How to scale up in an emerging market

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Growing a business is always difficult but scaling up in an emerging market is even harder – luckily, a new form of entrepreneurial support is here to help

Launching a business is certainly a challenge, but sustaining it and scaling up – especially in the aftermath of a global pandemic – is something else entirely. And doing so in an emerging market, without much of the support that entrepreneurs elsewhere enjoy, adds another layer of complexity.

There is no shortage of incubator and accelerator programmes, and funding opportunities for entrepreneurs, but once the short-term relationship is over and a startup is in the throes of growing its business, the support often ends, leaving a huge gap.

Cue "pacers": a new breed of entrepreneurial support organisation offering intensive, long-term, needs-driven support and a trust-based peer community. Pacers or pacemakers take over once the incubators and accelerators have done their job, supporting entrepreneurs and responding to whatever unexpected business crises occur. Like pacers who help world-class marathon runners win races, pacemaker organisations help entrepreneurs achieve their goals in the marathon of scaling up an enterprise.

There are some key components of the pacer model which offer unique benefits to entrepreneurs:

- **Continuous learning**, providing a range of courses which address specific business challenges that entrepreneurs may require as they strive for growth and scale up their business.
- **Extended business networks**, globally, locally or by industry. This type of membership network is a key asset in the long-term support provided by pacers.
- **Meaningful peer connections** based on trust, openness and honesty. A successful pacer facilitates and maintains an in-depth and meaningful level of peer engagement.
- **Demand-driven support** that meets the needs of the individual pacer community. This requires agility, and a range of programmes that evolve to match the community's changing needs.

Effective pacers are already being modelled in many countries around the world. Stanford Seed is active in 29 countries in Africa and South Asia. It offers a combination of courses delivered by Stanford University faculty and offers access to mentors, consultants and interns. Elsewhere, organisations like the Harambe Entrepreneur Alliance – founded in 2008 and now with 327 members – offers African entrepreneurs the opportunity to become Harambeans, tapping into powerful knowledge, resources and networks to make a positive impact on the African continent.

The Entrepreneurs' Organisation is active in 60 countries and has more than 211 active, local chapters. It has created small, intimate peer-to-peer groups that help entrepreneurs build deeply trusted and meaningful relationships locally and beyond borders. Endeavor operates in 40 emerging markets and offers intensive investment, business development, and market expansion support. In return, members commit to giving back, by supporting established and upcoming members. Other pacers leading the way include Unreasonable Group and the African Management Institute, and the list keeps growing.

Adopting and developing the pacer model

Pacemakers clearly help businesses in emerging markets to scale up through the inevitable rollercoaster of growing a business. But the pacer model is new and remains unformalised, having developed in a self-directed and organic way. How can we encourage the various market players – entrepreneurs, support organisations and investors – to adopt this model more widely, across more countries and markets?

Entrepreneurs need to choose the support programmes they apply to wisely and are well advised to tap into the opportunities for scale that pacers make available. However, as the Chairman of Entrepreneurs' Organisation so eloquently puts it: pacers are a gym not a spa, meaning members get something out of it only if they are willing to put in the work.

> Pacemaker organisations help entrepreneurs achieve their goals in the marathon of scaling up an enterprise

More traditional entrepreneurial support organisations should consider adopting some of the practices of pacers. This will require some changes: cultivating an engaged community of members rather than just an alumni programme, creating lifetime benefits, focusing on the evolving needs of their member community and finding cost-effective ways of continuous knowledge transfer.

Investors can play a key role in driving successful pacers to the next level, by teaming up with pacers to provide more effective investment vehicles and investing in their members. It will be exciting to see how the pacemaker model adapts and develops, and the role it plays in growing entrepreneurial businesses at scale, particularly in emerging markets.

*This article draws on research explored in "*Pacing Entrepreneurs to Success*" by Sonali V. Rammohan (Stanford Graduate School of Business), Tim Weiss (Imperial London), Darius Teter (Stanford Graduate School of Business) and Jesper B. Sørensen (Stanford Graduate School of Business).*

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Tim Weiss is Assistant Professor of Innovation & Entrepreneurship at the Business School. His research focuses on the rise of start-up entrepreneurship, particularly in Kenya and the US, and building scalable businesses in contexts where there is no established blueprint for successfully commercialising innovation. Tim is also the editor of an open-source book on the digital revolution in Kenya.

Before joining Imperial in 2019, Tim was a postdoctoral researcher within Stanford University’s Management Science & Engineering department. Prior to obtaining his PhD and Master’s from Zeppelin University in Germany, he worked in international development aid in Kenya and Ethiopia.

Read Tim's Imperial Profile for more information and publications.

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