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NORDIC GROWTH HACKERS #7: YOUR BUSINESS MODEL IS CONSTANTLY EVOLVING

Posted by [Karsten Deppert](#) on Thursday, January 26, 2017 · [Leave a Comment](#)

What a lineup for the 7th [Nordic Growth Hackers](#) there was! Over 2 billion euro worth of valuation took the stage at the small but intimate event held earlier this week. The founders of Unity, Tradeshift, Siteimprove, Tactile, Penneo and Iconfinder shared how their business models had evolved.

David Helgason, founder of Unity, told an interested audience how the company was one of the first to fully benefit from the smartphone revolution, where you suddenly could access 2 billion consumers through an inexpensive and efficient channel.

Delivering a game engine used by a third of all mobile games publishers has made their software get onto more than 2 billion handsets.

A key factor in their success was the timing, but also that they moved to Silicon Valley and lived the “Silicon Valley Playbook” by going freemium at a time when that was not at all common.

Unity’s pricing model where they made it easier and cheaper to buy their software compared to the competition was also key to success.

YOUR BUSINESS MODEL DETERMINES YOUR DESTINY!

Your business model is what makes you scalable, it’s the denominator of whether you are successful or not: If your business model is not good enough and you try to scale, you will fail. Lose money, implode.

If you have the right business model you can scale. Then it makes sense to fuel your growth with venture capital.

Listening to six founders who got it right was inspiring, when each of them took the stage at the Nordic Growth Hackers #7 on January 25th at Founders House in Copenhagen.

SITEIMPROVE CRACKED ONBOARDING

Waiting 12 years before taking in any external funding secured full control of the company, explained Siteimprove founder, Morten Ebbesen. And he stresses that full control is essential to early growth.

But some things cannot be controlled – and sometimes love overrules your business plan:

A Danish VP of Siteimprove fell in love with a Minneapolis resident. Now they have two kids and he’s managing 150 people – in Minneapolis. This proved to be less expensive than the two typically preferred cities for startups going to the US – San Francisco and New York .

SiteImprove has added more than 100 salespeople over the past year. The only way to do that is by onboarding in an extremely structured way. Hiring an external recruiter to take care of the full process of hiring and onboarding has proven very successful, reducing churn and improving sales performance.

KNOW YOUR CUSTOMERS

Penneo’s greatest growth hack was to change from a free-signup-and-pay-per-use model to a prepaid subscription. That took the two year-old company from 0 to 10 million DKK in revenue.

Along the same lines, Iconfinder found out that they had a wrong idea about how their customers paid for their service. Designers & developers rarely have a company credit card, so the model of paying separately per icon download really held their users back. Switching to a monthly subscription with (almost) unlimited downloads made their revenue skyrocket.

No more awkward board meetings looking at 0-growth. Or at least not that awkward, Martin LeBlanc Eigtved of Iconfinder added. The board didn’t allow him to rest on his laurels but asked for even more growth: True growth hacking mindset!

Tradeshift is about democratizing business. Kind of a bold vision, but constantly repeating this big, hairy, audacious goal was what propelled the six year-old company into many Fortune 500 companies and made it sensible for them to host their own events at the annual World Economic Forum in Davos.

Tactile Entertainment is a game studio delivering very visually appealing mobile games, primarily in the categories “endless runner” and “casual puzzles”.

Asbjørn Søndergaard, Founder & CEO told that initially they left the marketing and monetization via in-app ads to a third party, but things never really took off. When they developed their own marketing platform instead and took back the whole process, revenue started to grow exponentially.

Lesson: Make sure you control your key revenue drivers.

NGH#8 IN MARCH OR APRIL

The next Nordic Growth Hackers will be in March or April, according to the organizers and initiators behind the Nordic Growth Hackers community, [SimpleSite](#).

Follow the NGH community here: nordicgrowthhackers.com

Twitter: [@nordicgrowth](https://twitter.com/nordicgrowth)