FUNNELING THROUGH THE STAGES OF ORGANIZATIONAL GROWTH

The organizational growth journey in a SaaS startup

A case study of Funnel

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Abstract

In an ever-increasing digital environment, Stockholm's technology startup scene is thriving. A category of digital platforms packaged as subscription-based services, Software as a Service, or SaaS, has emerged as a trademark business model of successful tech startups. This paper aims to answer what distinguishes organizational growth at a fast-growing SaaS company through a qualitative case study with ten in-depth interviews at the firm Funnel. The organizational growth is understood through the theoretical lens of Greiner's growth phases, and Schein's three levels of culture are used to understand the company culture. The SaaS business model and its unique characteristics are also explained. The study concludes that a solid and cohesive company culture built on certain basic assumptions can help companies to mitigate crises throughout their respective growth journeys. Furthermore, the immense scalability of the SaaS business model makes organizational growth faster than in many other industries. There is currently a research gap within academia regarding to what extent the SaaS business model applies to Greiner's organizational growth phases, which this thesis intends to fill. Additionally, this thesis provides startups operating in similar fields to Funnel with valuable insights regarding how organizational growth can be achieved.

Keywords: Culture, Organizational Growth, SaaS, Scaleup, Startup

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Abbreviations	Definition
API	Application Programming Interface
B2B	Business-to-Business
CCO	Chief Commercial Officer
CEO	Chief Executive Officer
CPO	Chief People Officer
KPI	Key Performance Indicator
OEM	Office and Event Manager
PGM	Partner Growth Manager
PLG	Product Led Growth
SaaS	Software as a Service
SLG	Sales Led Growth
SME	Small and Medium-sized Enterprises
TC	Talent Coach
Tech	Technology
VC	Venture Capital
VP	Vice President

Terminology	Definition
Business Pivot	A structured course correction to test a different fundamental hypothesis about the product, strategy, and engine of growth. (Ries, 2011)
Churn Rate	The churn rate measures a company's loss in subscribers or employees for a given period. (Frankenfield, 2021)
Culture/Cultural Fit	Cultural fit is the likelihood that an employee can conform and adapt to the core values and collective behaviors of an organization. (Sales, 2014)
Go-To-Market Strategy	A go-to-market (GTM) strategy is a plan used to launch a product or service to the market. A good GTM strategy generally identifies a target audience, includes a marketing plan, and outlines a sales strategy. (Groschupf, 2022)
Product-Led-Growth (PLG)	Product-led growth is a growth strategy that relies on using your product as the main driver to acquire, activate, and retain customers. (Bush, 2022)
Sales-Led-Growth (SLG)	A sales-led growth strategy is when a company relies on a sales team to find leads, service product demo requests, and contract partners. The company's success directly depends on how well the sales team performs. (Schneider, 2022)
Thought Leadership	Thought leadership is a strategy for content marketers to use and build credibility for either themselves or for the company itself. The main goal is to be recognized as an expert and used as a go-to resource within your field. (Riserbato, 2022)

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1. Introduction

1.1 Background

As of now, Stockholm is a highly competitive tech hub that lands a high ranking on startup funding per capita (Glasner, 2021) as well as rankings describing startups that have reached a valuation of over a billion US dollars (Daly, 2021). Some of these startups will prevail and achieve great things, while some will decline and cease to exist. The list of successful companies can be made long, with giants including Klarna, Northvolt, Tink, and Spotify, to name a few (Failory, 2022). There is a steady supply of capital from private equity and venture capital firms and larger institutions that enable the growth of these startups (Daly, 2021). Sweden is described as the second-best country for larger businesses (Forbes, 2021), and the vibrant startup scene makes for a good research ground to study some of these current and future success stories in detail.

There are several exciting management aspects to investigate when a company transitions in size, going from small to big. A common characteristic of an early-stage tech startup is to have a relatively horizontal structure of the organization, where there are few layers between the operative core and the head of the firm (Blomberg, 2020; Solteiro & Talsma, 2020). The challenges the firm faces are complex, and the nature of the tasks varies. A specific type of tech startups that have excelled in an ever-increasing digital environment is a category providing digital platforms packaged as subscription-based services, i.e., Software as a Service or SaaS (Statista, 2022).

This thesis will focus on a Stockholm-based SaaS company called Funnel.

1.2 Introduction to Funnel

1.2.1 From idea to a company

Funnel was born in 2014 out of a previous startup, Qwaya. Qwaya developed a tool that helped marketers in the SME segment conduct marketing more efficiently on the quickly growing social

media platform Facebook. The team joined the new trend with B2B SaaS software and traded their software for about $100 per month as a recurring fee for the businesses using the tool offered. Qwaya grew and made Facebook over $100 million through marketing from the SME segment. However, as Qwaya grew, it became too dependent on Facebook, and when Facebook announced that they were developing a similar tool as Qwaya, which would be offered free of charge, the founders decided to do a pivot. The new company was founded in 2014 and was named Funnel. Today Funnel has over 280 employees in offices located in Stockholm and Boston and is in the process of opening two more offices in London and Dublin. The company has more than 1400 customers worldwide, with big companies such as Samsung, Adidas, and Superdry using their service.

1.2.2 Funnel at its core

The service Funnel provides aspires to allow businesses to be more data-driven. Data is crucial for today's businesses to succeed (Ogrean, 2018), and today's marketers rely on data to provide insights into their clients' behavior. The pool of possible knowledge rises as the amount of data grows, yet more data does not always imply a better understanding. Large amounts of data risk being meaningless and can sometimes be misleading without context. Funnel collects the data from various platforms and services and structures it to make it usable for those that require it. The company helps businesses understand what drives value to make rapid, informed decisions to grow their operations. Funnel's services are integrated with more than 500 different marketing platforms and apps.

1.3 Aim and research question

The reason for investigating the case of Funnel is that it is a company that is representative of a new industry in a continuously digitalized world with an ever-increasing demand for new, software-based solutions. Although a young company founded in 2014, it has grown exponentially

in the last few years. Their product is technologically complex, and the industry is in its entirety in an early stage. The company is entrepreneur-driven, with its two founders active as CEO and CCO.

There is a variety of research produced on the topic of organizational growth. One of the most well-esteemed and profound theories is Greiner's description of the different phases a firm transitions through as it grows (Greiner, 1972/1998). It is a theory often taught within management studies in higher education. It is widely considered that companies are more or less expected to grow following Greiner's phases. It is conceptually attractive and paves the way to easily understand the transitions between a company's growth phases.

This paper intends to tell the story of a successful SaaS company and how Greiner's growth model performs when applied to a modern tech startup in particular. What implications do factors such as business model and culture have on the different phases of company growth? Research is divided regarding the relevance of the model to modern startups (Cummings, 2004). This thesis examines if there is room for modifications or improvements to the theory. The emphasis will be to analyze how the business model, SaaS, enables hyper-growth and the role of culture in this process. We want to understand this deeper through in-depth qualitative interviews with individuals at Funnel.

The thesis research question is:

What distinguishes the organizational growth at a fast-growing SaaS startup?

Funnel's fascinating journey makes it an exciting and relevant case study that hopefully will provide management and organizational research with meaningful and valuable insights.

1.4 Intended contributions and research gap

Given the rapid emergence of the SaaS business model and its increasingly central role in tech-companies business model, the study additionally aims to provide new insights into how growth looks in such a company. Using theoretical frameworks and models for organizational growth and organizational culture as well identifying idiosyncratic characteristics of the SaaS

business model , the thesis intends to shed light on Greiner's organizational growth model's validity and further raison d'etre in this new corporate environment. There is a research gap investigating how well companies with the SaaS business model work together with Greiner's growth phases, which this study will investigate. By conducting a qualitative study and holding in-depth interviews, the intention is that the interview material will serve as a solid empirical foundation to answer the research question.

1.5 Delimitation

The study is delimited to investigate the SaaS business model, company culture, and the organizational structure of the case company Funnel in order to understand its growth journey through Greiner's organizational growth model. Furthermore, because Funnel has its main office in central Stockholm, and the country is home to some of Europe's largest tech companies (McKenna, 2017), Sweden is an appropriate geographical delimitation. The study and its implications will only be limited to the case company and may only apply to companies operating in similar fields to Funnel. The same study conducted in another country or industry might yield different results. Furthermore, the time frame for creating this thesis is set according to the length of the spring semester, stretching from January to the end of May year 2022.

2. Theoretical background

In this thesis, the development of Funnel will be analyzed by combining the SaaS business model and the company culture to see how they have cooperated throughout the growth process. The theories that will be applied are Schein's three levels of culture and Greiner's organizational growth theory.

2.1 SaaS business model

Software as a Service is an innovative business model that delivers software applications based on cloud-computing technology (Chou & Chou, 2007). By making the software applications available on cloud servers, the customer can access the application based on its needs. There are also additional benefits of SaaS, such as automatic platform upgrades and the possibility of data backup (Xin & Levina, 2008). SaaS solutions are often confused with cloud computing, which is not accurate. SaaS means selling a software solution on a subscription basis and can be hosted in various ways as it is a business model (Grant, 2021). Cloud computing is a type of infrastructure that describes how one provisions the capacity in various IT systems (Frankenfield, 2020).

2.2 Organizational culture

Understanding an organization and its success factors comprehensively requires going beyond solely material, measurable, objective, and functional parameters (Blomberg, 2020). However, these are naturally instrumental as well. In other words, a holistic view of organizational success factors demands an understanding of the organizational culture. The area of corporate culture within management and organizational studies is relatively young, and there have been different ways of defining culture throughout academia. The distinguished corporate culture researcher Gert Hofstede defined it as "*the collective programming of the mind that distinguishes the members of one group or category of people from others*" (Hofstede , 2010). His definition applies to groups in general, but his research emphasizes groups across different national cultures.

Another leading researcher on organizational culture is Edgar Schein. Schein's definition of organizational culture that will be utilized in this thesis is the following:

"a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel to those problems" (Schein, 2004).

This definition of culture indicates an actionable and dynamic framework that can be applied to distinctly different organizations to examine how they react and solve problems. The process through which the culture becomes defined, rather than a static description of some cultural attributes in an organization. Schein suggests that culture is constantly being formed, although the founding stages are central in creating norms and practices for the company's culture henceforth (Schein, 1984/1990). Schein's model is especially relevant in a company's early growth and development when the company typically faces many challenges and crises. Thus, the problem-solving aspect establishes the thread between organizational growth and organizational culture.

2.3 Organizational growth

Organizational growth has been an important part of managerial studies since the inception of the academic subject. Organizational growth changes occur within a company due to business developments (Okanović et al., 2021). There are several ways of understanding a company's growth, and there is no single metric to give an overview of a growing organization in its entirety. The uncertain meaning of organizational growth and the lack of a generally accepted definition can lead to complications when comparing the empirical results of different studies (Delmar, 2000). However, sales measurements or the number of personnel are conventional metrics for this purpose in academia. Although organizational development has been widely studied, there are still many specific developmental problems for control, rewards, and distinct management styles in

various cultural settings that require further research (Greiner, 1998). There are several distinct growth models throughout the academic literature. On the one hand, a classic definition by Penrose describes the growth of a firm as a consequence of productive activities put in place by management through administrative procedures (Penrose, 1959). Penrose states that the human capital in the shape of managerial and entrepreneurial capabilities is the engine of organizational growth given limited resources and abilities. On the other hand, Greiner's highly regarded growth theory emphasizes organizational systems to obtain growth (Macpherson, 2005), (Greiner, 1972/1998). Although growth is obtained through these systems, the same systems will cause the limitation of growth. The issue is then to reorganize the structure of the organizational systems. The theoretical framework explaining growth that will be applied in this thesis is Greiner's organizational growth theory. An alternative model to Greiner's has subsequently been proposed by Flamholtz and Randle, who define a company's life cycle through seven stages (Flamholtz & Randle, 2006). The beginning and end of each stage are marked by reaching a certain revenue. This makes the seven stages more practically applicable than Greiner. However, the decision to use Greiner stems from its conceptual attractiveness, its elevated position within organizational growth studies, and its advantageous descriptions of inter-company developments throughout the life cycle.

3. Theoretical Framework

3.1 Schein's three levels of culture

Artifacts	⇄	Espoused Values	⇄	Basic Assumptions

Schein's three levels of culture (Schein, 1984). Illustration by Barnevik & Cars

Schein's model consists of three different levels of culture that are tightly interlinked; the *basic assumptions*, the *espoused values*, and the *artifacts* that a company possesses. As Schein's definition suggests, an organization's cohesion is built on the shared basic assumptions of the group. These shared beliefs are the essence of a culture. They can include assumptions such as the view of human nature, time and space, work and leisure, femininity and masculinity, and how humans relate to each other, distribute power, conduct decision-making, and resolve conflicts. The assumptions are primarily implicit and might differ from the explicit value statements that the company displays publicly. According to Schein, the basic assumptions of an organization can be traced to the founders, who together with the people they have assembled, create the primary group in the company (Schein, 1999). The culture originates in the repetitive tasks that have previously been completed successfully. Espoused values are the values that an organization explicitly states that it stands for and believes in. This is commonly found in the mission statement. It is not necessarily something that is already intrinsic to the organization but can include values that it aspires to have. Unlike espoused values, the artifacts of an organization are material objects that the company already possesses. They are visible to the outsider observing the company's internal processes but can potentially be hard to interpret. The objects range from observable to audible artifacts. These can include everything from language, stories, myths, technology, visible traditions, and visible things, including office decoration.

What is distinctive of a strong culture is a homogeneity in the shared basic assumptions of the organization's members. By having many shared basic assumptions, the members act and think similarly. This is in stark contrast to weak cultures, characterized by different subgroups with differentiated opinions and ideas about the organization. Finally, applying Schein's culture analysis can provide a deeper understanding of how and why an organization operates the way it does and how it has been and currently copes with success and crisis.

3.2 Greiner's organizational growth theory

This thesis will use Greiner's organizational growth theory (Greiner, 1972/1998) to identify the company's life cycle and to elaborate on what challenges are inherent to that stage. The most fundamental aspect of this theory is that "management problems and principles are rooted in time" (Greiner, 1998). The problem formulation and the relevant course of action of one period do not necessarily have explanatory value for another period.

Furthermore, the objective of the thesis is to analyze how Funnel has maneuvered through previous stages of growth and crises to investigate how Funnel has grown. According to Greiner, a company's life cycle is divided up into five different growth phases. One phase is typically around 4-8 years (Blomberg, 2020). The transition between these phases is set in motion by a crisis due to the management's lack of adjustment as the firm grows, followed by a period of stable growth. Greiner refers to the crisis at the end of each period as *revolutions* and the periods of development as *evolutions*. The life cycle is often visualized as a slope with a positively correlated gradient between the X- and Y-values. The X-value is the age of the organization, while the Y-value displays the organization's size. The management's capabilities to act on and countermeasure the recurring periods of crisis is of the utmost essence for the company to prosper.

Phase 1-5 describes the critical features of Greiner's life cycle.

Phase 1 - Creativity

The evolutionary stage of creativity is the birth stage of the company, where the founders usually neglect management activities in favor of either technical or entrepreneurial aspects of company-building. Some defining features of this stage are informal, flat hierarchies and horizontal communication. However, as company employees grow and sales increase, the business becomes inefficient and difficult to manage. There is an apparent need to formalize company processes and implement a more precise structure. What follows is a crisis of *leadership*.

Phase 2 - Direction

To counteract the lack of leadership that follows phase 1, a formalized organizational structure is introduced where the organization moves towards a machine bureaucracy. However, the marginal return of increased vertical control and leadership decreases as lower management and staff's work is impeded by top management due to a lack of *autonomy*. The consequences can result in a loss of talented employees and a reluctance to restructuring initiatives.

Phase 3 - Delegation

The next step for the firm is the delegation of power and responsibility by introducing separate business units that operate more autonomously than before. Similar to Mintzberg's divisionalized structure (Mintzberg, 1983; Luneberg, 2012), it allows the individual units to react quickly to changes in the market and be more agile. Bonuses and commissions are used to motivate employees. After a stable period of growth, the distinct parts of the company eventually start to oppose each other and walk in different directions, with divergent strategies and visions. According to Greiner, there is a need for increased *control*.

Phase 4 - Coordination

The increase in managerial control is not aspiring to the top-down, vertical control that occurred in phase two, but rather a more sophisticated implementation of units according to product group or

market. Processes such as team-building, promotion programs, and a division of the firm profits in the form of stock options are designed to create a team spirit, and the company puts in work effort as a collective. Greiner argues that the firm consequently grows big and formalized, with a considerable distance between the different organizational structures. What follows naturally is *red-tape bureaucracy,* defined as being oversized and inefficient.

Phase 5 - Collaboration

The demanded solution is an increasingly engaged and action-oriented leadership that is quick-footed in its decision-making. This is achieved by simplifying the company ecosystem and horizontal coordination through modern information and communication systems. This requires an immersion of the individual into the organization and its needs, with an emphasis on teamwork and innovation.
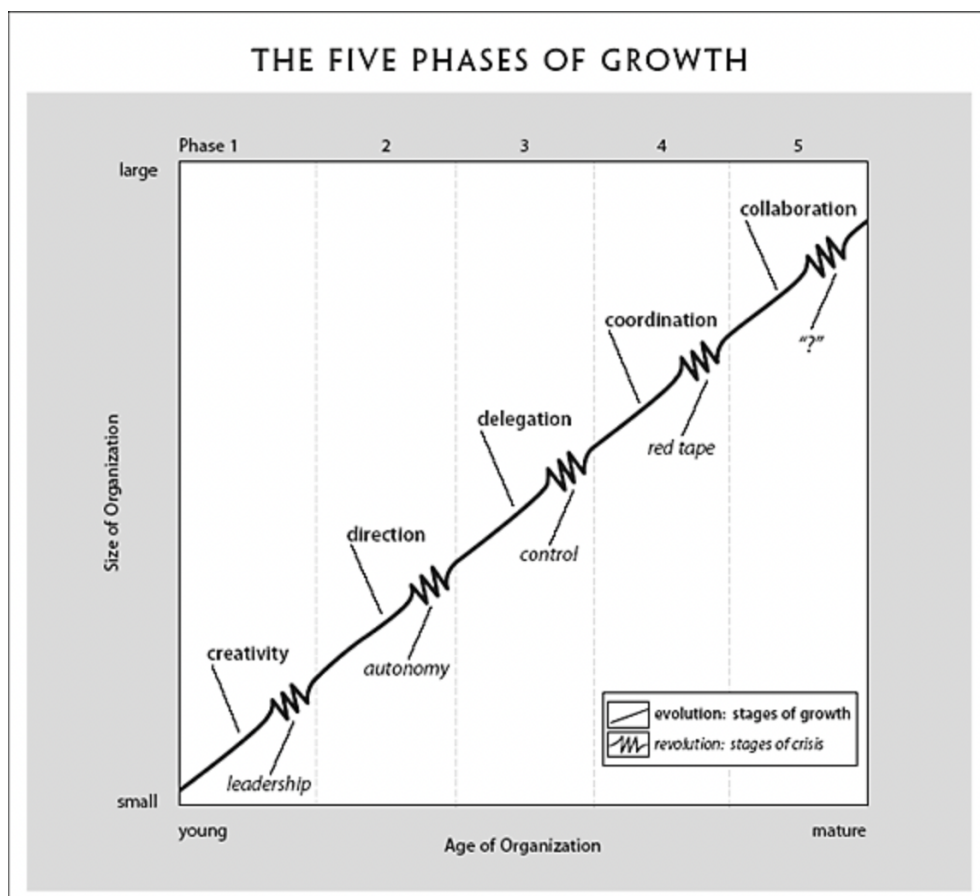
Greiner's growth cycles (Greiner, 1998)

4. Methodology

4.1 Choice of method

The thesis has a case study format on the startup Funnel and consists of qualitative interviews to achieve a chronological description of the company. It takes an abductive approach where the research process permits gradual progress and constant mobility between theory and empirics to maintain sustained relevance due to its iterative nature (Bell et al., 2019). The interviews are set up with the management, board of directors, key partners, and employees across the organization (see Appendix I). Interviews have only been held once per interview subject.

4.2 Data collection process

The setup of the interviews have been semi-structured. The semi-structured format is beneficial when conducting exploratory research, as the interviewees can provide their subjective perceptions (Saunders et al., 2019). The semi-structured method allows for follow-up questions which help researchers keep an open mind about the subject (Bell, 2019). With the help of the qualitative interviews, the reader will gain a deeper understanding of the organization's development and its current state (Kelemen, 2008). A qualitative study provides more depth and nuance than a quantitative study, thus fitting the case study approach. Additionally, holistic qualitative research can be extended towards observing day-to-day activities at the firm. Due to the possible extent, acting as an observer in daily activities such as meetings, coffee breaks, and conferences will provide an empirical foundation for the research.

4.3 Research paradigm

The study will be constructed with an interpretive paradigm. The interpretive philosophy works well with the semi-structured interview format since it allows for flexible and conditional questions depending on where the participants' interaction will lead (Denzin, 2018; Fossey, 2002). The

interpretive form will help the authors clarify the subjective and occasionally socially constructed meanings communicated by the interviewed stakeholder (Guba & Lincoln, 2005). The study will develop according to the emerging data discovered in the empirical part of the study. Hopefully, this methodology will, in a structured way, yield in-depth information about the company during its growth journey.

4.4 Sample process

The sample population all had connections to Funnel, either as employees, founders, or investors. The selection of contacted individuals was based on the intention to understand the company's development. Thus, interviewees varied by age, gender, and, most importantly, work tasks. It included senior positions ranging from CEO, COO, and board members to employees such as sales, programmers and office coordinators. The interviewees had worked at Funnel for different amounts of time, with some of them having been a part of the company since the start and some were recently hired. This allowed insights into the actual changes that have taken place and how they are perceived by people joining the firm at a later stage.

The selection of this sample can be criticized for not being representative enough, yet this aspect is mainly due to exogenic societal factors. The primary professions at Funnel, coding, and software development are traditionally male-dominated occupations. Additionally, according to a report from Albright, the share of women in Swedish large-cap boardrooms has remained at 25% during the last few years (Allbright, 2021). Since the sampling process was purposive and the authors chose which members of the organization to interview, the requirements of random sampling are not relevant in this case. It is also important to note that a variation does indeed exist. Moreover, the conclusions drawn from this study will not be generalized beyond the industry and the workplace the company is an example of.

The interviews aimed to get a broad understanding and knowledge of the company and its employees. Respondents relevant to the research subject were sought out and contacted using a purposive sample strategy. A conventional case sampling strategy was adopted in this approach to include employees at Funnel who exemplified the population of interest (Bell et al., 2019).

4.5 Participants

The sampling process resulted in eight interviews conducted at Funnel's office in Stockholm, while two interviews were held on Microsoft Teams. The interview length varied from 50 minutes to 78 minutes, with an average of 62 minutes. Participants who had been at the company for a long time could answer questions about early growth at Funnel. In contrast, people who recently joined the company could answer more questions regarding Funnel today. The first point of contact and interview for our research was with a venture capital investor and a former board member of Funnel.

4.6 The single case study approach

The case-study format is advantageous as it reveals essential in-depth data from a single company. Case studies stress the significance of detailed contextual analysis of a limited number of events or conditions and their relationships (Yin, 1994). However, the approach comes with certain limitations. The empirics gathered from the qualitative interviews cannot be applied and generalized to all startups as there are several differences, although some companies may be similar in size and industry. However, a strategic choice of a case study approach allows for slightly more generalization than what is commonly perceived (Flyvbjerg, 2006). Since context-dependent knowledge and experience lie at the heart of the case study, the lack of formal generalization does not prohibit the knowledge from entering into the collective process of knowledge accumulation in management research. A technical and detailed definition of a case study is provided by Yin (Yin, 2003), who defines it as an "empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are

not clearly evident". The case study approach can thus provide empirical material for situations where the boundaries between phenomenon and context are not evident, which will be needed to clarify the distinct aspects of the company's growth journey. It will provide tools and deepen the understanding of the particular company, its history, business model, and employees.

4.7 Coding and analysis

Every interview was translated from Swedish to English, except for the interview held with the Boston office, held in English. The empirics were transcribed and analyzed following Bell's thematic analysis approach (Bell et al., 2019). Due to the open-ended and broad questions posed, many exciting aspects were captured that had not been considered before. The authors identified themes originating in patterns, including similarities, differences, and repetitions. The three second-order themes that emerged act as the subcategories for the empirics and were subjected to the theoretical lens.

4.8 Ethical considerations

To strengthen the research's legitimacy, Diener and Crandal's (1978) four ethical concepts of minimizing harm to participants, ensuring informed consent, privacy, and preventing deception have been focal points of the ethical considerations (Bell et al., 2019). Participation consent forms were signed by the interviewees and collected under the European General Data Protection Regulation. They were also informed that their participation was voluntary and could be terminated at any moment without explanation. All acquired data would be deleted instantly and removed from the report if requested. This transparency has been extended to granting participants to review their quotes if they so wish. Furthermore, the purpose of the study was explained to the respondents by email. This was then clarified during the interviews when the respondents had the opportunity to ask questions about the study. This distinguishes respondent validation (Bell et al., 2019); it promotes clear communication, prevents misinterpretation of the intended meaning, and lessens the risk of quotes added out of their context.

5. Empirics

The study's empirical data will be presented and divided into two sections depicting the growth of Funnel. Firstly, the empirics will focus on Funnel in the past, and secondly, the empirics will focus on Funnel in the present. This structure aims to present the empirics chronologically and coherently display the case company's organizational growth. Each time frame will also be divided into three main categories: the SaaS business model, organizational culture, and organizational structure. These subcategories intend to show three essential themes that came up in all interviewees, which have laid the foundation of organizational growth.

5.1 Funnel in the past

5.1.1 SaaS business model

The SaaS business model comes with several advantages in a company's early stages. The business model is enabled by developing and hosting software. Software development costs have rapidly decreased thanks to technological advances. In the past, companies needed significant investments in infrastructure and administration. Today this has changed, and several more efficient solutions are deployed. This technological development has allowed for the more rapid emergence of the SaaS business model.

"If you look at what it costs to develop a product today, it costs 10 to 20 times less than before. Previously, you had to buy servers, databases, integration software, and people who could manage the infrastructure before you could even write a line of code. Everything is available today for free as open-source; you can run your servers completely seamlessly in the cloud, all development tools, everything. It is a fundamental shift that has happened thanks to cloud services and open-source, and this shift has helped accelerate Funnel's early growth." - Chairman

Funnel's technology is not patent-protected, and according to the Chairman, it is difficult to patent-protect software. Nevertheless, other barriers to entry safeguard Funnel's further expansion.

"To build what Funnel has built, for soon to be a decade, with 150 people developing and building API:s and the foundational structure; the structure that facilitates abstracting complex data and compiling it smoothly and efficiently is not something you do overnight" - Chairman

Furthermore, as the SaaS business model is very technologically advanced, the core of early-stage SaaS startups often consists of several developers needed to create the software.

"The core of Funnel in the early stages consisted of many software developers who built the product. This is a common characteristic seen in several SaaS-startups." - CCO and Co-founder

A beneficial factor for Funnel is that once the product is developed and mature, it can expand into other markets quickly and efficiently as the software has no geographical boundaries. There is also high long-term profitability of the acquired customers as they pay monthly recurring fees.

"Funnel has always had the great advantage of having a strong in-bound business model that can be sold worldwide." - VC investor

5.1.2 Organizational culture

During its early days, Funnel was a small team with many ideas regarding culture. Most of the organization was centered around developing the product, which laid the foundation for teamwork and autonomy, characteristics that define the organization today.

"The leading group at Funnel was for an extended period a very technical team which mostly revolved around product development, but the company culture has also always been in center." - CEO and Co-founder

Talent acquisition has played a crucial role in the creation of the culture at Funnel. Recruiting with a clear idea of a well-attuned culture fit is essential, stresses the Chairman. This makes the talent acquisition process longer and more complex since each candidate is carefully reviewed. Despite

this, the Chairman explains that the most beneficial thing for Funnel is getting the right people into the organization.

Moreover, creating a coherent and robust culture fit means acquiring the people deemed suitable and parting ways with people that are not a good culture fit. An essential aspect of organizational culture and the aspired culture fit at Funnel has been demonstrated in how the company has dealt with individual employee incentives. Like many SaaS companies, Funnel provided an individual, performance-based commission to their salesforce for several years, depending on how many of one's leads were converted into paying customers and bonuses to top management. However, eventually a substantial discrepancy evolved between the successful and unsuccessful employees with the development of a negative culture following.

"People became fixated with closing deals, even deals that should not have been closed. It created an atmosphere of individualism rather than one of team-spirit" - CEO and Co-founder

At the beginning of 2020, Funnel disbanded the use of commissions and bonuses. The decision was made in consultation with the salesforce and was perceived as radical by other companies. Instead of the individual bonus, Funnel would offer every employee across the board an increased salary. There were fears that employees would churn as the successful ones would not be rewarded as such, and for the salesforce working in Boston, this came as an immense change as commissions and bonuses are more culturally rooted in the United States than in Sweden. The VP of Sales in North America recalls discussing with the management team in Stockholm about removing his own and his colleague's bonuses. First, he thought it would be a *"stupid move"* that would never work. Nevertheless, after thinking about it, he came to a realization:

"There are several bad aspects of bonuses that often are not discussed. The stress of not knowing how much money you will get at the end of the month, the stress of not knowing who gets the credit for that sale, the lack of collaboration, and the fights over leads create a very toxic environment. By removing

the bonuses, you get more stability, more sharing of ideas, and more collaboration which are all good things that are aligned with the culture of Funnel." - VP of Sales-North America

Ultimately, employees did not churn, and the sales targets were not only consequently reached, but they reached new heights after removing the individual bonuses. It also proved to be a crucial signaling tool for the company in talent acquisition. They could now exhibit the type of culture they are pursuing and attract employees with the right culture fit.

5.1.3 Organizational structure

Although Funnel's history is one of success, the road has not always been straightforward. As described in the introduction, the company changed the name and value proposition from Qwaya to Funnel in 2014 when realizing that Facebook had moved into Qwaya's domain by offering similar tools for free, rendering the business doomed in the long run. This led to what the CCO describes as a "mid-air pivot", with the company changing its name to Funnel and starting to develop an entirely new product; the Funnel platform. This meant abandoning the still-functioning and highly profitable product that was Qwaya and convincing the investors that this was the right path forward.

"*Qwaya functioned well at the time, but this new thing could be much bigger. It took about two years to develop the product, and it was a tough period. Nevertheless, we received support from our investors, and finally, we could launch our new product.*" - CEO and Co-founder

Funnel has had a continuously low employee turnover. Transparency and the ability to communicate decisions are described as reasons for prevailing during the company growth journey and for the successful development of the product that would become Funnel.

The company had the same management structure for a long time until it decided to make an organizational change in 2020. The structure was relatively horizontal, with only four people on

the management team before this. The team consisted of a CEO, accompanied by a CTO, a CPO (Chief Product Officer), and a CCO. This structure was robust when having a small number of employees and is illustrated below.

Organizational Structure of early Funnel

¹ Chief Executive Officer ² Chief Technical Officer ³ Chief Product Officer ⁴ Chief Commercial Officer
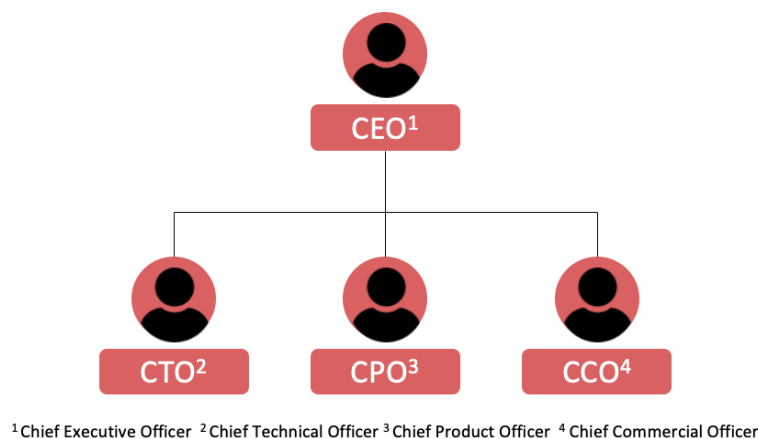
Illustration by Barnevik & Cars

The structure lasted between 2013 and 2020. However, as the company experienced rapid growth in revenue and number of employees, the company outgrew its organizational structure. A restructuring was required, and the rapid talent acquisition has led to a big part of the company working for less than one year at any given period (see Appendix II and III).

5.2 Funnel in the present

5.2.1 SaaS business model

Today, an ongoing trend is that companies are moving their business from being offline to online. With the online distribution available via the internet, new business models have evolved with the advantage of being extremely scalable. However, there are other important factors behind the growth of SaaS companies, such as content marketing and PLG strategies. The Chairman of Funnel talks about the new SaaS business model and its advantages.

"The scalability of SaaS is incredible. Funnel has been very capable of managing search engine optimization. But there are several strategies at the basis of this, such as content marketing and PLG where the product becomes your marketing. It is more explosive than the traditional model of selling software." - Chairman

Predictability

Funnel's growth strategy is based on the predictability of the SaaS business model. By allocating venture capital to growth and scalability, they can achieve the goals they have set up and display them to their investors. This means that the future budgets are at least as important as the current revenue budget.

"SaaS is an incredibly predictable but capital intensive business model. You know how much marketing is demanded and how much marketing is needed in the different channels to grow"
- Chairman

The business model also allows for distinct benchmarking toward peer companies. The CCO delineates how relatively accessible comparisons are through different metrics, financial ratios, and KPIs. One can identify which growth phase almost any SaaS company is in and how they are currently performing by analyzing the data.

"You need venture capital to grow quickly and take advantage of the market by building the right product and getting it out quickly. This requires considerable amounts of capital, and new financing is brought in at regular intervals. We can ask the board and the investors how much they want the company to grow. To double in size, there is a receipt for how much money is required. The capital must be allocated efficiently to scale. It is also important to keep track of your key figures and the KPIs to know that the business model is sound. As long as the metrics last, you run the business with this strategy." - CCO and Co-founder

Sales-Led Growth vs. Product-Led Growth

Having a sales-led business model has some advantages, such as making the expected growth more predictable, and the management and its investors can plan regarding it. As the CCO describes it:

"*Funnel has a sales-led model, which is effective and predictable - but it has capacity restrictions because an employee sells every deal at Funnel. To get away from only relying on this type of growth, we have to do a PLG, as we did with Qwaya*". – CCO and Co-founder

While the operations of converting leads into paying customers can be streamlined, there is a maximum level. Every customer receives a demo, limiting how exponential and cost-efficient the growth can be. Through the more organic PLG, the potential for significant returns of scale exists. A potential way of achieving PLG is through offering a free product, which many successful peers have done. This tends to increase the conversion rate drastically, and the organic growth is thus a yield of the firm's engineering and technological capabilities.

By combining SLG with PLG, Funnel can expect to grow even faster in the future, yet developing a robust PLG is difficult and time-consuming. In the meantime, SLG will still be necessary. However, it is not only their growth strategy that is important; the product itself gives customers a powerful yet easy-to-use solution to a daily problem, as explained by a Partner Growth Manager.

"*Funnel has a good and easily maneuverable platform that does not require any coding or technical skills while at the same time being powerful and functional. This is described as the holy grail in software development; often, one is done at the expense of the other. If you want simplicity, you have to sacrifice functionality, and if you want functionality, you have to sacrifice simplicity. Funnel has succeeded in having a very high level on both, which is unique.* - PGM

To achieve a successful PLG, Funnel aspires to have *thought leadership*. This means producing content in channels where there are potential customers. This can be seen in mediums such as partner channels, blog posts, podcasts, and social media outlets. Furthermore, the management speaks at big conferences for SaaS companies where important competitors, customers, and investors attend. Recently the CEO spoke about the firm's decision to remove bonuses and commissions at one of Europe's biggest SaaS conferences, "SaaSiest" in Malmö.

5.2.2 Organizational culture

The founders of Funnel have far-reaching visions for their company, which has been echoed in every interview.

"Of all the Founder-CEOs that I have worked with, the founders of Funnel have been the most perceptive looking forward. When they were ten people, the CEO was already planning for when they would be 100." - VC investor

There is a strong conviction among the employees regarding its culture and the importance of not deviating from it. There is autonomy in managing one's work, but there are also more minor aspects such as casual dressing and flexible working hours, creating a sense of freedom. According to the CEO, values such as teamwork and collaboration are very much in focus at Funnel, which strives to create a family feeling where people are nice and friendly through culture creation which improves people's well-being. The employees also share this view.

"Many people feel very at home here. You visit each other, you make eye contact, and people feel quite free to dare to try new things because then you learn from them." - OEM

Another cultural aspect that permeates the culture is transparency. From the beginning of the growth journey, every employee has had access to important financial data and strategic documents. Employees openly reflect on different strategic issues. This enhances the sentiment of participation as employees know the context and are involved in company decisions, no matter the position.

"Core values of Funnel are trust and transparency. The trust you get from the company is amazing, and it is fun to be part of and follow the strategic decisions of the top management. - API Developer

Trust and *transparency* are also reflected in the firm's 11 value statements. Additionally, it contains terminology such as *teamwork, collaboration, openness, and friendliness.* These are subject to minor changes going forward in order to have fewer since the management considers 11 keywords to be too many, diluting the meaning of each value statement.

The company culture is also reflected on the board level, acknowledges the Chairman.

"Some CEOs have to be persuaded to give full access; this is never the case at Funnel. The board always has full transparency, gets full access, and knows what is going on, which is immensely valuable. It is a cultural aspect of Funnel that makes everything completely transparent."

Furthermore, Funnel always strives to have a culture that reflects a learning environment where people can collaborate through trust and transparency to grow both on an individual and company level. The company CEO explains that it is important to be a learning organization where people want to share their knowledge. A stark example of this is that every employee receives a particular book on company culture when joining Funnel called "Tribal leadership".

"It is extremely stimulating for me to be at Funnel. It feels like a university where you learn something new every day. If you do four years at Funnel, it should be the four most well-spent years" - CCO and Co-founder

The developer culture at Funnel is also unique as they strive to attract the best developers. People work agile in self-organized teams without team leaders and with a strong focus on autonomy. The developers do not have any deadlines, and according to the CPO, this comes back to the value of autonomy. An API developer explains that customers generally care more about getting a good product than when they get it. The developers appreciate this unique cultural aspect of Funnel, and it allows Funnel to attract talented employees.

"The best thing about Funnel that attracts many developers is the freedom within our teams. There is zero micromanagement, and it is a very flat organization on the developer side. It is difficult to meet deadlines in programming because there are many unknown factors. Sometimes things go much quicker than anticipated, and other times it takes a lot longer. Funnel understands this." - API developer

Additionally, a trademark of this autonomy is that the developers can write code in any language of their choosing.

The Chief People Officer further explains that the culture is unique and that they look very closely at whom they hire. The CCO further elaborates on this and insists on the importance of a rigorous hiring process. *"Either my Co-founder or I have met all the employees, and every employee has completed logical tests and done several in-depth interviews to check personality, work skills, culture fit, and more"*. The talent team has also carefully specified what kind of persons fit into Funnel's culture. Everyone goes through the same process to make sure they fit in. However, it is essential not only to hire people that have a good culture fit but to look for people that can develop the company culture in the right direction is as important, the Talent Coach explains.

To continue the culture development and teambuilding at Funnel, the whole company goes on a business trip called Camp Funnel every year. The Talent Coach describes the camp as *"on the one hand, a conference, with content where we want to reshape the company culture by including every employee in transforming it. But on the other hand, we will all eat well and do fun activities such as horseback riding, hiking, and visiting cities. The goal is that every employee should feel like it is great to work at Funnel!"*.

Lastly, employees at Funnel are committed and believe in the future growth of Funnel. When Funnel raised capital through a $66M Pre-IPO financing round in 2021, there were around 200 employees, of which more than 100 signed up to the offering of investing personally.

5.2.3 Organizational structure

Inter-company communications

Most communication between co-workers at Funnel takes place on Slack. It is a digital collaboration tool where employees can communicate and share information. It is characterized by having open channels where communication is visible for everyone to see and participate in. According to the CCO, it has been a *"source of efficiency and transparency"* and has functioned as a foundation for the company culture. For instance, there is a channel called "internal praise" where one can spontaneously highlight an individual's or a team's work performance or show general appreciation. "*The praise comes organically. It feels more sincere and genuine than just a slide on a PowerPoint deck*", the Partner Growth Manager explains. Slack is the natural place to ask if someone has a question. However, as Funnel has grown, many people have filled these channels. The Chief People Officer describes this as a tradeoff between the idea of inclusion and transparency in the company decisions while communicating the relevant information to the right people. "*The channels can easily be experienced as white noise due to a large number of people*". When reaching 100-150 employees, it started to become stressful for many to follow every development in the company.

Another critical aspect of the internal communication at Funnel is the communication between the management and the board. Historically, the investors and the board have held much faith in the management team, evident from the continued board support during the business pivot.

The board work is very important, and their input and experience carry a heavy weight in the decisions the company makes." - CCO and Co-founder
There is a strong belief in the product as well as the organization's ability to keep growing at a fast pace. The company wants to develop the market and take market share.

"*If you ask the CEO, he probably wants to kill spreadsheets; that is an implicit target.*" - PGM

6. Analysis

The following section seeks to answer the research question: *What distinguishes the organizational growth at a fast-growing SaaS startup?*

The analysis is structured with the same disposition as in the empirics. It reflects how the aspects of the SaaS business model and the organizational culture conjointly influence the firm's organizational growth.

6.1 SaaS business model

Sales-Led Growth vs. Product-Led Growth

A challenge going forward is how to utilize the growth strategies in the best way possible. As evident from the empirics, the intention seems to divert the focus from SLG to PLG, which is crucial for the company's development. Although Funnel is a scalable company, it has limits since expanding its employee base is necessary to maintain its SLG. Like all marketing channels, the ones that currently drive demand stagnate when reaching a certain size. Diversifying and finding new channels to grow in is therefore important. The concept of *thought leadership* is central as a part of the intended PLG strategy going forward. From conferences to podcasts, all of the company content is used to leverage PLG. By transforming one's brand into the ideal company and workplace, the idea is to achieve the unlimited scalability that PLG offers rather than only relying on SLG.

Additionally, it has proved beneficial for a technologically advanced company such as Funnel to have had a board specialized in the area, with extensive know-how and experience from other SaaS companies. The transparency in the communication between the board and top management has proved vital, for instance, when pivoting from Qwaya to Funnel. A characterizing conflict in Greiner's first stage of *Creativity* is that the board and external investors deem the founder unfit for

taking the company forward. This has been mitigated partly by the effectiveness of the management, the firm's commercial success, and the transparency in the communication between the management team and the board.

6.2 Organizational culture

Schein's three levels of culture

Schein's three levels of culture illuminates how artifacts, espoused values, and basic assumptions have interplayed in building a resistant company culture that has mitigated crises. Several artifacts visible to the naked eye help substantiate the culture. These include minor aspects, notably the informal dressing at the office with some employees walking around in socks as well as receiving a particular book on company culture as recommended reading when hired; to more far-reaching aspects including not having bonuses for top management and commissions for the sales representatives. This is a sample of artifacts deeply tied to Funnel's underlying culture. As mentioned earlier, the value statements and thus the espoused values of Funnel are, among others, *teamwork* and *collaboration*. As will become evident, some of these overlap the company's basic assumptions that the authors of this thesis have identified.

The company culture at Funnel is the outcome of a strategic process. An overwhelming part of the interviewees has pointed toward the immense importance of the individual employee's cultural fit. One underpinning was the ethos of teamwork and collectivism rather than individualism when it comes to the perception of and identification with the company; while maintaining autonomy in the daily work activities. This is manifested in the firm's talent acquisition. The employee turnover is notably low at Funnel, which can be explained by the thorough work put into the talent acquisition and the substantial amount of resources the company invests in a good employee-employer fit. As previously mentioned, this specific fit has led to the company parting ways with former employees.

Hiring the people who share the basic assumptions with the company is a self-amplifying process. It seems to add to the paramount basic assumptions exhibited in the empirics. These include *teamwork, collectivism, autonomy, transparency, friendliness, familiarity, participation,* and *well-being* of the group members. An additional assumption is the company's emphasis on *interpersonal relations* between employees with many activities arranged by the management and the rest of the employees. One of these efforts raised is *Camp Funnel,* where every employee from the Stockholm and Boston offices previously has traveled abroad and spent leisure time together.

There is a solid belief in the exceptionality of Funnel's organizational culture and that it is distinguishable from other organizational cultures in different respects such as the aforementioned, which has been echoed throughout the interviews. Hence, one identifiable sentiment is the feeling of *exceptionalism* at Funnel. Evident in this sentiment is the basic assumption of "us and them", creating a powerful cohesion in the organization.

6.3 Organizational structure - The cross-section between Greiner's growth phases and Schein's levels of culture

Funnel's in-demand product, fast-paced and efficient business model, and strong culture have several implications for its organizational structure and growth. A strong culture lessens the necessity of coordination in the shape of formalized processes, which appears to be the case when examining the progression of Funnel's organizational structure. The company has, throughout its existence, diminished micro-management and interventions by middle-managers, a distinctive characteristic of Greiner's second phase of *direction*. Additionally, several characteristics of the third phase, *delegation*, have been bypassed. These include disbanding bonuses and commissions to motivate employees and having frequent communication between top management and employees, in contrast to what the growth phases assert.

As seen in the empirics, the inter-company communication through, for example, the application Slack has allowed for a fast-paced work environment at Funnel. It has allowed for effective

decision-making and has heightened the sense of *transparency* in the organization by having a constant public conversation open to the whole staff. In addition, the continuous internal company presentations revealing critical and sensitive firm data for the entire personnel has further enhanced the *transparency*. This has worked to promote individual employee *autonomy* and increase the sense of *participation*. Similar to what Greiner states, sophisticated information and communication systems help reduce vertical control and introduce horizontal coordination. While this is described in the latter stages of four and five, it has existed since the company's start and has been maintained as it has grown.

A basic assumption that is coherent with the fourth stage of *coordination* is the management's ability to be fast on their feet and agile in the face of difficult decisions. The starkest example of this is the complete strategy change, going from the profitable Qwaya with content investors to investing two years in the development of a completely new product: the Funnel platform. This has been a strategic decision that has played out with immense success. This spontaneity and agility in the management display how far the company has reached on the chart of Greiner's growth phases.

The cross-section of Greiner's growth phases and Schein's levels of culture becomes apparent in the illustration below, explaining how each revolution has been counteracted by one or more of the firm's basic assumptions. Additionally, the business model has allowed shorter time spent in each phase.

Size of organization

Phase 1 **Creativity**	Phase 2 **Direction**	Phase 3 **Delegation**	Phase 4 **Coordination**	Phase 5 **Collaboration**

Example of basic assumption: Autonomy

Example of basic assumption: Transparency/ Participation

Crises of red tape

Crises of control

Crises of autonomy

funnel Today

Crises of leadership

Example of basic assumption: Collectivism

Time/Age/Phase

Example: Since its inception, the initially technology-heavy startup Funnel has worked in small, decentralized units, which has allowed extensive individual *autonomy*.

Example: The crisis of autonomy has been mitigated by the implementation of sophisticated communication systems leading to a sense of *transparency & participation*.

Example: Through the sentiment of the firm's exceptionalism, the assumption of *collectivism* has acted as a powerful social cohesion.

Today, Funnel is at Phase 4. As the organizational structure grows and more formal roles are implemented, it will be necessary for Funnel not to become too bureaucratic and dim innovation.

SaaS Business Model Findings: The SaaS business model allows companies to scale quicker, allowing for faster phase transitions in Greiner's Organizational Growth Model. Each phase typically takes around 4-8 years (Bloomberg, 2020).
Example: In this case study of Funnel, it has been shown that the company has reached Phase 4 of Greiner's Organizational Growth Model in approximately eight years. It suggests that Funnel has been in each stage for about two years.

Organizational Culture Findings: Organizational Culture plays an important role in crisis mitigation.
Example: The culture at Funnel has allowed the company to grow without going through the necessary crises in Greiner's Organizational Growth Model. This suggests that a strong culture can help company growth.

Funnel throughout Greiner's growth phases, illustrated by Barnevik & Cars

Furthermore, a critical attribute is the management's constant awareness of where in time, which phase the company currently is, and an understanding of the firm's evolution. This is evidence of an essential basic assumption, *time*. It explains how Funnel has worked repetitively and methodically, moving from point A to B. As has been discussed, the predictability of the business model, the revenue streams, and the SLG strategy have played a decisive role in making this possible. The awareness has benefited the decision-making and served as guidance for decisions being implemented in pre-emption of potential future organizational crises. This notion of working preemptively, with foresight rather than hindsight, is of the essence in mitigating Greiner's *revolutions*.

7. Discussion and answer to the research question

This study has shown different aspects that play an important part in the growth of a SaaS company in relation to Greiner's organizational growth model. The study's research question is:

What distinguishes the organizational growth at a fast-growing SaaS startup?

The study has identified several aspects of organizational growth at a SaaS company.

Firstly, immense *scalability* and *predictability* are inherent in the business model. This includes the relatively low startup costs that have constantly been decreasing over the last decades, the recurring revenue through subscriptions, and the high long-term profitability of acquired customers.

Secondly, Funnel's success story highlights the importance of having employees with a strong cultural fit and relatively homogenous mindsets for a company's rapid and effective scalability. The firm's internalized basic assumptions, including for instance *transparency*, *autonomy*, *exceptionalism,* and *participation,* have set the tone for its culture. Focusing on talent acquisition and establishing an increasingly stronger brand as *thought leaders* have allowed talented individuals to join the company and have put a foundation for further future scalability. As a consequence of sophisticated inter-company communication, a heightened sense of *transparency* and *participation* has prevailed. Creativity and efficiency have been followed by letting them work together in autonomous and decentralized units. Lastly, the importance of agile and quick-footed strategic decisions among the founders and management, which allowed for vital decisions such as business pivots during the firm's evolution, is supported by earlier academic research (Phelps et al., 2007; Shim et al., 2000). Not at least when it comes to the constant awareness of where the firm currently is located and in which direction it is heading next.

These combined factors have contributed to Funnel reaching stage 4 of coordination in Greiner's growth phases. The study displays the difficulties in perceiving a path-dependent and deterministic model of growth since the nature of the problems and solutions to each phase vary due to the aforementioned factors and are perhaps more unpredictable than what Greiner's model originally stated.

8. Conclusion

8.1 Summary

This study examined what specific factors distinguish the organizational growth at a fast-growing SaaS company by carrying out an in-depth case study on a successful Stockholm-based tech company. This was conducted by applying and comparing Greiner's well-esteemed theory of organizational growth in relation to the SaaS business model and Schein's three levels of culture.

In conclusion, Funnel offers a highly demanded product in a growing market, which has been the main driver of its growth. The authors have intended to give a holistic view of how solid and cohesive company culture is built based on assumptions such as *autonomy*, *collaboration*, *teamwork*, and *transparency*. It has, since its inception, created a strong culture that has aided Funnel in mitigating Greiner's predicted crises throughout its organizational growth. The SaaS business model, characterized by its immense scalability, has allowed companies to scale quicker, leading to faster phase transitions in Greiner's organizational growth model.

8.2 Generalizations

The possibility of drawing general conclusions about the external environment of the SaaS industry is somewhat limited since this thesis was conducted as a case study. The evident issue with a case study is whether one can differentiate between the entire board of companies similar to Funnel on the one hand and what characteristics are solely specific to Funnel on the other hand. It is crucial to remember that some implications might be perceived as applicable to similar companies but might not be as generic in reality. While the format of this thesis narrows the ability for generalizations, there is support for conclusions from this research applying to firms with similar characteristics. These include firms that use the SaaS business model, have technologically complex products, and organizational cultures with similar values and basic assumptions. The authors of

this thesis acknowledge the necessity of further studies to compare the results to other similar SaaS companies to further the advancement of organizational growth studies.

8.3 Implications

This study has displayed how future SaaS companies can mitigate the effects of Greiner's predicted crises by having a business model that is more predictable in their growth and by developing a strong and cohesive company culture built on certain basic assumptions. With the help of solid culture creation, future SaaS companies can lessen the adverse effects of an organizational crisis when growing. This is under the assumption that organizational growth occurs as a consequence of selling products or services with strong demand. It has additionally shown how the scalability of the SaaS business model allows for faster phase transitions when going through Greiner's organizational stages.

The Stockholm startup scene is highly competitive globally. It has produced some of today's most well-known companies and has a vast potential to produce many more. The authors of this thesis believe in promoting this development since it contributes to economic growth and prosperity both regionally and countrywide. Considering the importance of the continued strong growth of technology companies in Stockholm, examining the reasons for the immense success of one of its startups can be beneficial for other similar firms.

8.4 Recommendation for future research

Further research exploring the growth journey of SaaS startups is desirable in order to improve the transferability of the insights derived from the study. Examining several other SaaS startups and comparing these would broaden the implications of the results reached, such as the possibility of more general conclusions regarding the SaaS business model. In addition, a larger sample of SaaS firms from a wider geographic area could be of interest to investigate cultural differences and expand the study's geographical coverage. This would clarify how diverse settings influence a SaaS company's growth trajectory.
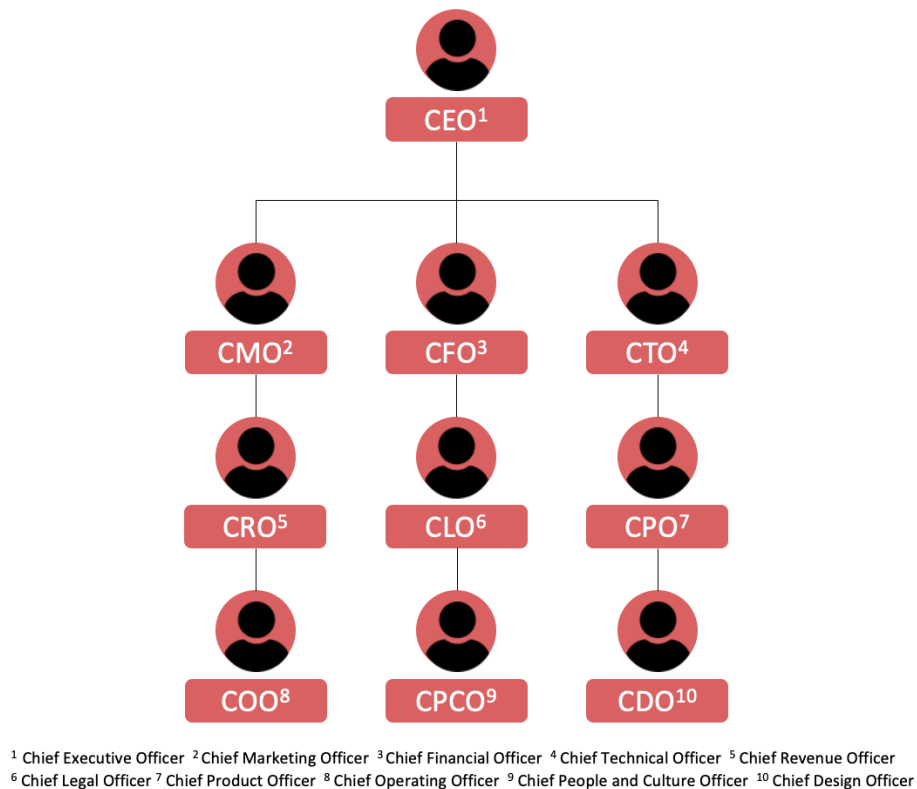
9. Appendix

Appendix I: Table of interviews

Interview number	Interviewee initials	Role	Date of interview	Interview length	Interview form
1	HC	Venture Capital Investor and Former Board Member	2 February 2022	1 hour 15 minutes	In-person
2	FS	Co-founder and Chief Executive Officer	9 February 2022	1 hour 5 minutes	In-person
3	SK	Chief People Officer	9 February 2022	57 minutes	In-person
4	PM	Co-founder and Chief Commercial Officer	18 February 2022	1 hour 18 minutes	In-person
5	EW	Talent Coach	23 February 2022	59 minutes	Microsoft Teams
6	JA	Partner Growth Manager	2 Mars 2022	1 hour 4 minutes	In-person
7	HH	Application Programming Interface Developer	2 Mars 2022	58 minutes	In-person
8	MJ	Chairman of the Board	9 Mars 2022	57 minutes	In-person

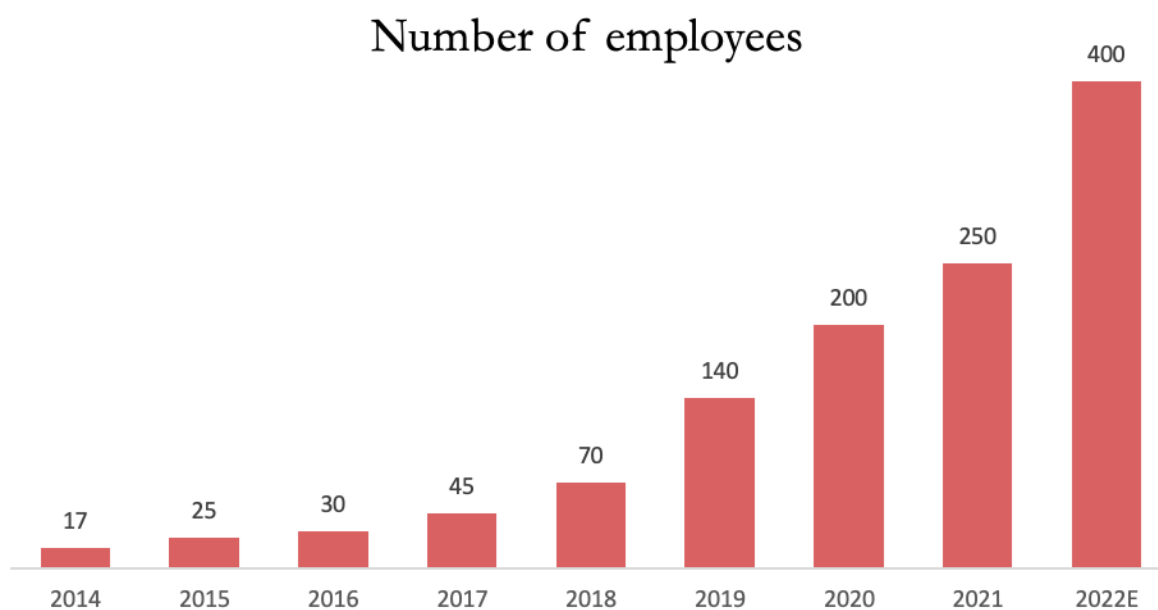| 9 | EE | Office and Event Manager | 31 Mars 2022 | 50 minutes | In-person |
| 10 | KK | Vice President of Sales North America | 4 April 2022 | 55 minutes | Microsoft Teams |

Participants	Average time span	Interview dates
10	62 minutes	2 February 2022 - 4 April 2022

Appendix II: Organizational structure of Funnel as of 2022

[1] Chief Executive Officer [2] Chief Marketing Officer [3] Chief Financial Officer [4] Chief Technical Officer [5] Chief Revenue Officer
[6] Chief Legal Officer [7] Chief Product Officer [8] Chief Operating Officer [9] Chief People and Culture Officer [10] Chief Design Officer

Illustration by Barnevik & Cars

Appendix III: Number of employees at Funnel 2014 to 2022

Number of employees

Year	Employees
2014	17
2015	25
2016	30
2017	45
2018	70
2019	140
2020	200
2021	250
2022E	400

Appendix IV: Funnel logo

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