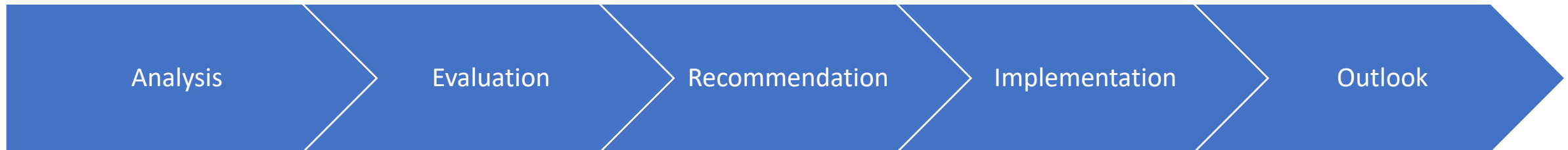# Beekeeper – how to grow by disrupting the B2B communication

Presenting to: Christian Grossmann

Presentation by: Julian Buerger

Jessica Linneweber

Mathias Balkenhol

Sarah Marie Kuhlmann

UNIVERSITY OF PADERBORN
7th of January 2019

Agenda

Analysis > Evaluation > Recommendation > Implementation > Outlook

Driving Question

Where to set the business focus for Beekeper in order to grow?
- Go deep vs. go broad -

Challenges

Define core business having new security regulations in mind

Restructure inefficient organizational structure

Stabilize existing contracts

Solution Preview

Strengthen your baseline to accelerate global growth
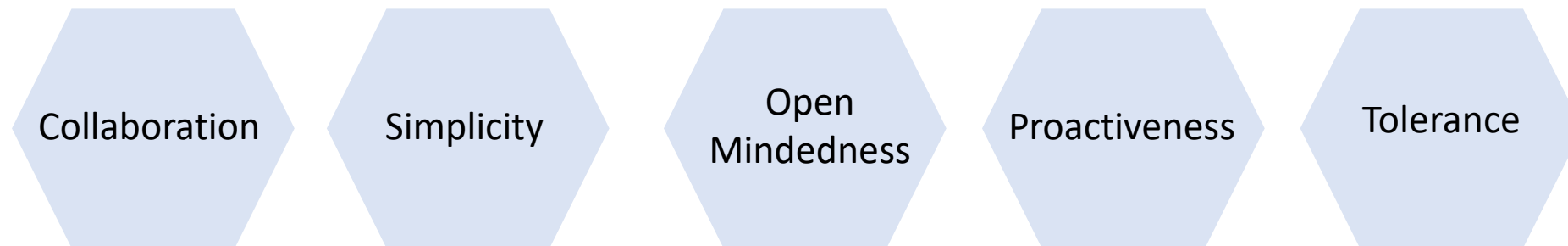
Recommendations

First step: Securing business in hospitality industry by adapting products

Second step: Roll out to other industries

Implement a transparent but centralized corporate structure

Beekeeper

Agile and exciting Startup in tailored B2B communication industry

Collaboration	Simplicity	Open Mindedness	Proactiveness	Tolerance

USP: Security has always been a strength

Stick with core values and focus on strength in security

Analysis	Evaluation	Recommendation	Implementation	Outlook

Strong market & competitors

Beekeeper	Slack	Yammer	Whatsapp	Crew
$13 mn	$790 mn	Microsoft	Facebook	$24.9 mn
- US & Europe - B2B deskless employees - **80%** revenues from **Hospitality**, Retail, Manufacturing - 15 industries	- Globally - B2B **diverse customer base**	- Globally - B2B **diverse customer base**	- Globally - **B2C** customers	- US based - B2B **restaurant**: Deskless customers

Market: GDPR (General Data Protection Regulation) – Security of personal data in Europe

> Strong competitors in finance and marketshare → find core business

Analysis | Evaluation | Recommendation | Implementation | Outlook

Organizational structure

Location

- Space becomes rare
- Time difference between USA and Europe

Employees

- Increasing complexity effecting productivity
- Overall employees 15 → 118 in 3 years
- Engineers 2 → 15 in 3 years → can't serve the demand of tailored products

Responsibilities

- New layer of middle management
  - Everybody makes decisions
- Overlapping targets and responsibilities

Restructure physical and organizational settings and ensure sufficient engineers

Analysis | Evaluation | Recommendation | Implementation | Outlook

Ensure Liquidity for future growth

Clients

- Expiring contracts not securely extended due to change in management

Funding

- $13mn in funding but one investor stopped collaborating

> Ensure revenue streams and funding to have sufficient financial resources to grow

Analysis | Evaluation | Recommendation | Implementation | Outlook

Challenges

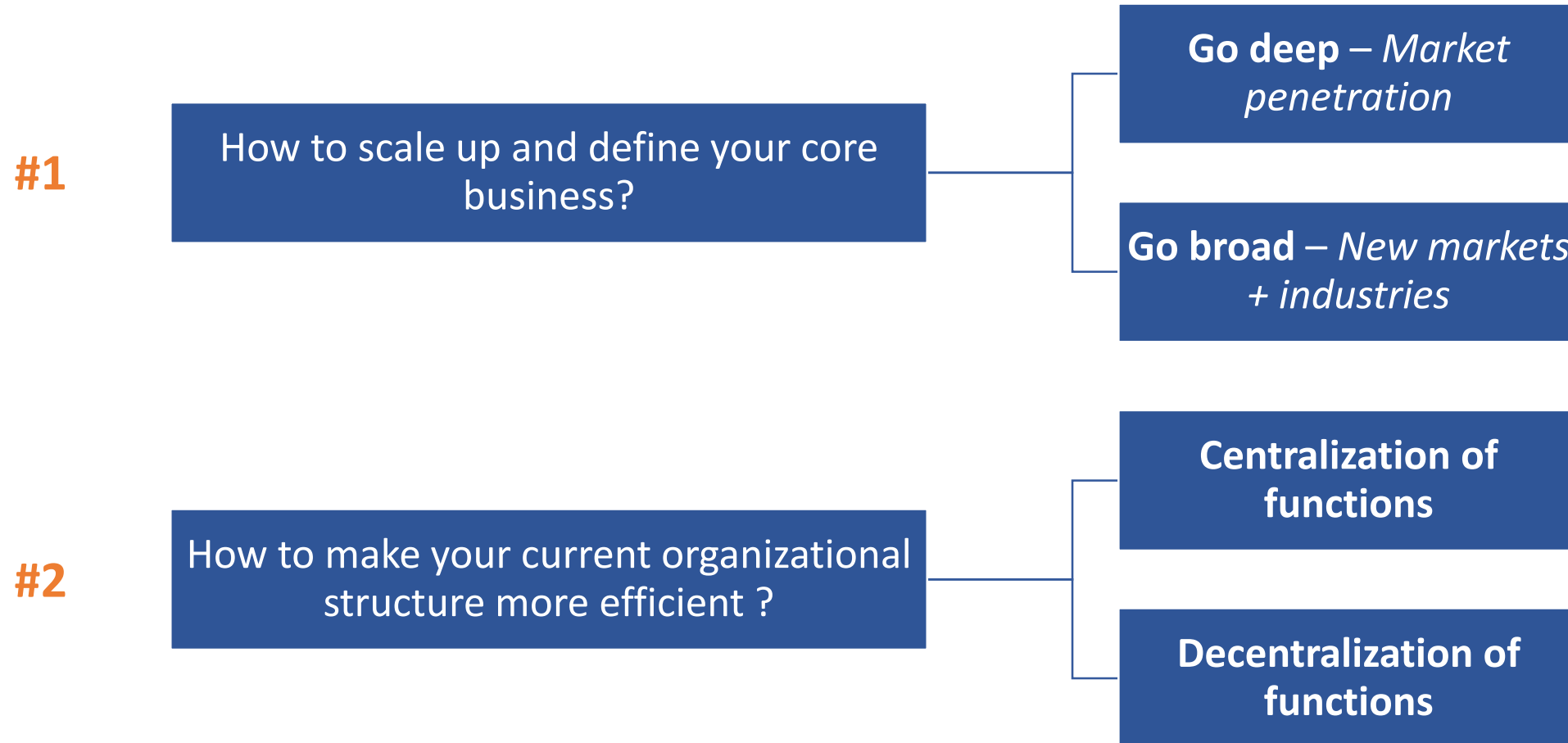Where to set the business focus for Beekeper in order to grow?
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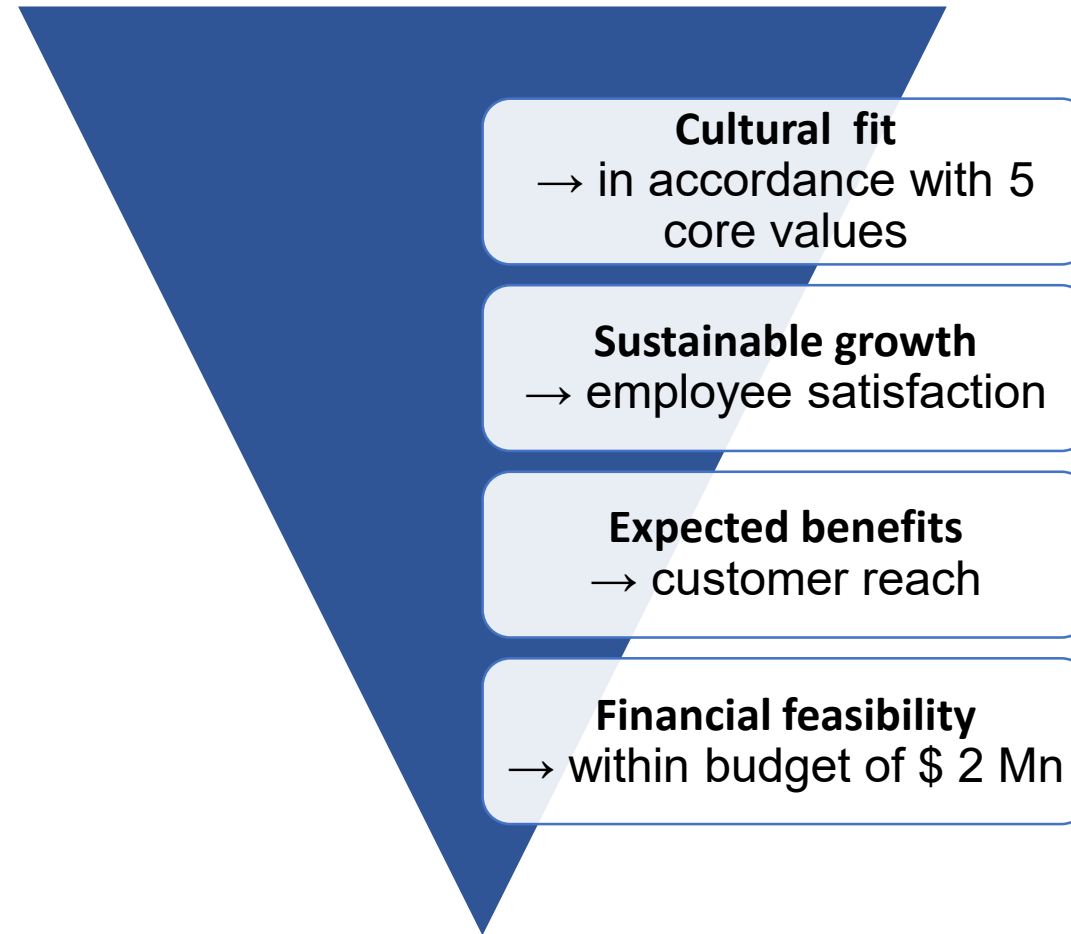Define core business having new security regulations in mind

Restructure inefficient organizational structure

Stabilize existing contracts

Decisions to face

#1

How to scale up and define your core business?

Go deep – *Market penetration*

Go broad – *New markets + industries*

#2

How to make your current organizational structure more efficient ?

Centralization of functions

Decentralization of functions

Decision Criteria

Cultural fit
→ in accordance with 5 core values

Sustainable growth
→ employee satisfaction

Expected benefits
→ customer reach

Financial feasibility
→ within budget of $ 2 Mn

How to define your core business?

Go deep

Go broad

Attract mainstream clients

Sophisticated industry knowledge

Less competitive

Specialization

Increase global reputation

Diversification

High growth potentials

Unknown industry specifics

Reaching out to a new target group

Analysis | Evaluation | Recommendation | Implementation | Outlook

Decision Matrix - # 1 core business

	Cultural fit	Sustainable growth	Expected benefits	Financial feasibility
Go deep – *Market penetration*	🟢	🟢	🟢	🟢
Go broad – *New markets + industries*	🟢	🟠	🟢	🟠

Decision Matrix - # 1 core business

	Cultural fit	Sustainable growth	Expected benefits	Financial feasibility
First step — **Go deep** – *Market penetration*	🟢	🟢	🟢	🟢
Go broad – *New markets + industries*	🟢	🟡	🟢	🟡

Analysis | Evaluation | Recommendation | Implementation | Outlook

Decision Matrix - # 1 core business

	Cultural fit	Sustainable growth	Expected benefits	Financial feasibility
First step — **Go deep** – *Market penetration*	🟢	🟢	🟢	🟢
Second step — **Go broad** – *New markets + industries*	🟢	🟢	🟢	🟠

Analysis   Evaluation   Recommendation   Implementation   Outlook

How to enhance efficiency in structure?

Centralization of functions

Decentralization of functions

Keep HQ in Zurich

All coordination only via HQ

Cost efficient

Transparency

Flexibility

Keep HQ in Zurich

Regional heads to coordinate
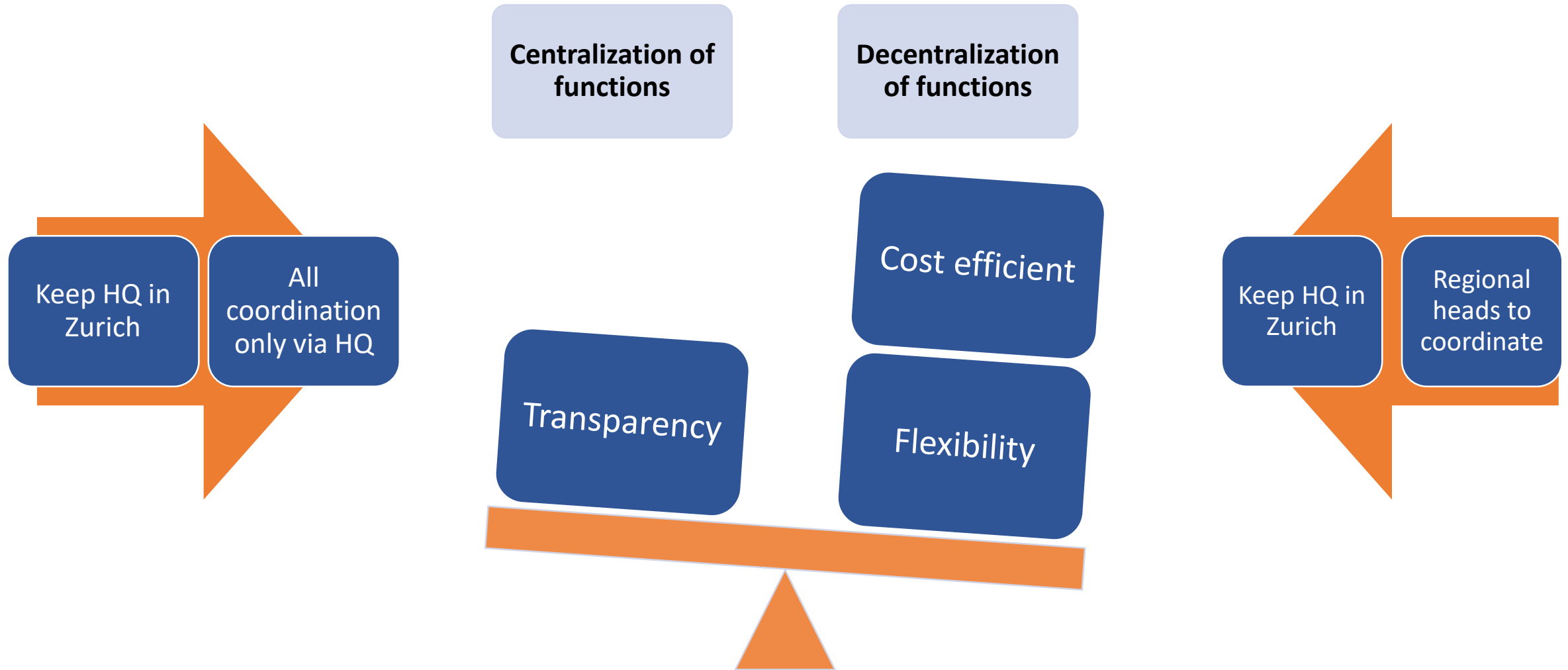
Decision Matrix - # 2 corporate structure

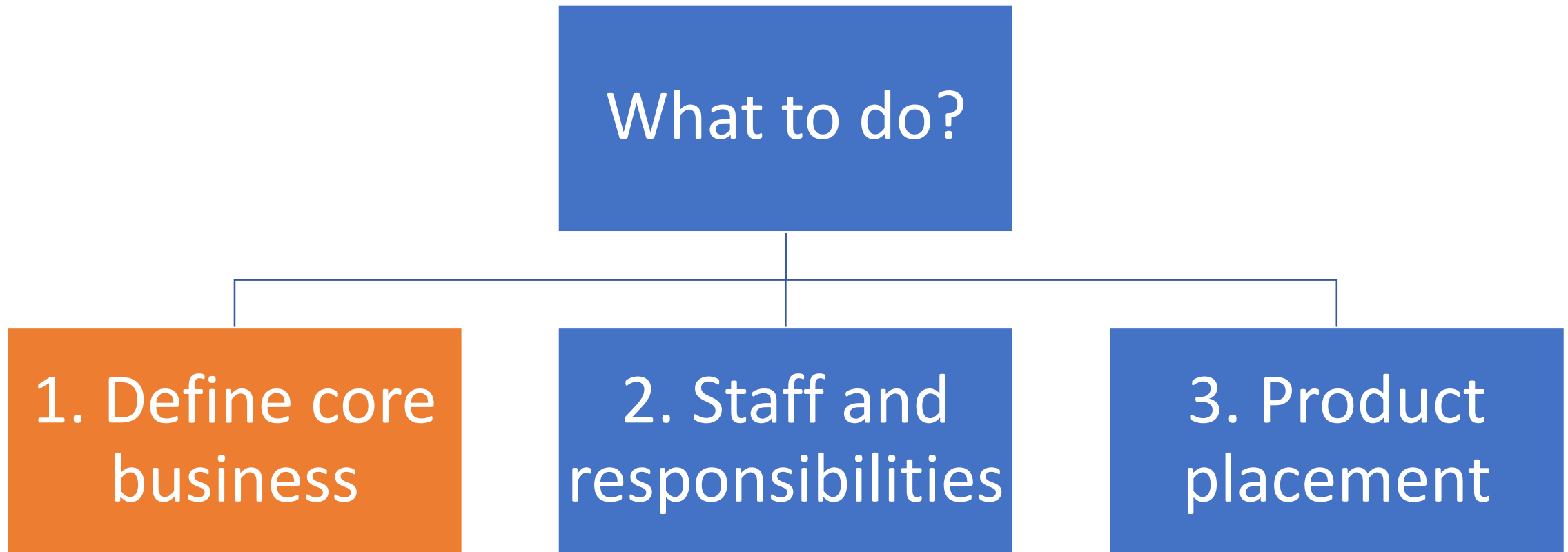|	Cultural fit	Sustainable growth	Expected benefits	Financial feasibility
Centralization of functions	🟢	🟡	🟡	🟢
Decentralization of functions	🟡	🟢	🟢	🟢

Recommendations
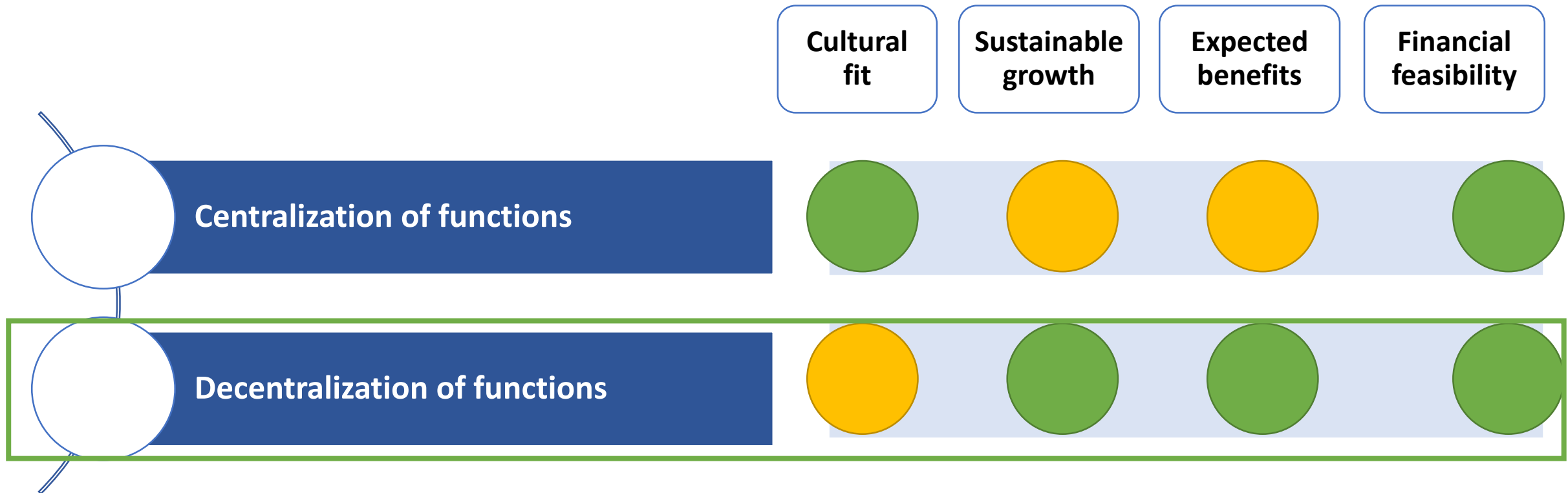
Strengthen your baseline to accelerate global growth

First step: Securing business in hospitality industry by adapting products

Second step: Roll out to other industries

Implement a transparent but centralized corporate structure

Implementation

What to do?

1. Define core business

2. Staff and responsibilities

3. Product placement

Implementation

What to do?

1. Define core business

2. Staff and responsibilities

3. Product placement

1. Defining your core business

Focus: first step

- Hospitality
- Manufacturers
- Retailers

- Adress Asian region

Focus: second step

- House Building Industry
- Citz street maintenance

Why?

- High efforts to ensuring cross compability

- Slow delivery
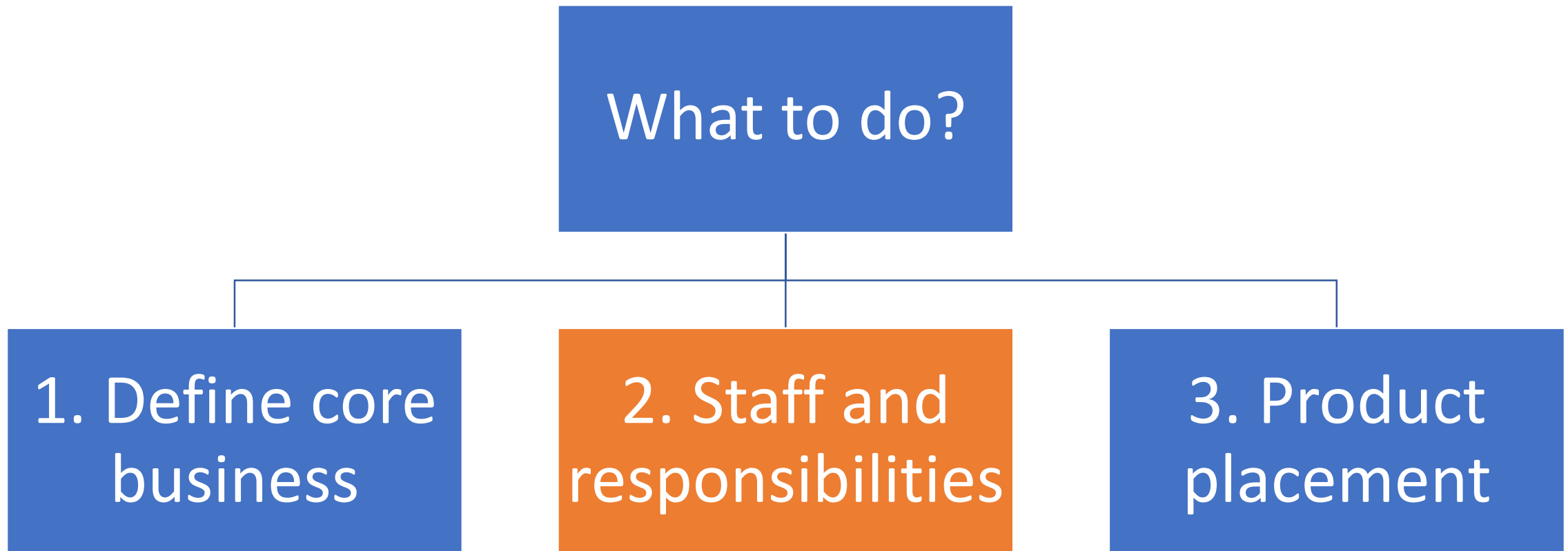
- Core values

Second step

Year 3: expanding in new segments

Strengths:

- Great security systems
- Compliant offerings in comparison to competitors
- Core values
- Disrupting technology

Keep in mind: Regulatroy issues

> Establish core values in the existing business, afterwards boost your business and disrupt other markets

| Analysis | Evaluation | Recommendation | Implementation | Outlook |

Implementation

What to do?

1. Define core business

2. Staff and responsibilities

3. Product placement

1. Reorganization of staff and responsibilities

New Staff

- 10 more engineers in two years

- 3 Global heads
  - Europe
  - USA
  - Asia|Pacific

- 3 marketing agents for the regions

Benefits:

- Faster delivery
- More flexibility in cross compatibility
- Clear responsibility structure
- Contact persons for salesmen
- Broader customer approach

New Staff

- 2 floors office suite in central Zurich
- Bring all divisions together (shorter decision and connection ways)

- Do your core value: "Bring out the best in each other"

New corporate structure to offer your whole disrupting potential and be prepared for future expansion

Analysis | Evaluation | Recommendation | Implementation | Outlook

Implementation

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                    ┌──────────────────┐
                    │                  │
                    │   What to do?    │
                    │                  │
                    └──────────────────┘
```

1. Define core business	2. Staff and responsibilities	3. Product placement

1. Product placement

Free trials
- 6 month free test period
- Salesmen support for implementation

Security events:
- Showing customers system security
-> lowers risk aversity

Expiring Contracts:
10% discount - 3 years extending
20% discount – 5 years extending

"Bring out the best in each other"

Bring your disruptive potential to your customers

Asia as a potential market

High growing market

Big potential customer base

e.g. China as worlds biggest economy

After a strong core business you can disrupt the world!

Implementation

What to do?

1. Define core business

2. Staff and responsibilities

3. Product placement

Roadmap

Implementation Action	2018 1. Half	2. Half	2019 1. Half	2. Half	2020 1. Half	2. Half	2021 1. Half	2. Half	1. Step
Organizational changes									
Hire new staff:									
10 Engineers									$900k\year
3 Marketing experts									$210\year
3 Global Heads									$270\year
5 Salesmen for Asia									$200\year
Moving to a new building									add. 200k\year
Free Trials for potential new customers									
Bonus System for existing customer									
Marketing for other industries									
								Total amount:	$1.8 mn\year additional costs

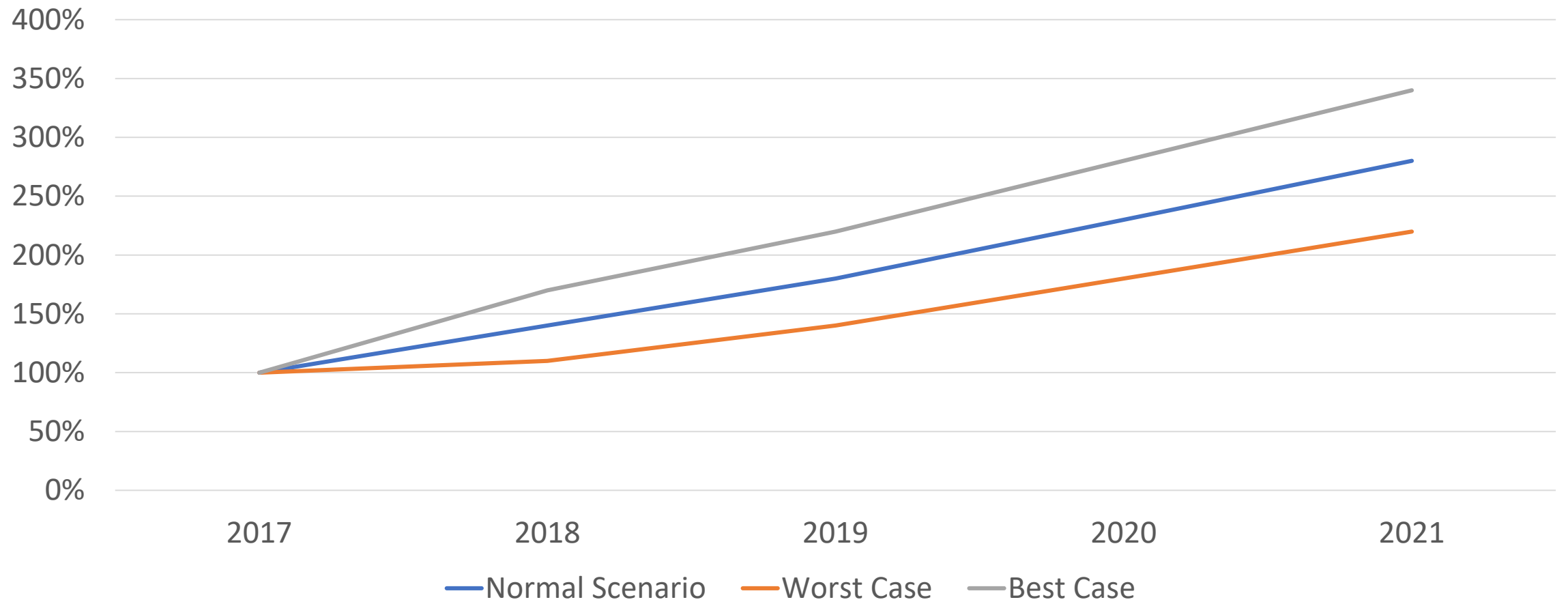Analysis | Evaluation | Recommendation | Implementation | Outlook

Risk and Mitigation
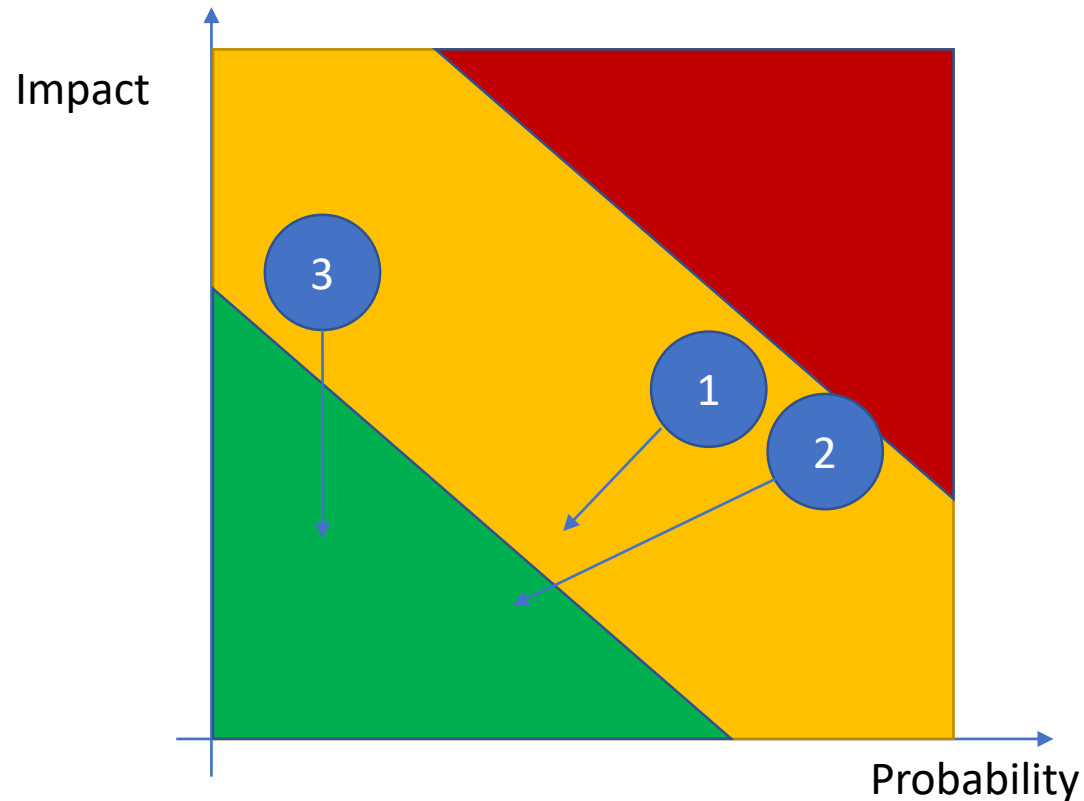
1. **Risk: Macro-economic situation is getting worse**
   -> Spreading our business in a second step in order to diversify risk
2. **Risk: Short term focus on three businesses leaves out revenues in other businesses**
   -> learn from core businesses in order to implement them on others long term wise
3. **Risk: Negative impact on Beekeeper`s DNA**
   -> Restructuring business in order to strengthen DNA

Future Outlook

Revenue Projection

Legend: Normal Scenario — Worst Case — Best Case

Challenges

Where to set the business focus for Beekeper in order to grow?

- Go deep vs. go broad -

Define core business having new security regulations in mind ✓

Restructure inefficient organizational structure ✓

Stabilize existing contracts ✓