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## Why some technology start-ups grow (and grow)

### New report shows which business practices put companies on path to success

WATERLOO – Many Ontario tech firms grow well but why do some enjoy exceptional revenue growth? According to a new report, *Business (Practice) Makes Perfect – How Successful Technology Companies in Ontario Grow*, only six specific business practices contribute to a key output: growth in sales revenue.

Their impact, however, is experienced differently depending on the age of the company.

For instance, investing in sales activities and marketing efforts influences the success of younger firms (not more than six years old). Older firms (at least six years old) would be wise to spend money on research and development, focus attention on certain management structures and style, consider how they reward employees and strengthen their ability to scale.

To assess and compare revenue growth, the researchers targeted Ontario technology firms referred to as “scale-ups” — those already growing with a viable business model. Participating companies each completed an online survey answering questions about 24 business practices, covering everything from “entrepreneurial culture” to “access to funding.”

“The results suggest that younger and older scale-ups should concentrate on different business practices if they want to meet their revenue targets quickly,” said **Nicole Coviello**, Betty and Peter Sims Professor of Entrepreneurship and Professor of Marketing at the Lazaridis School of Business & Economics at Wilfrid Laurier University. “It’s not always about scaling – that’s important but it’s just a piece of the puzzle.”

It’s expected that this initial study of Ontario technology firms will act as a baseline for an annual research program conducted by the Lazaridis Institute for the Management of Technology Enterprises. The Lazaridis Institute, located within the Lazaridis School of Business & Economics, has a mandate to help Canadian technology companies grow to become globally competitive.

“It’s no secret that Canadian innovators are good at launching start-ups, but they don’t always perform as globally competitive technology companies,” said Coviello. “These initial findings suggest that focusing on certain business practices and capabilities can help. We want to explore these findings over time so that Canadian firms are better equipped to drive long-term, sustainable growth.”

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