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The Valley of Uncertainty

– Scaling the Chasm Between Entrepreneurial and Operations Management Logics

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Abstract: This thesis explores how scalable organizational structures and processes develop in practice as an SME pursues scaling ambitions. While scaling research recognizes scaling as an internal transformation, limited attention has been given to how this unfolds through everyday organizing. To address this gap, the study adopts a qualitative, interpretive single-case design based on 22 semi-structured interviews across hierarchical levels and functions. Drawing on institutional logics, entrepreneurship, and operations management literature, the thesis conceptualizes two analytical constructs: entrepreneurial logic and operations management logic. These form the basis for the valley of uncertainty, a framework capturing the transitional phase in which organizations attempt to translate existing ways of working into scalable structures and processes without sufficient understanding of the actions needed to produce desired outcomes. The findings show that entrepreneurial ways of working enabled historical growth but also created challenges related to person-dependence, uneven execution, and limited knowledge transfer. In response, the case company is introducing operations management-oriented structures, including standardized routines, performance measurement, and formalized processes. Increasing scalability depends on both process knowledge – an understanding of which activities drive value and how they can be standardized – and successful negotiation between the two logics. In the valley of uncertainty, limited process knowledge constrains the translation of tacit knowledge into scalable routines without undermining value creation, while negotiation between logics shapes whether such knowledge can be developed. The study contributes to theory and practice by showing how scalable organizing is shaped by actors' attempts to interpret, negotiate, and enact structural change under uncertainty.

Keywords: Scaling, institutional logics, entrepreneurship, operations management, process knowledge

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1. Introduction

1.1 Background

According to McKinsey, 78% of companies that have reached product-market fit (PMF) still fail to scale their business (Barker, 2025). This indicates that the entrepreneurial venture that created the firm's initial success may face uncertainty regarding how to organize for continued growth. While scaling challenges are widely acknowledged (Barker, 2025; Greiner, 1997; Mintzberg, 1980), the literature offers limited insight into how scaling is achieved in practice. As Shepherd and Patzelt (2022) summarizes: "A major reason for this lack of development is the impatience of researchers to prematurely address the question of 'how much?' before adequately providing answers to the question of 'how?'".

As organizations increase in size, coordination and communication problems tend to intensify as new functions emerge, jobs become more interrelated, and activities require alignment across different parts of the organization (Greiner, 1997; Mintzberg, 1980). Mintzberg (1980) suggests that growing organizations often require more differentiated roles, managerial layers, and coordination mechanisms, including direct supervision and standardization of work processes. Similarly, Greiner (1997) highlights that expanding organizations tend to introduce more structured ways of working. Together, these accounts highlight the limits of informal coordination during scaling. This view is reinforced by DeSantola and Gulati (2017), who proposes that scaling should not be thought of exclusively as growth, but as an internal transformation that supports scalability.

In contrast, the field of entrepreneurship emphasizes opportunity pursuit, adaptation under uncertainty, experimentation, and responsiveness, as important in the search for product-market fit (Sarasvathy, 2001; Shane & Venkataraman, 2000; Furr & Dyer, 2014). However, the statistics presented by Barker (2025) indicate that these practices may not be sufficient for successful scaling. The research outlined above suggests that scaling, after reaching product-market fit, is not only an entrepreneurial growth challenge, but also an organizational challenge concerning how work becomes structured, coordinated, and adapted over time. These topics are instead the focus of operations management theory, which emphasizes how formalized processes and coordination mechanisms can support efficiency, consistency, and control (Adler & Borys, 1996; Slack & Lewis, 2024). Together, these perspectives indicate that scaling beyond product-market fit may require organizations to develop more stable and repeatable processes without undermining the flexibility and responsiveness that supported their early growth.

1.2 Research Gap and Purpose

Although prior research indicates that scaling involves internal transformation (Bohan et al., 2024; DeSantola & Gulati, 2017; Palmié et al., 2023; Shepherd & Patzelt, 2022), it offers limited insight into how this transformation unfolds in everyday practice, particularly at the intersection of entrepreneurship and operations management (Fine et al., 2022; Shepherd & Patzelt, 2017). One reason for this gap is that operations management has historically played a limited role in entrepreneurship research (Fine et al., 2022). Researchers within the field have called for closer integration between entrepreneurship and operations management to better explain entrepreneurial activities within processes (Shepherd & Patzelt, 2017). This limited integration leaves insufficient guidance on how tensions between entrepreneurial and operations management's organizing principles shape the translation of entrepreneurial ways of working into scalable structures and processes.

In response to this gap, the study examines the *valley of uncertainty*. This is conceptualized as a phase in which organizational actors attempt to translate existing ways of working into scalable structures and processes, without sufficient understanding of the actions needed to produce desired outcomes. The study explores an SME that has experienced rapid growth in recent years and is currently seeking to scale its venture. It adopts a qualitative, abductive, case study approach, focusing on tensions between entrepreneurial practices and operations management's emphasis on structure, formalization, and control. During the study, the concepts of *entrepreneurial* and *operations management logics* were developed abductively through iterative engagement between empirical observations and existing theory. Specifically, institutional logics, as defined by Thornton and Ocasio (1999), provide the foundation for the two concepts observed in the empirical data. Entrepreneurial and operations management logics offer a way to generate insights into how organizational actors interpret and respond to challenges based on their underlying beliefs, values, and assumptions. Thereby examining how tensions between entrepreneurial and operations management logics are expressed in day-to-day work across organizational levels, this study aims to capture the micro-level dynamics through which organizational structures and processes develop.

The study contributes to literature in three ways. First, it advances research on scaling by exploring how organizational structures and processes are shaped by scaling ambitions, thereby providing an in-depth, process-oriented account that addresses calls for greater attention to the "how" of scaling. Second, it bridges the fields of entrepreneurship and operations management by exploring how these domains interact through tensions between analytically distinct rationalities for organizing work. Third, by adopting an institutional logics perspective, the study examines how intra-organizational actors navigate tensions between entrepreneurial and operations management logics in their day-to-day work, and

explores how the logics shape the development of organizational structures and processes. Against this background, the study addresses the following research question:

RQ: *How do tensions between entrepreneurial and operations management logics shape the development of scalable organizational structures and processes as an SME pursues scaling ambitions?*

2. Literature Review

This chapter reviews the literature that provides the theoretical foundation for the study. It begins by conceptualizing scaling as a process of internal transformation. The chapter then introduces an institutional logics perspective to explore the coexistence of different rationalities during scaling, founded in previous entrepreneurial and operations management research. Subsequently, the study develops entrepreneurial and operations management logics as analytical constructs. Finally, these insights are integrated into a theoretical framework that guides the empirical analysis.

2.1 The Internal Complexity of Scaling

According to Van Lancker et al. (2023), firms follow different transformation paths during scaling, with prior research linking such differences to context-dependent factors rooted in both firm-specific and environmental conditions (DeSantola & Gulati, 2017). Scaling may also expose organizations to increasing uncertainty (Palmié et al., 2023), which has been associated with intensifying complexity in organizational processes and systems (ElMaraghy et al., 2012). Greater system complexity can create operational performance challenges by increasing interdependencies, thereby complicating the management and coordination of processes (ElMaraghy et al., 2012). Thus, scaling complexity lies not only in achieving growth, but also in adapting internal structures to handle its consequences. Prior research further supports this by conceptualizing scaling as an internal transformation involving the reconfiguration of resources and activities (Bohan et al., 2024; DeSantola & Gulati, 2017; Palmié et al., 2023; Shepherd & Patzelt, 2022). As Greiner (1997, p. 400) exemplifies, “problems of coordination and communication magnify, new functions emerge, levels in the management hierarchy multiply, and jobs become more interrelated”.

In addition, Greiner (1997) argues that organizational practices change over time as firms grow, suggesting that those suited to one stage of organizational development may become strained under new conditions. Scaling may therefore expose limits in earlier ways of organizing, even when these practices previously contributed to growth. As Greiner (1997, p. 401) explains, organizations may experience “the irony of seeing a major solution in one time period become a major problem at a latter date”. The literature outlined above suggests that scaling is associated with organizational change, but provides limited insights into how organizational change is shaped by how actors engage with and respond to these challenges in practice. Building on calls for more integrative perspectives on the internal dynamics of growing ventures (DeSantola & Gulati, 2017), this study explores how competing modes of reasoning among intra-organizational actors shape the development of scalable organizational structures and processes through an institutional logics lens.

2.2 An Institutional Logics Perspective

Thornton and Ocasio (1999, p. 804) define institutional logics as “the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules” that provide meaning and guide action within organizations. As such, logics are enacted through everyday practices, shaping what actors perceive as rational and appropriate in specific contexts (Smets & Jarzabkowski, 2013). Smets and Jarzabkowski (2013) further suggest that understanding between competing logics develops through practical encounters, as actors encounter contradictory institutional practices, negotiate adaptations, and reconstruct the underlying institutional logics through their everyday work. This suggests that the mutual understanding between actors with competing logics cannot be assumed. Prior research therefore emphasizes the importance of examining how institutional logics are enacted and negotiated at the micro level (Smets et al., 2015). Building on this, the present study extends this perspective to a scaling context, examining how the coexistence of entrepreneurial and operations management logics shapes the development of scalable organizational structures and processes.

From an institutional logics perspective, organizational development can be understood as a process shaped by the interaction of multiple logics, rather than by a single dominant rationality (Tracey et al., 2011). In growing firms, multiple logics may become more prominent as organizational and operational challenges increase (Joglekar & Lévesque, 2013; Schou, 2023), creating demands for both stability *and* change (DeSantola & Gulati, 2017). In such contexts, the development of new organizational forms may require integration of several institutional logics, as organizations often draw on multiple rationalities to address emerging demands (Smets et al., 2015; Tracey et al., 2011). Prior research has examined this through the lens of hybrid organizing, broadly defined as how organizations combine aspects of multiple institutional logics or organizational forms (Battilana & Lee, 2014; Tracey et al., 2011). Such research has predominantly focused on organizations that deliberately combine distinct organizational forms, such as social enterprises that blend business and charity at their core (Battilana & Lee, 2014). While this study also draws on the institutional logics perspective, it examines a different manifestation of institutional complexity: rather than the deliberate combination of organizational forms, the coexistence of logics examined here emerges through the scaling process itself.

Because different logics shape what practices and interpretations are seen as legitimate for different actors (Thornton & Ocasio, 2008), their coexistence creates conditions for tensions, giving rise to ongoing institutional complexity that actors must manage and negotiate in practice (Smets et al., 2015). Smith and Lewis (2011, p. 382) define tensions as “contradictory yet interrelated elements that exist simultaneously and persist over time.” Rather than being fully resolved, such tensions may persist within organizational processes and can even contribute to beneficial outcomes (Smith & Lewis, 2011). Accordingly, such tensions are likely to manifest in the development of organizational structures and

processes, where competing rationalities must be addressed in everyday practice (Smets et al., 2015). As such, an institutional logics lens allows the study to explore how different rationalities shape organizational development in a scaling context.

2.2.1 Entrepreneurial Logic

Building on Thornton and Ocasio's (1999) definition of institutional logics, the empirical data in this study motivated drawing on insights from entrepreneurship literature to conceptualize an entrepreneurial logic. Prior entrepreneurship research highlights how new ventures develop under uncertainty and ongoing change, which serve as conditions that shape how organizational structures and processes emerge and adapt over time (DeSantola & Gulati, 2017; Feldman & Pentland, 2003; Kirzner, 1997). Unlike optimization within established frameworks, entrepreneurial activity involves discovering previously unnoticed opportunities and acting upon them (McMullen & Shepherd, 2006; Shane & Venkataraman, 2000). Accordingly, prior research suggests that goals are not fully specified ex-ante but are shaped and refined through ongoing action based on the resources and capabilities available to actors (McMullen & Shepherd, 2006; Sarasvathy, 2001). In such settings, actors engage in sequential learning and continuously adjust their actions based on ongoing experience (Feldman & Pentland, 2003; Ott & Eisenhardt, 2020), giving rise to ways of working that emphasize innovation, experimentation, and responsiveness (Fine et al., 2022; Rauch et al., 2009). This is especially visible in early-stage ventures, where the search for product-market fit and a viable business model often depends on actors' capacity for rapid learning, experimentation, and pivoting (Blank, 2013; Furr & Dyer, 2014; Shepherd & Gruber, 2021).

Based on these insights, this study distinguishes the entrepreneurial logic as an analytical construct in which flexibility, opportunity orientation, and iterative, experience-based problem-solving are viewed as appropriate responses to uncertainty. Within this logic, shaping goals and solutions through action, learning, and adaptation is viewed as preferable to fully predefining them. As such, actors are afforded a relatively high degree of autonomy, allowing them to interpret emerging situations and adapt their actions accordingly. However, as organizations scale, the expansion and synchronization of resources and practices might place increasing demands on the coordination of internal processes (Jansen et al., 2023), while growing variation adds further operational complexity (Salvador et al., 2002). Sustaining performance under these conditions often necessitates the development of organizational structures and processes that balance flexibility and efficiency (Kortmann et al., 2014). This challenges the continued enactment of the high-autonomy, low-formalization practices associated with an entrepreneurial logic and creates conditions for tensions with logics that emphasize efficiency and control.

2.2.2 Operations Management Logic

Unlike entrepreneurship, operations management focuses on structuring, coordination, and control of processes (Slack & Lewis, 2024). It concerns the management of resources, workflows, and routines that determine how effectively an organization produces and delivers its offerings (Slack & Lewis, 2024). Operations management literature addresses both formalization mechanisms and predefined performance objectives (Slack & Lewis, 2024). The first part, formalization mechanisms, is reflected in prior literature through process standardization, which involves formalizing activities through clearly defined procedures that aim to ensure consistent and predictable execution, reduce deviation, and support effective process management (George, 2003; Slack & Lewis, 2024). Brunsson et al. (2012, p. 7) define standardization as the establishment of shared routines “that provide for common and repeated use, rules, guidelines, or characteristics for activities”. Second, performance objectives provide direction, guiding the design and implementation of structured process controls (Slack & Lewis, 2024). Although these priorities may shift over time depending on organizational and environmental conditions, they continue to operate within a framework of predefined objectives (Slack & Lewis, 2024). In contrast to an entrepreneurial logic, where goals emerge and are refined through ongoing action, this perspective emphasizes increased control and the specification of objectives in advance through the design and control of structured processes.

Building upon Bohn’s (1994) framework on process knowledge, Slack and Lewis (2024) emphasize the role of process knowledge in enabling control and predictability, as greater understanding of how inputs relate to outputs allows for more consistent and repeatable operations. The absence of sufficient process knowledge may therefore undermine an organization’s ability to ensure efficiency, consistency, coordination, and reliable performance as complexity increases (Slack & Lewis, 2024). In addition, when process knowledge remains limited, formalization may risk becoming coercive rather than enabling, as procedures may be introduced before the organization understands how they can help employees master their tasks and respond to the situations that arise in everyday work (Adler & Borys, 1996). Consequently, from an operations management perspective, process knowledge is important because it supports efficiency, consistency, coordination, and reliable performance, all of which contribute to meeting customer requirements and delivering effective operational outcomes (Slack & Lewis, 2024). Lastly, the development of process knowledge involves codifying tacit knowledge into explicit forms and running experiments on variables (Bohn, 1994, as cited in Slack & Lewis, 2024), pointing to the process of isolating variables and understanding dependencies between drivers of outcomes. This highlights a difference in how the two logics address variation: while entrepreneurial logic treats variation as an inherent and approaches it through allowing high autonomy to enable local problem-solving, operations management puts emphasis on running experiments to increase process knowledge and enable predictability.

Based on these insights, this study distinguishes an operations management logic as an analytical construct in which efficiency, predictability, and control are viewed as appropriate responses to increasing complexity. It is enacted through the standardization and coordination of activities guided by predefined objectives, established routines, and performance measurement. This logic shapes how actors interpret organizational challenges by emphasizing the management of variation and the achievement of consistent performance across contexts. While both entrepreneurial and operations management logics ultimately aim to meet customer requirements, they reflect fundamentally different rationalities of how such goals should be pursued. Together, these differences point to analytically distinct rationalities for organizing work, whose coexistence creates the potential for tensions. These tensions, and how they are managed and interpreted in practice, form the basis for the theoretical framework that follows.

2.3 Theoretical Framework

This study conceptualizes scaling as an internal transformation phase in which organizations develop more scalable structures and processes while navigating increasing complexity and uncertainty. Building on Thornton and Ocasio's (1999) institutional logics perspective, the study explores how this transformation is shaped by the coexistence of multiple rationalities enacted in everyday organizational practice. Prior research indicates that organizational development is not guided by a single logic, but emerges through the interaction of multiple logics that shape how actors interpret situations and organize work (Schou, 2023; Smets et al., 2015). Furthermore, while an institutional logics perspective has been used to highlight institutional complexity (Tracey et al., 2011), less attention has been given to how multiple logics shape the development of organizational structures and processes in scaling contexts.

To explore how competing rationalities shape organizing in the context of scaling, this study draws on insights from entrepreneurship and operations management literature. The study analytically distinguishes between an entrepreneurial logic and an operations management logic to explore how these rationalities are enacted and how their coexistence shapes organizing in practice.

Despite its relevance for structuring and coordinating organizational growth, operations management has played a limited role in entrepreneurship research (Fine et al., 2022). Prior research has tended to examine entrepreneurial decision-making and operational processes separately, rather than providing an integrated understanding of how they interact. (Joglekar & Lévesque, 2013; Shepherd & Patzelt, 2017). In particular, entrepreneurship research has largely focused on actors' behaviors and decision-making (Joglekar & Lévesque, 2013), while operations management has emphasized the design and development of structures and processes (Slack & Lewis, 2024). This difference in analytical focus

leaves a limited understanding of how actors, through their day-to-day actions and beliefs, influence how organizational structures and processes are designed, adapted, and coordinated in practice. Rather than treating entrepreneurial decision-making and operational process design as separate domains, this study examines them together and uses institutional logics as a lens to explore how actors interpret situations and organize work on a micro-level.

To analytically distinguish between these logics, the study conceptualizes their key dimensions, as presented in Table 1.

Table 1. Dimensions of Entrepreneurial and Operations Management Logics

Dimension	Entrepreneurial logic	Operations Management Logic
Organizing principles	Flexibility, responsiveness, and adaptability	Efficiency, predictability, and control
Goal formation	Goals are shaped and refined through action	Goals are specified in advance and guided by objectives
Knowledge base	Tacit, experience-based knowledge	Codified, standardized, and transferable process knowledge
Work execution	Autonomous, situational, actor-driven problem-solving	Structured, rule-based execution guided by procedures
Process development	Processes emerge and adapt through practice	Processes are deliberately designed, standardized, and controlled
Approach to variation	Variation is accommodated to meet varying needs	Variation is to be managed and minimized to ensure consistency and reliability

Building on these dimensions, the framework guides the empirical analysis by exploring how actors navigate tensions arising from the coexistence of competing logics and how these tensions shape the development of scalable organizational structures and processes.

3. Methodology

This chapter outlines the methodological approach employed in this study. It presents the research design, followed by an explanation of the case selection. The chapter then describes the data collection methods, sampling strategy, and interview design. Thereafter, the procedures for data processing are detailed. Finally, the chapter discusses research quality, ethical considerations, and methodological limitations.

3.1 Research Design

The study adopts a qualitative, interpretive single-case study design to explore how tensions between entrepreneurial and operations management logics shape the development of organizational structures and processes when an SME pursues scaling ambitions. A qualitative approach was deemed appropriate given the exploratory nature of the research and the study's position in a nascent area of theory development, as it enables in-depth exploration of complex and context-dependent processes (Edmondson & McManus, 2007). Epistemological considerations concern how the social world can be studied (Bryman, 2016). Since research on people and social institutions may require an approach "that is more sensitive to the special qualities of people and their social institutions" (Bryman, 2016, p. 4), this study adopts an interpretive approach that focuses on how participants make sense of organizational change through their experiences and accounts.

The study explores these dynamics through a case study. Case studies enable in-depth examination of complex settings within their real-life context (Flyvbjerg, 2006; Yin, 2013) and are particularly suitable for early-stage research, where key variables are not yet well specified and may emerge during the research process (Benbasat et al., 1987). Although case study research is often criticized for its limited generalizability (Flyvbjerg, 2006), Yin (2013) argues that this critique is mainly based on a sample-to-population understanding of generalization. Flyvbjerg (2006) proposes that single-case studies produce concrete, context-dependent knowledge. Case studies are suited to analytic generalization, where findings contribute to theoretical or conceptual insights rather than to a wider population (Yin, 2013). Given the study's emphasis on depth and its aim to generate rich insights into a complex and nascent topic, a single-case approach was considered appropriate. The case company was selected purposefully, as purposeful sampling allows researchers to select "information-rich cases related to the phenomenon of interest" (Palinkas et al., 2015, p. 1).

3.1.1 Case Selection

The case company, which will be referred to as “FoodSmart”, is a privately held international food and beverage office solutions provider. FoodSmart was selected because it is an SME with a history of recent organizational growth and explicit ambitions to scale. Initial interactions with company representatives indicated that questions concerning how to organize for continued growth were both current and relevant within the organization. Since FoodSmart provided extensive access to participants across hierarchical levels and functions, it was considered both a theoretically relevant and empirically suitable case. As such, the case company provided an empirical setting in which the “how” of scaling could be explored in practice.

3.2 Data Collection

Multiple methods were considered. According to Bell et al. (2022) observations allow for exploring a topic in a real setting. However, observation was considered less suitable for the present study, as the research question required access to actors’ accounts, sensemaking, and rationales across hierarchical levels. Furthermore, ethnographic or participant-observation approaches would have required more extensive immersion in the organizational setting (Bell et al., 2022) and were therefore not considered feasible within the scope of the study.

Survey-based methods were also considered less suitable, as they typically rely on predefined questions and limited response options, making them less appropriate for exploring participants’ interpretations in depth (Fontana & Frey, 2000; Newcomer & Triplett, 2010). Such an approach would not allow for flexible follow-up questions to generate an in-depth understanding of participants’ perspectives.

Semi-structured interviews constituted the sole primary source of empirical material in this study. This method was chosen because it allowed for comparability across interviews while still enabling probing, open-ended questions through which each respondent’s independent thoughts could emerge (Adams, 2010). Carter et al. (2014, p. 545) emphasize that it allows for “spontaneity, flexibility, and responsiveness to individuals” and “can elicit rich information about personal experiences and perspectives”. When exploring participants’ unique perspectives, Adeoye-Olatunde and Olenik (2021), propose that semi-structured interviews are the preferred data collection method. Accordingly, semi-structured, in-depth interviews were chosen, as this aligned with the study’s interpretive epistemological position.

3.2.1 Sampling

In line with purposive sampling in qualitative research, informants were selected based on their relevance to the research question (Bell et al., 2022) and organizational roles. Yin (2013) identifies data source triangulation as one way of strengthening validity in case studies, while Carter et al. (2014, p. 545) explain that “data source triangulation involves the collection of data from different types of people... to gain multiple perspectives and validation of data”. Including participants across hierarchical levels and functions therefore supported data source triangulation and enabled the study to capture multiple perspectives on organizational development.

Three organizational levels were included: top management, middle management, and operational employees. The operational level also included team leaders, as they remain closely engaged in day-to-day operations despite some additional responsibilities. One founder was included in the top-management category. Although no longer holding a formal managerial role, they continue to influence the organization as a board member and were grouped with top management to preserve anonymity. The included levels and functions are depicted in Table 2.

Table 2. Functions Interviewed

Level	Functions/roles
Top Management (A)	Two Regional Managers, Commercial Director, CFO, Head of HR, Business Area Manager, Founder, CEO, and Head of Procurement and Warehousing
Middle Management (B)	Three Area Managers, Two Sales Manager, and Accounting Manager
Operational (C)	Employee Business Area 1, Two Employees Business Area 2, Sales Employee, Two Warehouse Employees, and Senior Team Lead

Access to participants was obtained by contacting employees via email and Microsoft Teams. Individuals were informed about the purpose of the study and invited to participate voluntarily. In total, 22 interviews were conducted (Table 3 below).

Table 3. Number of Interviews and Average Lengths

Level	Quantity	Average Length
Top Management (A)	8 + 1 written	51 min
Middle Management (B)	6	60 min
Operational (C)	7	56 min

The number of interviews was considered appropriate given the exploratory scope and depth of analysis required in a single-case study. Interviews were conducted until sampling saturation was reached,

meaning that data collection continued until recurring themes and patterns emerged, and additional interviews did not provide substantially new insights (Palinkas et al., 2015).

3.2.2 Interview Design

Following Adams' (2010) guidance on the use of interview guides in semi-structured interviews, separate interview guides were developed for each level to ensure relevance to participants' responsibilities (Appendix 1-3).

To encourage authentic, experience-based responses, theoretical terminology was avoided and questions were phrased in accessible language. Interviews focused on concrete situations and examples to capture participants' own interpretations rather than impose predefined categories. Inspired by Adams (2010) and Fontana and Frey (2000), questions were open and non-leading to minimize interviewer influence. Together, this supported the aim of generating rich, context-sensitive accounts (Carter et al., 2014). Each interview lasted approximately 60 minutes. The interview guide was used flexibly, meaning that not all questions were asked in every interview and follow-up questions were used to explore relevant topics in depth.

3.3 Data Analysis

According to Kovács and Spens (2005), abductive analysis involves interpreting empirical observations in relation to existing theory, allowing theoretical explanations to be adjusted or developed through the research process. Abductive research moves iteratively between empirical material and theoretical concepts, allowing emerging insights to be continuously refined in relation to both data and literature (Kovács & Spens, 2005).

In this study, an abductive approach was adopted by engaging in ongoing iteration between empirical observations and relevant theoretical perspectives. Initial insights from the data guided the selection and refinement of theory, which in turn informed subsequent interpretation of the empirical material. The abductive approach was especially valuable given the nascent research topic, where existing literature remains limited, and helped the analysis move toward more nuanced and contextually grounded theoretical insights.

3.3.1 Pilot Interviews

Before the main data collection, six pilot interviews were conducted, two per organizational level, to evaluate clarity, sequencing, and formulations in the interview guide. Pilot interviews are commonly used to refine data collection instruments before the main study (Bell et al., 2022). Minor adjustments

were made in terms of question selection and phrasing before proceeding with the remaining interviews. Given the limited extent of these changes, the pilot interviews were deemed comparable to the rest of the interviews and were therefore included in the final dataset. Importantly, only responses to questions that remained unchanged were included from the pilot interviews.

3.3.2 Interview Process

Adams (2010, p. 374) states that “at the start of the interview, the matter of confidentiality must be addressed clearly”. Accordingly, at the beginning of each interview, participants were informed about the purpose of the study, voluntary participation, anonymity, withdrawal rights, and data handling procedures (Appendix 4). Data collection took place during February–April, 2026. Interviews lasted between 27 and 79 minutes, with an average duration of 56 minutes. Adams (2010) emphasizes that consent to record should be obtained before recording. Participants were therefore asked if they agreed to the interview being recorded, and all participants gave their consent. The interviews were subsequently recorded and transcribed to ensure an accurate representation of the participants’ accounts.

Attention was paid to potential power dynamics in the interview setting, since “in the typical interview there exists a hierarchical relation, with the respondent being in the subordinate position” (Fontana & Frey, 2000, p. 658). In organizational research, participants may also feel pressure due to existing professional relationships (Hedgecoe, 2008). Accordingly, anonymization procedures were implemented to support more open responses and reduce the risk of interviewees being linked to their identities. Given the single-case design, particular care was taken to avoid indirect identification through detailed role descriptions or sensitive organizational information. One participant chose to provide written responses rather than participate in a spoken interview. This format was accepted to accommodate the participant’s preferences and support voluntary participation. However, the written response differed from the other interviews in that it did not allow for follow-up questions. This limitation was considered during the analysis.

3.3.3 Interview Analysis

After each interview, the recordings were transcribed using Microsoft Teams’ built-in transcription tool. Both researchers independently read the transcripts in full before jointly discussing their initial impressions and interpretations. Transcripts were compared to the recordings and corrected where necessary to ensure transcription accuracy. As the interviews were held in Swedish, selected quotations were translated into English. To ensure authenticity, the translations were conducted with a focus on preserving the respondents’ intended meaning, rather than producing direct translations. Quotes were adjusted where necessary to protect anonymity. Care was taken to preserve the meaning of the statements while reducing the risk that participants could be identified. Interpretations of key statements

were discussed until mutual agreement was reached regarding their meaning and relevance to the research question. Inspired by Eisenhardt (1989), this collaborative process intended to reduce the risk of individual bias and strengthen confidence in the findings. By comparing interpretations and challenging each other's assumptions, the researchers aimed to ensure that emerging insights were grounded in the data rather than shaped by preconceptions.

3.3.4 Data Processing and Analysis

Responding to calls for greater attention to the “how” of scaling and for stronger integration of entrepreneurship and operations management research, this study initially examined how internal re-organizing supports scaling. Initial review and discussion of the empirical material revealed recurring differences in how organizational actors interpreted organizational challenges. Respondents appeared to draw on different assumptions regarding how work should be organized. Through iterative engagement between these empirical observations and existing literature, entrepreneurial and operations management logics emerged abductively. In addition, process knowledge became a frequent empirical theme, as respondents repeatedly described uncertainty regarding which activities actually generated customer and operational value and the complexity in translating tacit operational knowledge into scalable organizational processes. In line with the abductive approach, the theoretical framework was therefore refined as these empirical patterns emerged.

Inspired by the Gioia methodology (Gioia et al., 2013), the analysis then proceeded in three stages. In the first stage, open coding of the interview material was conducted. Meaningful text segments capturing experiences, perceived challenges, views, and other observations related to organizational change were identified and condensed into shorter formulations while preserving their original meaning. These codes remained closely grounded in the empirical material and captured issues such as “high autonomy leading to variability in performance and quality”, “resistance to changes in established ways of working”, and “lack of coordination and reduced interaction creating inefficiencies and unnecessary work”.

In the second stage, related first-order codes were grouped into more abstract second-order themes. These themes captured recurring organizational patterns across interviews, such as “autonomy and flexibility”, “governance and structure”, and “process standardization”. This step enabled the interpretation of recurring patterns at a more abstract level and related them to broader concepts.

In the third stage, the second-order themes were interpreted through the theoretical framework developed in the literature review, using the key dimensions of entrepreneurial and operations management logics, outlined in Table 1, as analytical constructs. The analysis did not assume that respondents were guided exclusively by either an entrepreneurial logic or an operations management

logic. Instead, the two logics were used to interpret recurring patterns in how actors described, rationalized, and negotiated different ways of organizing work.

Themes such as emphasis on autonomy, responsiveness, experiential problem-solving, and emergent ways of working were interpreted as expressions of an entrepreneurial logic. By contrast, themes emphasizing process standardization, predefined goals, efficiency, coordination, and control were interpreted as expressions of an operations management logic. Importantly, several themes reflected the negotiation between both logics and were therefore interpreted as tensions. For example, tensions appeared where actors described the need to standardize work while maintaining local flexibility, to introduce central control while preserving autonomy, or to build efficient processes while remaining responsive to customer needs. Furthermore, some quotations were not directly linked to either analytical construct but were included when they described broader organizational challenges relevant to scaling. Examples of these included managerial time constraints and external market pressures. This stage of the analysis enabled the systematic interpretation of second-order themes in relation to the theoretical constructs, while broader organizational challenges relevant to scaling helped contextualize the presentation of the findings.

3.4 Reflections on Research Quality and Ethical Considerations

Two central aspects of validation in interpretive research are authenticity and plausibility (Lukka & Modell, 2010). Authenticity refers to whether the research provides an account that is faithful to the empirical setting and convincing in demonstrating that the researcher has gained a genuine understanding of participants' experiences (Lukka & Modell, 2010). In this study, authenticity was addressed by grounding the analysis in participants' own responses and by preserving their meanings through the development of first-order codes. This helped ensure that the initial coding remained close to the empirical material before being interpreted at a more abstract theoretical level.

Plausibility concerns whether the explanations developed are reasonable and convincing to an audience (Lukka & Modell, 2010). In this study, plausibility was strengthened through data source triangulation, as empirical materials were compared across organizational levels and roles. This enabled the analysis to identify patterns that appeared across multiple perspectives. The theoretical framework further supported plausibility by guiding the interpretation of these patterns in relation to entrepreneurial and operations management logics, thereby helping to develop explanations that were both empirically grounded and theoretically relevant.

Additionally, Eisenhardt (1989) argues that the use of multiple investigators has two key advantages. It enhances both the creative potential of the study through complementary insights and confidence in the findings through convergence of observations. Accordingly, both authors were involved in the

interviews, coding, analysis, and discussion. At the same time, the analysis sought to balance different viewpoints with the need to identify the most analytically relevant patterns.

3.4.1 Limitations

Because interviews are based on participants' own descriptions, the responses may be affected by memory limitations or by participants presenting themselves in a favourable way (Bell et al., 2022; Fontana & Frey, 2000). Conducting interviews digitally may also limit access to non-verbal cues (Bell et al., 2022). Since qualitative research involves interpretation, the researchers' subjective judgement plays an important role in developing and presenting the findings (Lukka & Modell, 2010). As such, there is a risk that pre-understandings and prior assumptions influence interpretations, as researchers do not approach empirical material from a neutral standpoint but draw on prior knowledge and perspectives (Alvesson & Sandberg, 2021; Lukka & Modell, 2010).

To mitigate these risks, participants were assured of anonymity and encouraged to speak freely. Ensuring confidentiality is important for protecting participants and supporting ethical research practices (Adams, 2010). The use of open-ended questions and repeated requests for concrete examples aimed to reduce overly generalized responses and mitigate recall bias. Furthermore, follow-up questions were used to clarify responses and compensate for the limited access to non-verbal cues in digital interviews. Including participants across hierarchical levels strengthened credibility through data source triangulation (Carter et al., 2014; Yin, 2013). In addition, interviews were recorded and transcribed to ensure a complete and accurate record of participants' responses and minimize the loss of data. Finally, interpretations were continuously discussed and critically reflected upon throughout the analysis process to increase authenticity and reduce the risk of researcher bias.

The single-case design limits the possibility of statistically generalizing the findings across contexts, as the results are closely tied to the specific setting of FoodSmart. However, this limitation should be understood in relation to the study's aim of developing an in-depth, context-sensitive understanding rather than producing population-level generalizations. The findings may therefore be relevant beyond the case by informing theoretical understanding of how tensions between entrepreneurial and operations management logics shape the development of scalable structures and processes.

4. Empirical Analysis

This chapter presents the empirical findings on how FoodSmart's scaling ambitions are experienced and enacted in everyday organizing. FoodSmart's historical growth has been enabled by autonomy, flexibility, and rapid customer adaptation, but as the organization grows, these same practices increasingly create person-dependence, uneven execution, and coordination challenges that the firm seeks to address through clearer roles, standardized routines, and formalized processes. The findings show that the implementation of such measures, intended to create a more scalable organization, is mediated through the negotiation between entrepreneurial and operations management logics and level of process knowledge understanding. Specifically, this chapter examines how these logics, developed as analytical constructs in Chapter 2, are enacted and negotiated across organizational levels in response to FoodSmart's scaling ambitions.

4.1 Scaling Exposes the Limits of Entrepreneurial Ways of Working

FoodSmart is an organization characterized by strong founder presence and entrepreneurial ways of working. As illustrated by one senior team leader, problem-solving and flexibility have been key trademarks in the company's history: "You could go to Founder 1 or Founder 2 and say 'I have this concrete problem'... and then you just go for it" (C7). Respondents describe how this way of working has been built on local judgment, proximity to problems, and the ability to act quickly. The same respondent recalls that "A salesperson could sell a setup we didn't even have, which we then solved before the opening" (C7), illustrating a culture of high flexibility toward customers and a strong problem-solving-oriented mindset.

Many interviews show how the entrepreneurial logic at FoodSmart remains embedded in how work is currently enacted. One top manager explains their intention of "creating a high degree of autonomy in the organization, where people are not dependent on their manager" (A4). At the frontline level, autonomy is expressed in similarly direct terms, as one operational employee explains: "We have our schedule, of course. But then we do exactly what we want, as long as everything gets done. And you have full responsibility over your area. You become like your own boss over it all" (C1). These accounts indicate that autonomy is both a central cultural feature and a core mechanism through which employees solve problems and create customer value. Furthermore, these accounts show that guidelines exist, but that their enactment depends on individual discretion. In this sense, goals are not absent, but their practical meaning is continuously interpreted and adjusted through frontline action. This reflects an entrepreneurial logic in which what counts as a good outcome is shaped in the process of carrying out the work.

This logic is also portrayed as central to the company's energy and motivation. As one middle manager puts it, "The overall entrepreneurial vibe is super positive. Without it, we wouldn't have gotten this far" (B5). This suggests that entrepreneurial ways of working function not just as a practical organizing mechanism, but as a source of engagement by strengthening employees' sense of involvement in the company's development.

As the need for scalable processes grows, however, the previously mentioned entrepreneurial strengths become more difficult to reproduce as the organization expands and faces increasing market competition. Top managers describe that while FoodSmart provided the best offering on the market six years ago, today "15-20 companies are offering a similar solution, and some have even surpassed FoodSmart" (A5). Market conditions thereby pressure the company to both optimize its processes at scale and improve its offering to regain a competitive advantage. In addition, as the organization grows, the empirical material shows how FoodSmart's size alone increases the need for greater efficiency to avoid churn. As illustrated by top management, "We have become so large that every year we have a substantial number of customers at risk of being lost because contracts expire," which causes the company to "spend considerable resources protecting that customer base" (A2).

In addition, several respondents describe how key individuals, including founders and long-tenured employees, have carried disproportionate parts of the company's capabilities. One senior respondent argues that "Founder 1 and 2 have been incredibly good at solving things," but adds that they eventually became "so vital to everyone" that "it simply didn't work" (A6), illustrating how the time of key individuals tends to become a bottleneck as others grow dependent on their input. As the organization grows, having critical coordination and problem-solving capacity concentrated in a few key actors therefore becomes increasingly difficult to sustain. Compounding this, knowledge in many parts of the organization remains largely tacit and difficult to transfer. As one top manager explains, "A lot of knowledge sits with the individual, and it's incredibly difficult to extract it" (A9), while another notes that long-tenured employees "know exactly that 'if I do this, it will affect things in this way.' But it's risky if that person would leave" (A3). What emerges is a picture of an organization in which valuable know-how is experience-based and insufficiently translated into shared systems and routines. As a consequence, knowledge remains difficult to transfer, onboarding becomes slower, and performance becomes dependent on prior experience rather than on documented process support. This underlying lack of structure also limits the extent to which hiring can support growth. As one middle manager notes, "We can't just cover this up by hiring more people, since there are no detailed processes, it takes so long to even get started" (B5).

Challenges with tacit knowledge appear at a more strategic level as well, where respondents describe uncertainty about what actually drives value creation. One top manager states that "We have a lot of data in our systems, but we haven't packaged it, we haven't drawn many conclusions, we haven't acted

on it”, and even more bluntly that “we don’t really have a complete understanding of what actually increases sales” (A8). Another senior respondent makes a similar point from a category perspective: “We have all the data, but we don’t figure out what the customers *really* want more of” (A1). This suggests that FoodSmart also lacks a sufficiently codified understanding of what actually drives customer and operational value throughout the organization.

One explanation for the persistence of the legacy culture is the habitual style of problem-solving and communication of long-term employees. A middle manager reflects on his relationship with the founders, who are no longer operationally active:

“For some questions, I almost still call Founder 1 sometimes, even though that is not the right person to call. But my mindset remains, because that is what I did ten years ago. And they always answer the phone and try to help. That is really positive, but it also becomes inefficient, since we should find better solutions and communication channels to reach the right person faster.” (B1)

This exemplifies how historical patterns and practices remain socially embedded in employees’ ways of reasoning, reflecting the persistence of an entrepreneurial logic in day-to-day behavior despite its acknowledged inefficiencies and diminishing returns. However, the same respondent also highlights the beneficial aspects of informal communication: “some people are harder to get a hold of if you schedule a meeting, but if you just call them they usually have time”, and explains that this then “affects the ability to have impact in the organization” (B1). In essence, this suggests that relying on the entrepreneurial way of working to some extent remains important for effective execution, which keeps informal practices in place. As these communication channels persist, they continue to reinforce habits through which knowledge is shared informally rather than being codified into formal systems. Instead of codifying practices, learning often happens through person-to-person contacts, illustrated by the same respondent: “People call me instead of looking things up themselves, it’s just embedded in the culture” (B1).

To summarize, the material points to how the entrepreneurial logic has enabled FoodSmart’s historical growth through autonomy, the ability to act upon opportunities, and customer responsiveness. Yet as the organization becomes larger, these ways of working become increasingly difficult to sustain at scale. What previously worked through committed individuals and local judgment now creates bottlenecks when the company needs more structure, coordination, and transferable ways of working that can be understood and followed on a larger scale. Consequently, organizing principles become subject to negotiation between the two logics, as an entrepreneurial logic frames autonomy and adaptability as necessary for responsiveness, while an operations management logic frames efficiency, predictability, and control as necessary for scalability. Table 4 below synthesizes the empirical findings.

Table 4. Synthesized Empirical Findings

Dimension	Organizing Mode	Empirical Findings and Analysis	Quote
Organizing principles	ENT	FoodSmart has historically organized around flexibility, responsiveness, and adaptability.	“You could go to Founder 1 or Founder 2 and say ‘I have this concrete problem’... and then you just go for it” (C7)
Goal formation	ENT	Goals are not absent, but are interpreted and adjusted through action.	“We have our schedule, of course. But then we do exactly what we want, as long as everything gets done” (C1)
Knowledge base	ENT	Knowledge is largely tacit, experience-based, and held by individuals.	“A lot of knowledge sits with the individual, and it’s incredibly difficult to extract it” (A9)
Work execution	ENT	Work is autonomous, situational, and driven by local problem solving.	“You have full responsibility over your area. You become like your own boss over it all” (C1)
Process development	ENT	Processes have emerged through practice rather than being deliberately standardized in advance.	“There are no detailed processes, it takes so long to even get started” (B5)
Approach to variation	ENT	Variation has been accommodated to meet customer needs and solve problems quickly.	“A salesperson could sell a setup we didn’t even have, which we then solved before the opening” (C7)

ENT = *Entrepreneurial Logic*

4.2 The Organization Responds by Introducing Operations Management-Oriented Structures

In response to these scaling challenges, the empirical material shows a pronounced movement toward operations management-oriented ways of organizing. At the senior level, respondents repeatedly frame the next phase of growth as dependent on building structure rather than continuing to rely on legacy ways of working. One top manager states that “we need to build a solid foundation where we can scale both personnel, resources, and infrastructure” (A3), while another says that “we are now making changes to create the scalability in the organization that is necessary going forward” (A4). This highlights how change is directed toward more deliberately organized growth.

This presence of the operations management logic is reflected in the introduction of formal systems for control, reporting, and follow-up. One respondent describes their agenda as “establishing the foundation where we can grow in a scalable way... standard reporting, what forums do we need within the company to achieve good business control?” and adds that this “will fall even more into place with the new ERP system” (A3). The same respondent explains that top management has “set up KPIs for each strategic area” and also introduced “team meetings every month with follow-ups against the KPIs that are linked to the strategy” (A3). These accounts exemplify an operations management logic, where a shift toward structured practices such as performance follow-up, standardized reporting, and predefined goals is highlighted as important for increasing efficiency, predictability, and control. This becomes subject to

negotiation with regards to the dimensions in the presented logics framework. For example, while an entrepreneurial logic emphasizes formulating goals through ongoing action, an operations management logic emphasizes predefined objectives.

The empirical material further shows that these changes are increasingly translated into day-to-day operational practices. One top manager states that “that is why we have created a dedicated operations unit that is meant to hold everything together” (A8). The same respondent describes these changes as part of addressing what is currently missing, saying “we do not, for example, measure service level” and that “if we do not even measure, we do not know whether we are good or bad” (A8). This indicates ambitions to build mechanisms for performance control where operational metrics have previously been underdeveloped. An operations management logic is further visible in efforts to reshape the customer and consumer offering. As A8 argues, “we also need to become more customer- and consumer-driven. Today we sell a bit of what we have in stock, which is actually backwards. We should start with what the customer and consumer want. And then we also need to think about category management” (A8). Starting from customer demand is central to both logics, but the proposed solution, category management, represents an operations management-oriented approach that seeks to structure and systematize how these needs are addressed. As such, customer orientation is increasingly translated into more standardized and coordinated forms of organizing. This is also shown in the development of planograms, with one senior respondent stating that “I think standardization of planograms is positive. Today, delivery staff set their own planogram based on a gut feeling of what they think is best” (A5), pointing to that local judgment varies and depends on individual competence as well as employees’ operational capacity on a given day. One middle manager supports this by stating: “We need to be structured in order to be efficient; if things become too scattered, we lose control” (B1).

The need to make work more standardized recurs throughout interviews, with interviewees stating that “there are hundreds of things we can improve in the day-to-day work” (C5), referring to standardizing processes in everything from sorting and delivering products to ordering machine parts. This points to growing awareness that structure can reduce unnecessary variation and inefficiencies. This is also reflected in how one top manager talks about frontline employees, saying “we need to optimize how the delivery staff works” (A8), referring to increasing the baseline performance across operations. These accounts further show how the framework dimensions become subject to negotiation. Specifically, they illustrate how *work execution* and *the approach to variation* are negotiated in practice, as an entrepreneurial logic frames situational, autonomous, actor-driven problem-solving as important for responding to customer variation, while an operations management logic emphasizes structured, rule-based execution for managing variation and ensuring consistency and reliability.

The empirical findings further point to differing opinions on what reconfigurations are necessary. Some individuals believe that current initiatives are enough to achieve scaling ambitions, while others see the

need to do more. This variation in views appears to be linked to prior experience: employees who have worked in more mature organizations, or who are closer to problems arising from a lack of standardization, tend to place higher demands on structure and systematic improvement. This is reflected by interviewees pointing out that more formal process documentation and management systems are necessary if changes are to become durable. One middle manager, while validating the current efforts the company is taking, states “we should create a proper management system, but I have not seen any real first steps toward that yet” (B5), pointing to the absence of more structured continuous improvement work. Interviewees who are closer to problems arising from a lack of standardization also tend to put higher demands on operations management practices, as illustrated by A9, asking themselves “why does the company not put even more pressure on developing a process structure that is sustainable today and in the coming years”. The benefit of such a structure is described in practical terms: onboarding becomes easier, responsibility becomes clearer, and deviations become easier to locate. Importantly, the same respondent also notes that “you first need to understand the process” (A9), which suggests that the move toward standardization is itself taking place under conditions where process understanding remains incomplete. These differences create conditions for tensions regarding how *process development* should be approached. The entrepreneurial logic emphasizes letting processes emerge and adapt through practice, while an operations management logic emphasizes deliberately designing, standardizing, and controlling them. It also suggests that the logics through which actors interpret organizational needs are not fixed, but may shift as individuals accumulate new experiences or encounter problems that existing ways of working cannot resolve.

Despite variation in how far actors believe this development has progressed, the findings point to a clear organizational response to scaling pressure. FoodSmart is moving away from a model built primarily on individual discretion and tacit knowledge toward one in which operations management-driven actors increasingly emphasize efficiency, predictability and control to enable scaling. The findings exemplify this through initiatives aimed at strengthening standardized processes, predefined objectives and measurements, and creating a clearer, codified process understanding. Table 5 below synthesizes the empirical findings.

Table 5. Synthesized Empirical Findings

Dimension	Organizing Mode	Empirical Findings and Analysis	Quote
Organizing principles	OM	Growth is increasingly framed as requiring structure, scalability, and control.	“We need to build a solid foundation where we can scale both personnel, resources, and infrastructure” (A3)
Goal formation	OM	Goals are increasingly specified in advance through KPIs, strategy follow-ups, and reporting routines.	“Set up KPIs for each strategic area” and “team meetings every month with follow-ups against the KPIs” (A3)
Knowledge base	OM	There is a movement toward codified process understanding and formal management systems.	“You first need to understand the process” (A9)
Work execution	OM	Work is increasingly expected to follow structured routines rather than individual judgment.	“We need to be structured in order to be efficient; if things become too scattered, we lose control” (B1)
Process development	OM	Processes are increasingly seen as something that should be deliberately designed, documented, and standardized.	“Why do we not put even more pressure on developing a process structure that is sustainable today and in the coming years” (A9)
Approach to variation	OM	Variation is increasingly framed as something to reduce in order to improve consistency and reliability.	“I think standardization of planograms is positive. Today, delivery staff set their own planogram based on a gut feeling” (A5)

OM = Operations management logic

4.3 Tensions Between Entrepreneurial and Operations Management Logics

Against the background of these initiatives, a fundamental conflict arises between the underlying operations management logic and FoodSmart's historically entrepreneurial culture. This conflict manifests as tensions in everyday decisions about how work is organized and carried out. One such tension concerns the role of autonomy: one top manager points to the risk that removing autonomy for frontline employees might make work “monotonous”, leading to “creativity might be stripped away”, and thereby reducing a sense of responsibility (A5). The manager also observes that giving frontline staff less freedom means decisions are “further from the customer,” which may impair customer experience (A5). This picture is reinforced by frontline employees, as illustrated by C1’s statement that “the customer experience would probably become worse off” if more standardization was implemented. These interpretations of the consequences of more standardization reflect the previously described entrepreneurial logic on which FoodSmart is built, in which high levels of autonomy have been a defining feature of the organization’s culture and success. This logic is grounded in the experience of having to “take into account the many factors that play a part” and “the differences between different tasks” in the customer environment that necessitate the “constant evolution of practices” (C1). This is reinforced by the same respondent, saying “you learn a lot from mistakes, then you do it again and do

it right”. In this context, removing autonomy becomes synonymous with removing the ability to work for the best possible outcome for individual customers, as well as the ability to iteratively learn and develop one’s own processes. Resistance therefore reflects an underlying rationale for individualized ways of working. In short, employees operating through an entrepreneurial logic draw on beliefs and assumptions that endorse autonomy as necessary for sustaining flexibility and creating customer value. Importantly, this autonomy enables situation-based organizing, goal setting, and process development to accommodate variation. As this is deeply ingrained in how work is understood and carried out at FoodSmart, initiatives that aim to increase control come into conflict with the entrepreneurial logic that drives large parts of the workforce in the organization. Furthermore, reducing autonomy might lead to losing the very people who are currently critical to how the organization operates and delivers value, as illustrated by A5: “Many might feel that they are losing their flexibility and solution-oriented approach, so when a decision comes from above saying ‘this is how it is’, and employees who don't find it enjoyable to stay, well then we might lose both customers and employees”.

From an operations management perspective, however, the same reliance on local autonomy becomes restrictive, as it limits the organization’s ability to understand and systematically improve how work is carried out. This connects to an operations management logic, which emphasizes predefined goals and process knowledge as ways to understand which activities drive value and strengthen efficiency, predictability, and control. Yet the understanding needed to implement this remains limited at FoodSmart, as one top manager acknowledges that “we don't really have a good understanding of what actually increases sales” (A8). This illustrates the tension between the logics, as they differ in how the appropriate course of action is determined. Describing an operations management logic approach, one respondent states: “if you have sufficiently strong frameworks to operate within, you can figure out what the core of what the customer actually wants is” (C7), referring to the process of better understanding variables and causality through consciously testing solutions. Solutions like this necessitate standardization to isolate variables, and those currently active at FoodSmart are described as “pilots” (A6) or “projects” (A8). These involve trying fully data-driven solutions within delimited areas of the offering. This, however, comes into conflict with the previously described entrepreneurial logic that aims to preserve autonomy. Notably, the current initiatives have been met with resistance, as illustrated by one top manager: “Many have not adopted the pilot we rolled out this week, despite us going out with it firmly and planning ahead for it” (A6). One respondent also observes that some employees already anticipate further change, recalling someone saying “just you wait, this is only the beginning” (A6), indicating potential future resistance to change.

This highlights a central dynamic through which the negotiation between operations management and entrepreneurial logics manifests: the initiatives designed to build the process knowledge needed to determine what can be standardized are resisted by the tendencies associated with the entrepreneurial

logic. This is underpinned by differences between the logics across all framework dimensions: *organizing principles, knowledge base, work execution, goal formation, process development and approach to variation*. An example of this is when employees interpret standardizing initiatives not primarily as tools for learning and improvement, but as top-down control measures that constrain their autonomy and experience-based judgment through which they have historically created customer value (A6).

These differences are further amplified by the fact that many frontline workers are not trained in data-driven ways of working, as illustrated by C3's statement: "I refill based on experience, I haven't learned how to look at and use the data we have". A middle manager similarly points out that there are "as many ways to carry out a delivery as there are delivery employees" (B1), referring to the range of working methods that have developed through experience rather than data-driven approaches. This shows how a lack of communication and learning around more systematized ways of working can also affect how receptive employees primarily driven by an entrepreneurial logic are to the initiatives described earlier.

Another simultaneous risk FoodSmart faces is losing employees not because of too much standardization, but because of too little. A middle manager illustrates this by saying "I think growing FoodSmart without more formalized processes could work, but it would be very tough for a lot of people. And I think in that case you would lose staff that you actually want to keep" (B5). The same pattern is reflected in the description of the workload by other middle-managers: "We work ourselves nearly to the ground before we get time to recover, and that time becomes very scarce" (B1). This illustrates how FoodSmart is exposed to a dual risk: moving too quickly toward standardization may lead to losing employees who value the autonomy through which customer value is currently created. At the same time, failing to develop sufficient structure risks losing employees whose work increasingly depends on clearer processes and standardization for FoodSmart to sustain its growth ambitions.

Collectively, these findings suggest that FoodSmart finds itself in a state where neither logic can fully operate on its own terms. The actors following an entrepreneurial logic prioritize local value creation, but are simultaneously in conflict with the standardization needed to understand, replicate, and improve the current state of operations. In contrast, proponents of an operations management logic seek to reduce variation by standardizing activities in order to improve coordination and efficiency, but currently lack the process knowledge to do so without risking undermining value creation. This dynamic, where the conditions needed to move forward are undermined by the conditions that currently sustain performance, constitutes a central challenge of achieving scalability at FoodSmart. This leads to situations where tensions between the two logics continually shape decisions that guide the development of FoodSmart's structures and processes. At the same time, there are instances where the understanding of the two logics is sufficient enough to create synergies. One respondent balances these two perspectives by stating: "There should exist a world where you can have analytically based tools that

support creative work” (C7), referring to increasing dependability while maintaining high autonomy through data-driven approaches. Finding this balance, however, seems dependent on a successful negotiation and translation between the two logics in the organization as a whole. Table 6 below synthesizes the empirical findings derived from sections 4.1–4.3.

Table 6. Synthesized Empirical Findings

Dimension	Tension between ENT and OM	Empirical Findings and Analysis	Quotes
Organizing principles	Efficiency, predictability, and control vs flexibility and responsiveness.	Standardization is needed for scale, but is also perceived as threatening FoodSmart’s flexible, solution-oriented culture.	“We need to be structured in order to be efficient; if things become too scattered, we lose control” (B1) “Many might feel that they are losing their flexibility and solution-oriented approach” (A5)
Goal formation	Goals shaped through action vs. goals specified in advance	Employees still rely on situated judgment in practice, while OM initiatives seek clearer goal formation.	“We have our schedule, of course. But then we do exactly what we want, as long as everything gets done” (C1) “Set up KPIs for each strategic area” and “team meetings every month with follow-ups against the KPIs” (A3)
Knowledge base	Tacit, experience-based knowledge vs. codified, transferable process knowledge	Work remains grounded in experience, while scaling requires codified understanding and frameworks of processes and value drivers.	“I refill based on experience, I haven’t learned how to look at and use the data we have” (C3) “If you have sufficiently strong frameworks to operate within, you can figure out what the core of what the customer actually wants is” (C7)
Work execution	Autonomous, situational problem-solving vs. structured, rule-based execution	Employees fear that reducing autonomy will weaken creativity, responsibility, and customer responsiveness while others see the need to optimize work processes.	“Creativity might be stripped away” (A5) “The customer experience would probably become worse” (C1) “We need to optimize how the delivery staff works” (A8)
Process development	Processes emerge through practice vs. processes are deliberately designed and standardized	OM initiatives seek structured process development through pilots, while ENT logic wants to learn iteratively on the job	“Developing a process structure that is sustainable today and in the coming years” (A9) “Many have not adopted the pilot we rolled out this week” (A6) Wants “constant evolution of practices” (C1) “You learn a lot from mistakes, then you do it again and do it right” (C1)
Approach to variation	Variation accommodated to meet local needs vs. variation minimized for consistency and reliability	Variation supports customer adaptation, but makes operations hard to compare, control, and improve.	“Take into account the many factors that play a part” and “the differences between different tasks” (C1) “if things become too scattered, we lose control” (B1)

4.4 The Complexity of Translating Change in Practice

Building on the above, this section examines the practical complexity of translating scaling ambitions into stable routines in everyday work. Leadership may define a direction, but implementation depends on whether that direction is made meaningful in practice. As one top manager puts it, “it becomes up to us to translate” (A6), highlighting how formal top-down priorities need to be translated into routines that employees understand, accept, and act on. This shows that negotiation between logics is enacted through translation across hierarchical levels, as operations management ambitions for structure and control must be made meaningful within everyday work still shaped by autonomy, experience, and local adaptation. Another top manager states “We cannot just inform staff and managers; the real work is done in the other layers” (A3). This places middle managers at the centre of translating these broader ambitions into understandable processes and routines within teams. As one middle manager states: “In my role, I have to get my employees to adopt these new ways of working” (B1).

However, since middle managers are facing increasing time constraints, translating these ambitions in practice becomes complex. As one senior respondent notes, middle managers’ mailboxes “grow daily,” and “there is no time for them to coach” (A5). Middle managers describe the same pattern from their own positions: “We are getting further and further away from the actual operational work because more administration keeps being added” (B1). Another says leadership has become “much more complex” after moving from smaller groups with a “personal touch” to broader spans of control where they no longer know people in the same way (B6). This illustrates a broader scaling problem: FoodSmart’s earlier coordination relied heavily on proximity, personal relationships, tacit knowledge, and informal follow-up, but these mechanisms become harder to sustain as spans of control increase.

Similarly, B1 describes how some employees “do not really want to take in the new work steps,” adding that change becomes especially difficult when much of the work “sits in muscle memory” (B1). This makes process development subject to negotiation, as such reasoning reflects an entrepreneurial logic in which current ways of working are perceived as rational and normative because they have developed over time through tacit knowledge of what works in practice. Middle managers are therefore caught between weakened entrepreneurial coordination mechanisms and still-developing formal structures, making follow-up and translation of change increasingly difficult.

In addition, when existing routines have become embedded through repeated practice and prior success, standardized routines are harder to accept if they conflict with established ways of working. One middle manager says that the organization produces many ideas about how work should improve, but that “most of it does not translate into practice” (B6). Formal initiatives therefore lose force when they are not followed by repeated reinforcement and alignment. This pattern is visible when one respondent describes how a more efficient routine failed to stick because employees preferred the old way and

those closest to the task had enough informal influence for the previous practice to return (C6). Because an entrepreneurial logic persists in how work is interpreted, a new routine can be technically better and still lose in practice if the old routine feels more natural, legitimate, or reliable from employees' point of view.

Several respondents connect this directly to meaning. One middle manager says that employees stay locked in old patterns because they have “not been proven wrong” (B1). This points to a central translation problem: routines introduced to support scalability may not be seen as meaningful by employees unless their practical value becomes visible in everyday work. This reflects how an entrepreneurial logic persists in practice, where experience-based validation and local judgment shape what is perceived as effective, making new, more structured approaches difficult to legitimize without clear proof of their value. Without an understanding among employees of the benefits provided by new initiatives, these actors continue to rationalize existing entrepreneurial ways of organizing work as superior. Actors drawing on an operations management logic may frame change as necessary for long-term scalability, while many frontline employees evaluate it through immediate work experience. When these immediate benefits are not evident, new practices remain difficult to justify, buy-in may remain limited, and a lack of understanding between the logics remains an obstacle to progress.

The empirical material also suggests that operations management-oriented actors may themselves contribute to an unsuccessful negotiation by failing to understand why entrepreneurial ways of working persist. One top manager expresses frustration that employees do not embrace the logic of testing and evaluating structured approaches, describing how discussions get derailed by detailed objections rather than a willingness to try and evaluate. They say: “we can't go down to that level of detail... they should trust that those with knowledge have come up with the best alternative, and then we evaluate it after the fact” (A9). This illustrates how operations management-oriented actors may frame entrepreneurial resistance as irrational rather than as a legitimate expression of uncertainty about whether standardization will preserve the value currently created through local judgment. This mutual lack of understanding, where each logic struggles to recognize the rationality of the other, can prevent actors from finding common ground and moving beyond entrenched positions.

Describing the current deadlock, B4 says that without changes in how work is actually carried out, “there will be the same result” and “nothing revolutionary will happen”. The respondent worries that employees do not fully understand “the effort required” to reach FoodSmart's ambitions, and rejects the idea that scaling can be achieved by adding people alone: “if we only try to add more people, we have not actually made an improvement” (B4).

Overall, the empirical material shows that developing scalable operational structures and processes is not only a matter of introducing new routines, adding resources, or creating formal structures, but of

translating change into everyday practice. This translation appears difficult in several ways, including limited managerial time and proximity, insufficient repeated reinforcement, persistent established experience-based ways of working, and a lack of understanding of why change is necessary. These difficulties seem partly practical, but also shaped by the coexistence of different logics. Operations management-oriented routines are intended to increase structure and scalability, while many employees continue to interpret effective work through an entrepreneurial logic built on autonomy, experience, and local adaptation. Consequently, change initiatives become difficult to embed when they are not translated into practices that employees can recognize as meaningful in everyday work. Table 7 below summarizes the challenges of translating change in practice.

Table 7. Synthesized Empirical Findings

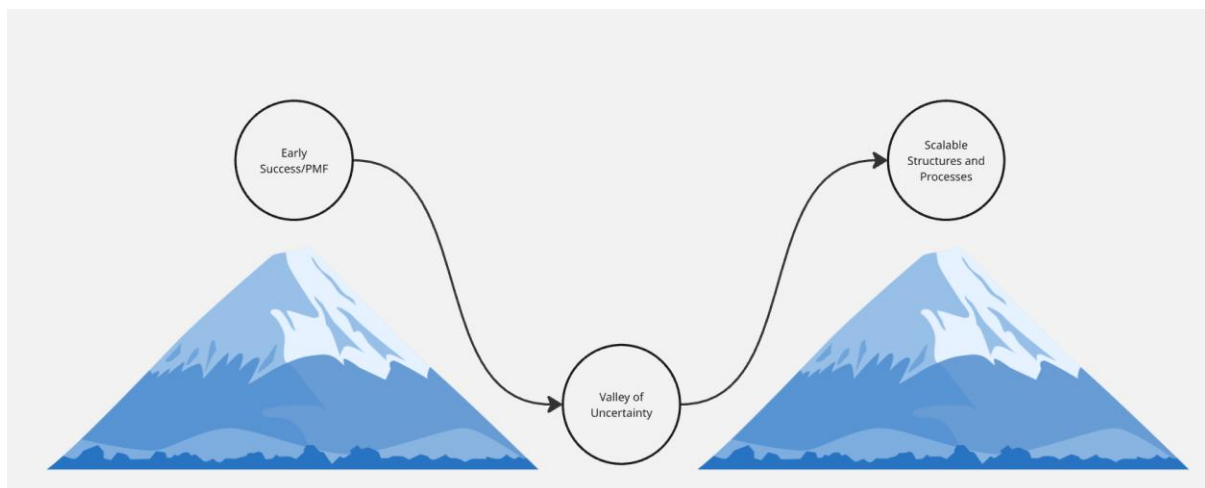
Translation Challenge	Empirical Findings	Interpretation	Quote
Direction must be translated across levels	Senior ambitions for structure depend on middle managers making them meaningful in everyday work.	OM ambitions must pass through layers still shaped by ENT assumptions.	“It becomes up to us to translate” (A6)
Middle managers lack time and proximity	Added administration reduces their ability to coach, reinforce, and embed new routines.	Translation capacity is weakened between strategy and frontline practice.	“There is no time to coach” (A5)
Established routines feel legitimate	Employees rely on practices embedded through repetition, experience, and prior success.	ENT logic makes existing ways of working feel rational and proven.	Work “sits in muscle memory” (B1) Employees have “not been proven wrong” (B1)
Formal initiatives fail to stick	New routines lose force when they are not reinforced or aligned with operational reality.	OM routines are rejected if they do not become meaningful in daily work.	“Most of it does not translate into practice” (B6)
Scaling requires changed work, not just more people	Adding resources without changing routines does not solve the underlying process problem.	OM logic frames scalability as process improvement, not only capacity expansion.	“If we only try to add more people, we have not actually made an improvement” (B4)
Mutual lack of understanding between logics	OM-oriented actors may interpret resistance as irrational or overly detailed, while ENT-oriented actors may see standardization as threatening practices that currently create value.	Translation becomes unsuccessful when each logic fails to recognize the rationality of the other.	“We can't go down to that level of detail... you should trust that those with knowledge have come up with the best alternative, and then we evaluate it after” (A9)

5. Discussion

Scaling beyond product-market fit requires organizations to reconfigure how work is organized, coordinated, and carried out (Bohan et al., 2024; DeSantola & Gulati, 2017; Palmié et al., 2023; Shepherd & Patzelt, 2022). Yet as the empirical findings illustrate, this reconfiguration does not unfold as a straightforward transition from informal to formal ways of working. Rather, it is shaped by the coexistence of competing rationalities that simultaneously enable and constrain organizational development, as well as practical restraints arising from the growth itself. FoodSmart's entrepreneurial logic has enabled flexibility, customer responsiveness, and experience-based problem-solving that underpinned its early growth. Yet as scaling ambitions increase, these same qualities create person-dependence, uneven execution, and coordination challenges that are difficult to address without greater structure. In response, the organization is introducing operations management-oriented practices, but these initiatives meet resistance from actors whose understanding of effective work remains grounded in entrepreneurial ways of organizing. The result is a phase in which the two logics create persistent tensions that must be actively navigated as both carry dimensions that are necessary for achieving scalability. The chapter outlines the desired outcomes for transitioning out of this phase (5.1) and two mediating mechanisms (section 5.2) that the empirical findings suggest shape whether those outcomes can be achieved.

5.1 The Valley of Uncertainty

Figure 1. The Journey Through the Valley of Uncertainty



Prior research has conceptualized scaling as an internal transformation involving the reconfiguration of resources and activities (Bohan et al., 2024; DeSantola & Gulati, 2017; Palmié et al., 2023; Shepherd & Patzelt, 2022). The empirical findings support this view, but also show that such reconfiguration

remains inherently uncertain in practice. This study conceptualizes this transitional phase as the valley of uncertainty (VOU) – a phase in which organizations lack sufficient clarity about what should be formalized and how formalization can be achieved without undermining the ways of working that currently sustain performance.

The study identifies four desired outcomes for transitioning out of the VOU, grounded in the empirical material as necessary conditions for a successful transition. While three outcomes also find support in prior literature, employee retention emerged primarily from the empirical material.

Knowledge Transformation

First, process knowledge needs to be translated into clear routines that guide everyday work. Without such translation, work continues to be guided by local decision-making and tacit knowledge. According to Mintzberg (1980), such reliance on informal learning or individual experience becomes challenging across the organization as it grows. This is shown in the empirical material through FoodSmart's dependence on tacit and person-dependent knowledge, where important know-how remains embedded in experienced employees, limiting transferability across the organization. As a company grows, this creates vulnerability by limiting the organization's ability to replicate performance at scale (Jansen et al., 2023).

Preserving Sources of Value Creation

Second, standardized routines need to preserve the actions that produce customer and operational value to ensure both scalability and value creation. As Adler and Borys (1996) note, standardization may undermine value-creating work practices when it functions as coercive control rather than as an enabling resource. Standardization therefore entails a risk when it codifies routines in ways that constrain situated adaptations (Feldman & Pentland, 2003; Adler & Borys, 1996) through which employees currently work. Here, the empirical data shows risks that standardization may undermine the local judgment and customer responsiveness through which value is currently created at FoodSmart, thereby potentially risking value creation.

Enactment

Third, routines need to be enacted consistently across the organization. The empirical material shows that new routines do not automatically become part of everyday work simply because they are introduced formally. Instead, implementation depends on whether employees understand, accept, and repeatedly enact these routines in practice. This is supported by prior research showing that formal routines do not automatically translate into practice but are continuously recreated through situated action (Feldman & Pentland, 2003). Prominent in the findings is that low enactment risks placing the

organization in a stagnant phase, where the adaptations needed to scale are not sufficiently implemented.

Employee Retention

Fourth, key employees need to be retained within the organization to sustain performance over time. The empirical findings show that FoodSmart faces a dual retention risk: scaling ambitions place increasing demands on employees through higher workloads and more complex coordination needs, while formalization efforts may reduce the autonomy and ownership that many employees currently value. In either case, premature exits risk losing critical competencies, such as the experience-based insights needed to codify existing practices, or the operations management-oriented capabilities required to drive standardization, thereby undermining the organization's ability to develop and sustain scalable structures and processes.

In summary, to exit the VOU, this study proposes that an organization needs to 1) transform tacit knowledge into standardized routines, 2) ensure that these processes do not undermine value creation, 3) have employees enact the new routines, and 4) retain the employees needed to maintain performance during and after the transition through the VOU. In short, the goal is to develop scalable structures and processes that can sustain the desired outcomes during and after the transition. Table 8 below illustrates selected empirical support for each desired outcome, highlighting the tensions and challenges that motivated their identification.

Table 8. Empirical Support for the Desired Outcomes

Desired Outcome	Empirical Support
Knowledge transformation	“A lot of knowledge sits with the individual, and it’s incredibly difficult to extract it” (A9) “We can’t just cover this up by hiring more people, since there are no detailed processes, it takes so long to even get started” (B5) “You first need to understand the process” (A9) “If you have sufficiently strong frameworks to operate within, you can figure out what the core of what the customer actually wants is” (C7)
Preserving sources of value creation	“The customer experience would probably become worse if more standardization was implemented” (C1) “Many might feel that they are losing their flexibility and solution-oriented approach, when a decision comes from above saying 'this is how it is'...” (A5) Removing autonomy for frontline employees might make work “monotonous”, leading to “creativity might be stripped away”, and thereby reducing a sense of responsibility (A5)
Enactment	Without changes in how work is actually carried out, “there will be the same result” and “nothing revolutionary will happen”. The respondent worries that employees do not fully understand “the effort required” to reach FoodSmart’s ambitions. “If we only try to add more people, we have not actually made an improvement” (B4) “Many have not adopted the pilot we rolled out this week, despite us going out with it firmly and planning ahead for it” (A6)
Employee retention	“...if I do this, it will affect things in this way. But it’s risky if that person would leave” (A3) “Many might feel that they are losing their flexibility and solution-oriented approach, when a decision comes from above saying 'this is how it is' and employees who don't find it enjoyable to stay, well then we might lose both customers and employees” (A5) “We work ourselves nearly to the ground before we get time to recover, and that time becomes very scarce” (B1) “I think growing FoodSmart without more formalized processes could work, but it would be very tough for a lot of people. And I think in that case you would lose staff that you actually want to keep” (B5)

5.2 Mechanisms Within the Valley of Uncertainty

To reach the desired outcomes, this study identifies two mechanisms in the VOU. The first concerns the negotiation between entrepreneurial and operations management logics and how they jointly shape organizational structures and processes. The second concerns the development of process knowledge, which affects the organization’s ability to understand the value of existing practices and the conditions

under which they can be reconfigured. The empirical data suggests that both mechanisms affect potential outcomes of the scaling process, as outlined in 5.2.1 and 5.2.2. Furthermore, the two mechanisms appear interdependent, where each affects the other and interacts with the outcomes stated above. These interdependencies are explored in 5.3.

5.2.1 Tensions Between Entrepreneurial and Operations Management Logics

Smith and Lewis (2011, p. 382) define tensions as “contradictory yet interrelated elements that exist simultaneously and persist over time.” Smets et al. (2015) and Tracey et al. (2011) highlight that the coexistence of multiple institutional logics creates conditions for tensions that must be navigated as organizations develop new ways of working. In the empirical data, such tensions become visible, as the entrepreneurial logic and its associated practices do not fully align with the reconfiguration of structures and processes needed to build a scalable organization. Consequently, as employees across organizational levels recognize the need for greater structure and predictability, FoodSmart is gradually introducing formalization initiatives such as planograms, an ERP system, and follow-up mechanisms. However, the initiatives do not simply replace entrepreneurial ways of working with more structured ones. Rather, they create situations where actors drawing on different logics interact, making the effects of formalization uncertain and subject to negotiation in practice. From the perspective of an entrepreneurial logic, formalized routines are problematized because they risk constraining autonomy, weakening role ownership, engagement, and motivation. They may also reduce customer value in cases where they limit the local judgment and responsiveness through which employees currently adapt to specific customer needs. In turn, the empirical data suggest an increased risk that this leads to key employees leaving the organization as formalization proceeds. At the same time, the empirical findings point to an equally important risk in the opposite direction: insufficient standardization may drive out employees who depend on clearer processes and more predictable ways of working to sustain performance under growing organizational demands.

This dynamic helps explain why tensions between logics are central to the VOU – how the organization navigates the negotiation between the two logics affects all four of the desired outcomes: On the one hand, the understanding of operations management logic and how to *transform tacit knowledge* into standardized routines needs to be high enough to minimize resistance and enable consistent *enactment* in the organization. On the other hand, the understanding of entrepreneurial logic needs to be sufficient to protect autonomy, motivation and sources of *value creation*. In turn, the outcome of this negotiation shapes *retention* on both ends: failure to standardize risks losing those who depend on clear processes as the company grows, while over-formalization risks losing those whose engagement depends on autonomy. This complexity is compounded by the fact that the same initiatives may be interpreted differently through each logic, making the effects of formalization inherently uncertain and subject to

negotiation in practice. Yet, following Smith and Lewis (2011), these tensions need not only be seen as obstacles; without the pull of each logic, the outcomes tied to the other would risk being lost. A successful negotiation therefore requires that actors on both sides develop sufficient mutual understanding to support actions that work toward all four desired outcomes. Such understanding is unlikely to emerge through explanation alone: as Smets and Jarzabkowski (2013) suggest, it develops when actors are confronted with problems that their own logic cannot resolve, forcing them to recognize the rationality of an alternative. The empirical material reflects this in both directions – actors closer to the practical consequences of insufficient standardization show greater receptiveness to operations management-oriented ways of working, while operations management-oriented actors who lack exposure to how autonomy sustains value creation risk underestimating the costs of formalization. To support the end result of a successful negotiation, operations management logic should therefore provide sufficient structure to enable learning and replication, while the entrepreneurial logic continues to contribute to the local judgment and customer responsiveness through which value is created.

5.2.2 Process Knowledge as a Condition for Scalability

The empirical findings also highlight a second mechanism, the development of process knowledge, as central in shaping the ability to reach the desired outcomes. Process knowledge refers to an understanding of how specific activities and inputs relate to desired outputs. As outlined in the literature (Bohn, 1994, as cited in Slack & Lewis, 2024), higher levels of such knowledge enable organizations to design processes that generate predictable, transferable, and repeatable outcomes.

As underlying cause-and-effect relationships remain insufficiently understood, FoodSmart's ability to translate knowledge into clear and transferable routines remains limited. In turn, this increases the risk of standardizing practices that may unintentionally reduce value creation. Because of this, FoodSmart engages in trial-and-error experiments and pilots to increase process knowledge. However, the empirical data suggest that when process knowledge is still low, employees are more likely to question or resist such experiments. This resistance appears connected to uncertainty about the outcomes of the interventions, which makes them less credible. This, in turn, makes it harder to understand, create, and consistently enact new routines in everyday work. Notably, complete process knowledge is practically unattainable, as it represents causal knowledge of all variables and outcomes in a given process (Bohn, 1994 as cited in Slack & Lewis, 2024). This means that even though high process knowledge is attained, uncertainty about outcomes is likely to remain present in the organization – necessitating continued experimentation even as understanding keeps developing.

Given that process knowledge at lower levels tends to be tacit and therefore concentrated in individuals rather than codified processes (Bohn, 1994, as cited in Slack & Lewis, 2024), retaining the individuals with this knowledge becomes critical. This, in turn, increases organizational vulnerability during the

VOU, as the dynamics described previously might lead key employees to leave before their knowledge is successfully translated into processes. As these individuals are also increasingly constrained by coordination demands and workload as the organization grows, this risks further limiting FoodSmart's capacity to translate individual knowledge into transferable practices.

In sum, the empirical findings suggest that process knowledge is a key mechanism in transitioning through the VOU. Specifically, different levels of process knowledge call for different managerial actions, with lower levels requiring efforts to build and articulate process knowledge and higher levels enabling standardization and coordinated improvement. This, in turn, affects the level of uncertainty the organization faces as it pursues scaling ambitions.

5.3 Interdependence Between Desired Outcomes, Logics, and Process Knowledge

Building on the previous sections, the complexity of the VOU becomes further visible when considering the interaction between the desired outcomes, as well as between the negotiation of logics and the development of process knowledge. Accordingly, this interdependence affects the conditions under which progress through the VOU can be achieved.

5.3.1 Dependence Between Desired Outcomes

Before looking at how the mechanisms relate to each other, the dependency between the desired outcomes needs to be considered. The empirical data suggest that each outcome must reach a sufficient level, meaning that a successful transition through the VOU depends on meeting minimum requirements across all four desired outcomes. Although this study does not operationalize this level, there are logical conclusions to be drawn based on the empirical findings and the premises that the outcomes rest upon. This dependency, in turn, creates the context in which the two mechanisms must interact to enable a successful transition through the VOU.

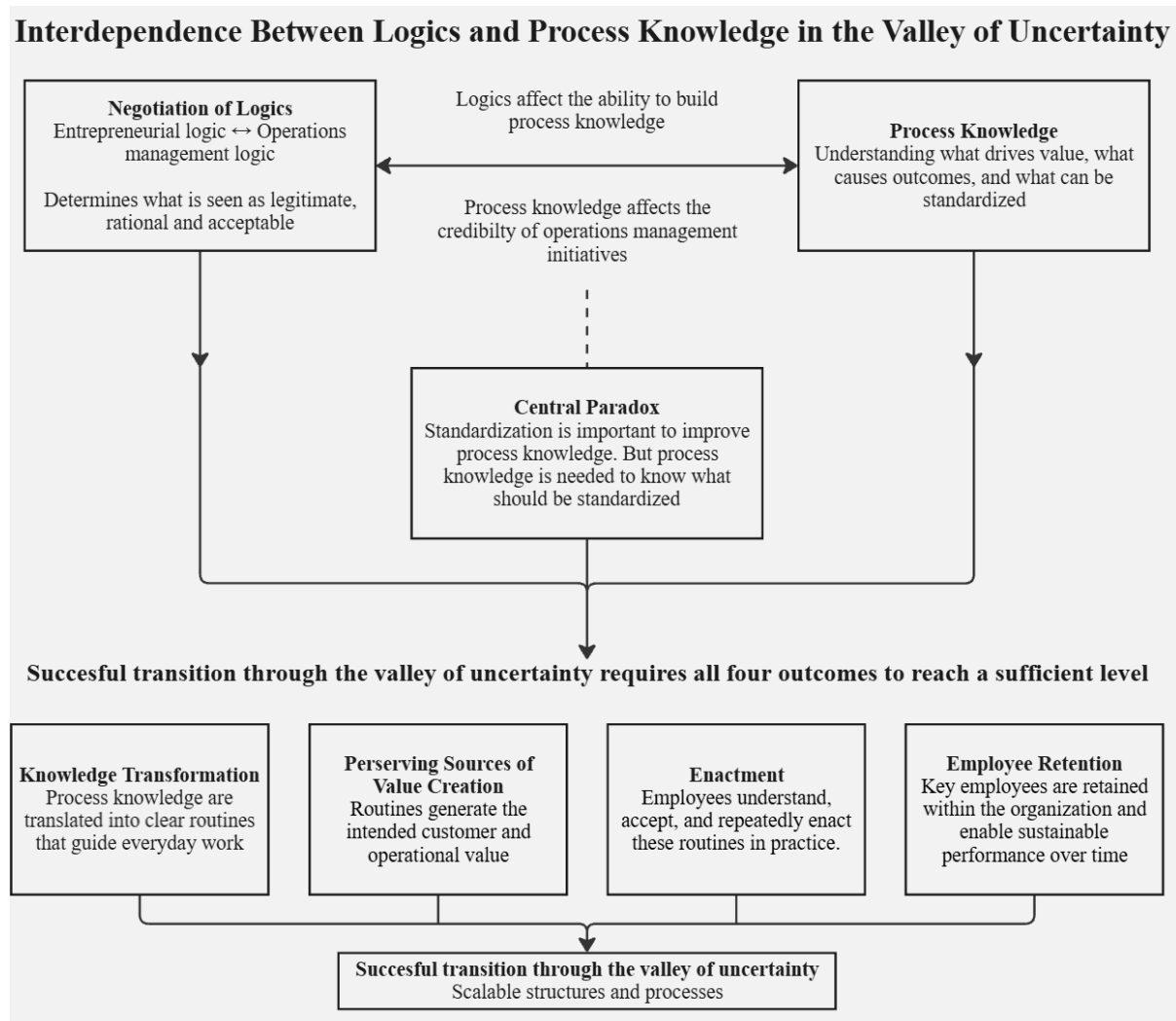
The desired outcomes – *knowledge transformation*, *preserving sources of value creation*, *enactment*, and *employee retention* – define a set of interdependent conditions for transitioning through the VOU. *Knowledge transformation* enables the development of standardized routines, but contributes to successful scaling only to the extent that the transformation sufficiently *preserves underlying sources of value creation*. Without preservation, the organization has effectively created replicable routines that do not produce the intended value. In turn, even if the routines do not compromise value creation, they depend on *enactment* to generate favorable outcomes in practice. This necessitates that employees understand, accept, and consistently apply them. At the same time, *employee retention* underpins all preceding outcomes, as the loss of key individuals during the process may interrupt both the sustained

enactment of routines and the translation of tacit knowledge, thereby affecting the preservation of value creation during standardization. Taken together, this indicates that progress in one outcome cannot compensate for the complete absence of another. Rather, transitioning through the VOU requires a sufficiently high level of each outcome.

5.3.2 Interaction Between Mechanisms to Shape Desired Outcomes

To avoid undermining any of the desired outcomes, it is useful to consider how the two mechanisms interact – and how their combined state creates a central paradox: limited process knowledge increases the risk that employees resist standardization initiatives, as their benefits remain unproven. At the same time, the empirical data suggest that the negotiation between logics shapes whether such knowledge can be developed, since actors' beliefs influence their willingness to engage with structured routines and data-driven approaches. As a result, the organization's ability to run experiments and build process knowledge depends on the current state of the negotiation between entrepreneurial and operations management logics. That is to say, some degree of standardization is needed to generate the process knowledge required to determine what should be standardized, yet the willingness to engage with standardization is shaped by a negotiation that is itself influenced by how much process knowledge already exists. Figure 2 below illustrates the contingencies and relationships between the mechanisms and the desired outcomes as outlined above.

Figure 2. Interdependence Between Logics and Process Knowledge in the Valley of Uncertainty



The combined state of these two mechanisms gives rise to four distinct scenarios, each with different implications for the desired outcomes. Importantly, the two mechanisms are not inherently sequential, as process knowledge may develop through external expertise or isolated experiments despite organizational resistance. Similarly, the negotiation between logics may shift through leadership changes, new employees, cultural work, competence development, or gradual changes in how actors interpret and rationalize their ways of working, independent of whether process knowledge has increased. This gives rise to the distinct conditions represented in scenarios 2 and 3. All four scenarios are outlined in Table 9.

Scenario 1

In scenario 1, where process knowledge is limited and the negotiation between logics is unsuccessful, all four desired outcomes are simultaneously at risk. If the self-reinforcing deadlock described above takes hold, knowledge transformation is undermined, as translating tacit knowledge into routines is constrained if experimentation itself is resisted. This resistance is further compounded by how outcomes

of experiments and initiatives intended to increase process knowledge are interpreted: the same negative result may be taken as evidence that standardization is fundamentally flawed when viewed through an entrepreneurial logic, while an operations management logic would frame it as a signal that the intervention needs further specification or testing.

Enactment is limited in that even where formal routines exist, the resistance from employees prevents the organization from generating the reliable data needed to evaluate and improve them – creating a feedback loop in which limited enactment further constrains the development of process knowledge.

Finally, the empirical data shows how employee retention is threatened from two directions simultaneously: as scaling demands increase without corresponding process support, key employees face growing strain. This heightens the risk of premature exits before their knowledge has been codified. At the same time, attempts to introduce standardization risks losing employees who value the autonomy through which customer value is currently created.

Scenario 2

In scenario 2, despite the absence of a successful negotiation between the logics, process knowledge is sufficient to understand which activities drive value and how work should be carried out. However, this knowledge does not translate into changed behavior: actors drawing on an entrepreneurial logic may still resist giving up autonomy in favor of standardization, as it may not align with how they understand effective work. Furthermore, even sufficient levels of process knowledge do not guarantee error-free processes – as noted in 5.2.2, complete process knowledge remains a theoretical endpoint rather than an achievable state. Combined with an unsuccessful negotiation, actors drawing on an entrepreneurial logic may still interpret negative outcomes from experiments and routine testing as evidence that standardization is fundamentally flawed, rather than as signals for further refinement. Value creation is therefore undermined not by a lack of understanding but by a lack of enactment. Employee retention may still be affected, as the routines intended to reduce workload are not yet enacted, while employees who value autonomy may experience tension with efforts to introduce more structured ways of working.

Scenario 3

In scenario 3, the negotiation between logics is sufficiently successful to reduce resistance to experimentation and structured ways of working, while still preserving the value-creating dimensions of the entrepreneurial logic. That is, understanding between the logics is high. However, as process knowledge remains limited, the desired outcomes are not yet achieved. This also affects preserving sources of value creation, as the organization cannot yet reliably distinguish between value-creating activities and redundant ones. Enactment is more achievable than in scenarios 1 and 2, and crucially, the willingness to experiment and test structured approaches is theoretically higher, even before their effects are fully understood – creating better conditions for building process knowledge over time.

Employee retention can be affected, as key individuals may carry a dual burden of sustaining ongoing operations while driving the experimentation needed to build process knowledge.

Scenario 4

In scenario 4, both process knowledge and the negotiation between logics have reached a sufficient level, creating the most favorable conditions for transitioning through the VOU. Knowledge transformation, preserving sources of value creation, and enactment are all achievable, as the organization understands which activities drive value, has the process foundations to standardize them, and has enough acceptance among employees to consistently enact new routines. This is characterized by the operations management logic being sufficiently embedded to enable consistent enactment, while the entrepreneurial logic retains its value-creating dimensions. Employee retention is supported by clear processes that are accepted by the workforce, reducing individual strain and distributing operational burden.

Table 9. Process Knowledge and Negotiation Between Logics: Implication for Outcomes

Scenario	Process Knowledge	Negotiation between logics	Implication for outcomes
1	Low	Unsuccessful	Self-reinforcing deadlock – all four outcomes undermined
2	High	Unsuccessful	Process knowledge exists but enactment is undermined
3	Low	Successful	Conditions for building process knowledge exist, but outcomes are not yet achieved
4	High	Successful	Conditions for transitioning through the VOU are met

Taken together, these scenarios illustrate how the conditions for transitioning through the VOU vary depending on the combined state of the two mechanisms. Both mechanisms are grounded in the empirical material, while scenarios 2, 3, and 4 represent theoretically derived conditions. These are logical extensions of how different combinations of process knowledge and negotiation give rise to distinct implications for the desired outcomes. The empirical material nonetheless suggests that progress across both mechanisms is ultimately what enables a successful transition, given that the conditions for successful scaling are equated with the desired outcomes. This follows from the interdependence of the desired outcomes, where the absence of progress in either mechanism risks undermining at least one of them.

The empirical findings indicate that FoodSmart finds itself in Scenario 1; however, applying this framework to a specific organization requires nuance. Different individuals and hierarchical levels may find themselves in different scenarios simultaneously – as illustrated by the empirical findings, process knowledge and the understanding of competing logics can vary across both individuals and roles. In

addition, organizations may sustain performance despite operating in less favorable scenarios through compensation, such as highly committed individuals who make up for structural gaps. As illustrated in the empirical material, this is precisely how FoodSmart has sustained growth – yet as one respondent notes, “we work ourselves nearly to the ground before we get time to recover” (B1), suggesting that such compensation comes at a cost that may not be sustainable over time. This, in turn, might subsequently lead to compromising on the outcome of retention.

Ultimately, the VOU is not an abstract organizational state but a lived experience enacted through everyday decisions about how work should be organized, goals set, knowledge applied, processes developed, and variation handled. Breaking the central paradox and exiting the VOU is supported by progress in both mechanisms. On the process knowledge side, this means building sufficient understanding of which activities drive value to enable meaningful standardization. On the logics side, it means developing understanding of the other logic's rationality – not through explanation alone, but through encounters with problems that one's current logic cannot resolve. As such understanding develops, it creates the conditions for a negotiation that moves beyond entrenched positions toward joint efforts to determine which actions best serve all four desired outcomes. The empirical material further suggests that even where such understanding develops, translating it into stable routines requires sustained managerial effort, repeated reinforcement, and the practical legitimization of new ways of working in everyday practice – conditions that may themselves be constrained by the organizational demands of scaling.

6. Conclusion

6.1 Answering the RQ

The study answers the research question by showing that tensions between entrepreneurial and operations management logics shape the development of scalable organizational structures and processes through an ongoing negotiation across organizing principles, goal formation, knowledge base, work execution, process development, and the approach to variation. This is conceptualized as *the valley of uncertainty*, which shows how the achievement of four desired outcomes – knowledge transformation, preserving sources of value creation, enactment, and employee retention – depends on successful negotiation between the two logics and the development of process knowledge. Thus, this study shows that scaling is shaped not only by the introduction of formal structures but by the micro-level tensions through which actors determine how these structures and processes become meaningful, accepted, and enacted in practice.

6.2 Theoretical Contributions

This study makes two primary theoretical contributions. First, it contributes to research on scaling by providing an in-depth, process-oriented account of how scalable organizational structures and processes are shaped as an SME in a high-growth phase pursues scaling ambitions. While prior research suggests that such a transformation is often necessary in a scaling context (Bohan et al., 2024; DeSantola & Gulati, 2017; Palmié et al., 2023; Shepherd & Patzelt, 2022), this study contributes by showing *how* such transformation unfolds at the micro level through the valley of uncertainty. The VOU refers to a phase in which existing process knowledge and different logics amongst intra-organizational actors create tensions, which shape the outcomes of internal reconfigurations. Within this phase, the study identifies a central paradox: developing process knowledge depends on successful negotiation between entrepreneurial and operations management logics, yet without sufficient process knowledge, operations management-oriented structures may lack legitimacy among actors guided by an entrepreneurial logic. As a result, the very conditions needed to develop scalable structures and processes may be undermined by the absence of the knowledge required to legitimize them. To further explain how organizations may move through the VOU, the study identifies four desired outcomes: transforming tacit knowledge into codified process knowledge, preserving value during formalization, enabling enactment of new structures and processes in practice, and retaining key employees during change.

Second, the study contributes by bridging entrepreneurship and operations management. While prior research has often treated these domains separately (Fine et al., 2022; Shepherd & Patzelt, 2017), this study highlights the importance of examining how these domains interact in micro-level organizational practices. By conceptualizing entrepreneurial and operations management logics as distinct rationalities for organizing work, the study shows how their interaction shapes the development of scalable structures and processes. This shows that examining scaling through either entrepreneurship or operations management alone may overlook important aspects of how this process unfolds in practice. Furthermore, the study extends micro-level institutional research on how individuals navigate competing logics (Smets & Jarzabkowski, 2013) by examining a context in which competing logics do not naturally collide in everyday work. In doing so, it highlights how the absence of a shared problem that neither logic can resolve alone may prevent cross-logic understanding from developing – and why creating such encounters may be central to enabling a productive negotiation between logics in scaling organizations.

6.3 Managerial Contributions

This study also provides managerial contributions for SMEs pursuing scaling ambitions. First, it highlights the importance of developing process knowledge before formalization becomes an urgent necessity. Consistent with prior research (Greiner, 1997; Mintzberg, 1980) and the empirical findings, organizational growth may constrain reliance on informal coordination and autonomy as firms become larger and more complex. When process knowledge remains embedded in individuals, managers may struggle to identify which practices create value and which activities can be made more replicable. Generating documented process knowledge early can therefore reduce the risk of reaching a stage where the organization needs more structure but lacks sufficient understanding of the current ways of producing value. For managers, this suggests involving employees in documenting recurring activities and reflecting on why certain ways of working matter – in turn potentially creating shared problem-solving experiences that may also deepen understanding of operations management-oriented ways of organizing. Thus, process knowledge can become a foundation for scalable structures and processes, rather than something developed only after complexity has already become difficult to manage.

Second, in line with Adler and Borys (1996), the empirical findings illustrate the importance of accounting for intra-organizational actors' rationales for organizing work when pursuing formalization. Resistance to standardization is not necessarily irrational, but reflects actors' genuine uncertainty about whether formalization will preserve the value currently created through autonomy and local judgment. Managers who recognize this are better positioned to frame standardization not as a restriction of autonomy but as a tool for learning, coordination, and scalable performance – shifting how

formalization is interpreted across the organization and creating more favorable conditions for both enactment and the development of process knowledge.

One way to support such a shift is through deliberate efforts to expose employees to new experiences and problem-solving contexts. As the empirical findings suggest, actors who have encountered the practical consequences of insufficient standardization tend to develop a stronger appreciation for operations management practices. At the same time, those working closer to customers may equally come to recognize the limitations of how excessive standardization can undermine the responsiveness and judgment through which customer value is created. Importantly, the goal is therefore not necessarily to replace the entrepreneurial logic with an operations management orientation, but to deepen mutual understanding between actors drawing on different logics. This can create conditions where the conversation about how to organize can move toward arrangements that preserve what is valuable in each. Structured learning initiatives, cross-functional collaboration, and involvement in diagnosing process-related problems may therefore help employees recognize the rationality of perspectives different from their own. This can in turn make for a more productive negotiation between logics. As institutional logics point to the weight of the social dimension in belief formation (Thornton & Ocasio, 1999), managers should account for this when designing and implementing such initiatives. This can be done through ensuring that learning and problem-solving efforts create shared experiences where new insights emerge collectively, as this theoretically creates the conditions for a more coordinated shift in the group as a whole.

6.4 Limitations and Future Research

This study identifies the following limitations that should be considered when interpreting its findings. First, the study examines the development of scalable structures and processes primarily through tensions between entrepreneurial and operations management logics and the development of process knowledge. However, these mechanisms should not be understood as a complete explanation of all factors shaping internal transformation during scaling. Other conditions, such as financial resources, time pressure, technological maturity, leadership capabilities, market pressure, incentive models, or the complexity of the business model, may also influence whether the desired outcomes are reached. These factors may also affect both the organization's ability to develop process knowledge and its capacity to negotiate tensions between competing rationalities. Future research could therefore examine how such contextual factors interact with the mechanisms identified in this study and how these interactions affect the desired outcomes.

Second, the study is based on a single organization operating in a specific empirical context. This is not a methodological weakness in itself (Flyvbjerg, 2006; Yin, 2013), as the purpose of the study was to develop an in-depth and process-oriented understanding of a complex phenomenon rather than to

produce statistical generalizations. However, the findings should be understood as shaped by the specific empirical context of FoodSmart, including its history, industry, growth trajectory, organizational culture, and current stage of development. The identified desired outcomes should not be seen as a complete set of requirements that all scaling organizations must achieve, but rather as analytical guides for understanding how scalability can be supported. Future research could examine whether similar tensions, mechanisms, or additional desired outcomes appear in other scaling SMEs, in different industries, or in firms with different levels of operational complexity.

Third, while the study conceptualizes entrepreneurial and operations management logics as distinct rationalities for organizing work, these logics should be understood as analytical constructs rather than fixed categories. Organizational actors are not necessarily guided exclusively by one logic, since the same individual may draw on entrepreneurial assumptions in some situations and operations management assumptions in others. Moreover, actors may also draw on other rationalities beyond the two logics emphasized in this study. Future research could further examine how actors move between different rationalities over time and how such shifts influence the development of scalable organizational structures and processes.

Finally, because of time-constraints, long-term outcomes of the identified mechanisms could not be fully assessed. Future research could therefore follow scaling firms over time to examine how the VOU unfolds and how process knowledge and negotiations between entrepreneurial and operations management logics together shape scalable organizational structures and processes.

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Appendices

Appendix 1. Interview Template Top-Management

- Can you describe your role and main responsibilities?
- Can you describe the FoodSmarts growth journey?
- Have you noticed any changes during the company's growth? If so, what kinds of changes?
 - Have any challenges arisen?
 - If yes, how were these challenges addressed?
 - To what extent have the challenges been solved?
 - If unsolved, how do you think they should be solved?
- Have any trade-offs emerged as the company has grown?
 - If yes, what kinds?
 - Can you give an example?
 - When/where does that happen most often?
- Have you noticed any changes in how decisions are made or how work is coordinated across the organization?
- Can you think of a situation where a recurring operational issue led to changes in how the organization works?
- What must FoodSmart excel at according to you?
 - What would help the organization achieve that?

Appendix 2. Interview Template Middle-Management

- Can you describe your role and main responsibilities?
- Has your role changed as the company has grown?
 - If so, how?
 - What do you feel about these changes?
- How do you spend your time today compared to before?
- Have you noticed any changes during the company's growth? If so, what kinds of changes?
 - Have any challenges arisen?
 - If yes, how were these challenges addressed?
 - To what extent have the challenges been solved?
 - If unsolved, how do you think they should be solved?
- Do you experience pressure in your role today?
 - If yes, where does it come from?
- Are there priorities that are difficult to balance in your role?
 - If yes, which ones?
- Can you give an example of when two important things conflicted?
- When facing uncertainty, how do you typically make decisions?
- Have you introduced new processes, systems, or routines in recent years?
 - What triggered those changes?
 - Did they solve the problem?
 - How has that affected work?
- What must FoodSmart excel at according to you?
 - What would help the organization achieve that?

Appendix 3. Interview Template Operations

- Can you describe your role and your main work tasks?
- Has your work/your role changed in recent years?
 - If yes, how?
- Have rules, routines, or ways of working changed?
 - How have those changes affected your work?
 - What do you feel about these changes?
- Have any new challenges arisen in your work or across the organization?
 - If yes, what?
 - Have they been solved?
 - If unsolved, how do you think they should be solved?
- Can you tell us about a recent situation where you needed to solve a problem for a customer?
 - What happened?
 - What did you do?
 - How did you decide what was right?
- Do you experience situations where different demands are difficult to balance?
 - Can you give an example?
 - How do you usually prioritize in such situations, and what influences your decision?
- Have there been situations where the usual routine was difficult to follow or not enough?
 - If yes, what happened?
- How much freedom do you have to do things in your own way, and has that changed?
- What must FoodSmart excel at according to you?
 - What would help the organization achieve that?

Appendix 4. Interview Consent Form

Your participation is completely voluntary. You can stop the interview at any time, refrain from answering individual questions, or withdraw your participation without giving any reason, and this will have no negative consequences for you. The purpose of this study is to explore how organizational structures and processes develop as companies pursue scaling ambitions. We are master's students conducting this research as part of our thesis.

In order to accurately reproduce your answers, we would like to record the interview. The recording will only be used for transcription and analysis within the framework of the study. The material will be stored securely, will only be accessible to us, and will be deleted after the work is completed.

All information you share will be treated confidentially and will be anonymized in the thesis. This means that your name will not appear in the final work.

By participating in the interview and approving the recording, you consent to taking part in the study. Do you have any questions before we begin, and is it okay if we start the recording?

Appendix 5. AI Disclosure

AI tools, eg. ChatGPT and Claude AI, were used as a supportive aid throughout the research process. During the literature review, AI was utilized to assist in summarizing articles and identifying relevant literature. All selected sources were reviewed by the researchers to ensure relevance and accuracy. AI was also used for language refinement, including grammatical corrections, translation, and structural suggestions of specific sentences. However, all content was initially written by the researchers, and all AI-assisted revisions were carefully examined to ensure that the intended meaning remained unchanged and that references were accurately represented. Overall, AI functioned as a complementary tool, while all analytical decisions and interpretations remained the original to the researchers. Any statements not supported by references reflect the authors' own interpretations and analytical conclusions.