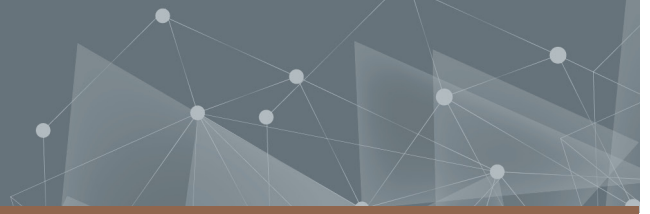




CHALMERS
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Harvesting Impact:

Navigating Growth and Scaling of Digital Platforms in
Mission-Driven Firms

Master's thesis in Quality and Operations Management

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Abstract

This master's thesis examines the growth and scaling of digital platforms for mission-driven firms. This has been achieved by examining two cases operating within the Swedish agri-food industry: Mylla and Skira. Twelve interviews were conducted with individuals currently or previously employed at Mylla or Skira. The findings suggest that being a mission-driven firm affects how strategic decisions are made and influences growth and scaling across three platform development stages. Firstly, during the initial growth phase, the study implies that embedding mission values early on integrates core values and the mission into every aspect of the platform from the onset, attracting producers at an early stage. Second, in the growth stage, the study finds that protecting mission values is vital to continue delivering a value proposition anchored through alignment with the mission. Lastly, during the scaling phase, the study finds that assuring mission values seems to be crucial in order to ensure that scaling efforts enhance rather than dilute the mission's influence. The theoretical contributions of this study point towards the idea that mission-driven firms need to adopt a more cautious approach than profit-driven firms during their growth efforts, both to ensure mission alignment and due to often limited financial resources. This is aligned with the practical contribution provided that mission-driven firms ensure and leverage alignment to the mission continuously throughout the growth and scaling efforts.

Keywords: digital platform, mission-driven, agri-food industry, growth, scaling, mission impact.

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In conclusion, we are grateful for the opportunity gain an insight into Mylla and Skiras significant work for the Swedish agri-food industry and hope that our study contributes further to their mission of providing better conditions for Swedish producers to receive fair payment for their products and to improve access to high-quality, locally produced goods for consumers. We are confident that this experience has equipped us with valuable insights to carry into our future careers and we are thankful for the opportunity.

Petter Betsén & Philip Gerber, Gothenburg, June 2024

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1

Introduction

This chapter provides a comprehensive background on the agri-food industry, with a focus on the Swedish market and digitalization. It explores various dimensions and dynamics, addressing current issues to offer a nuanced understanding of the industry's complexity. Additionally, it offers insights into the context surrounding the problem addressed in this study and outlines the overarching objective, explaining the study's purpose and aim.

1.1 Background

The global agri-food industry has undergone a paradigm shift due to digitalization and globalization, resulting in an interconnected global market (Sawjana, 2023). This shift has seen a transition from traditional farming practices, once dominated by countryside farmers, to industrialization, characterized by technological integration, larger-scale production and integration into global supply chains (Barry, 1995). This transformation is particularly evident in the Swedish context. As of 1961, there existed 232,920 farms in Sweden with at least 2 hectares (Jordbruksverket, n.d.); however, by 2023, this number had decreased to 56,171 (Jordbruksverket, 2023). Such changes have had profound effects on the livelihoods of farmers, reflecting a broader trend of consolidation and industrialization within the sector, as smaller farms struggle to compete in an increasingly globalized and technology-driven market (Sawjana, 2023). The impacts are not limited to farmers alone; the entire agri-food system has been affected. In Swedish retail, oligopolies are common, with only a few major players dominating the market. For instance, in the daily grocery trade in Sweden, three players; Ica, Coop, and Axfood hold around 86 percent of the market shares (Konkurrensverket, 2016). This has led to an increase in food variety that retailers can offer in terms of quantity and type, lower prices (Hawkes, 2006), and reduced food scarcity at a global level (Anderson, 2010). However, alongside these advancements, challenges have emerged, including the imperative to address negative social impacts such as labor rights issues and the displacement of local farmers (Oosterveer & Sonnenfeld, 2012). This concentration of power also poses structural

barriers to entry for new firms into the Swedish food market, particularly considering the logistical complexity imposed by the country's geographic size (Konkurrensverket, 2016).

Mission-driven firms are emerging as a response to these dynamics. These firms are characterized by their commitment to producing environmental and/or social benefits alongside financial returns (Cipriani et al., 2020; Maretich et al., 2016), where traditional government and market economy offerings fall short (Battalina & Lee., 2014). Overcoming the established market dynamics and the outsized influence of dominant actors represents a significant challenge for firms seeking to establish new ways of doing business.

One promising approach to addressing these challenges has been the utilization of digital platforms (Chevereva & Popova, 2020). These platforms, defined as tools to mediate different groups of users, such as producers and customers (De Reuver et al., 2018), facilitates interactions within various user groups. Digital platforms have created new means for the re-circulation of material goods, providing alternatives to everyday food provision, and reformed supply chains. Circumventing established practices supports the entrepreneurial activities of mission-based firms seeking to do something differently. Digital platforms allow firms to establish relationships with customers, increase efficiency, and reduce costs (Chevereva & Popova, 2020). Widely utilized in the business-to-customer (B2C) realm, these platforms act as intermediaries, connecting various external and/or internal actors to facilitate functions such as product development, information sharing, and demand matching with suppliers (Veile et al., 2022). With significant implications in value creation and capture (Nambisan et al., 2019), digital platforms have sparked numerous opportunities for entrepreneurs worldwide to innovate in industries ranging from healthcare to customer software solutions (Nambisan et al., 2018). Consequently, this enables them, compared to traditional businesses, to grow and scale more easily, as they are less constrained by capital and can derive a significant portion of value from the communities in which they operate (Parker et al., 2017). The majority of research on digital platforms focuses on firms prioritizing profit as their main objective. In contrast, there has been limited exploration into how firms balance financial objectives with missions or social objectives, creating a gap in the literature regarding mission-driven firms that utilize a digital platform business model. This highlights an emerging area of interest and potential for further investigation.

1.2 Aim

The study aims to gain insights into how mission-driven firms in the Swedish agri-food industry leverage digital platforms to balance environmental and social performance while pursuing financial viability and maintaining alignment with their mission during growth and scaling. This will be achieved through the examination of two cases operating within this industry.

To achieve the aim of the study the research will set out to answer the following research question;

- *How do mission-driven firms grow and scale digital platforms whilst maintaining alignment with their mission?*

2

Theoretical Background

The theoretical background needed to get an understanding of the concepts related to the research is presented in this chapter. It provides an exploration of growth and scaling dynamics in firms that utilize a digital platform business model. This chapter outlines the journey of digital platforms from inception to scaling using a conceptual framework. The key phases "Market Entry", "Growing" and "Scaling" are highlighted, along with insights into strategies and challenges at each phase. Current research predominantly focuses on profit-driven firms, while exploration into mission-driven firms remains relatively novel. Consequently, this chapter also examines the complexities of mission-driven firms, and discusses the necessity of balancing growth and scaling with mission. Emphasis is put on the unique challenges faced by mission-driven firms, particularly in the agri-food industry and underscores the need for value creation while maintaining social objectives.

2.1 Phases for Expansion of Digital Platforms

The goal of growing for firms with a digital platform business model is to utilize economies of scale so that they can achieve critical mass (Henten & Windekilde, 2022). Critical mass in digital platforms refers to the point at which a network or platform has gathered enough users or participants to become self-sustaining. When a platform reaches critical mass, it creates a positive feedback loop where the more users it attracts, the more valuable it becomes to existing users, which in turn attracts even more users (Mancha et al., 2019; Zeng et al., 2023). A visualization of this can be seen in Figure 2.1, where the growth and scaling of a digital platform is conceptualized.

This framework has been chosen because it clearly conceptualizes the phases a platform must overcome to become self-sustaining, offering clear guidance for navigating the complexities of organizational development and strategic, sustainable growth (Varga et al., 2023). The framework, as depicted in Figure 2.1, conceptualizes three key phases: Phase 1 (*Taking Off*), which emphasizes actions guided by Rule 1,

2. Theoretical Background

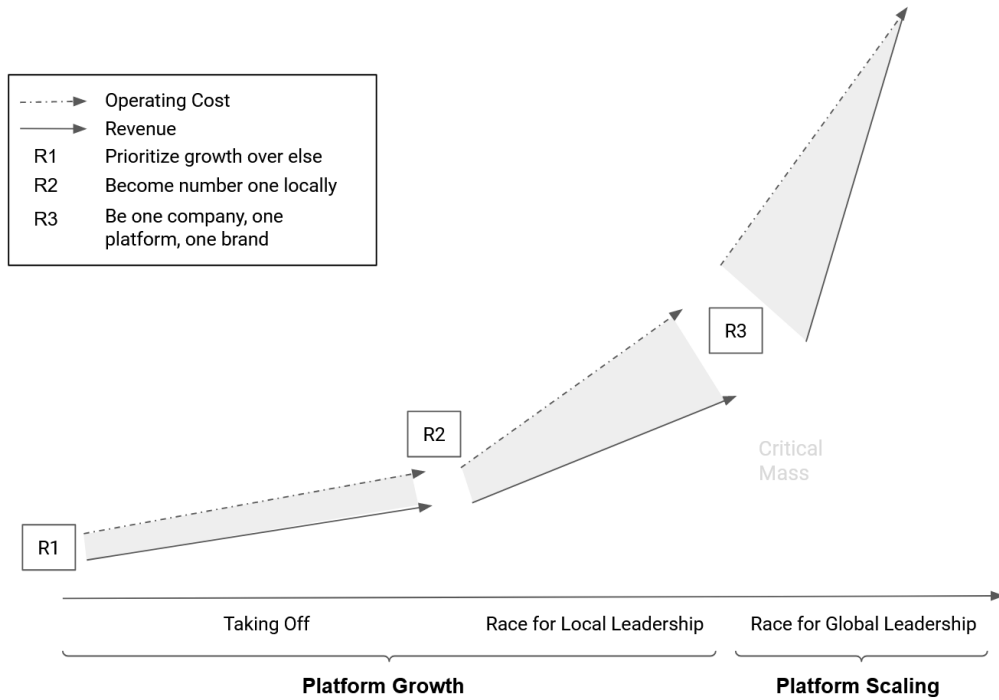


Figure 2.1: Adaptation of framework *From platform growth to platform scaling* by Varga et al. (2023).

focusing on maximizing the number of producers and end-users on the platform while enhancing value for both sides, regardless of costs. Phase 2 (*Race for Local Leadership*) involves consolidating platform growth by increasing user numbers and overall platform value. Finally, Phase 3 (*Race for Global Leadership*) entails initiating platform scaling, characterized by the ability to accommodate growth and boost revenues without proportional cost escalation. By delineating these three developmental phases, the framework offers valuable insights into the growth and scaling dynamics that firms encounter when striving to establish self-sustaining digital platforms (Varga et al., 2023). These dynamics are particularly pertinent to global industry giants like Amazon, Spotify and Airbnb, whose business models prioritize global dominance and the exploitation of economies of scale (Henten & Windekilde, 2022). However, when directly applying this framework to mission-driven firms in niche markets, such as the Swedish agri-food industry, a more nuanced approach is necessary. While the framework effectively outlines the phases of growth and scaling, it does not address the critical initial phase of market entry, which is essential for setting the stage for subsequent development.

2.2 Market Entry for Digital Platforms

The framework explores the growth and scaling of a digital platform, yet it falls short in addressing the challenges inherent in making an initial market penetration to initiate growth. Penetrating a market demands a nuanced understanding of supply and demand dynamics and strategic market entry approaches (Parker et al., 2017). Furthermore, the current research on how mission-driven firms use strategies to successfully enter the market and attract an initial user base that shares their vision and objectives is underdeveloped. Understanding how mission-driven firms navigate market entry strategies is vital for grasping how they uphold their values and goals while traversing the digital landscape. Despite the continued evolution of products and services post-launch, enabling mission-driven firms to expand social opportunities and create enduring impacts (He et al., 2022), it remains crucial to evaluate the ongoing challenges and opportunities associated with initial market penetration. Mission-driven firms often encounter unique challenges compared with profit-driven firms, where a central challenge lies in determining which strategies effectively attract and motivate both producers and customers to join the platform, as well as how to retain them (Casey & Töyli, 2012; Veisdal, 2020). Analyzing these challenges yields insights into their approach to market penetration.

2.3 Growth of Digital Platforms

After achieving initial market penetration, digital platform businesses must prioritize establishing themselves by focusing on growth, as depicted in Figure 2.1. At this phase, both operating costs and revenue often increase simultaneously. However, for mission-driven firms, focusing solely on growth could present a challenge, as they must balance the pursuit of profit with maintaining alignment with their mission. In order to prioritize growth, Parker et al. (2017) argues that it is crucial at this phase to identify and manage the four network effects: Same-side (positive & negative) and Cross-side (positive & negative). Identifying these network effects allows platform operators to understand how user interactions impact platform value and user experience. For a mission-driven firm that emphasizes sustainability and promotes ethical practices, understanding and leveraging the four network effects can be challenging due to the lack of benchmarking opportunities and the need to put in significant effort to balance profit with maintaining alignment with the vision. The convergence of growth imperatives and social missions presents an avenue for research and practical application.

2. Theoretical Background

The need to balance growth and mission presents a complex interplay, particularly in the context of digital platform businesses where growth is frequently prioritized. As the platform extends its reach to a larger number of users, the complexity further increases, placing additional pressure on firms to make strategic decisions that will enable further expansion. These decisions often involve building new capabilities within the firm and determining how to monitor and respond to fluctuating market demands (Varga et al., 2023). For mission-driven firms to achieve sustainability, not only do they need to be financially viable, but they also need to deliver ongoing social impacts (He et al., 2022). Finding the equilibrium between growth and mission alignment is pivotal for ensuring the long-term sustainability and social impact of mission-driven firms. This equilibrium becomes even more crucial during the transition from initial growth phases to scaling, where the challenges intensify. Ensuring that the platform's expansion does not compromise its core mission while catering to the varied needs of different stakeholder groups requires careful navigation of complex network interactions, strategic partnerships and sustainable practices (Varga et al., 2023).

This is especially true for the agri-food industry as food choices are often influenced by taste, tradition and trust in the producer, unlike industries where consumers readily switch between brands or platforms based on convenience or price (Steptoe et al., 1995). This poses unique challenges for mission-driven platforms seeking to compete in the agri-food industry. These complexities include quality control, perishability and ethical sourcing, making rapid growth while maintaining environmental or social objectives daunting (Radhakrishna, 2023). This can be seen in Figure 2.1, where during phase 2, operational costs diverge from revenue, underscoring the conventional emphasis on gaining market share over prioritizing profitability. Yet it is unclear how mission-driven firms manage this, as they often necessitate a more sustainable and cautious approach to growth (Mazzucato, 2016). In this phase, to facilitate growth they need to attract both producers and customers; here digital platforms must offer a clear value proposition for all stakeholders involved (Mancha et al., 2019). The food industry presents distinct challenges due to the deeply rooted cultural values influencing consumer preferences (Steptoe et al., 1995). This cultural inertia can pose significant barriers to entry for new platforms seeking to compete with established distribution channels. Navigating the complex landscape of growth, mission alignment and stakeholder needs, particularly in industries like food, demands a nuanced approach to creating value for users.

2.4 Scaling of Digital Platforms

Creating value through growth for various user segments is crucial. However, it is scaling that facilitates the long-term sustainability of a competitive advantage (Varga et al., 2023). Scaling is visualized in the last phase in Figure 2.1 and occurs when critical mass has been achieved. During this phase, firms aim to accommodate growth and boost revenues without proportionately escalating costs (Varga et al., 2023). Here, methodologies employed to generate income through monetization strategies become crucial since they must align with the value generated for each platform participant while ensuring sustainable revenue streams (Mancha et al., 2019). Also, the timing of monetization becomes crucial. While conventional wisdom suggests waiting until the platform delivers clear value and observes positive network dynamics (Mancha et al., 2019), the reality may require earlier action. As much of the literature covers, current well-developed strategies that work for platforms like Amazon and Spotify will likely need tweaking when studying scaling for mission-driven firms. Thus, a careful balance between growth, mission alignment and monetization emerges as imperative for the sustained success of mission-driven digital platforms.

To summarize, growth and scaling are commonly conceptualized as depicted in Figure 2.1, with existing research predominantly centered around firms driven solely by financial motives. This focus has resulted in a significant gap in addressing the needs of mission-driven firms within the digital platform space. Unlike their solely for-profit counterparts, mission-driven firms have to contend with balancing profitability and purpose (Cipriani et al., 2020). Often, there is tension between pursuing the mission and maintaining profitability. Few studies have explored how mission-driven firms navigate the challenges of balancing profitability and purpose in their market entry, growth and scaling strategies. For instance, while profit-driven firms prioritize short-term financial gains, mission-driven firms often face the dilemma of prioritizing their social or environmental mission over immediate profits (Barraket & Yousefpour, 2013). This tension necessitates a nuanced approach to decision-making that goes beyond traditional profit-maximizing strategies. However, the existing literature largely overlooks these complexities, failing to provide adequate guidance for mission-driven firms seeking to scale their operations while staying aligned to their mission (Barraket & Yousefpour, 2013). Therefore, there is a need for research and frameworks that address the unique challenges faced by mission-driven firms in the digital platform ecosystem, offering practical insights for navigating the delicate balance between profitability and purpose.

3

Methods

The method used in this study is presented in this chapter, beginning with a discussion of Research Methodology and Research Design. Following this, the empirical context in which the study was conducted, focusing on Mylla and Skira, is outlined. Lastly, the chapter addresses data collection methods, including Literature Review, Semi-Structured Interviews and Secondary Data and how this data was analyzed.

3.1 Research Methodology

The empirical research method selected for this study to address the research question, "*How do mission-driven firms grow and scale digital platforms whilst maintaining alignment with their mission?*", involved employing a qualitative approach with an inductive methodology (See Figure 3.1). This method was selected because it allowed for a deep exploration of the complexities (Bryman & Bell, 2017; Taylor et al., 2015) inherent in the growth and scaling process of mission-driven firms in the digital platform space, particularly within the unique contexts of Mylla and Skira.

Given the innovative nature of their missions and the lack of prior research in this area of growth and scaling mission-driven platforms, a qualitative approach was well-suited to uncovering insights and understanding the nuanced dynamics (Bryman & Bell, 2017). Through inductive reasoning, this study aimed to derive theories and framework directly from the empirical data collected from Mylla and Skira, while also building on current research about growth and scaling of digital platforms.

The qualitative nature of the study also aligned with the nature of the data available. Access was granted to a wealth of qualitative data sources, including interviews, presentations and internal communications from both Mylla and Skira. These data sources provided firsthand insights into the strategies, challenges, and successes encountered by these firms as they navigated the process of scaling their digital platforms while staying aligned to their mission-driven objectives.

By employing open-ended questions during interviews, looking into the experiences, perspectives, and decision-making processes of key stakeholders within these organizations could be achieved. (Taylor et al., 2015). This qualitative approach allowed exploration of the complexities and nuances of growing and scaling digital platforms within mission-driven firms, resulting in an informative dataset that could add to previous research and address the research question effectively.

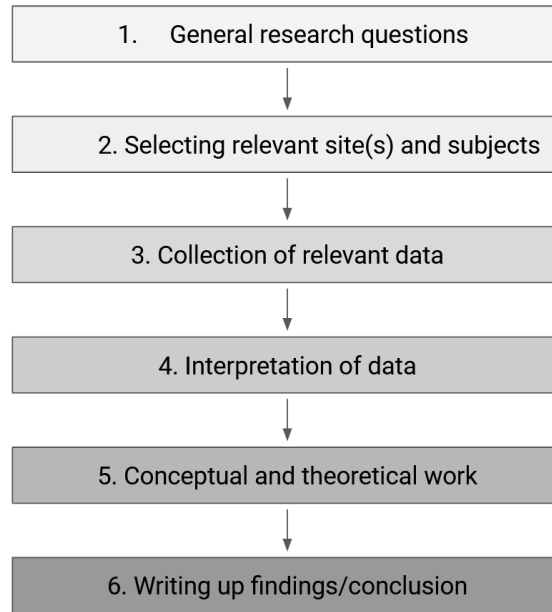


Figure 3.1: Adaption of the illustration of a qualitative approach by Bryman and Bell (2017).

3.2 Research Design

The objective of the study was to gain a better understanding of how mission-driven firms could grow and scale their digital platform in the Swedish agri-food industry. To achieve this goal, an organizational multiple case study approach was adopted, facilitating a holistic comprehension of the investigated phenomenon (Bryman & Bell, 2017). While both cases were examined, Mylla was given greater emphasis in the study, primarily because Skira was integrated into the study at a later stage. Moreover, the limited availability of individuals for interviews was compounded by the demanding nature of startup environments. Employees in these contexts often contend with high workloads and demanding schedules, which naturally limited their capacity to participate in interviews. However, each case contributed distinct perspectives from the conducted interviews, enabling a nuanced examination of the intricate dynamics involved in scaling digital platforms while upholding social and environmental objectives. Comparative analysis between cases allowed for the

identification of commonalities, deviations and exceptional cases, enhancing the robustness of the findings and enabling the derivation of generalizable conclusions regarding the scaling strategies employed by mission-driven firms in the agri-food industry (Bryman & Bell, 2017).

The research commenced with an extensive literature review to gather theoretical insights, aiming to establish a foundational understanding of concepts and theories pertaining to digital platform growing and scaling, framed from the perspective of mission-driven firms within the agri-food industry. Additionally, the literature review served as a means to learn from past research oversights and explore theoretical and methodological approaches adopted in studies (Bryman & Bell, 2017).

The empirical data collection phase involved conducting semi-structured interviews with personnel from mission-driven firms operating within the agri-food industry. Given the small-scale nature of these firms, interviewees assumed diverse roles within their respective organizations. The semi-structured approach provided flexibility in questioning, aiming to elicit comprehensive and detailed responses from participants (Bryman & Bell, 2017). Drawing upon the findings of the data analysis, a framework supporting the growth and scalability of digital platforms for mission-driven firms was devised. This framework aimed to offer practical guidelines and insights derived from real-world cases and theoretical insights, thereby assisting mission-driven firms in achieving sustainable growth while remaining aligned to their mission.

3.3 Empirical Context

In this section, an overview of the empirical context for the multiple case study on the growing and scaling of digital platforms is presented, with a focus on two mission-driven firms: Mylla Matmarknad AB and Skira AB. These cases were selected as they are mission-driven firms operating digital platforms aimed at addressing unresolved social or market issues within the Swedish agri-food industry. Through an examination of these cases, this study gained insights into the challenges and processes inherent in the growth and scaling of digital platforms. Moreover, it highlights how mission-driven firms can leverage a digital platform to expand their reach and impact of their mission throughout the process of growth and scaling.

3.3.1 Mylla

Mylla Matmarknad AB operates a digital platform that directly connects consumers with local producers, aiming to transform food consumption practices. Their platform

enables consumers to explore and purchase a diverse range of locally sourced produce, along with home delivery options. Mylla's core values include prioritizing seasonality, Swedish origin, and direct-to-consumer delivery, demonstrating their commitment to supporting local farmers while enhancing consumers' access to fresh, high-quality produce. Additionally, Mylla empowers producers by allowing them to set their own prices, aligning with their mission to redefine the relationship between producers and consumers in the food industry (Mylla, n.d.).

3.3.2 Skira

Skira AB operates a digital platform focused on enhancing transparency within the grain supply chain. The platform enables producers to easily list their produce by providing descriptions and setting starting prices for auctions. Conversely, customers gain access to all ongoing listings and can initiate bids starting from the specified prices or the latest bids. Upon the conclusion of an auction and reaching an acceptable price, Skira manages secure payment processing and logistics, ensuring efficient communication and handling with the selected transport provider. Skira's vision underscores the significance of transparency, seamless trade, and the promotion of economic, social and environmental sustainability within the agri-food industry (Skira, n.d.).

3.4 Data Collection

According to Bryman and Bell (2017), there exists two different kinds of data, primary and secondary data. The primary data is the data collected directly by the researcher while secondary data is already existing data, such as internal documentation from a firm.

3.4.1 Semi-structured Interviews

One method utilized to gather primary data in this study was through semi-structured interviews, a valuable tool for in-depth data collection from relevant stakeholders. Semi-structured interviews provided respondents with a sense of freedom, allowing for valuable digressions from the original interview framework to gather information about their experiences and knowledge. Consequently, the interviewer could guide the interview along a certain path based on the respondents' answers through follow-up questions (Bryman & Bell, 2017). However, it was essential for the researchers to be mindful of potential biases, where respondents may provide answers they believed the interviewer wanted to hear rather than expressing their genuine thoughts. Therefore,

Careful formulation of questions was crucial to mitigate the risks of biases and misunderstanding (Bryman & Bell, 2017; Yin, 2018). To ensure the quality and accuracy of the collected data, it was recommended to transcribe and record the interviews (Bryman & Bell, 2017). In this study, transcriptions supported the evaluation of empirical data and minimized the risk that important information was overlooked.

Early in the research process, planned visits were conducted at the Mylla office, aiming to conduct introductory interviews with each specific employee. These interviews provided valuable insights into their roles at Mylla, laying a foundation for the thesis and facilitating the development of the interview guide. They also fostered a connection between the researchers and the firm, establishing a comfortable relationship. The duration of these interviews varied between 50 and 75 minutes. Unfortunately, similar early engagement and introductory interviews at Skira could not be pursued, as this firm was not initially included in the study's planning phase.

During the later and more structured interviews based on the interview guide, the researchers once again strove to establish a relaxed atmosphere to obtain comprehensive insights into the study. This was achieved by reminding the respondents of the intentions of the interview and ensuring them of anonymity, as well as the opportunity to review the study before publication and provide input for any necessary changes. This approach ensured that the respondents understood the topics and felt safe to express their thoughts freely, leading to insights that accurately reflected their beliefs and increasing the validity of the research. These interviews varied between 25 and 60 minutes and were conducted through either Microsoft Teams or phone calls. This time slot included time for the researchers to ask additional questions and for the respondent to clarify or add inputs.

To validate certain answers, it was necessary to conduct follow-up interviews with respondents (Bryman & Bell, 2017). These interviews were held at the end of the data collection phase to ensure that the researchers did not misinterpret any insights expressed in the earlier interviews. Compared to the rest, these sessions were shorter and lasted roughly 40 minutes.

During every set of interviews, both researchers were present and actively participated in the discussions by asking relevant questions to the respondents. This approach not only reduced the stress that would arise if only one leading researcher were responsible for asking all the questions, but also supported the thorough capture of notes and observations

3.4.2 Interview Guide

An interview guide was formulated to investigate and answer the research question regarding how a mission-driven organization can grow and scale its platform while maintaining alignment with its vision (See Appendix A). To facilitate communication between the two parties, the interview was conducted in Swedish since everyone involved had Swedish as their native language. The first question in every interview was whether the researchers were allowed to record and transcribe the whole interview, with the intention of the recordings also being presented. Following this, a series of introductory questions were posed where the interviewee responded to inquiries regarding themselves and their role at the firm. These questions served as a foundation for the rest of the interview, creating a relaxed atmosphere for the respondent and aiding in understanding the characteristics of the interview. This information about the interviewee assisted in shaping follow-up questions tailored to the respondents' expertise and area of work, thereby facilitating answers from different perspectives. The interview guide consisted of open-ended questions on various topics. Depending on the characteristics of the respondent and the answers given, an iterative process advocated by Bryman and Bell (2017) was employed to naturally remove, add, or rephrase some questions to elicit more accurate answers and improve the overall quality of the interview.

Irrespective of the respondent's role, the goal of the interview was to gain an understanding of how the firm had developed to its current state, presented as a storytelling approach to minimize the risk of formulating leading questions, but rather from different perspectives. This encompassed inquiries into the reasons for the firm's existence, emerging challenges, and future goals according to the respondent. More topic-specific questions were asked regarding funding and automation, formulated in a similar storytelling manner. The foundation of the interview guide was the same for both firms in this study. However, depending on the firm the respondent worked for, some questions were adjusted to be relevant to that particular case. Additionally, there were firm-specific questions, such as the one regarding the SaaS investment and meetings with all producers connected to the Mylla network.

Bryman and Bell (2017) suggests a closing question to conclude an interview. During this stage, a question was asked if the respondent felt like something had been missed during the interview and thus wanted to add to their discussion. This, in some cases, brought up additional points that were not covered by the questions in the interview guide, ultimately further improving the quality of the interview.

3.4.3 Sampling of Respondents

The method used to sample respondents for the semi-structured interviews was purposive sampling, a non-probability sampling method where respondents are chosen based on their relevance to the study (Bryman & Bell, 2017). This increases the possibility that the right people at every firm are interviewed, thereby increasing the quality of each interview. At Mylla, every employee at the firm was deemed relevant for interview given their specific and unique roles of responsibility. A total of five interviews were conducted with currently employed individuals at Mylla. Additionally, one ex-co-founder of Mylla was interviewed due to the rich experience and knowledge about the journey of Mylla that this respondent had acquired over the years. However, in the case of Skira, the only respondent was the CEO, selected by the firm based on the interview guide's relevance to the rest of the employees and their experience and competence. It is pertinent to note that although two founders of Skira were approached to participate in the study, they were unable to do so due to their current commitments. See Table 3.1 for complete list of interviewees.

Table 3.1: *Interviewees and their role.*

Firm	Role	Type	Time
Mylla	CEO & Co-Founder and Head of Marketing	Introductory	75min
Mylla	Area Business Manager	Introductory	50min
Mylla	Logistic Manager and Operations Manager	Introductory	60min
Mylla	CEO & Co-Founder	Structured	60min
Mylla	Head of Marketing	Structured	60min
Mylla	Area Business Manager	Structured	60min
Mylla	Logistic Manager	Structured	45min
Mylla	Operations Manager	Structured	50min
Ex Mylla	Former CEO & Co-Founder	Structured	25min
Skira	CEO	Structured	60min
Skira	CEO	Validation	45min
Mylla	Head of Marketing	Validation	35min

3.4.4 Secondary Data

As mentioned earlier, the secondary data consists of pre-existing data from various sources that have been gathered for their own purposes (Bryman & Bell, 2017). In this study, such data was provided by Mylla and Skira by receiving presentations and emails from the two firms. The collected secondary data complemented the primary data collected from the semi-structured interviews, enabling secondary analysis and comparison, thereby enhancing the validity and quality of the research (Bryman & Bell, 2017).

3.4.5 Literature review

Bryman and Bell (2017) argues that a literature review serve two main purposes: to address the questions; *What is already known about this area?* and *What concepts and theories are relevant?*, and this principle also guided this study. By examining existing knowledge, the aim was to minimize the risk of 'reinventing the wheel' and develop an argument about the significance of the research and its implications (Bryman & Bell, 2017).

The literature review commenced early to address these questions and establish the foundation for the subsequent work. It focused on keywords aligned with the paper's objectives, such as "growth", "scaling", "mission-driven", "digital platform", "digital transformation" and "network effects". Academic journals were sourced from platforms like Google Scholar and Taylor & Francis Online, accessible via the Chalmers Library. Once relevant literature was identified, it was filtered to exclude articles outside the scope of the study. Additionally, further articles provided by the supervisor or discovered as the understanding of the topic evolved were incorporated.

3.5 Ethical Considerations

To ensure an ethical research study, it is essential to address and consider various ethical aspects. Bryman and Bell (2017) identifies four key issues that must be avoided: *Harm to Participants*, *Lack of Informed Consent*, *Invasion of Privacy* and *Deception*.

Harm to Participants can manifest in multiple ways, including physical harm, stress, damage to self-esteem or development, or harm to future employment and career prospects (Bryman & Bell, 2017). To mitigate stress, efforts were made to accommodate participants' requests for interview times and provide clear durations to facilitate their planning.

Informed Consent involves providing sufficient information about the study to ensure that participants can make an informed decision about their voluntary involvement (Bryman & Bell, 2017). This was achieved by clearly stating, both when scheduling interviews and before they commenced, that participation was entirely voluntary. Participants were also informed that any recording or note-taking could be adjusted afterward at their discretion if there were aspects they did not wish to be documented.

Invasion of Privacy pertains to respecting respondents' rights to control personal

information and ensuring their privacy is maintained. In this study, respondents' privacy was protected by anonymizing sensitive information and securing data storage. Recognizing that different topics might be sensitive for various individuals, each case was treated sensitively and individually, providing respondents with a genuine opportunity to withdraw if they felt uncomfortable (Bryman & Bell, 2017).

Deception refers to misleading participants by presenting the research as something other than what it truly is (Bryman & Bell, 2017). Throughout the study, efforts were made to maintain openness and transparency about the study's objectives, emphasizing the significance of participants' contributions to the master thesis research.

3.6 Data Analysis

According to Bryman and Bell (2017), a narrative approach is well-suited for qualitative research methods like case studies, which aim to comprehend the context, motivations and behaviors of individuals or groups. Given the alignment of these objectives with the study's goal, a narrative approach was chosen for this study. The primary source of data collection in this study was semi-structured interviews. The collected data underwent thematic analysis, a widely utilized method for interpreting qualitative data (Bryman & Bell, 2017). Thematic analysis involved identifying and analyzing patterns, themes and trends within the dataset. An inductive approach was adopted, which involved deriving meaning and developing themes from data without preconceived notions. This method allowed for the emergence of codes and themes directly from the data itself (Bryman & Bell, 2017). This was a suitable approach as the research inquiries were exploratory in nature, and there was limited existing research on the topic of interest. Thematic analysis facilitated the identification of relevant themes and patterns by grouping similar findings from various interviewees into distinct codes. These codes were then examined to draw conclusions that addressed the research question effectively.

3.6.1 Coding and First-Order Concepts

Twelve interviews were conducted in total, with duration's ranging from 25 to 75 minutes. All interviews were recorded and transcribed within a few days. Since transcription occurred concurrently with the interviews, data familiarization progressed gradually as data collection proceeded. Familiarity with the data was gained through transcription and subsequent re-reading of the transcriptions. Coding commenced before all interviews were completed, following Corbin and Strauss (2017)'s approach

that initial data serve as the foundation for further collection and analysis, aiding in efficient time management. Interview transcripts underwent a reading process during which key terms provided by the informants were coded. Subsequently, a manual process of organizing codes was undertaken. This coding process resulted in the formation of first-order concepts representing the perspectives of the interviewees. It facilitated the emergence of thematic patterns and frequently mentioned areas that necessitated further analysis of the complete sample (Corbin & Strauss, 2017).

3.6.2 Second-Order Themes

Subsequently, the analysis shifted towards examining the interrelation and combination of various first-order concepts to construct broader second-order themes. This process involved iterative analysis and comparison, aiming to identify overarching themes that encapsulate multiple first-order concepts. These second-order themes emerged as higher-level constructs capturing broader patterns and relationships within the data. The outcome yielded nine second-order themes, providing a more comprehensive and abstracted interpretation of the data, thereby reflecting deeper insights into the underlying phenomena.

3.6.3 Aggregate Dimensions

Lastly, three aggregate dimensions were generated by examining the second-order themes and identifying commonalities or connections among them. The second-order themes were grouped together based on shared characteristics and serve as an organizational structure for the themes identified during the analysis. Aggregate dimensions serve as an organizational structure for themes identified during the analysis, grouping them based on shared characteristics. They help in synthesizing findings and identifying overarching patterns in the data. The three aggregate dimensions that emerged were; *Constructing a Platform Proof of Concept, Validating and Growing the Platform* and *Scaling and Optimizing the Platform* and are visualized in Figure 3.2.

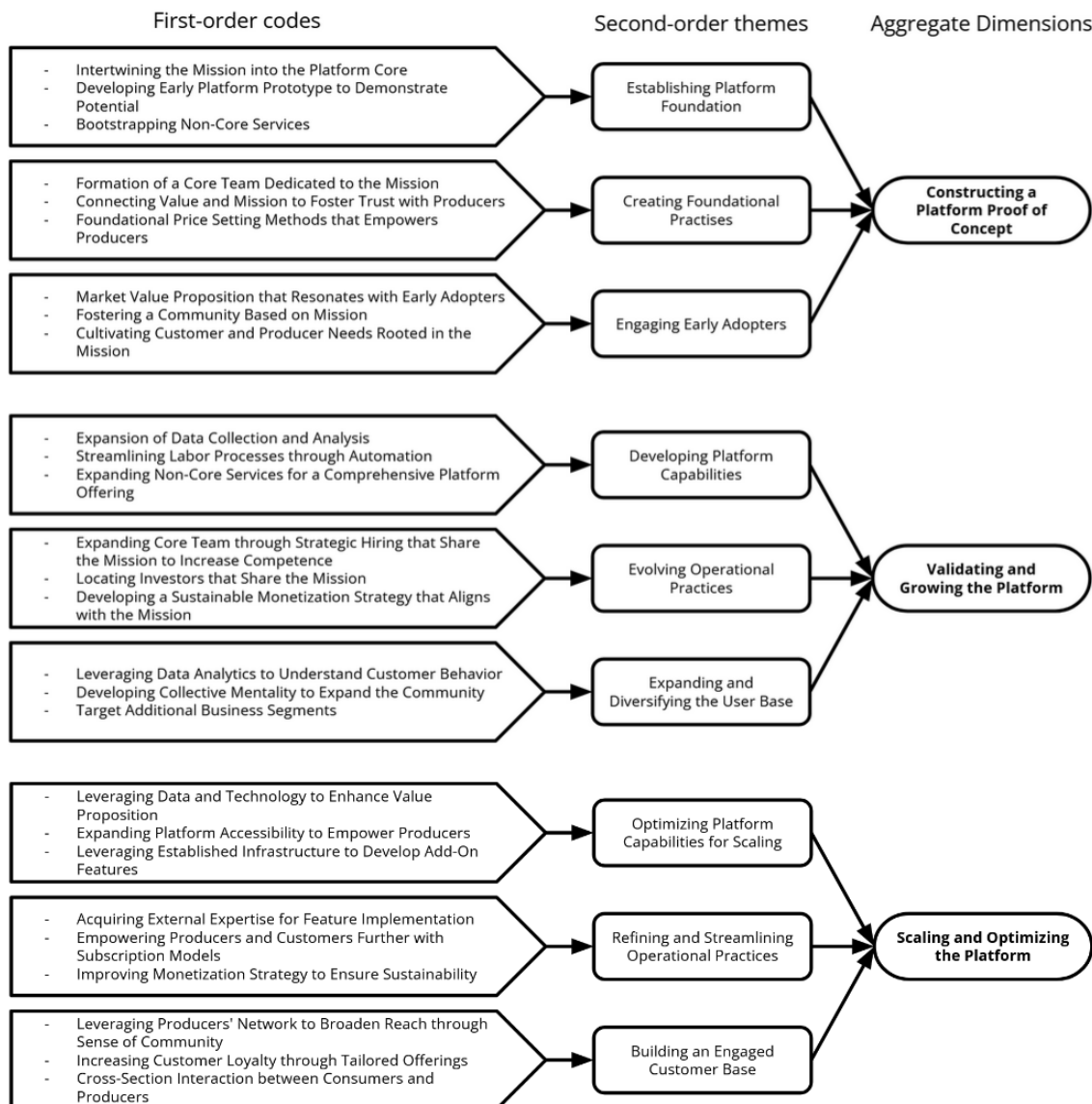


Figure 3.2: Data structure.

3.6.4 Validating through Follow-Up Interviews

To validate and clarify points brought up in the first round of interviews, follow-up interviews were performed with two selected interviewees. The purpose of these follow-up interviews was to get a deeper insight into specific themes, concepts and findings identified during the analysis of the initial interviews. Performing follow-up interviews provided an opportunity to clarify points raised during the first round of interviews, explore emerging themes in more depth, gather additional insights or perspectives, and validate findings through participant feedback. They were valuable for refining understanding, gaining deeper insights and ensuring the comprehensiveness of the research process. The follow-up interviews provided a more in-depth

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understanding of how the data structure could be interpreted and applied in practice. These insights are elaborated upon in chapter 5.

By mapping out the relationships between first-order concepts, second-order themes and aggregate dimensions, the data structure as described by Corbin and Strauss (2017) helps bridge the gap between empirical data and theoretical insights. This approach enhances the clarity of the research by making these connections explicit.

4

Findings

In this chapter, the findings of the study are presented, unveiling how mission-driven firms leverage digital platforms to enhance their capabilities, enabling them to grow and scale their businesses while remaining aligned with their mission. Three overarching phases emerged from the analysis, delineating the evolution of digital platforms within mission-driven firms:

- *Phase 1: Constructing a Platform Proof of Concept:* This phase marks the initial stage where mission-driven firms construct a proof of concept for their digital platform, laying the groundwork for future development and growth.
- *Phase 2: Validating and Growing the Platform:* During this phase, firms validate their platform's viability and efficiency, iterating on its features and functionalities to meet the needs of users and stakeholders.
- *Phase 3: Scaling and Optimizing the Platform:* In the final phase, firms focus on scaling their platform to reach a broader user base while optimizing the digital platforms performance and impact.

Within each main phase, there are three sub-phases that unfold sequentially. The first sub-phase consistently focuses on technology, followed by the second sub-phase on management and concluding with the third sub-phase centered around people. Importantly, these sub-phases are interconnected with the mission and values of the firm, emphasizing that value creation activities align with the overarching goals and principles of the organization. By outlining these phases and their associated sub-phases, this chapter demonstrates how mission-driven firms navigate the growth and scaling of digital platforms, ensuring alignment with their mission and values throughout the process.

4.1 Phase 1: Constructing a Platform Proof of Concept

Constructing a platform proof of concept is a foundational phase for mission-driven firms seeking to establish a digital platform to support their business endeavors. This

phase sets the groundwork for development and growth of the digital platform. It encompasses activities aimed at developing a preliminary version of the platform to validate its feasibility and the potential of the business model.

Three sub-phases have been identified, each contributing to the preparation for platform growth: *Establishing Platform Foundation*: In this sub-phase, firms focus on laying down the core infrastructure and architecture of the platform. *Establishing Foundational Practices*: Here, firms establish essential operational practices and processes to govern the platform's development and maintenance. *Engaging Early Adopters*: Firms actively engage with early adopters and stakeholders to gather feedback and insights, shaping the direction of platform development and fostering community.

By progressing through these sub-phases, mission-driven firms construct a platform proof of concept, laying the groundwork for subsequent phases.

4.1.1 Establishing Platform Foundation

The initial sub-phase of establishing platform foundation emerged as critical for demonstrating viability of the core business idea and enabling the engagement of early adopters through the focus of technology. This sub-phase consists of three activities: *Intertwining the Mission Into the Platform Core*, *Developing Early Platform Prototype to Demonstrate Potential* and *Bootstrapping Non-Core Services*.

Intertwining the Mission Into the Platform Core refers to how the founders' experiences and knowledge have been prominent in the construction of the platform, showcasing that the mission have an influence and is intertwined in the platform construction from the beginning. In both cases, since the founders identified gaps in the markets they operate in, much of the early development is built upon the experience and knowledge they possess. This is evident in the development of the platform. The CEO of Mylla stated, "*When you visit the website, there should be no ambiguity in how everything is managed, such as pricing. That is how it is now and has always been.*" They further evaluated this, highlighting their experience as a meat farmer and how it was difficult to determine the actual worth of their produce, as they had limited access to what others were paid and what customers were willing to pay. By intertwining the mission clearly into the platform based on experience, the construction of the platform has been shaped by the mission since the beginning. They capture this by saying "*I had high-quality produce that customers wanted to buy, but integrating it in a sustainable way into the food chain's insurance system*

became difficult. So, I took control and solved the problem myself." This highlights the existing frustration among producers and their need to increase transparency towards end-customers, which is the reason Mylla's platform exists today.

At Skira, the founders' backgrounds in software development showcases in the platform's construction. As both had a good understanding of coding intricacies, they utilized their expertise in creating a technological framework. The CEO of Skira stated, "*Both founders have backgrounds in software development and insight into the agri-food market. They identified clear indications that there is a problem with pricing.*" Showing that their understanding of both technology and the market drove the development process.

Developing Early Platform Prototype to Demonstrate Potential refers to the development of an early-stage platform with limited, but sufficient functionality, to demonstrate its potential to platform users. By developing these essential features, mission-driven firms are able to offer tangible value propositions to their prospective users, laying the groundwork for the upcoming growth of their platforms. Mylla and Skira recognized the pivotal role of their platforms as facilitators of value creation from the outset. For Mylla, the platform served as a vehicle for selling produce, with the Head of Marketing describing it as "*the holy grail, which is the technical platform.*" Leveraging existing software, they integrated core functions to kickstart transactions, embodying a culture of rapid action and experimentation. As the Head of Marketing noted, the ethos of "*The key to success was to quickly start delivering and they believed it was still ingrained in their culture to act first, to see instead of overthinking if it works, just quickly get the concept out.*" This approach became ingrained in their strategy, driving early traction and user engagement.

Skira embarked on a similar journey, albeit with a different initial focus. Beginning as a price comparison service, as stated by the CEO, "*So that is where it started, by just thinking, maybe we as two coders or just by making a simple platform where people can report their prices themselves.*" The platform prioritized price transparency over transaction facilitation to solve the identified problem of farmers not having access to their produce worth.

Bootstrapping Non-Core Services refers to laying the groundwork for establishing services that are not central to their core mission. By addressing services that could increase the value proposition from the outset, both platforms positioned themselves to deliver tangible value early on that exceeds their main operation with limited resources. The Co-founder and CEO of Mylla describes their approach to

logistics as "*getting by with whatever is available and driving around with our own car to make deliveries,*" emphasizing the resourcefulness and hands-on nature of their early operations. At this stage, Mylla's logistical operations relied heavily on in-house staff (founders) and partnerships with smaller local logistics firms, such as MoveByBike¹. Mylla prioritized providing logistical solutions for their users, recognizing the importance of offering delivery to show the value created from their platform. This emphasis stemmed from their need to self-fund the business and prove its viability without substantial external funding.

Initially, Mylla's focus was on achieving operational efficiency and breaking even, prompting them to explore cost-effective options for delivery. Although the concept of home delivery was emerging, they strategically focused on establishing convenient pick-up locations to align with their operational capabilities.

On the other hand, Skira had slightly different prerequisites at this stage, as they were purely a price comparison website. They realized that expanding their value proposition involved enabling farmers to both view prices and conduct transactions on the platform. So they started to work on a solution that allowed for transactions on their platform and could further increase the value proposition of their current price comparison tool.

4.1.2 Creating Foundational Practises

This refers to the initial set of team formation, value proposition and monetization put in place to guide to development of the platform and ensure alignment with the mission. This sub-phase consists of three activities: *Formation of a Core Team Dedicated to the Mission*, *Connecting Value and Mission to Foster Trust with Producers* and *Foundational Price Setting Methods that Empowers Producers*. Through the interviews it became evident that mission shaped the establishment of the foundation for how the platform operate.

Formation of a Core Team Dedicated to the Mission refers to the establishment of an initial team that consisted of people sharing and determined in fulfilling the mission. During interviews on the formation of the core team, the founders and CEOs emphasized its significance. The history of Mylla began with the former CEO and Co-Founder recognizing potential in the B2C business, driven by frustrations among small-scale producers dealing with dominant intermediaries in Sweden's agri-food culture. This frustration, evident at numerous local farms, led to the former

¹Logistics actor for last mile by bike (MoveByBike, n.d.)

CEO and Co-Founder joining forces with the current CEO and Co-Founder of Mylla. This partnership marked a significant step in establishing the firm. This rationale for creating the firm was also highlighted during an interview with the CEO of Skira, who noted, "*They [the founders] realized the need to treat it as a business rather than just a side project,*" based on similar frustrations observed among farmers, prompting the need for a platform for price comparison. In the early stages of both firms, it was vital for all team members to share the mission, enabling them to drive forward and set collective goals aligned with the mission. The CEO of Mylla highlighted, "*During the first 12 months, there were a lot of 'flat' expenses, much resource magic,*" indicating that initially, the team members did not have predefined roles and responsibilities. Instead, the primary focus was to sustain the firm while remaining faithful to the mission and supporting local producers.

Connecting Value and Mission to Foster Trust with Producers denotes the fundamental alignment between the firm's purpose and the tangible benefits it offers its producer partners, essential for establishing trust and collaboration. This aspect became notably prominent in several interviews conducted throughout Mylla's and Skira's journey to their current stage, with particular emphasis during the initial phases. Establishing and aligning the mission with the created value was important during this period to construct the initial network and cultivate trust among producers. Mylla aimed to position itself as an enabler, forging close partnerships with producers. The Area Business Manager of Mylla emphasized the necessity to operate and communicate the notion that "*Mylla should not be perceived as a mere customer for the producers but rather as a partner.*" The focal point during this period lay in gaining a deeper understanding of the business model's potential. The CEO of Mylla remarked, "*So, that is where we stood with our mission. We needed to develop a tool for those seeking to purchase quality food.*" This connection was established by enhancing transparency and creating better conditions for local producers through a platform that communicated the generated value to end-consumers. The Head of Marketing at Mylla underscored the culture of openness and the willingness to experiment, expressing their belief that their early adoption of sales played a significant role in showcasing and making the value tangible. Establishing and aligning the mission with the created value remained pivotal during this period to build the initial network and foster trust among producers.

The CEO of Skira also stressed the significance of linking value and mission and highlighted the challenges encountered in the initial stages. They noted that "*Generally, if there is no incentive to share something, it is also difficult to encourage people to contribute. It may be because it entails an additional step in daily life, like submitting*

this or something? Yeah, it really depends a lot on the engagement of those who will utilize it." This prompted Skira to undergo an early evolution of their business model, transitioning into a marketplace. The CEO of Skira's insight underscores a fundamental challenge in nurturing collaboration and participation. This insight illuminates the critical role of user engagement in driving adoption and usage. By transitioning their business model, Skira re-positioned itself to offer a platform that inherently delivers value and incentivizes participation.

Foundational Price Setting Methods that Empowers Producers describes the early stage of price setting, wherein the foundational experiences of their founders serve as guiding principles. Particularly for Mylla, its initial monetization strategy was crafted based solely on insights from its founders and comparisons with similar produce in the market. Several team members articulated a philosophy summed up by the Area Business Manager, who stated, "*Producers should earn the 'right' amount of money for what they believe their produce is worth,*" a philosophy that sharply contrasted with prevailing practices among intermediaries such as ICA, Axfood and similar entities. The Co-Founder and CEO of Mylla recounted the firm's inception, where Mylla initially detailed a traditional retail model where produce were bought directly from and at a set price by the producers. Mylla then took all the risk by stocking the produce at their warehouse prior to selling them to customers. Furthermore, Mylla sold these produce to end-consumers at slightly higher prices to earn profit from the transaction. The way of determining exactly what price the produce were sold at did not follow a predefined guideline, the Co-Founder and CEO stated "*we went by gut feeling, we set the price we thought the produce would sell for.*" This pricing approach was inherently experiential and required a deep understanding of each product to establish competitive prices accurately.

Skira shares similarities with Mylla in wanting to empower producers to earn 'fair' money for their produce and labor. This is achieved by letting producers autonomously determine prices. This diverges from Mylla, which instead of solely relying on the founders' market knowledge and intuition, employs a more standardized approach. As the CEO stated, "*we applied a percentage on the produce.*" By utilizing a predefined percentage to determine producers' prices, Skira earns revenue from each transaction conducted while maintaining transparency for both customers and producers regarding how their monetization strategy is constructed.

4.1.3 Engaging Early Adopters

During the analysis of the interviews, it became apparent that attracting a user base that shares the mission is a vital step in developing a proof of concept. This sub-phase consists of three activities: *Market Value Proposition that Resonates with Early Adopters*, *Fostering a Community Based on Mission* and *Cultivating customer and producer needs rooted in the mission*. Identifying and understanding the differing needs of customers and producers while introducing the value created through the mission was a key aspect of gaining an initial user base.

Market Value Proposition that Resonates with Early Adopters refers to how firms reach out to and communicate the value to their initial user base, engaging with early adopters. This aspect was highlighted by both Mylla and Skira. The founders of both enterprises are driven by a mission to increase transparency in their respective markets, motivated by experiences of injustice within the industry. They established their businesses not solely for profit but also as a means to challenge and reform the existing dominant system. As the CEO of Skira remarked, "*If this [Skira] had been solely driven by profitability, it would likely have ceased operations long ago.*" This statement underscores Skira's commitment to its mission over mere financial gain.

To create a value proposition early on, the Co-founder and former CEO of Mylla stated that in the beginning they had to convince producers to join their operations through direct communication with them. They said "*In the beginning we called producers and asked if we could sell their produce and then drove ourselves and picked it up.*" In the development of their value proposition they had to have a very hands-on approach to gain initial traction which involved calling and traveling to meet with different producers. As mentioned before, while Mylla operated as a classical retail model in this stage and took on risk by tying up capital, they wanted to show that their business model was a viable option for producers compared with the classical intermediaries.

While creating and communicating value for producers is important, it is also crucial to convey their message to the early adopters on the customer side of the platform. To communicate their message and create a customer base they created a Facebook page and involved themselves in different local communities. The message they tried to convey was closely aligned with their mission in increasing the transparency. Since the business model of Mylla overlooks the fast delivery model used by classical intermediaries, the Business Area Manager stated "*When we talk about*

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creating value, it is not through discussing money, but there is a deeper dimension, and it is actually people behind the production of the produce, that is what we want to highlight." in order to allow themselves to see the value offered and choose Mylla as an option. While engaging in these local communities, Mylla had to showcase the value of knowing how and where produce came from and from this, develop a value proposition that attracted early adopters. Similarly, Skira adopted a comparable approach. Rather than visiting local communities, they directly engaged with their intended users, leveraging the founders' experiences. Capitalizing on the existing high frequency of transactions between local farms, Skira communicated their mission and the value they offered directly to the source.

The value proposition Mylla developed initially was not to offer a complete assortment of produce delivered to your doorstep but rather to have a few selected produce that showed the purpose of their operations. By selling locally produced produce to consumers they recognized that there existed great potential for an easy and trustworthy place to purchase local food.

Fostering a Community Based on Mission encapsulates the efforts to cultivate a sense of community among both producers and consumers. As the former CEO and Founder of Mylla pointed out, "*Producers join if there are consumers, but consumers do not join just because there are producers.*" Even though consumers play a larger role as enablers for growth, producers must first exist for there to be any value for consumers to join. Thus, during the early phase of Mylla, the primary objective was to establish a community among consumers grounded in the mission, preceding the formation of a community for producers. Drawing from prior experience, the founders recognized the prevalent frustration among small-scale farmers regarding the existing intermediary system. However, to onboard these producers, Mylla needed to demonstrate the presence of consumers who shared their mission. To effectively communicate the mission, Mylla identified the significance of engaging with local communities where both producers and consumers, sharing similar experiences of injustices in the current system, actively participated. Through active involvement in local gatherings, Mylla engaged with and gleaned valuable insights from their target users. Subsequently, Mylla prioritized collaboration with an initial group of producers who aligned with their mission, endeavoring to curate an assortment resonating with early adopting customers. These initial customers, in turn, supported Mylla in acquiring more producers and customers, thereby fostering a broader community wherein the alignment of mission was shared among the users. Consequently, the community comprehended the value of Mylla, which was to act as "enablers" rather than mere customers in the eyes of the producers. To attract more customers,

Mylla needed to proficiently translate and communicate the value their produce were creating.

Cultivating Customer and Producer Needs Rooted in the Mission refers to the distinctive approaches of Skira and Mylla in catering to customer and producer needs, respectively. Although Skira and Mylla share numerous similarities, they diverge in their customer focus, with Mylla primarily targeting B2C interactions and Skira focusing on B2B relationships at this stage of their development. For Mylla, it was crucial to differentiate between the needs of consumers and producers. The Head of Marketing at Mylla articulated this perspective by stating, "*A large popular international brand like Heinz tomato ketchup. If we had brought it in, our turnover would have doubled, but then we would not have been supporting Swedish food producers.*" This underscores that Mylla's mission is rooted in increasing transparency and empowering local producers. By solely focusing on customer needs, there is a risk of losing sight of the overarching mission. Mylla identified a need among producers for access to market channels to sell their produce. Additionally, they recognized the importance of producers marketing their produce in a way that communicates the mission and history behind them. Since consumers value knowing the origins and production methods of their food, it is essential for producers to communicate this through Mylla. The Area Business Manager emphasized, "*One should not view Mylla as a retailer, but rather as a collaborative partner, which can enable produce to reach both consumers and the public sector.*" This highlights the importance of Mylla's positioning in fostering genuine relationships with its producers. Ultimately, value is created when Mylla serves as a platform that not only connects consumers with quality produce but also supports local producers and promotes transparency in the food industry.

As Skira operates in the B2B segment, they did not need to differentiate between customers and producers to the same extent. The problem identified is explained by the CEO of Skira: "*In general, it is more or less like this: there are no publicly available prices. If you are a grain farmer and want to sell your grain, for example, you have to call several different parties to find out the price you can get.*" The CEO further evaluates this about the customers' needs, stating: "*And the same applies in the other direction, as buyers. It is quite difficult to know what the grain is worth? So it is a bit of a gray area.*" The need they identified is an increase in transparency about the price from both parties. The challenges brought up in this scenario for Skira were to create initial incentives for producers to join. The CEO of Skira expressed that "*In general, if there is no incentive to share anything, it is also difficult to get people to contribute. Because it is still an extra step in everyday life,*

sending in this or that." Even though they realized a clear need for transparency in price, it was hard to get people to join in. Thus, it became important for Skira to be able to communicate the value created in connection with the mission.

4.2 Phase 2: Validating and Growing the Platform

The next phase identified for mission-driven firms is validating and growing the platform. It plays a vital role in advancing a mission-driven firm's digital platform from proof of concept to scalable business. This phase encompasses activities aimed at enhancing the platform foundation established in Phase 1, preparing the firm for scalable growth.

Three sub-phases have been identified, each contributing to the firm's ability to grow its platform: *Developing Platform Capabilities*: In this sub-phase, firms focus on enhancing the technological capabilities of the platform, incorporating features and functionalities that align with the mission and goals of the organization. *Evolving Operational Practices*: Here, firms refine their operational practices to support the growth and sustainability of the digital platform. *Expanding and Diversifying the User Base*: Firms actively seek to expand and diversify their user base to drive adoption and engagement with the platform. By broadening the user base, firms can increase the platform's impact.

By progressing through these sub-phases, mission-driven firms validate and grow their digital platform while staying aligned to their mission.

4.2.1 Developing Platform Capabilities

After Establishing Platform Capabilities, this phase focuses on enhancing the foundation laid out in phase 1 to facilitate the growth of a digital platform. The goal is to increase the value propositions for both producers and consumers. This sub-phase includes three activities: *Expansion of Data Collection and Analysis*, *Streamlining Labor Processes through Automation* and *Developing Non-Core Services to Provide a Comprehensive Platform Offering*. It involves increasing the efficiency of the overall platform creating the structure to be utilized for scaling.

Expansion of Data Collection and Analysis involves increased efforts to collect and analyze data to gain deeper insights into user behaviors and market trends. A

important phase for mission-driven firms as they strive to better comprehend their producers and consumers. With an increased focus on platform growth during this phase, the emphasis on data collection and analysis became increasingly important. Both Mylla and Skira stressed the importance of maintaining high-quality standards. The CEO of Skira expressed, "*Now we are starting to become significantly better at maintaining consistent quality.*" Similarly, the Head of Marketing at Mylla acknowledged the significance of quality, stating, "*We have probably lost customers due to faulty packaging.*" Recognizing the importance of identifying and achieving high quality standards towards their customers, they evaluated that the ability to identify and achieve high-quality standards towards their customers became increasingly important. One of the main challenges identified by the CEO at Mylla during this phase was customer retention. They stated, "*We need to better understand our customers and their reasons for continuing, or not, with our platform.*" They recognized that leveraging data analysis could be crucial in addressing this issue. The CEO of Skira noted a similar thought, "*We have not prioritized perhaps to spend that money before on doing proper user studies, like in the form of interviews or such, if making new implementations or so, so we have become much, much better at evaluating ourselves like this and asking customers if they actually understand what, how, and what one should I do?*" showcasing that with the increasing data collection they have become better at analyzing and understanding their customers' feedback.

Although the importance of data collection was acknowledged, its full potential to inform expansion and development plans was not fully realized. The CEO of Mylla emphasized the value of acquired data for future revenue streams, saying, "*We see great potential in making money from data in the future.*" As Mylla experienced growth, it became clear that there was a need to identify and analyze future opportunities. The CEO of Mylla highlighted the importance of achieving a deeper understanding of revenue expansion, stating, "*Even if it is the producers who are the actual customers, what we need to count and calculate is the consumer.*" An example of this is the CEO of Mylla estimating, "*In order to become profitable, we need to deliver approximately xxx order lines per month.*" noting that the importance of looking at orders and not number of customers.

Similarly, the CEO of Skira emphasized the importance of leveraging data collection and analysis to understand revenue streams, aligning with their goals of achieving profitable growth. Emphasizing that a deeper understanding is needed about revenue sources to maximize their chances of achieving profitable growth, the CEO stated, "*I would probably say that it is not necessarily about the number of users. It is more about the number of tons.*"

Streamlining Labor Processes through Automation refers to minimizing manual labor practices, increasing efficiency and adding capabilities to facilitate future revenue streams. According to the CEO of Mylla, automation serves two purposes. First, it frees up the competencies of current workers to be better utilized in creating future value. Second, it enables personnel to be utilized more efficiently and creates data that could serve as future revenue streams.

The freeing up of current employees through automation was showcased during one of their improvement efforts in automating the entry of new producers wanting to join the network. For producers currently connected to the network, it becomes easier to manage their own pages. The CEO of Mylla elaborated, "*This concerns the most comprehensive version of a simple self-service component when it comes to publishing articles. So that it fully includes text, images, videos, nutritional declarations and content presentation of produce, which we currently handle manually and is time-consuming.*" Moving manually performed labor away from Mylla's employees directly to the consumer allows more time to be spent on other tasks. Additionally, it gives producers more control over their marketing and image. Producers having creative control over the presentation of their produce helps them better highlight their work and target consumers according to their own experiences.

Skira shares the same thought, and the CEO highlighted a more automated recruitment process for producers, stating, "*We have such a technical foundation that could handle a much larger capacity than it does today. And we also have salespeople who are employed and currently work very hard on driving sales. But they could actually work much, much more on just maintaining and facilitating instead of needing to be out hunting.*" This shows that personnel can be better utilized and increase the overall value proposition if the operations are more automated.

The implementation of a Warehouse Management System² (WMS) system was critical for Mylla as it enables the automation of tasks previously done manually. The Head of Logistics stated, "*To be able to streamline especially, but that we can pick more orders at once and that we pick more accurately.*" Automation also increases efficiency and develops capabilities to prepare for future scaling. They continue to say, "*With a WMS, for example, we can still handle even a 100 percent increase in the number of orders. So we can probably maintain the same number of people picking and packing.*"

²Software designed to assist companies in managing and controlling daily warehouse operations, from the moment goods and materials enter a distribution or fulfillment center until the moment they are dispatched.

This also serves as an example of how automation can lead to the creation of data that could serve as future revenue streams. It also provides the opportunity to have a direct connection with producers in the future. The implementation of a WMS could benefit producers by allowing them to check inventory without having to call Mylla. WMS also enables Mylla to minimize waste of produce and ensure that produce with the shortest expiration date are picked first. They further stated, "*If we look at what it means for our producers, it enables much more communication with the producers, which is valuable.*"

However, automation has not only come with benefits, as larger demands have been placed on their producers. The Operations Manager stated, "*We actually had a discussion with a producer about a month ago, and they had been with us from the beginning when we were extremely small-scale and everything was extremely manual. But their production could no longer keep up with the pace of our increasing sales, so it became a bit of math. Either you have to automate certain parts, or we will need... Well, what should I say? Do you need to lower your prices for us to cover the costs of manual labor on our side, and when we could not meet halfway there?*" Evaluating that producers are an important part of their journey to become more streamlined, they brought up the challenge that if operations at the producers lead to more work being needed in Mylla's packaging and logistical operations, there is a need for the producers to cover some of the costs associated with Mylla or to automate their own processes.

Expanding Non-Core Services for a Comprehensive Platform Offering involves strategically diversifying services beyond core offerings to create a more holistic business model. This expansion represents a progression towards providing a complete business solution. Mylla initiated a partnership with Gordon, the Head of Marketing, who noted that "*they are in a class of their own*" in refrigerated and frozen last-mile delivery. Collaborating with external experts like Gordon enabled Mylla to tap into additional expertise and resources, facilitating the process of scaling.

In this phase, Skira, with the infusion of capital, could put more effort into their solution of transactions on their webpage. The CEO reflected on the platform's evolution towards a more comprehensive marketplace model, stating "*It was a side project to begin with. Maybe we should start testing and do a bit of a hybrid between a marketplace and a more traditional platform.*" Initially conceived as a side project, the platform underwent testing and iteration, ultimately culminating in a hybrid model blending elements of a marketplace with traditional service offerings.

With the inclusion of a marketplace on their platform, Skira embarked on integrating logistical solutions to enhance their value proposition and mitigate risks associated with grey market trading. With increased capital investment, both in terms of human resources and finances, Skira integrated logistical solutions into their offerings. The CEO of Skira highlighted that "*Transport solutions emerged when we brought in capital,*" emphasizing the importance of capital infusion in driving this strategic expansion. Furthermore, Skira implemented quality control measures as part of their logistical services. This extension aligned with their mission to enhance pricing transparency, providing not only price information but also detailed product specifications.

During this phase, Mylla pursued a strategic initiative to expand its platform capabilities, enabling producers to not only showcase their produce but also actively market themselves and run campaigns directly on the platform. This transformative move empowered producers with greater control over their branding and promotional efforts, fostering a more dynamic and engaging marketplace environment.

4.2.2 Evolving Operational Efficiency

After demonstrating the viability and potential of the platform's proof of concept, mission-driven firms embark on refining their operational practices to facilitate efficient growth. This sub-phase includes three activities: *Expanding Core Team through Strategic Hiring that Share the Mission to Increase Competence*, *Locating Investors that Share the Mission* and *Developing a Sustainable Monetization Strategy that Aligns with the Mission*. However, throughout this phase, it remained imperative to uphold alignment with the mission.

Expanding Core Team through Strategic Hiring that Share the Mission to Increase Competence denotes the acquisition of suitable employees necessary for enhancing competence and facilitating growth. While the core team comprised founders possessing the requisite expertise for constructing a proof of concept, additional knowledge in human talent were needed to accommodate business expansion. Through interviews, it became evident that the mission shaped the establishment of how the platform operates.

The CEO of Skira, hired by the founders, emphasized the importance of new recruits aligning with the mission, stating, "*Yes, I would say that. An options program that became like a part of the salary.*" This underscores the necessity for individuals to share Skira's mission to be suitable for employment, given the comparatively low base salary and additional financial benefits from the options program. Employees

who align with the firm's values are more likely to contribute long term internal relationships for success, fostering a cohesive and motivated team culture.

Similar sentiments were extracted in interviews with Mylla, where the Head of Marketing expressed, "*We invest our energy because there are people behind the produce. If we were selling toothpicks, I would not be here. That is the mission, somewhere.*" Establishing a culture reflective of the mission was crucial. For Mylla, cultivating a culture where the mission is shared among personnel is pivotal in determining future goals and foster great relationships with users, particularly producers.

Locating Investors that Share the Mission entails securing capital from external parties. During the interviews it became evident that, for mission-driven firms, investments became crucial post-establishment of the proof of concept, facilitating business growth. Mylla's founders engaged with the Swedish TV program "Draknästet," where entrepreneurs pitch to investors and venture capitalists, seeking financial capital and human talent. A particular investor recognized Mylla's potential and aligned with its mission, forging a partnership and investment. This also became evident as the former CEO and Co-Founder of Mylla noted, "*We tried to attract private capital from individuals who not only sought returns but also saw societal benefits.*"

Similar strategies were employed for Skira's investments. The CEO highlighted the significance of the shared mission, attributing the largest investor's 60 percent ownership to it, affirming, "*The mission was a significant factor in why they chose to invest.*" This investor, operating solely in rural industries, aims to support businesses therein, prioritizing impact over profit margins. Additionally, the CEO mentioned "*Smaller players are involved as business angels, and the founders also own a portion,*" illustrating a collective effort to sustain and grow the firm.

Ultimately, both Mylla and Skira secured financial capital and human talent for growth, emphasizing alignment of mission in investment decisions. This alignment facilitated the establishment of shared goals and ensured operational coherence. As both Co-Founders and the Head of Marketing of Mylla stated "*The intake of human talent and financial capital led to a change in the business model, making it [the platform] scalable*" made this evident. Consequently, investors solely focused on financial gains were deemed, by the firm, unsuitable for either venture.

Developing a Sustainable Monetization Strategy that Aligns with the Mission refers to the evolution of monetization strategies needed to ensure financial viability after establishing the proof of concept. However, during several interviews, it became evident that the mission played a significant role in shaping the monetization approach. The CEO and Co-Founder stated the following on why the original idea of acting as traditional retailers was not a viable option anymore at this stage: "*Cost, potential losses and waste were factors, so we transitioned to a commission-based model about 2 years ago.*" This approach of taking risks while stocking produce was deemed unsustainable, both financially and in terms of reducing environmental impact. Hence, Mylla decided to reduce their stock as much as possible to mitigate risk and change the monetization strategy to be commission-based, which also aligned more closely with the mission. The same employee expressed "*The commission-model was when market prices was set by the producer themselves, and we took a cut of the transaction,*" indicating that the mission influenced the development of the new model. Several employees at Mylla, however, noted that they quickly realized that solely letting producers decide the market price was not optimal, due to their inexperience in pricing. Either it was set too low, which did not reflect the produce's actual worth, or it was set too high and would not sell well. To address this, Mylla decided to start collaborating with the producers through discussions and providing recommendations on market prices. It was important, according to the Operations Manager, to understand that Mylla does not negotiate the price the producers would receive, but rather offers insights into the market price for customers: "*And also, I engage in a lot of dialogue about pricing with the producer, creating added value through understanding. What it actually costs to produce a produce where I never really negotiate an initial price but if the producer needs 100 kronor, that is the deal, no further negotiation.*"

However, the commission-model that was utilized by Mylla for one and a half year until the end of 2023 was found to have some flaws according to several employees. The Head of Marketing of Mylla stated "*We had a plan to continue using this commission-model, but it caught up with us as the burn rate of capital started to become too high.*" The cut that Mylla took of the market price set by the producers did not cover all the costs for Mylla. The same employee expressed their thoughts about why this could have been the case: "*I would say that it was a lack of communication combined with a lack of experience, as we ourselves did not really have a clear plan for how this would work.*" While introducing the commission-model, Mylla knew that they had to take a cut to survive as a firm. The problem, however, was that they at that point did not know exactly what costs their operations had and how big of a cut was needed to take. This combined with the mission to give more power to the producers resulted in Mylla utilizing a cut that would benefit the producers as much

as possible without knowing it would induce losses for Mylla themselves.

Even though the intentions of Mylla is to give the producers as much as possible through the cut, concerns regarding the mission have been expressed as a cause of utilizing a set percentage as cut. The Operations Manager at Mylla noted "*By using a percentage markup in the model, it becomes unfair to the producer since it costs the same to pick individual items, but now the price varies depending on the produce's price.*" The CEO of Skira also stated the same thoughts during the interview: "*How grain prices fluctuated, they went up very, very much when the war, or when Russia went into Ukraine, and what happened then was that since we took a percentage of the actual deal. So suddenly we charged much more per transaction than we intended.*" Since both Mylla and Skira have the ambition to give more power to the producers through their missions, the predefined percentage was not optimal. Both firms expressed that they should earn profit through selling large volumes rather than percentages from high prices. Hence, Skira developed their monetization strategy to instead take a set price per ton which still would cover the costs of every order. This ensured that Skira aligned itself closer to the mission and did not take advantage of increased prices caused by external circumstances. Employees at Mylla expressed similar ideas of changing to a set price per order instead of a percentage. However, the Operations Manager at Mylla describes the reason why this set price has not been implemented yet: "*The cost coverage model was chosen to be implemented in percentages because it was a simpler calculation and quicker.*"

4.2.3 Expanding and Diversifying the User Base

After engaging with early adopters, mission-driven firms commence on refining their customer retention strategies and focusing on creating a collective mentality among their producers to facilitate growth. This sub-phase includes three activities: *Leveraging Data Analytics to Understand User Behavior*, *Developing Collective Mentality to Expand the Community* and *Target Additional Business Segments*. Throughout this phase, it remained imperative to uphold alignment with the mission.

Leveraging Data Analytics to Understand User Behavior refers to the strategic utilization of data analysis to gain insights into the actions and preferences of platform users, aiding in informed decision-making and targeted marketing efforts. During phase two, significant efforts were directed towards expanding the customer user base, aimed at attracting new users to the platform. The Head of Marketing stated, "*Our marketing strategy focused heavily on acquiring new customers, and we were quite successful in doing so at a low cost.*" With increased capital infusion,

there was heightened pressure to meet investor expectations and demonstrate the potential of the business model. As the Area Business Manager of Mylla emphasized, "*Producers are drawn to a platform with existing customers; customers will not come solely because producers are present.*" This underscores the importance of maintaining a customer-centric approach to sustain expansion.

Mylla employed various strategies to attract new customers, including advertising campaigns and a referral program. The CEO mentioned, "*We have invested in traffic acquisition through online advertising and social media, which has been our primary focus. Additionally, we have implemented a referral program to incentivize existing customers to refer others.*" Furthermore, the CEO actively participated in podcasts and attended industry events to increase visibility and reach potential customers aligned with Mylla's mission of promoting transparency in the food industry.

Despite successful customer acquisition efforts, both Mylla and Skira encountered challenges in converting new customers into repeat purchasers. Many customers made only one-time transactions, with low rates of return. The CEO of Skira noted, "*Although we have a large number of registered users, the active user base is smaller.*" Similarly, the CEO of Mylla acknowledged the issue, stating, "*While many customers recommend Mylla to others, they themselves do not become returning customers.*" This highlights the importance of understanding and addressing customer behaviors to improve retention rates. The CEO of Mylla emphasized the ongoing efforts to analyze consumer habits and develop strategies to enhance customer engagement, indicating a continued focus on this aspect of the business.

Developing Collective Mentality to Expand the Community refers to the endeavor of fostering a shared mindset among producers to broaden the scope of offerings and enhance consumer experiences. Mylla has set out with the ambition to curate a comprehensive range of produce, albeit within the constraints imposed by their commitment to supporting Swedish producers and the inherent seasonality associated with it. However, it is evident that while striving towards this goal, collaboration with smaller producers is essential, as they often specialize in specific produce, rendering it impractical for any individual producer to offer a complete assortment. The Business Area Manager at Mylla underscored, "*Producers mutually drive traffic and sales for each other. When customers seek out raspberries, they may also discover butter, milk and meat.*" Thus, the symbiotic relationship among producers is vital in augmenting the overall consumer offering. The power lies in the network effects forged by the collective efforts of producers and Mylla.

The CEO of Skira also highlighted the advantage of creating a collective mentality, stating: "*So if I contribute myself or the more I shop at Skira, the more data there will be to determine a fair price for me to receive,*" emphasizing the point that the Skira concept will not work if there is not a group mentality behind it that believes in and pushes for a more transparent market.

When addressing concerns regarding potential competition among producers within the Mylla platform, the Business Area Manager noted, "*Many producers perceive themselves as possessing strong individual brands and view Mylla as a means to amplify traffic and sales for their produce.*" Although there are occasional apprehensions among some producers about being overshadowed by others, the CEO of Mylla emphasized the synergistic nature of their collaboration, stating, "*Overall, I believe it is a win-win situation. By leveraging the same platform, we can collectively attract customers interested in various produce, thereby enhancing cross-selling opportunities.*" Furthermore, Mylla's minimum order threshold of 500 SEK serves not only to encourage larger orders but also to promote additional sales by offering complementary produce from the Mylla assortment.

In assessing the necessity of adopting a collective mindset, the CEO stressed the importance of addressing producers' concerns by highlighting the potential benefits of collaboration. This approach fosters a sense of unity and mutual support among producers within the Mylla community, ultimately contributing to its growth and success.

Target Additional Business Segments refers to the strategic initiative of identifying and engaging with diverse user segments to expand the platform's reach and offerings. After achieving an initial user base that showed interest in the platform, it became crucial to understand and define the various types of platform users and their specific needs. While Skira focused on growing its B2B platform by acquiring more users of the same type, Mylla took a broader approach. In addition to acquiring more users for its B2C business, Mylla also reached out to municipalities and several restaurants to establish a B2B presence on the same platform. These new customers in Mylla's B2B segment differed from B2C customers in several ways, particularly in the size and volume of their orders. As the Area Business Manager at Mylla emphasized, "*Ensuring quality and volumes for restaurants is paramount. Price is secondary. Not all producers can meet the quantity requirements.*" While Mylla's mission aims to support small-scale producers, attempting to accommodate the needs of B2B customers could pose a challenge to their mission. That is why the Business Area Manager emphasized the importance of finding a suitable match between producers and restaurants.

During this expansion into the B2B market, demands are placed on both producers and B2B customers. When working towards business customers, there are greater efforts placed on quantities, both in terms of timing and dependability. Not all producers in Mylla's network are suitable for delivering to restaurants because they lack the capabilities to guarantee the quantities needed. Large demands are also placed on the restaurants as they must understand the limitations that come with working with small-scale producers. The Area Business Manager stated, "*Many restaurants prioritize profits and year-round availability, disregarding the Swedish seasons.*" To be part of Mylla's network, businesses must be committed to telling their customers the story behind their produce and their origins. However, not all businesses share this mission, making it increasingly important for Mylla to communicate value and mission in order to achieve penetration into additional business segments while maintaining alignment with the mission.

As Skira started to gain traction with their price comparison tool and marketplace for crops, they initiated a new initiative, as stated by their CEO: "*We have created a similar service today for beef producers,*" evaluating that the same problem that exists in the trade of crops also exists for beef producers. By expanding and diversifying through various types of produce, they open up the opportunity to attract new customers and increase their value proposition.

4.3 Phase 3: Scaling and Optimizing the Platform

Prior to this phase, mission-driven firms have developed the business and platform to a point where scaling is the next step in the process of expanding their network and platform. Hence, the next phase is scaling and optimizing the platform. This phase encompasses activities aimed at leveraging and further improving the platform that was developed in Phase 2.

Three sub-phases have been identified, each contributing to the firm's ability to scale in an optimized manner: *Optimizing Platform Capabilities for Scaling*, *Refining and Streamlining Operational Practices* and *Building an Engaged Customer Base*. These involve leveraging and optimizing the technical capabilities that were developed during the earlier phases, refining and streamlining operational practices to suit the further expansion of the business, and building an engaged customer base to enhance continuous expansion of the user base.

By progressing through these sub-phases, mission-driven firms are able to scale their digital platform while staying aligned with their mission.

4.3.1 Optimizing Platform Capabilities for Scaling

After developing the capabilities to prepare and allow for scaling, this phase include efforts to optimize the current capabilities while simultaneously add additional features efficiently to their platform. This sub-phase includes three activities: *Leveraging Established Infrastructure to Develop Add-On Features*, *Expanding Platform Accessibility to Empower Producers* and *Leveraging Data and Technology to Enhance Value Proposition*. This empowers the producers even more while also generates new revenue streams.

Leveraging Data and Technology to Enhance Value Proposition refers to data-driven decision-making and technological innovation in enhancing the value proposition offered by mission-driven firms. The CEO of Mylla emphasized the potential of utilizing acquired data to enrich the value proposition offered to producers, while also stressing the importance of leveraging data analysis to maximize profits. They stated, "*It is the willingness to pay that is the right pricing*," underscoring the significance of pricing produce based on customer willingness to pay.

He elaborated further, envisioning a scenario where the availability of data could enable them to raise prices and improve profit margins. "*When we can start to see what the willingness to pay is, we can also begin to raise prices. At that point, with the technology in place, if a producer wants 100 and we can take out 300, we should do so to ensure we achieve robust margins and share the profits with the producers.*"

Furthermore, they emphasized the importance of mutual benefit between Mylla and producers, suggesting a profit-sharing model where both parties contribute to enhancing produce quality and the shopping experience. "*So it should serve as an incentive for both parties, facilitating a profit-sharing arrangement. If we exceed the producer's expectations by 80 kronor, it results in an additional 40 kronor for the producer and the same for us.*" Highlighting that the enhancement of the overall value proposition is not solely dependent on leveraging data and technology but can also be amplified by the potential that exist of utilizing data analytics.

The CEO of Skira similarly highlighted the benefits of leveraging data and technology in a shift in strategy, noting that while they had previously experienced growth

without significant effort, they now recognized the value of investing in visibility and targeted marketing. *"Given that we are now in that phase where we have come so far so it is kind of worth putting in the money now to be visible."* This underscores that having technology in place enables them to better understand their customer segments and utilize it to further reach their intended customers to scale their operations.

Expanding Platform Accessibility to Empower Producers involves leveraging developed platform infrastructure and harnessed data to enhance the platform's value proposition and make it more available to current and new producers. Mylla's investment in SaaS aims to improve platform accessibility by enhancing availability and access to consumer and in-house data. They plan to offer subscriptions that enable producers to have their own portal and access harnessed data. The CEO of Mylla elaborated on this concept, providing an example: *"You could get postal codes for all customers who have purchased raw materials or produce from you, so it is like that."* Emphasizing that this is just one example of how data could be available for producers and how it requires further consideration, especially regarding GDPR compliance.

Additionally, the CEO of Mylla discussed extending their SaaS solution beyond individual producers to include communities like REKO-ringar³. *"So possibly, the platform and solution could be used by REKO-ring Bagarmossen, for example, so that all producers connected to REKO-ring Bagarmossen create an account on Mylla. They publish their articles, then we link it to a domain that is the economics behind it, and then, as I said, and then you can just choose delivery from there, for example library's parking lot every Tuesday night, that is the delivery option available in the checkout."* Stating that they currently handle order confirmation through manual text messages and payments through Swish⁴, and how Mylla's SaaS solution could help streamline this process. By increasing accessibility not only for direct producers but also for the communities that serve them, Mylla can attract producers who are not currently involved in their network.

Similarly, Skira is also focusing on enhancing the user experience on their platform. While Mylla's SaaS solution aims to streamline processes for producers and communities, Skira is currently working on making their platform more user-friendly for all users. The CEO stated, *"We are making a significant effort to make the website more user-friendly and accessible."* They further explained this by noting, *"We are offering*

³REKO stands for "Rejäl Konsumtion" and is a way of selling locally produced goods without intermediaries. (Skatteverket, n.d.)

⁴Swish is a payment service for payments between private users ("About Swish", n.d.)

a free version where users can access limited features but must pay for complete information." This approach allows users to interact with Skira's platform out of curiosity and gain a sense of the value it offers. Subsequently, users may find the platform attractive and decide to become part of the network, utilizing the complete service.

Leveraging Established Infrastructure to Develop Add-On Features refers to new business ideas that can be integrated into the current platform due to the previous enhancement of infrastructure. Given Mylla's mission to empower producers, they recognized significant potential in furthering their mission through the creation of their offered SaaS solution. Mylla's Head of Marketing highlighted the significance of their SaaS initiative, stating, "*The SaaS initiative facilitates convenient sales and logistics solutions for producers, enabling them to maintain their brand identity and establish direct communication with end customers.*" This initiative demonstrates Mylla's commitment to empowering producers while leveraging their enhanced infrastructure, which enables them to provide last-mile delivery to end customers and efficient administration, Mylla can now assist producers in developing their own websites by integrating the "purchase button" provided by Mylla to establish an online store. The "purchase button" serves as the link between Mylla's platform and the producer's web store, directing customers to Mylla's platform during the purchasing process. The same employee noted that "*Developing web stores can often be prohibitively expensive,*" which underscores why producers opted to embrace Mylla's SaaS solution.

Introducing the SaaS solution not only benefits producers but also aids Mylla in further reducing inventory risk by holding less stock. The Operations Manager remarked: "*With the SaaS initiative, risk and responsibility will be increasingly shouldered by producers, who will own the inventory, while Mylla will assume a supportive role, functioning akin to an external warehouse for producers.*" Additionally, the Head of Marketing emphasized: "*The SaaS solution complements our existing business model; what is happening is that we are leveraging our network to reach more customers,*" indicating that even when customers purchase products through the producer's web store, they remain customers of Mylla as well. The primary distinction lies in the ownership of the inventory at Mylla's warehouse.

The Business Area Manager of Mylla highlighted a potential challenge related to the seasonal nature of their product assortment. With approximately 30 percent of their products being seasonal, introducing a SaaS solution poses complexities. For example, a producer might supply Mylla with local asparagus during its season,

while also providing frozen berries year-round. During the asparagus season, Mylla experiences high customer demand for this product on their platform, while the demand for frozen berries remains stable. As a result, the Business Area Manager stated, "*Mylla would prefer to own the asparagus themselves to satisfy the intense demand on their platform during that period of time while the producer still owns the frozen berries*" through the SaaS solution. The dilemma lies in effectively communicating and ensuring the producer understands the difference between these two scenarios of asparagus and frozen berries.

The CEO and Co-Founder of Mylla brought up during the interview that "*We [Mylla] have started working on a collaboration project with Coop. And the idea behind this is an integration Mylla into the system of Coop to enable producers in Mylla's network to be exposed to the customer base at Coop.*" This would empower producers even more and gain further transactions through the new channel. And this is also possible due to the established and developed infrastructure of Mylla and makes it evident that additional features and channels can be reached in an efficient way.

Additionally, Skiras CEO mention improvements on their website aimed at enabling advertising capabilities and enhancing customer satisfaction. By attracting advertisers to the platform, Skira hopes to offer consumers lower prices. "*We anticipate scaling up our operations, allowing us to attract more advertisers. This means that we will generate revenue from advertising, which could potentially lower costs for farmers conducting business with us. So, as we grow, we gain a different kind of power as well.*"

4.3.2 Refining and Streamlining Operational Practices

In this sub-phase, mission-driven firms cultivate well-rounded teams that collaborate towards shared goals with efficiency. Three key activities contribute to refining and streamlining operational practices.

These are; *Acquiring External Expertise for Feature Implementation*, *Empowering Producers and Customers Further with Subscription Models* and *Improving Monetization Strategy to Ensure Sustainability*. These activities involve streamlining processes and adopting best practices from diverse perspectives, empowering producers, fostering a stronger connection between the platform and its users, and exploring new revenue streams. This includes improving pricing models and enhancing the overall monetization infrastructure.

During this sub-phase, mission-driven firms aim to optimize these practices to further reduce potential inefficiencies, thereby strengthening their operational foundation and paving the way for scaling.

Acquiring External Expertise for Feature Implementation refers to the hiring of external human talent needed to implement the new add-on features into the platform. The Head of Marketing of Mylla stated: "*We entered a phase where we are saving ourselves out, resting in shape, and have enlisted the help of a tech person with a background in e-commerce and who is, let's say, a full-stack developer.*" Since the goal with this particular acquisition was to get the technological bit of the new features of the SaaS solution in place. The new tech employee assisted Mylla in creating a proof of concept in terms of the "purchase button" on a prototype website that was supposed to mimic a producer's web shop. After employees at Mylla determined that the proof of concept were good enough and aligned with the intention of empowering producers, the tech person continued developing the concept into being a fully functioning and easy applicable SaaS solution.

To leverage the benefits as a producer that the SaaS solution delivers, it is necessary to have an own web shop where the "purchase button" can be integrated. Hence, the tech person enabled Mylla to easily set up web shops on producers' own websites. The SaaS solution were then integrated into a number web shops of producers who showed interest in testing the service, and was through dialogues with Mylla about their own capabilities, determined viable as test pilots for the service. Similar actions of creating user friendly platform solutions was made by Skira. The CEO stated that "*We also enlisted the services of a UX firm.*" The UX firm possessed expertise on how to further enhance and optimize the user experience of Skiras' platform. Additionally, this acquisition allowed and assisted Skira to open up their platform to make it accessible for more users.

Empowering Producers and Customers Further with Subscription Models refers to the development of additional ways mission-driven firms can earn revenue from. With the initiative to invest in the SaaS solution, the CEO and Co-Founder of Mylla noted, "*The SaaS solution is intended to enable that if new add-ons are introduced that Mylla can offer, it should be made possible in an easy way to be able to charge for it, value for the producer should be clear while Mylla should be able to charge.*" By charging a monthly fee for producers to use the SaaS solution, it will ensure that Mylla receives recurring revenue, while also motivating producers, as one employee stated, "*similar to when people buy gym memberships and feel like they have to exercise.*"

Subscriptions should also be available for customers, offering certain benefits such as free deliveries, to make the platform more attractive and create a loyal customer base. This aligns with the CEO of Skira's statement, "*As a customer, you should be able to choose subscriptions or to pay per transaction.*" Customers should have the option to choose between monthly subscriptions or per transaction payments, often based on purchase frequency.

This method of charging users for additional services and subscriptions not only fulfills the mission and empowers producers but also, according to the Head of Marketing at Mylla, "*creates a recurring revenue as a base that we can rely on.*" It allows Mylla to confidently take future potential risks through investments, as the new recurring revenue stream remains static even during times of low sales.

Improving Monetization Strategy to Ensure Sustainability refers to the refinement of monetization strategy to ensure financial gains while keeping alignment with the mission. The flaws that previously were mentioned by Mylla regarding the financial losses of the commission-model forced the firm to adapt the model to ensure financial profits for survival. This became evident from the interview with the Operations Manager of Mylla who stated "*And then, the thing was that we were in a situation where it was either raise the cut or face bankruptcy basically.*" At this stage, Mylla initiated work to more accurately calculate what it cost Mylla to deliver a single order. Costs that were included emerged from operations such as administration, packing and delivery of the orders. This work led to the development of the cost recovery model, a reformed commission-model and current monetization strategy utilized by Mylla. The cost recovery model has similarities with the commission-model, but the main difference is the way Mylla earns profit from it. It is closely linked to the initial monetization strategy of Skira where a predefined percentage is used. The new model also acts as a safety net for Mylla to increase the margins as the Operations Manager stated: "*The cost recovery model provides Mylla with security in never going negative on a produce*"

Through the interview with the CEO of Skira it became evident that Skira did not have to change their monetization strategy during this phase. The reason for this is that they already developed a cost recovery model based on a cut per ton in Phase 2 which still is utilized by the firm and fulfills the mission effectively.

4.3.3 Building an Engaged Customer Base

After expanding and diversifying the user base that align themselves with the mission, mission-driven firms can leverage this by utilizing the network of producers while also increasing the efforts of increasing loyalty and acquisition among users. This sub-phase includes three activities: *Leverage Producers' Network to Broaden Reach through Sense of Community, Increasing Customer Loyalty through Tailored Offerings* and *Cross-Section Interaction between Consumers and Producers*. It involves enhancing the relationships between the parties of the network to increase the transparency which further fulfills the mission even more.

Leveraging Producers' Network to Broaden Reach through Sense of Community refers to the efforts to utilize current producers of the network to gain more consumers and draw potential users to the platform of Mylla. They has placed great importance on positioning itself as an enabler and being seen as a collaborative partner. It has been important to create a mindset that emphasizes community and working as a group. When Mylla is about to start scaling, during interviews, great emphasis has been placed on leveraging the collective that has been created.

The SaaS initiative exemplifies this and enables producers to drive potential new customers to Mylla through their own digital channels. By offering producers the opportunity to set up their own web-shop on their websites, Mylla achieves two things; the first thing they achieve is that when a customer wants to make a purchase on the producer's website, they are directed to Mylla's website to complete the transaction, the CEO of Mylla states "*I see it as an octopus with tentacles that are out and bringing in potential customers to the same platform,*" this enables this customer to continue shopping on Mylla's website and thus benefits other producers by increasing their chances of getting their customers. The CEO evaluated on this point and stated that "*An innovative producer [first producer in the SaaS initiative] was very good at driving traffic in social media and has a couple of 1000 unique visitors every month. And if you went to their website then you probably should be interested in her produce. They had a button "Find my Products," but when you clicked it a list of around a 136 grocery stores across the country appeared, but it did not specify which store was nearby.*" Highlighting the problems the innovative producer was facing on converting potential customers into actual customers. The CEO also prolonged his argumentation and stated that customers who have knowledge about the innovative producer and were interested in buying their produce probably have a higher than average potential to be interested in produce offered at Mylla. This ties back to creating a community aspect they have strived to build. Mission plays an important

role here as it has driven the evolution of the platform in both increasing transparency and increasing producer power.

Increasing Customer Loyalty through Tailored Offerings refers to the strategic implementation of personalized benefits and perks aimed at fostering long-term relationships with customers. With the new monetization strategy, Mylla hopes to increase customer loyalty. The CEO evaluated the benefits of having a subscription model can greatly benefit Mylla in tailoring their offerings to meet the specific needs and preferences of their customers. As the CEO highlighted, "*You might have free shipping and member discounts. You might have first dibs on the year's first asparagus. First dibs on short-dated products that we know many like, and so that there is some value in being a member and having a subscription.*" This statement underscores the idea that subscriptions can be leveraged to provide added value to customers beyond just access to the platform.

By offering subscription packages, Mylla can customize the benefits and perks associated with each tier of membership. For example, as the CEO mentioned, subscribers might enjoy benefits such as free shipping, member discounts, or exclusive access to certain products or events. This approach not only incentivizes customers to subscribe but also creates a sense of exclusivity and privilege that enhances the overall customer experience. This emphasizes the value of having loyal consumers, with the CEO further stating, "*But what we get to this community part of our customer base so it is the last part.*" Highlighting the importance once again of having loyal customers but also the difference in community creation between producers and consumers.

Cross-Section Interaction between Consumers and Producers refers to the establishment of opportunities to facilitate direct engagement and dialogue between consumers and producers within the Swedish agri-food industry. This interaction enhances transparency, fosters community and drives positive change by connecting consumers with the stories behind the products they purchase.

The Area Business Manager of Mylla discussed this problem stating that "*It is equally important for them [producers] to meet consumers, just as we meet the producers.*" Highlighting that leveraging and sustaining the collective is necessary to have cross-section interaction between consumers and producers. They exemplified how this could be achieved by the same employee stating: "*During a meeting we had with almost all the producers, the suggestion of introducing a so called "Mylla fair" was raised and approved by several producers.*" The idea of the "Mylla fair" is that Mylla arrange annual events in different cities around Sweden. During this event,

producers who are a part of Mylla's network and located in that area gather together to create an opportunity for both sections of the network to meet each other in person. As a big part of the mission of Mylla is to increase transparency, the "Mylla fair" allow for "*knowing who it is that has produced blood, sweat, tears, divorces and all this misery that has gone through as a small business owner to be able to deliver produce.*" Furthermore, it will assist Mylla in acquiring more users to the network since producers allow themselves to market their brand and produce to customers. This will further increase the value proposition and collective feeling that combined strive to make the Swedish agri-food industry a more fair and sustainable market.

5

Framework for Growth and Scaling of Digital Platforms for Mission-Driven Firms

This framework, derived from the findings of this study while also drawing from current research about growth and scaling of digital platforms, delineates how mission-driven firms can expand and scale their digital platforms while remaining aligned with their mission to achieve social impact (See Figure 5.1). It comprises three sequential phases that mission-driven firms progress through during the process of growth and scaling, illustrating how these phases correspond to the attainment of their mission. The framework commences with the identification of an unresolved social or market problem, often stemming from perceived injustices against certain groups/segments or larger global issues such as climate change. Subsequently, mission-driven firms progress through these phases until they achieve the output: a Scaled Digital Platform Addressing the Identified Social or Market Problem. Drawing upon both the study's findings and current research on the growth and scaling of digital platforms, this framework offers valuable insights into how mission shapes and influences growth and scaling. Consequently, it illustrates the extent to which the mission influences actions across the identified phases.

Each phase consists of three sub-phases, focusing specifically on technology, management and people. Addressing all sub-phases is essential for mission-driven firms to reach a level where further expansion and advancement to the next phase become viable. However, it is noteworthy that although all sub-phases need to be addressed to fully achieve the desired effects from the particular phase, firms may progress to the next sub-phase before achieving everything in the previous phase. For instance, while Bootstrapping Non-Core Services may not be essential for initiating the process of Locating Investors who Share the Mission, it can significantly enhance a firm's chances of securing investments. This acknowledges the dynamic and complex nature of the startup world, necessitating a revising and iterative approach within phases.

In addition to outlining phases and key activities, this study identified three key principles for growing and scaling a digital platform for mission-driven firms, based on how strategic decisions are taken and influenced by the mission: *Put The Farmer First*, *Resist the Heinz Effect* and *Making Virtual a Reality*. These principles serve to guide mission-driven firms in their growth and scaling efforts during each respective phase and will be discussed in greater detail below.

Furthermore, the framework highlights the mission potential of firms through their platform. It demonstrates that as firms increase their user base, their ability to deliver social impact progresses along the three phases. Platform mission potential is not solely reliant on the numbers of customers and producers but also on the interaction between them. Thus, it can be seen that in the beginning when a firm has attracted producers but not yet customers, there is no interaction, and therefore the platform mission potential remains unrealized. It should also be noted that defining an upper limit for mission potential is complex, as the mission and the social impact that firms aim to achieve often continuously evolve and may never be fully realized. It is during scaling where mission-driven firms have the largest platform mission potential.

The transition from growth to scaling occurs when critical mass has been achieved, but determining when this transition occurs can be challenging. Critical mass is often determined by measuring interactions, which can be in the form of revenue the platform generates in comparison with operating costs or user engagement, such as the frequency of visits or recurring customers. Here, it is crucial to understand that critical mass is not a fixed point but rather a fluid concept influenced by various external factors, and the dynamics of digital platforms can evolve over time, further highlighting the dynamic reality of growing and scaling digital platforms.

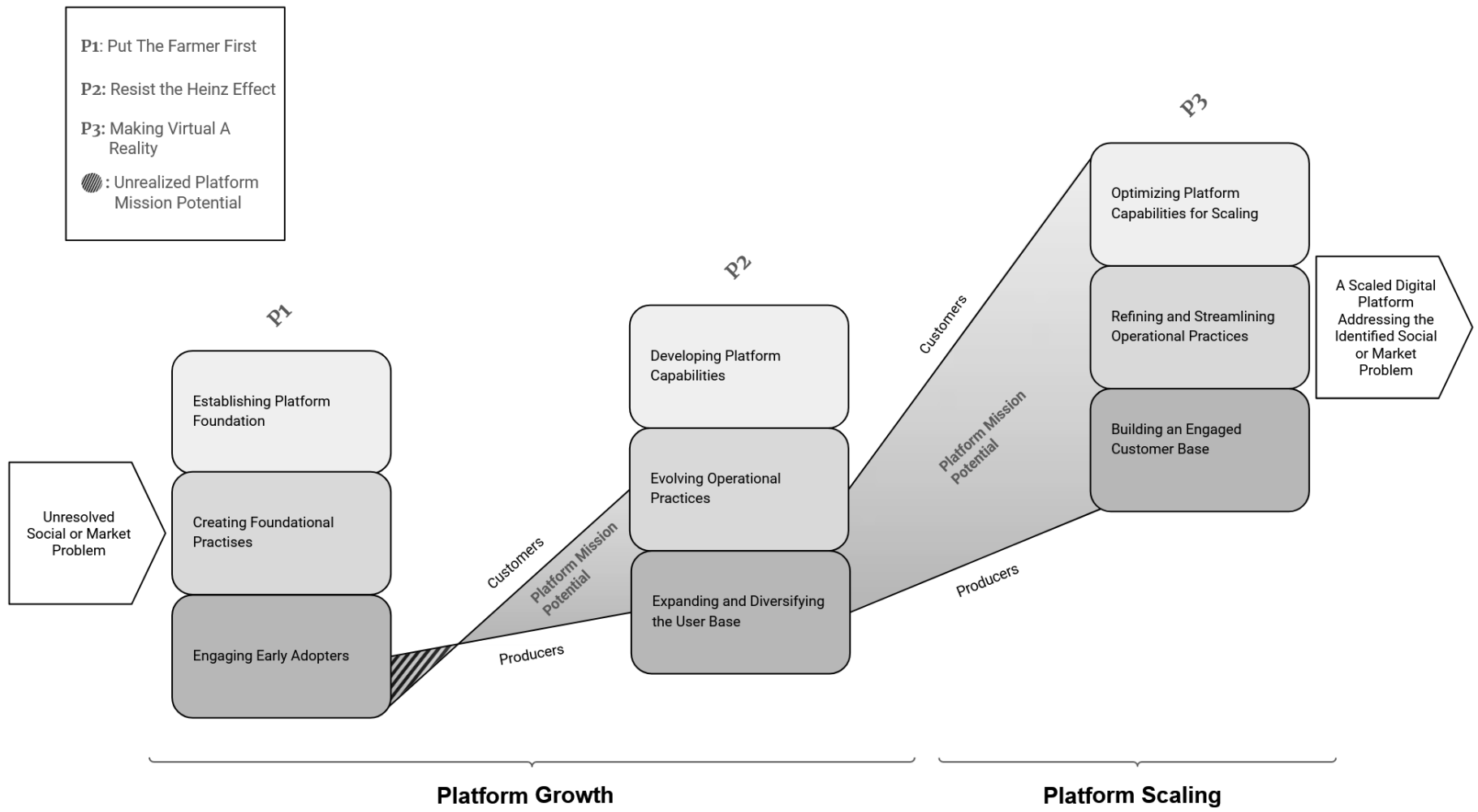


Figure 5.1: Framework for mission-driven firms to grow and scale their digital platform.

5. Framework for Growth and Scaling of Digital Platforms for Mission-Driven Firms

Firstly, as mission-driven firms aim to deliver social impact alongside financial returns, the principle of *Put The Farmer First* becomes paramount in the development of a digital platform proof of concept. It means embedding mission values into processes early on and prioritizing the needs and challenges of producers in decision-making. By doing so, mission-driven firms are able to integrate the core values and mission into every aspect of the platform from the onset, attracting producers at an early stage. Concentrating on communicating the value proposition rooted in their mission, firms enhance clarity in communicating the platform's purpose, tailored to address the needs of their target market. This is crucial for captivating early adopters and strategically allocating resources towards the most impactful user segments. The Engagement of Early Adopters is facilitated by Creating Foundational Practices and Establishing Platform Foundation. Additionally, embedding mission values, as part of Establishing Foundational Practices, heightens the likelihood that the initial team shares a strong commitment to fulfilling the mission, thereby maximizing alignment in decision-making processes. This aspect aligns with the Establishment of Platform Foundations, ensuring that the mission permeates every aspect of the venture.

Secondly, as mission-driven firms revolve around delivering value aligned with their mission, *Resist the Heinz Effect* means guarding against growth that compromises the mission. While it may be tempting, mission-driven firms must remain steadfast in upholding the central mission of their platform. The analogy of the Heinz Effect illustrates this concept of growth for a digital platform. The Heinz effect refers to an initial slow or no result from tipping the ketchup bottle, to suddenly becoming inundated in ketchup. This metaphor is apt in the context of digital platform growth. With an expected slow growth, digital platform owners may be tempted to include products and producers that do not align with the central mission and get a ketchup effect of sales. As explained by Mylla, they could start selling Heinz ketchup on their platform and drive an increase in sales. However, this would diverge from their mission, making it so that their expanding and diversifying of their user base is not aligned with their mission, hindering them from delivering social impact. By resisting the Heinz effect, it enables them to expand and diversify their user base while enhancing their capacity to deliver social impact, leading to fostering a sense of community through their mission, cultivating a feeling of belonging, and instilling a purpose that extends beyond mere financial objectives. Evolving Operational Efficiency and Development of Platform Capabilities are instrumental in facilitating the expansion and diversification of mission-driven firms' user base. By prioritizing growth that maintains alignment with the mission, firms can optimize their resources and efforts to better align the development of platform capabilities with their mission. Focusing on mission-aligned growth empowers firms to enhance platform capabilities

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conducive to scaling, as well as to refine operational efficiency to strengthen value-adding activities in alignment with the mission. This approach enables the firm to grow while augmenting its capacity to achieve greater social impact.

Lastly, during scaling, firms have the greatest potential to realize their mission, and adhering to the principle of *Making Virtual a Reality* becomes crucial to ensure that scaling efforts enhance rather than dilute the mission's influence. It entails transforming the digital realm into a tangible space where the mission's values are palpable and actively experienced. This means bridging the gap between the virtual world of the digital platform and the real-world impact it seeks to achieve. An illustrative example of this concept is the idea Mylla has proposed about a fair, where producers are able to sell their produce directly, enabling both producers and customers to connect and make the mission's potential tangible. This principle empowers firms to leverage the potential of digital platforms to not only deliver services but also to instill a profound sense of purpose and belonging within their user base, enabling them to fully deliver social impact in alignment with their intended mission. By focusing on the mission through community engagement, firms can transcend beyond financial goals and harness a sense of belonging to amplify their social impact. Optimizing Platform Capabilities for Scaling and Refining and Streamlining Operational Practices are essential for building an engaged customer base. By prioritizing community engagement, firms can optimize their platform capabilities to introduce features and developments that broaden their reach and foster a stronger sense of belonging. Improving and increasing platform accessibility empowers users to feel more empowered and involved in shaping ongoing social impact initiatives. Streamlining Operational Practices benefits from a focus on community, allowing firms to leverage practices that promote and enhance organizational cohesion to further support community engagement efforts.

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6

Discussion

This chapter explores the implications of the study's findings on the growth and scaling of mission-driven digital platforms, particularly within the context of the Swedish agri-food industry. It explores the theoretical and practical insights drawn from the study, shedding light on the unique challenges and opportunities faced by mission-driven firms as they navigate the digital landscape. While previous studies have covered how firms with financial objectives navigate opportunities and challenges to grow and scale a digital platform, there is a lack of research on how having a strong mission affects the decision-making and evolution of the platform. This study fills an important gap in current knowledge by explaining how strategic decisions are taken and influenced by the mission. With that, this study provides important implications for understanding mission alignment in platform growth and scaling.

6.1 Theoretical Implications

This study contributes to the understanding of mission-driven firms and their approach to platform growth and scaling. By synthesizing existing literature with empirical findings, it illustrates the interplay between mission alignment, strategic decision-making, and long-term platform growth and scaling. Drawing from frameworks proposed by scholars such as Varga, Veisdal and Casey, the challenges of attracting and retaining users within the digital platforms are dissected. Specifically, this study examines how the intangible value proposition of mission-driven firms necessitates a tailored communication strategy to effectively convey their mission and value to users. Additionally, exploration of how the cultural values inherent in the food industry shape consumer preferences and pose unique market constraints for mission-driven enterprises is conducted.

The developed framework contributes to a better understanding of how establishing a platform foundation, creating foundational practices and engaging early adopters prepare mission-driven firms for growth. According to Casey and Töyli (2012) and

Veisdal (2020), firms face challenges in determining effective strategies to attract and motivate producers and customers to join and remain. The findings indicate that missions are crucial for mission-driven firms in attracting a user base. Unlike profit-driven firms that compete with price and fast deliveries (Veisdal, 2020), mission-driven firms must deliver value through their mission, which is less tangible and requires a better understanding of how to communicate this value to producers and customers. The deeply rooted cultural values in the food industry influence consumer preferences (Steptoe et al., 1995), thereby impacting the acquisition of new customers. This suggests the potential for disrupting established consumer choices. Also, the studied cases have a limited available market based on limitations they impose on themselves through their mission. As the Swedish agri-food market is already "at capacity," meaning that every person buys food to at least sustain themselves, they may face the challenge of converting existing consumers from competitors, whereas other enterprises operating in different markets have the opportunity to convert non-customers into customers. This becomes an obstacle in the way that there is an extra barrier in converting customers rather than solely obtaining new ones. Thus, communication of the value proposition could be increasingly important in gaining an initial user base for mission-driven firms both in attracting producers and customers.

The second identified phase which focus on growth share similarities with Varga et al. (2023) platform growth where they derived the rule *Prioritize growth over everything else*, which embodies current approaches of digital platforms and the importance of gaining market shares early on. Similar to this study's findings, it appears that during phase 2: *Validating and Growing the Platform*, considerable efforts are focused on expanding the user base, but there are distinct differences in both how that is achieved and what means are available and deemed appropriate. While prioritizing and cultivating existing users is crucial for all types of firms, including profit-driven ones, it seems that it holds particular significance for mission-driven firms due to their strong reliance on community engagement and alignment with their mission. Cultivating network effects is deemed necessary in the growth of a digital platform (Parker et al., 2017) and may also apply to mission-driven firms. The difference comes from how they can be managed and utilized to maximize their effects, as current theory expands there is often a subsidized side that drives the evolution of these effects; in the context of growth, this often means that there is a money-losing side that is covered by the paying customer. For example in Varga et al. (2023) it meant "... *maximizing the platform's installed base [restaurants] as quickly as possible ... regardless of costs.*" Mission-driven firms may face monetary implications due to often limited funding resulting from their mission. It is learned that being mission-driven often leads to limitations in utilizing profit-driven strategies of subsi-

dizing the value-creating side due to a commitment to delivering consistent value to producers and users. This suggests that the limited increase of the installed base during the growth phase may be attributed to financial constraints and the necessity to align operations with their mission, ensuring the consistent delivery of a clear value proposition for their entire user base.

For mission-driven firms, their value propositions are closely linked to delivering ongoing social impact. This means that the commitment to their mission is integral and cannot be compromised. Prevalent in current research of growth for digital platforms is prioritizing growth (Varga et al., 2023). However, the reality for mission-driven firms is that the mission always needs to be taken into account, making it challenging to adhere strictly to that rule during this phase. Opportunities and strategic decisions that seem to increase market share may need to be overlooked in favor of the mission. For example, mission-driven firms in the agri-food industry might potentially increase their website traffic and sales by partnering with well-established and popular brands. However, their mission could prevent them from compromising their values in such partnerships. Mission-driven firms often prioritize achieving financial viability and establishing a sustainable business model during their growth phase. This challenges prevailing theories, which prioritize market shares over early profitability. The commitment to delivering ongoing social impact could impose limitations on the potential acquisition of market share, particularly in the short term, contrasting with the rapid growth objectives typically pursued by profit-driven digital platforms. While prioritizing social impact ensures a sustained focus on long-term goals, its immediate effects might constrain short-term market expansion.

While profitable growth seems important, especially for mission-driven firms during the growth phase, it is highlighted by the examined cases to establish a clear value proposition before implementing monetization strategies. Current research suggests that during growth, expenditures are higher than generated revenue (Varga et al., 2023), which also seems to be the case for mission-driven firms. In order to develop and increase the value proposition created by the installed user base, businesses are often required to have funding in the form of external investors. This is aligned with profit-driven digital platform growth, where enterprises often seek to broaden the value proposition through the acquisition of human talent and investments in technology, both in core and non-core services (Parker et al., 2017). This study indicates that a substantial difference between profit-driven enterprises and mission-driven firms when locating investors lies in the need to find investors who can align their investment with the mission. These investors should ideally prioritize alignment with

the firm's mission, ensuring they focus not only on profitability but also on the social impacts being achieved by these firms. This is based on the point of view of the firms seeking investments, and it should be mentioned that investors could see the mission as a competitive advantage, thinking about dividends in a more long-term strategy.

Being aligned with the mission also seems crucial for the attracting and nurturing of talents. As digital platforms grow, there is often a need to develop the competencies within a firm to enable growth and handle increased workload. Improving operational performance until a firm is in a place where it is ready to scale could be important for both profit-driven and mission-driven firms, but the requirements in sourcing and hiring personnel may differ. While profit-driven firms typically look for competence and personality (Varga et al., 2023), mission-driven firms might also need to consider the added implications of finding personnel who share and feel aligned with the mission. This need likely stems from the often more limited financial resources and the necessity to create and maintain the culture within the firm. As the mission closely aligns with the day-to-day operations, upholding this thinking and orientation might become essential. Thus, identifying suitable people who possess both the competencies and an alignment with the mission could increase the difficulties in recruiting. However, identifying personnel who share mission beliefs may present a greater potential for realizing significant benefits, as it could foster enhanced alignment of efforts, increased motivation, and improved team cohesion. These factors might collectively contribute to greater efficiency and effectiveness in achieving organizational goals.

The growth stage of digital platforms aims to achieve critical mass, a goal shared by both enterprises with purely financial objectives and mission-driven firms. However, identifying when this stage is reached presents a challenge for both. According to Varga et al. (2023), efforts are focused on accelerating the installed user base to quickly achieve critical mass. Similar patterns are observable for mission-driven firms, which invest significant efforts in acquiring producers enabling value creation for customers. Since critical mass relies on customers rather than producers, this study points towards the importance of the value proposition being clearly developed and communicated. One thing that seems to set mission-driven firms apart from enterprises with financial objectives is the expansion of the installed user base, underscoring the importance of creating value on both the supplier and customer sides. Given the often limited financial resources of mission-driven firms, it seems like transactions must generate value for all involved parties. This observation highlights how firms with financial objectives, often equipped with larger financial resources, can subsidize the value-creating side, inflating the value proposition to accelerate

efforts toward critical mass (Parker et al., 2017). For example, they might offer free or heavily discounted services to users or producers, effectively investing in rapid growth even at the expense of short-term profitability. For mission-driven firms, this highlights the emphasis on prioritizing profitable growth alongside a careful expansion strategy. Throughout the growth phase, substantial efforts could be dedicated to nurturing network effects, aiming to cultivate community engagement.

Determining when critical mass has been achieved can be challenging and may vary depending on the specific context and goals of the platform. Mancha et al. (2019) and Zeng et al. (2023) describe critical mass as the point at which a network or platform has gathered enough users or participants to become self-sustaining. This triggers a positive feedback loop where the platform becomes increasingly valuable to existing users as it attracts more users, thus attracting even more users. Varga et al. (2023) make the distinction between growth, which occurs before critical mass is achieved, and scaling, which occurs afterward. Understanding this transition can be challenging. However, the findings from this study suggest that the number of users can signal that critical mass is approaching or has been achieved. This growth can be measured in terms of user registrations and active users. Additionally, increasing levels of user engagement, such as the frequency of visits or recurring customers, can indicate that critical mass is being reached. Higher user engagement often suggests that the platform is providing value to its users and is becoming more integral to their online activities. Reaching a certain level of revenue or profitability may also suggest that critical mass has been reached. For instance, the number of orders, as pointed out in interviews, could be indicative of critical mass being reached. While these indicators can help assess whether critical mass has been achieved, understanding that critical mass is not a static point but rather a dynamic concept shaped by external factors is crucial, as the dynamics of digital platforms can evolve over time. Therefore, ongoing monitoring and analysis are essential to understanding the platform's growth and scaling.

After achieving critical mass, firms with financial objectives strive to boost revenues without disproportionately increasing costs (Varga et al., 2023). Monetization strategies seem to become crucial at this stage to ensure a sustainable revenue stream. Similarly, for mission-driven firms, the challenge during this phase is to increase revenues without proportionately escalating costs. However, due to their often more cautious growth approach, their monetization strategies seem to focus on capitalizing on the network effects generated through the sense of belonging they have cultivated within their community. While capitalizing on network effects through extended reach is also relevant for firms with financial objectives, it seems

to be particularly imperative for mission-driven firms whose value creation heavily relies on their mission.

6.2 Practical Implications

This study also contributes a number of practical implications for mission-driven entrepreneurs within the Swedish agri-food culture looking to grow and scale their digital platform. More particularly, the framework previously illustrated gives a deeper understanding on how mission-driven firms may enter the market, grow and scale their digital platform while balancing profitability and mission-alignment. Three recommendations are presented below, one for each phase of the framework.

In the initial phase, the emphasis lies on embedding mission values to construct a viable proof of concept before committing to significant investments. Particularly in the agri-food industry, where rooted cultural norms and regulatory hurdles often poses significant barriers for entry (Konkurrensverket, 2016), this study highlights the importance to refrain from making substantial financial commitments until it seems like that these barriers are achievable to overcome and the proposed mission-driven idea is viable. To navigate this challenging market in the agri-food industry, the early strategy of a mission-driven firm may entail adopting small-scale solutions aiming at generating value through the mission. By having a focus on offering value that originates from the mission with endeavor of creating sustainability or social impact, the objective is to attract an initial user base that supports the proof of concept and its attached mission. Achieving this initial user base through small-scale solutions could serve as a foundation and proof to allow for further expansion of the digital platform. This process facilitates the validation and adjustment of solutions based on feedback from users. Hence, it mitigates the potential risks associated with early large-scale investments. Furthermore, it is learned that demonstrating value early on through the mission induces credibility and generates momentum. These can be valuable assets in overcoming the initial barriers of the agri-food culture and allow for a balance between mission alignment and the further growth of the platform.

During the growth phase, mission-driven firms often strive to attract new producers and customers, but they need to tread cautiously in order to necessitate the delivery of value throughout this growth phase. Therefore, this study points towards the importance of mission-driven firms ensuring that the acquired capabilities can effectively handle the expansion of users without compromising the mission. This can be achieved by investing in technological capabilities such as a WMS system. While

such an implementation does not have an immediate connection to the mission, it enables the firm to deliver value to a larger user base more efficiently, indirectly impacting the mission. While mission-driven firms may exhibit eagerness to deliver value to everyone, it seems like they need to ensure that capabilities are in place to accommodate the growth of users. Furthermore, the findings of this study suggest that mission-driven firms would benefit from investing in mission-aligned human talent acquisition to accommodate growth in the user base while fostering a culture aligned with the mission to facilitate decision-making. It is also learned that establishing a dedicated team committed to the mission allows for the evolution of value propositions to better serve the mission.

Lastly, during the scaling phase, findings from this study suggest that mission-driven firms would benefit from leveraging the validated platform they have established. With the groundwork laid during earlier phases, the capabilities required for scaling are now in place and ready to be fully utilized. Hence, this study indicates that fostering more open communication and increasing transparency will build trust and loyalty among users. This approach allows the platform and team to converge collectively, exploring new avenues to deliver value to their users and further advance the mission. This phase presents an opportunity for teams to build upon their existing successes, innovate and solidify their position in delivering solutions aligned with their mission to a larger user base while achieving greater profits. It is also a time for mission-driven firms to strengthen relationships with key stakeholders, including employees, producers and customers.

7

Conclusion, Limitations and Future Research

This study investigated mission alignment during the growth and scaling of digital platforms within the Swedish agri-food industry. The study contributes to the understanding of how mission-driven firms navigate the digital landscape, make strategic decisions, and achieve platform growth and scaling. Through a synthesis of theoretical frameworks and empirical findings, several key conclusions emerged:

Mission Alignment and Strategic Decision-Making: This study highlights the importance of mission alignment in guiding strategic decision-making for mission-driven firms. Unlike profit-driven enterprises, mission-driven firms face unique challenges in communicating their value proposition and attracting users within the agri-food market.

Platform Growth and Scaling: The identification of distinct phases in the growth and scaling process of mission-driven digital platforms, emphasizing the need for a balance between prioritizing growth and maintaining alignment with the mission. Mission-driven firms must carefully cultivate network effects and prioritize social impact while pursuing sustainable growth strategies.

Practical Implications: The study offers practical recommendations for mission-driven entrepreneurs in the agri-food industry, emphasizing the importance of small-scale solutions, investment in technological capabilities and leveraging validated platforms for scaling. These recommendations provide actionable insights for navigating the challenges of platform growth while staying aligned with the mission.

Despite the valuable insights gained from this study, it is important to acknowledge its limitations, which may affect the interpretation and generalizability of the findings. Although rich data were collected from two mission-driven firms in the Swedish agri-food industry, the limited sample does not lead to any statistical

generalizability to a broader population. Instead the focus during this study have been on developing analytical generalizability with transferable insights from our findings to other similar contexts. This limitation suggests caution in extrapolating the results to broader contexts. Future research could address this limitation by employing larger and more diverse samples to enhance the robustness of the results.

Furthermore, future research could incorporate longitudinal studies to track the growth and scaling of mission-driven digital platforms over longer time. This approach would provide insights into the sustainability of mission alignment and the evolving dynamics of platform development, providing a deeper understanding of the dynamics of platform evolution and adaptation. While prioritizing social impact ensures a sustained focus on long-term goals, its immediate effects constrain short-term market expansion. This trade-off underscores the need for further evaluation of how the continuous delivery of social impact influences long-term outcomes. While short-term limitations are apparent, a deeper examination is required to understand the nuanced interplay between ongoing social impact and long-term monetary effects. Additionally, disparities in culture and regulations between countries may significantly impact the growth and scaling of digital platforms for mission-driven firms. Further research exploring the significance of such factors is recommended.

The study emphasizes the importance of shifting focus from platform growth to platform scaling. Future investigations could look into determining when the most suitable instance for mission-driven firms to conduct such a transition, particularly in achieving revenue while maintaining alignment with the mission. Additionally, research could explore scaling strategies that extend value propositions beyond their initial form, examining how missions evolve and change over time during scaling.

To conclude, this study has shed light on the complexities of growing and scaling mission-driven digital platforms in the agri-food industry. By examining the interplay between mission alignment, strategic decision-making and platform expansion, this study identified key considerations for practitioners and avenues for future research. However, recognizing the complexities and challenges inherent in this evolving landscape, continued research is essential to further the understanding and address the nuanced dynamics of mission-driven platform development.

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A

Interview Guide

- Can you tell me about yourself and your work at Mylla?
- Can you tell me about Mylla's journey, where you are today, and how you got there?
- Why does Mylla exist?
 - What problems do you solve?
 - What value do you create?
 - i. Has the problem you solve or the value you create changed over time?
 - What challenges have you encountered during your journey?
 - i. How have you addressed these challenges?
 - Have there been conflicts between balancing profitability and mission?
 - i. Have you looked at other companies with similar business models and used them for benchmarking?
- How has your financial profitability evolved from when you started until now?
 - How have you been funded?
 - Why have you chosen financing in that manner?
 - In theory, it's often discussed that costs are much higher than revenues during the growth phase when trying to capture market share. Does this apply to you?
 - i. If this applies to you, do you see a continued increase between these, or have they stabilized or decreased, with revenues exceeding costs?
 - ii. Which costs increase in parallel with revenues, such as logistics, perhaps?
 - iii. Which costs can remain at a relatively stable level while there is an increase in revenues/producers?

A. Interview Guide

- How did your pricing strategy evolve? In other words, how was it determined where it was most appropriate to charge?
 - i. Are there any shortcomings that you can identify with your current strategy? For example, if you increase the number of producers?
- Are you working towards automating/standardizing your operations?
 - How are you working towards that?
 - Why are you doing that?
 - How does the onboarding process for new producers/customers work?
- What goals do you have moving forward?
 - How/where are they formulated?
 - Who has formulated it?
 - What challenges do you foresee in achieving these goals?
 - For digital platforms, critical mass refers to the point at which a network or platform has gathered enough users or participants to become self-sustaining. What is this point for you?
- Is there anything you feel we have missed asking about or anything you would like to add?

The following questions were specifically posed to interviewees from Mylla:

- Can you tell me about your SaaS initiative?
 - What value does it create?
 - What problems does it solve?
 - What goals do you have moving forward?
 - Is there any potential conflict between your SaaS initiative and your website?

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