain it. Scale-ups have already demonstrated that there is a market for their products and services and they have a track record of being sustainable. As such, a startup can be as a less effective learning environment for students, as it lacks the concrete experience of delivering consistent value to real customers. Similarly, working in a big corporate is not likely to result in an equally effective experience as they often favour vertical specialisation, which places boundaries on one's exposure to new challenges and learning experiences. As a result, the above affect job satisfaction, which is typically high among employees of scale-ups. Such a high satisfaction could be attributed to significant investment in employee learning and development by scale-ups covering a broad range of skills, including leadership and other generally applicable skills, compared to large companies, where investment in training is often focused on developing narrow technical skills for specific tasks.

## **The role of the universities**

Reflecting on her own personal journey and the experiences gained while recruiting for projects, Sherry believes that a more holistic approach is necessary that acknowledges the strengths of each step of the learning journey, but also ensures that learners have a constructive platform on which to exercise their skills and develop themselves. For instance, in her early career in consulting, domain specific skills, such as software engineering, but also wider ones like project management, were really important. These experiences were instrumental when she transitioned to leading companies, a shift from consulting to actual CEO responsibilities. Her MBA program was influential, not only in learning, but in networking with real-world business figures, enhancing her understanding of

leadership, sales, and communication. Given the above, there appeared to be a clear distinction between her formal education and the practical skills required for her entrepreneurial endeavours, especially in sales—a skill set she had to acquire outside of the university environment.

This raises the important question of how to cultivate such skills outside of university, while pursuing academic studies, and then, how to embark on a career path that facilitates ongoing learning and development. In Sherry's case, growing up with parents who did not attend university and worked in traditional roles shaped her initial perceptions. Her university education was instrumental in broadening this perspective, but she had to actually get into industry and in specific leaderships roles to gain a wider understanding. Could the institutions that nurtured her as a learner have facilitated her transition into professional life and prepared her more effectively? Would her own career journey be different, had she started working for a scale-up instead of a large corporates or startups?

Sherry believes there is a disconnect between university practices and the evolving needs of the modern economy, emphasising the importance of aligning educational experiences with real-world demands and opportunities. Universities, and in particularly Business Schools, need to understand the implications of their role in guiding students' career choices and the need for more proactive leadership in this area. Scale-ups provide a more realistic and valuable learning experience for students, especially in terms of understanding customer-driven business models and economic value creation. The lessons learned in a scale-up environment are directly connected to economic growth and are crucial for students transitioning from academic theory to real-world application. Consequently, the experience gained in a scale-up is more beneficial in terms of both personal development and contribution to the economy, compared to the experience in a startup.

To fulfil such a role universities need to consider three key ingredients. Firstly, they need to review the skills and experiences required in the modern workforce and how these relate to the ever evolving business landscape. Real-world skills and experiences often overshadow the value of a degree certificate. There is a need to address the inherent limitations of traditional educational credentials like an MBA and connect them more to what follows after graduation. Is it surprising to note the changing landscape of adult learning, where short courses, often through online platforms, are becoming more defining than traditional university courses?

The key, according to Sherry, is understanding customer needs and choosing to work in a company that delivers value to its customers. She advocates a mindset centred around curiosity and a commitment to serving the customer. This approach provides the agility needed to adapt to various challenges, whether they involve technological solutions, improving user experiences, or other aspects of customer service. Students and early career professionals need to explore how to best align themselves with companies that prioritise customer satisfaction and are defined by their commitment to serving customer needs, suggesting that such a focus will naturally foster the necessary skills and adaptability to thrive in an uncertain future. This is especially true in an environment in which large companies face risks of being overtaken by more agile startups and scale-ups, while smaller firms confront uncertainties like the need for continuous innovation. As such, skills like listening and communicating, along with problem-solving and collaborative thinking, are essential for navigating various career paths.

These characteristics, not only enhance intellectual growth, but also enrich one's humanity. The focus should be on fulfilling a purpose, rather than merely aiming for a high-ranking position in a large company. This purpose-driven approach can be difficult to fulfil in a big corporate due to the scale, with people finding it challenging to relate to the difference and impact they can actually have. Similarly, with the majority of startups failing, one may not be able even to have an impact. Of course, this means that startups and corporates do not offer valuable career paths. Sherry's own

career journey is testimony to this. Her initial roles in consulting companies allowed her to discover her strengths and interests, which eventually led her to find more fulfilment in fast-growing companies. At different career and life stages, people's preferences for the type of company they want to work in may change. Universities can play a more active role in educating individuals about the differences and personal implications. They could engage a strategic approach to career planning, where individuals might spend different phases of their career in different types of companies, leveraging the unique learning experiences each offers. For instance, someone might work in scale-ups to gain broad skills and leadership experience, move to a large company during childbearing years for a more structured environment, and eventually leverage all these experiences to start their own successful company.

Secondly, it is crucial to introduce students to a wider array of career possibilities from the outset, assisting them in picturing themselves in leadership and operational roles across various types of organisations, beyond the conventional options. The significant impact of linking students with real-world role models and entrepreneurs cannot be overstated. It is essential to make these figures accessible and relatable. This approach enables students to see themselves in similar roles and understand the pathways to success in the innovative sectors of the economy. Still, it is often the case that role models are thought of as high-ranking executives in large corporations, who once were founders of startups. There is typically very little attention to what happened between starting up and becoming a big corporate. As such, there is a need to bring attention to scale-up companies, which are frequently overlooked by both universities and mainstream media. On one hand, by integrating real-world examples into teaching, universities can shift students' perspectives away from traditional, well-known companies towards innovative, rapidly growing businesses. On the other hand, media often opt for stories about larger, more well-known companies that are easier to find due to their PR efforts. Media outlets need to diversify their sources and provide a more holistic coverage of the business landscape. Introducing students to a wide spectrum of successful individuals from the scale-up sector can expand their horizons and motivate them in choosing their career paths.

Thirdly, the process through which career paths are shaped needs to be considered. The effectiveness of traditional career guidance methods in universities need to be reviewed, especially in light of their potential to overlook the dynamic sectors of the economy. Many universities still rely on manual, conventional approaches, frequently demonstrated through career fairs focused primarily on large corporations and professional services firms. The challenge for scale-ups lies in their focus on fulfilling customer orders, which leaves them with little time for public relations and making themselves known to potential employees. This lack of sufficient effort leads to their "invisibility," making it harder for them to attract talent. In contrast, large companies often have dedicated resources for public relations and external relations teams, making them more visible and seemingly attractive to job seekers. As a result, instead of students seeking opportunities in startups or scale-ups, they may opt instead for the familiarity of larger, well-established companies, or even settling for casual part-time work that often offer little scope for personal development.

Also, universities need to consider modernising their career services, incorporating advanced technologies that can help personalise the matching of one's skills and profile to a role and to future career aspirations. Utilising artificial intelligence and advanced data-processing tools, which can efficiently manage and analyse information on growing companies, could help position these businesses as appealing career options for students. There needs to be a more nuanced understanding of the job market and the value of diverse work experiences in different types of companies. The emphasis needs to be on the long-term career and personal development benefits that can be gained by strategically choosing employers based on the learning and growth opportunities they offer. Such a strategy would bridge the gap between academic training and the

real-world job market, encouraging students to explore and engage with sectors that are at the forefront of economic growth and innovation.

## Conclusion

This case study provides an exploration of the role of scale-ups in career development and economic growth, underlining the significant opportunities these companies offer for professional advancement and broader economic contributions. The study highlights the distinct advantages of scale-ups over startups and large corporations, emphasising their unique position in creating jobs, fostering skills, and driving sustainable economic development. By focusing on these growing companies, there is potential for a more robust and skill-oriented workforce, leading to sustainable economic growth and more fulfilling career paths for individuals. The study calls for a collaborative effort between universities and businesses to foster environments where scale-up opportunities are more accessible and valued, ultimately benefiting the wider economy and individual career trajectories.

Finally, it is worth pointing out that although the case study acknowledges the significant role of scale-ups in career advancement and economic growth, it also recognises that large organisations offer benefits that may be more suitable for some individuals at certain career stages. Large corporations provide structured environments, extensive training, and stability, which can be particularly valuable when the high-pressure atmosphere of scale-ups is not ideal. These organisations contribute to broad skill development, leadership experience, and offer diverse career options, underscoring their critical role in a balanced and diverse career journey.

## Reading List

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*Last updated: 2024-01-07 20:31:29 - Exported: 2024-03-15 02:36:01*

ISBN: 978-1-7396044-1-7

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